

Senate Calendar

FRIDAY, MAY 10, 2019

SENATE CONVENES AT: 11:30 A.M.

TABLE OF CONTENTS

Page No.

ACTION CALENDAR

UNFINISHED BUSINESS OF MAY 3, 2019

House Proposal of Amendment

S. 149 An act relating to miscellaneous changes to laws related to vehicles and the Department of Motor Vehicles.....2141

NEW BUSINESS

Third Reading

H. 460 An act relating to sealing and expungement of criminal history records.....2155

H. 533 An act relating to workforce development.....2155

H. 541 An act relating to changes that affect the revenue of the State..... 2155

H. 543 An act relating to capital construction and State bonding..... 2155

Second Reading

Favorable with Proposal of Amendment

H. 16 An act relating to boards and commissions
Government Operations Report - Sen. White 2156
Appropriations Report - Sen. Ashe 2180

H. 330 An act relating to repealing the statute of limitations for civil actions based on childhood sexual abuse
Judiciary Report - Sen. Sears 2180

House Proposal of Amendment to Senate Proposal of Amendment

H. 514 An act relating to miscellaneous tax provisions.....2181

NOTICE CALENDAR

Second Reading

Favorable

- H. 539** An act relating to approval of amendments to the charter of the Town of Stowe and to the merger of the Town and the Stowe Fire District No. 3
Government Operations Report - Sen. Collamore 2185
- H. 540** An act relating to approval of the amendments to the charter of the Town of Williston
Government Operations Report - Sen. Collamore 2186
- H. 544** An act relating to approval of amendments to the charter of the City of Burlington
Government Operations Report - Sen. Collamore 2186
- H. 549** An act relating to approval of the dissolution of Rutland Fire District No. 10
Government Operations Report - Sen. Collamore 2186

Favorable with Proposal of Amendment

- H. 536** An act relating to education finance
Finance Report - Sen. Cummings2186

House Proposal of Amendment to Senate Proposal of Amendment

- H. 133** An act relating to miscellaneous energy subjects.....2187

CONCURRENT RESOLUTIONS FOR ACTION

- H.C.R. 165 - 175** (For text of Resolutions, see Addendum to House Calendar for May 9, 2019).....2190

ORDERS OF THE DAY

ACTION CALENDAR

UNFINISHED BUSINESS OF FRIDAY, MAY 3, 2019

House Proposal of Amendment

S. 149

An act relating to miscellaneous changes to laws related to vehicles and the Department of Motor Vehicles.

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

First: By striking out Sec. 1, 23 V.S.A. § 104(a), in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 23 V.S.A. § 104(a) is amended to read:

~~(a) The records of the registration of motor vehicles, snowmobiles, and motorboats, licensing of operators and registration of dealers, all original accident reports, and the records showing suspension and revocation of licenses and registrations and the records regarding diesel fuel, gasoline, and rental vehicle taxes shall be deemed official and public records, and shall be open to public inspection at all reasonable hours. The Commissioner shall furnish certified copies of the records to any interested person on payment of such fee as established by subdivision 114(a)(21) of this title. Notwithstanding section 114 of this title, information from the records of the Department may be made available to government agencies in the manner determined by the Commissioner and at the actual cost of furnishing the same. The records may be maintained on microfilm or electronic imaging. Any information contained in Department records is subject to and shall be released pursuant to the Driver's Privacy Protection Act, 18 U.S.C. chapter 123 as amended.~~

Second: By striking out Sec. 2, 23 V.S.A. § 114, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. 23 V.S.A. § 114 is amended to read:

§ 114. FEES

(a) The Commissioner shall be paid the following fees for miscellaneous transactions:

- | | |
|--|---------|
| (1) Listings of 1 through 4 registrations | \$8.00 |
| (2) Certified copy of registration application | \$8.00 |
| (3) Sample plates | \$18.00 |

(4) Lists of registered dealers, transporters, periodic inspection stations, fuel dealers, and distributors, including gallonage sold or delivered and rental vehicle companies	\$8.00 per page
(5) [Repealed.]	
(6) Periodic inspection sticker record	\$8.00
(7) Certified copy individual accident crash report	\$12.00
(8) Certified copy police accident crash report	\$18.00
(9) Certified copy suspension notice	\$8.00
(10) Certified copy mail receipt	\$8.00
(11) Certified copy proof of mailing	\$8.00
(12) Certified copy reinstatement notice	\$8.00
(13) Certified copy operator's license application	\$8.00
(14) Certified copy three-year operating record	\$14.00
(15) [Repealed.]	
(16) Government official photo identification card	\$6.00
(17) Listing of operator's licenses of 1 through 4	\$8.00
(18) Statistics and research	\$42.00 per hour
(19) Insurance information on crash	\$8.00
(20) Certified copy complete operating record	\$20.00
(21) Records not otherwise specified	\$8.00 per page
(22) List of title records and related data elements excluding any personally identifiable information—initial computer programming <u>Public records request for Department records requiring custom computer programming</u>	\$5,331.00 <u>\$100.00 per hour, but not less than \$500.00</u>
(23) List of title records and related data elements excluding any personally identifiable information—record set on electronic media <u>Public records request for Department records requiring custom computer programming (updated)</u>	\$119.00

(b) The Commissioner shall furnish the items listed in subsection (a) of this section ~~only upon a request which~~ that completely identifies the information sought or pursuant to a contract with an outside entity for purposes permitted under law, including the Driver's Privacy Protection Act, 18 U.S.C. chapter 123 as amended. ~~Completely identifying~~ For purposes of this subsection, a request that completely identifies the information sought for individuals an individual shall mean name and date of birth, and for vehicles it a vehicle shall mean either the registration number or the vehicle identification number.

Third: By striking out Sec. 16, 23 V.S.A. chapter 41, in its entirety and inserting in lieu thereof a new Sec. 16 to read as follows:

Sec. 16. 23 V.S.A. chapter 41 is added to read:

CHAPTER 41. AUTOMATED VEHICLE TESTING

§ 4201. SHORT TITLE

This chapter may be cited as the Automated Vehicle Testing Act.

§ 4202. DEFINITIONS

As used in this chapter:

(1) “Automated driving system” means the hardware and software that are collectively capable of performing the entire dynamic driving task within its operational design domain, if any, including achieving a minimal risk condition, without any intervention or supervision by a conventional human driver.

(2) “Automated vehicle” means a motor vehicle that is equipped with an automated driving system.

(3) “Automated vehicle tester” or “tester” means an individual, company, public agency, or other organization that is testing automated vehicles on public highways in this State pursuant to this chapter including an automated vehicle manufacturer, municipal or State agency, institution of higher education, fleet service provider, or automotive equipment or technology provider.

(4) “Conventional human driver” means an individual who manually engages in-vehicle braking, accelerating, steering, and transmission gear selection input devices in order to operate a vehicle.

(5) “Dynamic driving task” means all the real-time operational and tactical functions required to operate a vehicle in on-road traffic within its specific operational design domain, if any, excluding the strategic functions such as trip scheduling and selection of destinations and waypoints.

(6) “Highly automated vehicle” means a vehicle equipped with an automated driving system capable of performing all aspects of the dynamic driving task within its operational design domain, if any, including achieving a minimal risk condition, without any intervention or supervision by a conventional human driver.

(7) “Manufacturer” means an individual or company that designs, produces, or constructs vehicles or equipment. Manufacturers include original equipment manufacturers (OEMs), multiple and final stage manufacturers, individuals or companies making changes to a completed vehicle before first retail sale or deployment (upfitters), and modifiers (individuals or companies making changes to existing vehicles after first retail sale or deployment).

(8) “Minimal risk condition” means a condition in which an automated vehicle operating without a human driver, upon experiencing a failure of its automated driving system that renders the automated vehicle unable to perform the dynamic driving task, achieves a reasonably safe state that may include bringing the automated vehicle to a complete stop.

(9) “Operational design domain” means a description of the specific domain or domains in which an automated driving system is designed to properly operate, including types of roadways, ranges of speed, weather, time of day, and environmental conditions.

(10) “Operator” means an individual employed by or under contract with an automated vehicle tester who has successfully completed the tester’s training on safe driving and the capabilities and limitations of the automated vehicle and automated driving system, can take immediate manual or remote control of the automated vehicle being tested, is 21 years of age or older, and holds an operator’s license for the class of vehicle being tested.

(11) “Public highway” means a State or municipal highway as defined in 19 V.S.A. § 1(12).

§ 4203. TESTING OF AUTOMATED VEHICLES ON PUBLIC HIGHWAYS

(a) An automated vehicle shall not be operated on public highways for testing until the Traffic Committee as defined in 19 V.S.A. § 1(24) approves a permit application for automated vehicle testers that defines the geographic scope and operational design domain for the test and demonstrates the ability of the automated vehicle tester to comply with the requirements of this section.

(b) Prior to approving a permit application, the Traffic Committee will conduct a hearing to provide for comments from the public. Legislative bodies of the municipalities where an automated vehicle will be tested shall be

notified by the Traffic Committee 60 calendar days prior to the Traffic Committee hearing when the geographic scope of the test includes State highways or Class 1, 2, 3, or 4 Town Highways, as classified pursuant to 19 V.S.A. § 302, within the geographic boundaries of the municipality.

(c) The Traffic Committee is authorized to approve the testing of automated vehicles on:

(1) All State highways and Class 1 Town Highways.

(2) Class 2, 3, and 4 Town Highways within the geographic boundaries of municipalities that have preapproved testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality as of the date the permit application for automated vehicle testing is filed. A municipality may immediately revoke its preapproval of automated vehicle testing by notifying the Secretary of Transportation in writing that it no longer wishes to allow testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality.

(d) The Agency of Transportation's Automated Vehicle Testing Guide shall include a list of municipalities that have preapproved testing of automated vehicles and shall update the Automated Vehicle Testing Guide within 10 business days after a municipality notifies the Secretary of Transportation in writing that it now wishes to allow testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality or no longer wishes to allow testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality.

(e) The Traffic Committee has the sole authority to approve specific test permit applications. Municipal approval of specific testing permits is not required. Notwithstanding subdivision (c)(2) of this section, after a test permit has been approved by the Traffic Committee, all modifications to the operational design domain or other permit conditions, including changes affecting town highways in a preapproved testing municipality, requires approval by the Traffic Committee.

(f) Before a test commences, the Traffic Committee shall make approved automated vehicle test permits readily available to law enforcement and municipalities within the geographic scope of the operational design domain designated in the permit.

(g) The automated vehicle tester shall submit a report to the Traffic Committee annually, until all testing ceases, summarizing results and observations related to safety, traffic operations, interaction with roadway infrastructure, comments from the public, and any other relevant matters.

(h) An automated vehicle tester shall not test an automated vehicle on a public highway unless:

(1) The operator is:

(A) seated in the driver's seat of the automated vehicle;

(B) monitoring the operation of the automated vehicle; and

(C) capable of taking immediate manual control of such automated vehicle.

(2) The automated vehicle tester:

(A) registers each automated vehicle to be tested with the Commissioner pursuant to chapter 7 of this title;

(B) submits to the Commissioner, in a manner and form directed by the Commissioner, proof of liability insurance, self-insurance, or a surety bond of at least five million dollars for damages by reason of bodily injury, death, or property damage caused by an automated vehicle while engaged in automated vehicle testing;

(C) has established and enforces a zero-tolerance policy for drug and alcohol use by operators while engaged in automated vehicle testing. The policy shall include provisions for investigations of alleged policy violations and the suspension of drivers under investigation; and

(D) has conducted background checks for all operators pursuant to section 751 of this title, which may be inspected by the Commissioner of Motor Vehicles or designee pursuant to section 752 of this title.

(3) The operator and automated vehicle tester:

(A) comply with applicable standards established by the National Highway Traffic Safety Administration regarding the testing of automated vehicles or are capable of providing proof of exemptions or waivers to such standards;

(B) report to the Agency of Transportation and the applicable law enforcement agency within 72 hours after any motor vehicle crash involving the testing of the automated vehicle that results in personal injury or property damage; and

(C) satisfy any other requirements and permit conditions as determined by the Traffic Committee as necessary to ensure the safe operation of such automated vehicles.

(i) An automated vehicle testing permit may be voided and invalidated for the trip by a law enforcement officer who determines there is a violation of

any condition specified in the terms of the automated vehicle test permit or that the continuation of the trip would be unsafe.

(j) An automated vehicle testing permit may be suspended or revoked by the Traffic Committee if, after the opportunity for a hearing, the Traffic Committee determines that there is a violation of any condition or conditions specified in the terms of the automated vehicle test permit that warrants the suspension or revocation of the testing permit or that the continuation of the testing would be unsafe.

(k) Operating or testing in violation of a suspension or revocation order shall be a traffic violation for which there shall be a penalty of not more than \$1,000.00.

(l) Test vehicles must be capable of operating in compliance with applicable traffic and motor vehicle laws of this State, subject to this subchapter.

(m) An individual shall not operate, attempt to operate, or be in actual physical control of an automated vehicle being tested on a public highway when the individual's blood alcohol concentration is 0.02 or more.

(n) An automated vehicle being tested on a public highway shall be clearly identifiable by the public.

Fourth: By striking out Sec. 18, automated vehicle testing implementation, in its entirety and inserting in lieu thereof a new Sec. 18 to read as follows:

Sec. 18. AUTOMATED VEHICLE TESTING IMPLEMENTATION

(a) As soon as practicable, but not later than January 1, 2021, the Agency of Transportation, in consultation with Vermont's Regional Planning Commissions, shall identify which legislative bodies of municipalities in the State have approved the testing of automated vehicles on the Class 2, 3, and 4 Town Highways, as classified pursuant to 19 V.S.A. § 302, within the geographic boundaries of the municipality.

(b) As soon as practicable, but not later than January 1, 2021, the Agency of Transportation shall publish an Automated Vehicle Testing Guide and application form to support review by the Traffic Committee and consistent with the requirements of 23 V.S.A. § 4203 as added in Sec. 16 of this act, including that the Automated Vehicle Testing Guide include a list of municipalities that have preapproved testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality and be updated whenever a new municipality wishes to allow testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality or a municipality no longer wishes to allow

testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality.

(c) The Agency of Transportation may adopt rules to implement the provisions of 23 V.S.A. chapter 41 as added in Sec. 16 of this act.

Fifth: By striking out Sec. 23, 23 V.S.A. § 631, in its entirety and inserting in lieu thereof a new Sec. 23 to read as follows:

Sec. 23. 23 V.S.A. § 631 is amended to read:

§ 631. REQUIREMENTS; RULES

(a) The Commissioner may adopt rules pursuant to 3 V.S.A. chapter 25 governing the examination of new applicants for ~~operators'~~ operator's licenses and may prescribe ~~what shall be requisite~~ requirements to obtain or hold a license or learner's permit, by either a new or renewal applicant, as to driving experience, mental and physical qualifications, and any other matter or thing ~~which that~~, in his or her judgment, will contribute to the selection of safe and efficient operators.

(b) Any written forms, applications, or tests used by the Department of Motor Vehicles for operator licensing shall be translated into primary languages of nations from which individuals assisted by the U.S. Committee for Refugees and Immigrants Vermont in the prior 10 years hail, as determined on an annual basis by the Department in consultation with the U.S. Committee for Refugees and Immigrants Vermont, and available at all Department locations and on the Department's website if the English version is available. Nothing in this subsection is intended to require the Department to translate any educational manuals.

Sixth: By striking out Sec. 25, 23 V.S.A. § 4108, in its entirety and inserting in lieu thereof a new Sec. 25 to read as follows:

Sec. 25. [Deleted.]

Seventh: By striking out Sec. 28, effective dates, and its accompanying reader assistance heading in their entirety and inserting in lieu thereof the following:

* * * Colored Signal Lamps * * *

Sec. 28. 23 V.S.A. § 1252 is amended to read:

§ 1252. ISSUANCE OF PERMITS FOR SIRENS OR COLORED LAMPS,
OR BOTH; USE OF AMBER LAMPS

(a) When satisfied as to the condition and use of the vehicle, the Commissioner shall issue and may revoke, for cause, permits for sirens ~~or~~ and colored signal lamps in the following manner:

(1) Sirens, ~~or blue or blue and~~ signal lamps, red signal lamps, white signal lamps, or a combination of these thereof, may be authorized for all law enforcement vehicles owned or leased by a law enforcement agency, a certified law enforcement officer, or the Vermont Criminal Justice Training Council. If the applicant is a constable, the application shall be accompanied by a certification by the town clerk that the applicant is the duly elected or appointed constable and attesting that the town has not voted to limit the constable's authority to engage in enforcement activities under 24 V.S.A. § 1936a.

(2) Sirens and red or red and white signal lamps may be authorized for all ambulances, ~~fire apparatus~~ and other emergency medical service (EMS) vehicles, vehicles owned or leased by a fire department, vehicles used solely in rescue operations, or vehicles owned or leased by, or provided to, volunteer firefighters and voluntary rescue squad members, including a vehicle owned by a volunteer's employer when the volunteer has the written authorization of the employer to use the vehicle for emergency fire or rescue activities. A single blue signal lamp may be authorized for all ambulances, other EMS vehicles, and vehicles owned or leased by a fire department or rescue squad organization, provided that the Commissioner shall require the lamp to be mounted so as to be visible primarily from the rear of the vehicle.

(3) No vehicle may be authorized a permit for more than one of the combinations described in subdivisions (1) and (2) of this subsection.

(4) No motor vehicle, other than one owned by the applicant, shall be issued a permit until the Commissioner has recorded the information regarding both the owner of the vehicle and the applicant for the permit.

(5) Upon application to the Commissioner, the Commissioner may issue a single permit for all the vehicles owned or leased by the applicant.

(6) Sirens and red or red and white signal lamps, or sirens and blue or blue and white signal lamps, may be authorized for restored emergency or enforcement vehicles used for exhibition purposes. Sirens and lamps

authorized under this subdivision may only be activated during an exhibition, such as a car show or parade.

(b) Amber signal lamps shall be used on road maintenance vehicles, service vehicles, and wreckers and shall be used on all registered snow removal equipment when in use removing snow on public highways and the amber lamps shall be mounted so as to be visible from all sides of the motor vehicle. ~~A vehicle equipped with an amber signal lamp may not be issued a permit for the installation and use of a siren.~~

* * * Junior Operator Use of Portable Electronic Devices * * *

Sec. 29. 23 V.S.A. § 1095a(d) is added to read:

(d)(1) A person who violates this section commits a traffic violation as defined in section 2302 of this title and shall be subject to a civil penalty of not less than \$100.00 and not more than \$200.00 for a first violation, and of not less than \$250.00 and not more than \$500.00 for a second or subsequent violation within any two-year period.

(2) A person convicted of violating this section while operating within the following areas shall have four points assessed against his or her driving record for a first conviction and five points assessed for a second or subsequent conviction:

(A) a properly designated work zone in which construction, maintenance, or utility personnel are present; or

(B) a school zone marked with warning signs conforming to the Manual on Uniform Traffic Control Devices.

(3) A person convicted of violating this section outside the areas designated in subdivision (2) of this subsection shall have two points assessed against his or her driving record.

Sec. 29a. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against his or her driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to Title 23 of the Vermont Statutes Annotated.)

(1) Two points assessed for:

* * *

(LL)(i) § 1095.

Entertainment picture visible to operator;

(ii) § 1095a(d)(3).

Junior operator use of portable electronic device outside work or school zone;

(iii) § 1095b(c)(3).

Use of portable electronic device outside work or school zone;

* * *

(3) Four points assessed for:

* * *

(E) § 1095a(d)(2).

Junior operator use of portable electronic device in work or school zone—first offense;

(F) § 1095b(c)(2).

Use of portable electronic device in work or school zone—first offense;

(4) Five points assessed for:

* * *

(D) § 1095a(d)(2).

Junior operator use of portable electronic device in work or school zone—second and subsequent offenses;

(E) § 1095b(c)(2).

Use of portable electronic device in work or school zone—second and subsequent offenses;

* * *

* * * Master License Agreement Study * * *

Sec. 30. STUDY ON THE AGENCY OF TRANSPORTATION'S USE OF MASTER LICENSE AGREEMENTS AND ALTERNATIVE OPTIONS

The Agency of Transportation, in consultation with the Vermont League of Cities and Towns, shall report back to the House and Senate Committees on Transportation on or before November 15, 2019 concerning the use and contents of master license agreements and other agreements or contracts by the Agency of Transportation when a municipality, utility, or other person needs to use the right-of-way for the line of railroad owned by the State. The report shall include the history of the Agency's use of master license agreements and

other agreements or contracts, including the contents thereof; alternatives to the use of such agreements; whether a municipality or municipal operated utility can secure sufficient insurance coverage to enter into the Agency's current iteration of the standard conditions to the master license agreement it uses when a municipality, utility, or other person needs to use the right-of-way for the line of railroad owned by the State; and what other states do when a municipality, utility, or other person needs to use the right-of-way for any state-owned railroad lines.

* * * Safety Belts * * *

Sec. 31. 23 V.S.A. § 1259 is amended to read:

§ 1259. SAFETY BELTS; PERSONS AGE 18 YEARS OF AGE OR OVER

* * *

~~(e) This section may be enforced only if a law enforcement officer has detained the operator of a motor vehicle for another suspected traffic violation. An operator shall not be subject to the penalty established in this section unless the operator is required to pay a penalty for the primary violation. [Repealed.]~~

(f) The penalty for violation of this section shall be as follows:

- (1) ~~\$25.00~~ \$0.00 for a first violation;
- (2) ~~\$50.00~~ \$25.00 for a second violation;
- (3) \$50.00 for a third violation; and
- (4) \$100.00 for ~~third~~ fourth and subsequent violations.

Sec. 31a. REPORTING BY THE DEPARTMENT OF MOTOR VEHICLES

The Vermont Criminal Justice Training Council, in consultation with law enforcement agencies, shall submit a written report to the House and Senate Committees on Transportation and on Judiciary on or before the 15th day of January in 2022, 2023, and 2024 containing, for the prior State fiscal year:

(1) the total number of traffic stops broken out by race of the driver involved in the traffic stop; and

(2) the following information for all traffic stops involving safety belts not worn by persons 18 years of age or over:

(A) the age, gender, and race of the driver involved in the traffic stop;

(B) the reason for the traffic stop;

(C) the type of search conducted, if any;

(D) the evidence located, if any;

(E) the outcome of the traffic stop, including whether:

(i) a written warning was issued,

(ii) a citation for a civil ticket was issued;

(iii) a citation or arrest for a misdemeanor or a felony occurred; or

(iv) no subsequent action was taken;

(F) summary data broken out by age, gender, race, and outcome of the traffic stop where the reason for the stop was the primary enforcement of a person 18 years of age or over not wearing a safety belt; and

(G) summary data broken out by age, gender, race, and outcome of the traffic stop where the reason for the stop was for any reason other than the primary enforcement of a person 18 years of age or over not wearing a safety belt.

* * * Motor Vehicle Registrations * * *

Sec. 32. 23 V.S.A. § 307 is amended to read:

§ 307. CARRYING OF REGISTRATION CERTIFICATE; REPLACEMENT AND CORRECTED CERTIFICATES

(a) A person shall not operate a motor vehicle nor draw a trailer or semi-trailer unless all required registration certificates are carried in some easily accessible place in the motor vehicle.

(b) In case of the loss, mutilation, or destruction of a certificate, the owner of the vehicle described in it shall forthwith notify the Commissioner and remit a fee of \$16.00, upon receipt of which the Commissioner shall furnish the owner with a duplicate certificate.

(c) A corrected registration certificate shall be furnished by the Commissioner upon request and receipt of a fee of \$16.00.

(d) An operator cited for violating subsection (a) of this section with respect to a pleasure car, motorcycle, or truck that could be registered for less than 26,001 pounds shall be subject to a civil penalty of not more than \$5.00, which penalty shall be exempt from surcharges under 13 V.S.A. § 7282(a), if he or she is cited within the 14 days following the expiration of the motor vehicle's registration.

Sec. 33. 23 V.S.A. § 511 is amended to read:

§ 511. MANNER OF DISPLAY

(a) A motor vehicle operated on any highway shall have displayed in a conspicuous place either one or two number plates as the Commissioner may require. Such number plates shall be furnished by the Commissioner and shall show the number assigned to such vehicle by the Commissioner. If only one number plate is furnished, the same shall be securely attached to the rear of the vehicle. If two are furnished, one shall be securely attached to the rear and one to the front of the vehicle. The number plates shall be kept entirely unobscured, and the numerals and the letters thereon shall be plainly legible at all times. They shall be kept horizontal, shall be so fastened as not to swing, excepting however, there may be installed on a motor truck or truck tractor a device which would, upon contact with a substantial object, permit the rear number plate to swing toward the front of the vehicle, provided such device automatically returns the number plate to its original rigid position after contact is released, and the ground clearance of the lower edges thereof shall be established by the Commissioner pursuant to the provisions of 3 V.S.A. chapter 25.

(b) A registration validation sticker shall be unobstructed, and shall be affixed as follows:

(1) for vehicles issued registration plates with dimensions of approximately 12 × 6 inches, in the lower right corner of the rear registration plate; and

(2) for vehicles issued a registration plate with a dimension of approximately 7 × 4 inches, in the upper right corner of the rear registration plate.

(c) A person shall not operate a motor vehicle unless number plates and a validation sticker are displayed as provided in this section.

(d) An operator cited for violating subsection (c) of this section with respect to failure to display a validation sticker on a pleasure car, motorcycle, or truck that could be registered for less than 26,001 pounds shall be subject to a civil penalty of not more than \$5.00, which penalty shall be exempt from surcharges under 13 V.S.A. § 7282(a), if he or she is cited within the 14 days following the expiration of the motor vehicle's registration.

* * * Motor Vehicle Inspections * * *

Sec. 34. 23 V.S.A. § 1222(c) is amended to read:

(c) A person shall not operate a motor vehicle unless it has been inspected as required by this section and has a valid certification of inspection affixed to it. A person shall be subject to a ~~fine~~ civil penalty of not more than \$5.00, which penalty shall be exempt from surcharges under 13 V.S.A. § 7282(a), if he or she is cited for a violation of this section within the 14 days following expiration of the motor vehicle inspection sticker. The month of next inspection for all motor vehicles shall be shown on the current inspection certificate affixed to the vehicle.

* * * Effective Dates * * *

Sec. 35. EFFECTIVE DATES

(a) This section and Secs. 26 (Department of Motor Vehicles training), 27 (translated documents and use of interpreters implementation), and 30 (master license agreement study) shall take effect on passage.

(b) Secs. 23 (written forms) and 24 (examination required) shall take effect on July 1, 2020.

(c) All other sections shall take effect on July 1, 2019.

NEW BUSINESS

Third Reading

H. 460.

An act relating to sealing and expungement of criminal history records.

H. 533.

An act relating to workforce development.

H. 541.

An act relating to changes that affect the revenue of the State.

H. 543.

An act relating to capital construction and State bonding.

Second Reading
Favorable with Proposal of Amendment

H. 16.

An act relating to boards and commissions.

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

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

* * * Vermont State Archives and Records Administration; State Boards and
Commissions Registry * * *

Sec. 1. 3 V.S.A. § 116a is amended to read:

§ 116a. MAINTENANCE OF INVENTORY OF STATE BOARDS AND COMMISSIONS REGISTRY

(a)(1) ~~The Secretary of State~~ Vermont State Archives and Records Administration shall maintain and make available on ~~his or her official~~ its website ~~an inventory~~ a registry of the State boards and commissions, and shall update that ~~inventory~~ registry when changes are made that affect the information provided in the ~~inventory~~ registry.

(2)(A) The ~~inventory~~ registry shall include the names of the members of each State board and commission, their term length and expiration, and their appointing authority.

(B) Each State board and commission shall be responsible for providing to the ~~Secretary of State~~ Vermont State Archives and Records Administration this ~~inventory~~ registry information and any updates to it in a manner prescribed by the State Archivist.

(3) The registry shall track the dates of the initial creation of State boards and commissions created by State law and of any amendments to those laws for the purpose of the intended five-year expiration of those State boards and commissions described in subsection (b) of this section.

(b)(1) It is the intent of the General Assembly that, except for State boards and commissions required by interstate compact and except as otherwise provided by law, a State board or commission created by State law shall cease to exist after five years from the date of its initial creation, five years from the last date that the statutory or session law containing the State board or commission was amended, or on January 1, 2025, whichever date is latest.

(2)(A) In each biennial session beginning in the year 2025, the Office of Legislative Council, in consultation with the Vermont State Archives and Records Administration and based on the registry's date tracking described in subdivision (a)(3) of this section, shall prepare for the General Assembly's review a list of the State boards and commissions subject to expiration under this subsection.

(B) A State board or commission shall only expire pursuant to legislative enactment.

(c) As used in this section, "State boards and commissions board or commission" means a professional or occupational licensing boards board or commissions commission, advisory boards board or commissions commission, appeals boards board, promotional boards board, interstate boards board, supervisory boards and councils board or council, and or any other boards or commissions of the State similar entity that:

(1) is created by State law, by federal law and contains State appointees, or by executive order;

(2) is established as or is attached to an Executive Branch entity;

(3) has statewide jurisdiction or carries out a State function; and

(4) is not composed of members appointed exclusively by regional, county, or municipal entities.

Sec. 2. 2018 (Sp. Sess.) Acts and Resolves No. 2, Sec. 15 is amended to read:

Sec. 15. EFFECTIVE DATES

This act shall take effect on July 1, 2018, except that Sec. 12, 3 V.S.A. § 116a (Secretary of State VSARA; ~~maintenance of inventory of State boards and commissions registry~~), shall take effect on January 1, ~~2019~~ 2023.

Sec. 3. VERMONT STATE ARCHIVES AND RECORDS ADMINISTRATION; POSITION

(a) There is created within the Secretary of State's Vermont State Archives and Records Administration one new permanent classified Registry Administrator to create and maintain the registry described in 3 V.S.A. § 116a.

(b) Any funding necessary to support the position created in subsection (a) of this section shall be derived from the Secretary of State Services Fund, with no General Fund dollars.

* * * Standard Per Diem and Expense Reimbursement * * *

Sec. 4. 32 V.S.A. § 1010 is amended to read:

§ 1010. MEMBERS OF CERTAIN BOARDS

(a) Except for those members serving ex officio or otherwise regularly employed by the State, the ~~compensation of the~~ members of the following ~~Boards~~ boards shall be entitled to receive \$50.00 in per diem compensation:

- (1) Board of Bar Examiners
- (2) Board of Libraries
- (3) Vermont Milk Commission
- (4) Board of Education
- (5) State Board of Health
- (6) Emergency Board
- (7) Board of Liquor and Lottery
- (8) Human Services Board
- (9) State Fish and Wildlife Board
- (10) State Board of Mental Health
- (11) Vermont Employment Security Board
- (12) Capitol Complex Commission
- (13) Natural Gas and Oil Resources Board
- (14) Transportation Board
- (15) Vermont Veterans' Home Board of Trustees
- (16) Advisory Council on Historic Preservation
- (17) The Electricians' Licensing Board
- (18) Offender Work Programs Board
- (19) Emergency Personnel Survivors Benefit Review Board
- (20) Community High School of Vermont Board

(b)(1) Notwithstanding any other provision of law, members of professional or occupational licensing boards or commissions, advisory boards or commissions, appeals boards, promotional boards, interstate boards, supervisory boards and councils, or any other boards, ~~or commissions, or~~ similar entities that are not listed in subsection (a) of this section but are

otherwise entitled by act of the General Assembly to receive per diem compensation, shall be entitled to receive per diem compensation in the amount of \$50.00 per day for each day devoted to official duties. This subsection shall not reduce the amount of per diem compensation heretofore provided by act of the General Assembly to members of boards or commissions entitled to receive more than \$50.00 per day.

(2) "Per diem" means the amount of compensation to which a member of a statutory board or commission is entitled for:

(1)(A) attendance at a regular or special meeting of such board or commission or any committee thereof; or

(2)(B) performance of other duties directly related to the efficient conduct of necessary board business as assigned and approved by the chairperson, provided that payment for such duties shall be at the per diem rate prorated for actual time spent performing duties. Proration shall be calculated based on an eight-hour day. Under no circumstances shall the daily payment exceed the per diem amount.

(c) The members of the boards and ~~departments~~ commissions, including those members serving ex officio or otherwise regularly employed by the State, shall be entitled to receive their actual and necessary expenses when away from home or office upon their official duties.

(d) Notwithstanding the provisions of subsections (a) and (b) of this section, a member shall not be entitled to receive State per diem compensation for any meeting or other official duty for which specific compensation is provided by another source.

(e) The Governor may authorize per diem compensation and expense reimbursement in accordance with this section for members of boards and commissions, including temporary study commissions, created by Executive Order.

(f) Members of the Parole Board shall be entitled to receive \$100.00 per diem for each day of official duties together with reimbursement of reasonable expenses incurred in the performance of their duties.

* * * Travel Information Council * * *

Sec. 5. 10 V.S.A. § 484 is amended to read:

§ 484. TRAVEL INFORMATION COUNCIL; CREATION, MEMBERSHIP, TERMS

(a) The Travel Information Council is created to administer the provisions of this chapter.

(1) The Agency of Transportation shall be responsible for the administration and maintenance of the official business directional sign program, information plazas, and other tourist information facilities deemed appropriate by the Council.

(2) The Agency of Commerce and Community Development shall be responsible for the collection and distribution of travel information, as deemed appropriate by the Council.

(b)(1) The ~~Travel Information~~ Council may ~~make~~ adopt rules, consistent with this chapter relating to the determination of locations for official business directional signs and to all other matters necessary and appropriate to the administration of this chapter. In ~~making~~ adopting those rules it shall give consideration to the adequacy of information provided by highway directional signs and the preservation of scenic and aesthetic values and shall consult with the Agency of Transportation as to matters of highway safety.

(2) It shall determine whether official business directional signs at a particular location shall be displayed in tiers or upon panels.

(3) It shall advise the Agency of Commerce and Community Development on policies and matters pertaining to collection and distribution of tourist information.

(c)(1) The ~~Travel Information~~ Council shall have seven members, comprising the Secretary of Commerce and Community Development or designee, who shall chair the ~~council~~ Council, and six appointed members as follows: one representing the lodging industry, one the restaurant industry, one the recreation industry, one the Agency of Transportation, one the general public, and one agriculture.

(2) The six appointed members shall be appointed by the Governor with the advice and consent of the Senate ~~with the six initially appointed members appointed as of the effective date of this chapter, with three initial members appointed for one year terms, and three for two year terms. Three appointed in two-year staggered terms so that three members shall be~~ are appointed biennially thereafter annually. The members are eligible for reappointment.

(3) Members of the Council shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010, which shall be paid by the Agency of Transportation.

(d)(1) The ~~Travel Information~~ Council shall designate, in each State transportation district, a person to represent business, a person to represent the public, and a person to represent the district planning or development agencies

as a committee to act for it in those districts in considering applications for signs and the location thereof.

(2) The members of the committee shall serve at the pleasure of the Council, and a majority of a committee shall constitute a quorum for the conduct of any business.

(3) A person aggrieved by a decision of a committee may ask for and shall be granted a hearing before the ~~Travel Information~~ Council and may appeal on questions of law to the Superior Court under V.R.C.P. 74 from a decision of the Council.

* * * Travel and Recreation Council * * *

Sec. 6. 10 V.S.A. § 652 is amended to read:

§ 652. TRAVEL AND RECREATION COUNCIL; MEMBERSHIP

(a) ~~A travel and recreation council~~ The Travel and Recreation Council is created. It shall comprise the following members:

(1) the Secretary of Commerce and Community Development, or designee;

(2) the Secretary of Natural Resources, or designee;

(3) the Secretary of Transportation, or designee;

(4) the Secretary of Agriculture, Food and Markets, or designee;

(5) the Commissioner of Tourism and Marketing, or designee; and

(6) ten members from the private sector appointed by the Governor.

(b)(1) The ten members appointed by the Governor shall serve a term of three years, beginning July 1, or the unexpired portion thereof. For the initial appointments, the Governor shall appoint three for one year, four for two years, and three for three years.

(2) When appointing members, the Governor shall consider persons who have understanding of the travel and recreation industry and who will adequately represent the various interests in the State.

(c) The Council shall elect its chair annually from among its members.

(d) The Council shall meet at least quarterly at the call of the ~~chair~~ Chair or the agency secretary.

(e) Members of the Council shall be entitled to receive per diem compensation and reimbursement for of expenses ~~in accordance with~~ as

permitted under 32 V.S.A. § 1010, which shall be paid by the Agency of Commerce and Community Development.

* * * Vermont Community Development Board * * *

Sec. 7. 10 V.S.A. § 685 is amended to read:

§ 685. THE VERMONT COMMUNITY DEVELOPMENT BOARD

(a) There ~~shall be~~ is created within the Agency of Commerce and Community Development the Vermont Community Development Board consisting of nine members who shall be residents of the State.

(b)(1) The members shall be appointed by the Governor for a term of three years, or for the unexpired portion thereof. For the initial appointments, the Governor shall appoint three for one year, three for two years, and three for three years.

(2) In the appointment of the members, consideration shall be given to the selection of such persons as shall adequately represent the interests of various sections of the State and the principal beneficiaries of the program.

(c) The Chair shall be appointed annually by the Governor from among the members.

(d) Members of the Board shall be ~~compensated at the rate of \$30.00 per day for time spent in the performance of their duties, and they shall be reimbursed for necessary expenses incurred therein~~ entitled to receive per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010, which shall be paid by the Agency.

(e) No person who receives a significant portion of his or her income directly or indirectly from the community development activities governed by this subchapter shall be a member of the Board.

(f) The Agency shall provide staff assistance and administrative support to the Board.

(g) Prior to January 15 of each year, the Board shall submit a report of its activities and grants for the preceding year to the Governor and General Assembly.

* * * State and Regional Economic Development and Planning Services
Oversight Panel * * *

Sec. 8. REPEAL

2010 Acts and Resolves No. 146, Sec. G.6 (State and Regional Economic Development and Planning Services; Oversight Panel) is repealed.

* * * Development Cabinet * * *

Sec. 9. 3 V.S.A. § 2293 is amended to read:

§ 2293. DEVELOPMENT CABINET

~~(a) Legislative purpose. The General Assembly deems it prudent to establish a permanent and formal mechanism to assure collaboration and consultation among State agencies and departments, in order to support and encourage Vermont's economic development, while at the same time conserving and promoting Vermont's traditional settlement patterns, its working and rural landscape, its strong communities, and its healthy environment, all in a manner set forth in this section.~~

~~(b) Development Cabinet.~~

~~(1) A Development Cabinet is created, to consist of the Secretaries of the Agencies of Administration, of Agriculture, Food and Markets, of Commerce and Community Development, of Education, of Natural Resources, and of Transportation. The Governor or the Governor's designee shall chair the Development Cabinet.~~

~~(2) The Development Cabinet shall advise the Governor on how best to implement the purposes of this section, and shall recommend changes as appropriate to improve implementation of those purposes.~~

~~(3) The Development Cabinet may establish interagency work groups to support its mission, drawing membership from any agency or department of State government. Any interagency work groups established under this subsection shall evaluate, test the feasibility of, and suggest alternatives to economic development proposals, including proposals for public-private partnerships, submitted to them for consideration. The Development Cabinet shall refer to appropriate interagency workgroups any economic development proposal that has a significant impact on the inventory or use of State land or buildings.~~

~~(c) Implementation. All State agencies that have programs or take actions affecting land use, including those identified under 3 V.S.A. chapter 67, shall, through or in conjunction with the members of the Development Cabinet:~~

~~(1) Support conservation of working lands and open spaces.~~

~~(2) Strengthen agricultural and forest product economies, and encourage the diversification of these industries.~~

~~(3) Develop and implement plans to educate the public by encouraging discussion at the local level about the impacts of poorly designed growth, and~~

~~support local efforts to enhance and encourage development and economic growth in the State's existing towns and villages.~~

~~(4) Administer tax credits, loans, and grants for water, sewer, housing, schools, transportation, and other community or industrial infrastructure, in a manner consistent with the purposes of this section.~~

~~(5) To the extent possible, endeavor to make the expenditure of State appropriations consistent with the purposes of this section.~~

~~(6) Encourage development in, and work to revitalize, land and buildings in existing village and urban centers, including "brownfields," housing stock, and vacant or underutilized development zones. Each agency is to set meaningful and quantifiable benchmarks.~~

~~(7) Encourage communities to approve settlement patterns based on maintaining the State's compact villages, open spaces, working landscapes, and rural countryside.~~

~~(8) Encourage relatively intensive residential development close to resources such as schools, shops, and community centers and make infrastructure investments to support this pattern.~~

~~(9) Support recreational opportunities that build on Vermont's outstanding natural resources, and encourage public access for activities such as boating, hiking, fishing, skiing, hunting, and snowmobiling. Support and work collaboratively to make possible sound development and well-planned growth in existing recreational infrastructure.~~

~~(10) Provide means and opportunity for downtown housing for mixed social and income groups in each community.~~

~~(11) [Repealed.]~~

~~(12) Encourage timely and efficient processing of permit applications affecting land use, including 10 V.S.A. chapter 151 and the subdivision regulations adopted under 18 V.S.A. § 1218, in order to encourage the development of affordable housing and small business expansion, while protecting Vermont's natural resources.~~

~~(13) Participate in creating a long-term economic development plan, including making available the members of any agency or department of State government as necessary and appropriate to support the mission of an interagency work group established under subsection (b) of this section.~~

~~(d) Interagency work group.~~

~~(1) Pursuant to the recommendations of the Oversight Panel on Economic Development created in 2010 Acts and Resolves No. 146, Sec. G6, the Development Cabinet shall create an interagency work group as provided in subsection (b) of this section with the Secretary of Commerce and Community Development serving as its chair.~~

~~(2) The mission of the work group shall be to develop a long-term economic development plan for the State, which shall identify goals and recommend actions to be taken over 10 years, and which shall be consistent with the four principles of economic development identified in 10 V.S.A. § 3 and the relevant population-level outcomes for economic development set forth in 3 V.S.A. § 2311.~~

~~(e) Long-term economic development plan.~~

~~(1) On or before January 15, 2014, and every two years thereafter, the Development Cabinet or its work group shall complete a long-term economic development plan as required under subsection (d) of this section and recommend it to the Governor.~~

~~(2) Commencing with the plan due on or before January 15, 2016, the Development Cabinet or its work group may elect only to prepare and recommend to the Governor an update of the long-term economic development plan.~~

~~(3) Administrative support for the economic development planning efforts of the Development Cabinet or its work group shall be provided by the Agency of Commerce and Community Development.~~

~~(f) Limitations. This Cabinet is strictly an information gathering and coordinating cabinet and confers no additional enforcement powers. [Repealed.]~~

~~*** Commission on International Trade and State Sovereignty ***~~

~~Sec. 10. 3 V.S.A. § 23 is amended to read:~~

~~§ 23. THE COMMISSION ON INTERNATIONAL TRADE~~

~~(a) Definitions. For the purposes of this section: “International Trade Agreement” means a trade agreement between the federal government and a foreign country. International Trade Agreement does not include a trade agreement between the State and a foreign country to which the federal government is not a party.~~

~~(b) Membership. There is created a Commission on International Trade and State Sovereignty consisting of:~~

~~(1) the Chair of the House Committee on Commerce or his or her designee;~~

~~(2) the Chair of the Senate Committee on Economic Development, Housing and General Affairs or his or her designee;~~

~~(3) a representative of a nonprofit environmental organization, appointed by the Governor from a list provided by the Vermont Natural Resources Council;~~

~~(4) a representative of organized labor, appointed by the Governor from a list provided by Vermont AFL-CIO, Vermont NEA, and the Vermont State Employees' Association;~~

~~(5) the Secretary of Commerce and Community Development or his or her designee;~~

~~(6) the Attorney General or his or her designee;~~

~~(7) a representative of an exporting Vermont business, appointed by the Governor;~~

~~(8) a representative of a Vermont business actively involved in international trade, appointed by the Governor;~~

~~(9) the Secretary of Agriculture, Food and Markets or his or her designee; and~~

~~(10) a representative of a Vermont chamber of commerce, appointed by the Governor.~~

~~(c) Powers and duties.~~

~~(1) The Commission shall conduct an annual assessment of the legal and economic impacts of International Trade Agreements on State and local laws, State sovereignty, and the business environment.~~

~~(2) It shall provide a mechanism for citizens and legislators to voice their concerns, which it shall use to make policy recommendations to the General Assembly, to the Governor, to Vermont's congressional delegation, or to the trade representatives of the United States government. Recommendations shall be designed to protect Vermont's job and business environment, and State sovereignty from any negative impacts of trade agreements.~~

~~(3) It may recommend legislation or preferred practices and shall work with interested groups in other states to develop means to resolve the conflicting goals and tension inherent in the relationship between international trade and State sovereignty.~~

~~(4) As provided for in 9 V.S.A. chapter 111A, the Commission shall consider and develop formal recommendations with respect to how the State should best respond to challenges and opportunities posed by a particular International Agreement.~~

~~(d) Reporting. The Commission shall submit an annual report, which shall be prepared by the Secretary of Commerce and Community Development, to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the Governor, and Vermont's congressional delegation. The report shall contain information acquired pursuant to activities carried out under subsection (c) of this section. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.~~

~~(e) Staff services. The Commission shall be entitled to staff services of the Agency of Commerce and Community Development, the Legislative Council, and the Joint Fiscal Committee.~~

~~(f) Per diem. For attendance at a meeting when the General Assembly is not in session, legislative members of the Commission shall be entitled to the same per diem compensation and reimbursement for actual and necessary expenses as provided members of Standing Committees under 2 V.S.A. § 406. Except for members employed by the State, members of the Commission shall be entitled to the same per diem compensation as provided under 32 V.S.A. § 1010(a) and mileage reimbursement as provided under 32 V.S.A. § 1267. [Repealed.]~~

~~* * * Film and New Media Advisory Board * * *~~

~~Sec. 11. 3 V.S.A. § 2471d is amended to read:~~

~~§ 2471d. VERMONT FILM AND NEW MEDIA ADVISORY BOARD~~

~~The Secretary of Commerce and Community Development shall appoint a Film and New Media Advisory Board to make recommendations to the Secretary on promoting Vermont as a location for commercial film and television production and facilitating the participation of local individuals and companies in such productions. The primary function of the Advisory Board is to recommend to the Secretary strategies to link Vermonters employed in the film and new media, video, or other creative arts, to economic opportunities in their trades in Vermont. [Repealed.]~~

* * * Vermont Rehabilitation Corporation * * *

Sec. 12. 10 V.S.A. chapter 12, subchapter 6 is amended to read:

Subchapter 6. Family Farm Assistance

§ 271. PURPOSES

~~It is the intention of the General Assembly in enacting this subchapter to provide a limited source of loan funds to family farmers or prospective family farmers under terms and conditions that will reduce their investment costs to an extent that offers them a reasonable chance to succeed. [Repealed.]~~

§ 272. DEFINITIONS

As used in this subchapter:

(1) ~~“Authority” means the Vermont Economic Development Authority.~~

(2) ~~“Family farmer” means a person who is a resident of this State and who is, or will become, engaged in farming on his or her own behalf managing and operating the farm on a full-time basis and whose net worth (including his or her dependents and spouse) does not exceed \$150,000.00.~~

(3) ~~“Farming” shall mean the cultivation of land or other uses of land for the production of food, fiber, horticultural, orchard, or forest crops, or the raising of livestock, poultry, equines, fish, or bees. Farming also includes the storage, preparation, retail sale, and transportation of agricultural commodities accessory to the cultivation or use of such land.~~

(4) ~~“Vermont Rehabilitation Corporation” means the nonprofit quasi-public corporation for which articles of association have been filed with the Secretary of State on April 26, 1935. [Repealed.]~~

§ 273. FARMERS LOAN PROGRAM; ELIGIBILITY; APPLICATION

(a) ~~The Vermont Rehabilitation Corporation shall establish a family farm assistance loan program to: strengthen existing farms, encourage diversification and innovative farming techniques, increase energy efficiency and reduce energy consumption, and assist beginning farmers to start new farms, provided that beginning farmers will not produce commodities that are already in surplus.~~

(b) ~~In order to be eligible an applicant shall be:~~

(1) ~~a family farmer who is a resident of this State;~~

(2) ~~an owner or prospective purchaser of agricultural land in the State or depreciable farm machinery, equipment, or livestock to be used in the State;~~

~~(3) a person of sufficient education, training, or experience in the type of farming for which the applicant requests the loan;~~

~~(4) an operator or proposed operator of a farm for whom the loan reduces investment costs to an extent that offers him or her a reasonable chance to succeed;~~

~~(5) a credit-worthy person under such standards as the Vermont Rehabilitation Corporation may, in its discretion, establish; and~~

~~(6) in compliance with the requirements of subdivisions 262(2) through (4) and subdivisions (6) through (10) of this title. For purposes of this subchapter, the terms "eligible facility" and "facility" as used in section 262 shall be defined to include all farming operations.~~

~~(c) Applicants for the family farmer assistance loan program under this subchapter shall apply to the Vermont Rehabilitation Corporation, which shall review proposed farm projects, and the applicant's qualifications and grant loans under the provisions of this subchapter, subject to such reasonable terms and conditions as the Vermont Rehabilitation Corporation deems appropriate.~~

~~(d) Any person who obtains a loan under this subchapter shall not be eligible for loan assistance under subchapter 5 of this chapter during the period in which the subchapter 6 loan is outstanding.~~

~~(e) All meetings of the Vermont Rehabilitation Corporation board of directors that concern the family farm assistance program shall be subject to 1 V.S.A. chapter 5, subchapter 5. [Repealed.]~~

§ 274. LOAN TERMS AND CONDITIONS

~~(a) Within the limits of funds available, the Vermont Rehabilitation Corporation may make loans to eligible applicants upon such terms and conditions as may reasonably be expected to be fulfilled by the applicant. In no event shall the total principal obligation of all Vermont Economic Development authority loans granted under this subchapter to any family farmer exceed \$50,000.00.~~

~~(b) The Vermont Rehabilitation Corporation shall require the farmer to execute a note, loan agreement, security agreement, mortgage, or other evidence of indebtedness in favor of the Authority sufficient to protect reasonably the security of the mortgage or secured loan. All payments shall be made to the Authority for the use of section 234 of this title. The Vermont Economic Development Authority shall service all loans made by the Vermont Rehabilitation Corporation under this subchapter. In the event of default by a loan recipient under this subchapter, the Authority shall consult with the~~

~~Vermont Rehabilitation Corporation prior to commencing any collection or foreclosure action. [Repealed.]~~

~~§ 275. FUNDING~~

~~In fiscal year 1986, the Vermont Rehabilitation Corporation, in its discretion, may loan up to \$400,000.00 of the Vermont Jobs Fund established by section 234 of this title for the purposes of this subchapter. Depending on its assessment of the progress of the family farm assistance program, the General Assembly may adjust the loan limits from those established for fiscal year 1986 and may establish appropriate loan limits in fiscal years 1987 and 1988. [Repealed.]~~

~~§ 277. PERSONNEL AND ADMINISTRATIVE SUPPORT~~

~~(a) The Secretary of Agriculture, Food and Markets, with the consent of the Vermont Rehabilitation Corporation, may use a portion of the funds provided under section 275 of this title, not to exceed \$20,000.00 in any fiscal year, to contract for assistance in reviewing loan applications, making recommendations to the board, reviewing compliance with loan conditions, and carrying out such other activities as the Secretary of Agriculture, Food and Markets may direct.~~

~~(b) The Secretary of Agriculture, Food and Markets may provide the Vermont Rehabilitation Corporation with additional personnel and other support as he or she deems necessary to carry out the purposes of this subchapter. [Repealed.]~~

~~*** State Natural Resources Conservation Council
Board of Adjustment ***~~

~~Sec. 13. 10 V.S.A. chapter 31, subchapter 1 is amended to read:~~

~~Subchapter 1. Conservation, Development, and Use of Natural Resources~~

~~***~~

~~§ 731. FAILURE TO OBSERVE LAND-USE ORDINANCE;
CONFERENCES~~

~~(a) In the event that the supervisors of a district find that the provisions of a land-use ordinance adopted according to the provisions of this chapter are not being observed on particular lands, and that such nonobservance tends substantially to increase erosion on such lands and substantially interferes with the prevention or control of erosion or conservation of natural resources on other lands within the district, the supervisors may summon the owner of the land to appear before them to discuss the failure of the owner to observe the regulations, and to perform particular work, operations, or avoidances as~~

required by ordinance of the district, when the nonobservance tends substantially to increase erosion on the lands and substantially interferes with the prevention or control of erosion or conservation of natural resources on other lands within the district.

(b) By conference thus convoked, the supervisors and the owner of land not observing the ordinance adopted by the district, shall together make and sign a finding as to the issues ~~which~~ that are involved in the failure of the owner to observe the ordinance of the district.

(c)(1) Upon the basis of such findings and if, after conference, it appears to the supervisors that there are great practical difficulties or unnecessary hardship involved in the full observance of the ordinance of the district, the ~~supervisor~~ supervisors shall endeavor to work out a program with the owner, as shall be acceptable to the owner and shall enable the owner to comply with the ordinance.

(2)(A) Alternatively, upon the basis of their findings, the supervisors may authorize such variance from the ordinances in their application to the lands of the owner who has not complied with the ordinance of the district, when such variance will relieve practical difficulties or unnecessary hardship to that owner and when such variance is not contrary to public interest and is in accordance with the purpose of land use regulations.

(B) The supervisors may request the landowner not complying with an ordinance to sign a stipulation setting forth the conditions agreed upon by the landowner and supervisors so that the practical difficulties or unnecessary hardship may be overcome and the work proceed by the consent of such landowner upon the land.

(d) Nothing in this chapter shall be construed so as to make ineffective any remedies available under the laws of the State.

~~§ 732. NONCOMPLIANCE; REFERENCE TO BOARD OF
ADJUSTMENT; COMPOSITION OF BOARD; TERMS,
COMPENSATION, CONDUCT~~

~~(a) When by conference the supervisors and the landowner not complying with the ordinances of the district are unable to agree on the conditions under which compliance may be effected, the supervisors shall refer the matter to a board of adjustment which shall be appointed by the State Council upon request of the supervisors.~~

~~(b) The board of adjustment shall consist of three members appointed for a term of one year. The board shall elect its own chair. Vacancies in the board of adjustment shall be filled in the same manner as original appointments. The~~

~~members of the board shall receive compensation for their services at a rate not to exceed the per diem rate as defined by 32 V.S.A. § 1010(b) in addition to expenses incurred in the discharge of their duties. The State Council shall pay the necessary administrative and other expenses of operation incurred by the board upon vouchers signed by the chair of the board. The board shall adopt rules to govern its procedure, which rules shall be in accordance with the provisions of this chapter and with the provisions of any recommendations made by the State Council. Any two members of the board shall constitute a quorum. The chair, or in the chair's absence such other member of the board as the chair may designate to serve as acting chair, may administer oaths and compel the attendance of witnesses. All meetings of the board shall be open to the public. The board shall keep an accurate record of its proceedings, and shall file all documents and memoranda of proceedings with the state council, when each grievance has been adjusted. [Repealed.]~~

§ 733. POWERS OF BOARD

~~Upon the basis of such inquiry as it deems it necessary to conduct, and upon the basis of findings resulting therefrom, the board of adjustment shall have authority by order to authorize such variance from the ordinances in their application to the lands of the owner who has not complied with the ordinance of the district, when such variance will relieve practical difficulties or unnecessary hardship to such owner and when such variance is not contrary to public interest and is in accordance with the purpose of land-use regulations. The board of adjustment may request the landowner not complying with an ordinance to sign a stipulation setting forth the conditions agreed upon by the landowner and supervisors so that the practical difficulties or unnecessary hardship may be overcome and work proceed by the consent of such landowner upon his land. However, nothing in this chapter shall be construed so as to make ineffective any remedies available under the laws of the state. [Repealed.]~~

§ 734. SUPERVISORS MAY PETITION SUPERIOR COURT, WHEN

If a landowner does not sign such stipulation, the supervisors may petition the Superior Court to require such landowner to bring his or her land into conformity with the ordinance, and the ~~Court~~ court shall order such relief as it may deem necessary in the interest of public health, safety, and welfare. However, no landowner shall by ordinance or otherwise be required to pay any money or perform any act that shall not be for the protection of his or her own land nor shall he or she be required to pay any money, perform any act, or carry out any practice that shall not be in just proportion to the benefits that he or she will receive and further provided that he or she shall not be required to

pay any money, perform any act, or carry out any practice that shall not be deemed to be necessary for the public good.

* * *

* * * Pesticide Advisory Council * * *

Sec. 14. 6 V.S.A. § 1102 is amended to read:

§ 1102. PESTICIDE ADVISORY COUNCIL ESTABLISHED

* * *

(d) The functions of the Council are:

* * *

(6) To recommend targets with respect to the State goal of achieving an overall reduction in the use of pesticides consistent with sound pest or vegetative management practices and to ~~issue an annual report to the General Assembly, detailing~~ measure the State's progress in reaching those targets and attaining that goal. The targets should be designed to enable evaluation of multiple measures of pesticide usage, use patterns, and associated risks. Targets should take into consideration at a minimum the following:

(A) reducing the amount of acreage where pesticides are used;

(B) reducing the risks associated with the use of pesticides;

(C) increasing the acreage managed by means of integrated pest management techniques;

(D) decreasing, within each level of comparable risk, the quantity of pesticides applied per acre; and

(E) making recommendations regarding the implementation of other management practices that result in decreased pesticide use.

* * *

* * * Vermont Milk Commission * * *

Sec. 15. 6 V.S.A. § 2937 is amended to read:

§ 2937. ANNUAL PERIODIC REPORT

The Commission ~~shall~~ may report ~~annually as needed~~ on its activities to the House and Senate Committees on Agriculture ~~on or before January 15, beginning in 2009.~~

* * * Sustainable Agriculture Council * * *

Sec. 16. 6 V.S.A. § 4701 is amended to read:

§ 4701. SUSTAINABLE AGRICULTURE RESEARCH AND EDUCATION PROGRAM

(a) The purpose of this section is to promote research and education that will encourage the development and use of economically and ecologically sound sustainable agriculture practices such as organic methods, biological control, integrated pest management, soil improvement, cultivation, harvesting and irrigation techniques, and transportation and marketing innovations, through:

(1) ~~The~~ the control of pests and diseases of agricultural importance through alternatives that reduce or eliminate the use of pesticides and petrochemicals;

(2) ~~The~~ the production, processing, and distribution of food and fiber in ways that consider the interactions among soils, plants, water, air, animals, tillage, machinery, labor, energy, and transportation to enhance the viability of agricultural soils, public health, and resource conservation;

(3) ~~The~~ the expansion of marketing opportunities and promotion of products produced through the practice of sustainable agriculture ~~which~~ that will encourage the purchase of Vermont grown foods and promote regional food security; and

(4) ~~The~~ the coordination of research and education activities on sustainable agriculture among private and public agencies and individuals within Vermont.

(b) ~~A Sustainable Agriculture Council is established, to be chaired by the Secretary of Agriculture, Food and Markets. The Council shall include the Secretary of Education and representatives, appointed by the Secretary of Agriculture, Food and Markets, of the College of Agriculture at the University of Vermont, University of Vermont Extension, Vermont Technical College and farm organizations, and a representative of the low input sustainable agriculture program of the U.S. Department of Agriculture. The Council shall meet on call of the Secretary and shall make recommendations regarding:~~

~~(1) Goals and priorities for ongoing public and private research of particular relevance to Vermont agriculture, and for the coordination of research and demonstration projects on sustainable agriculture.~~

~~(2) The dissemination of research results, the identification of future research needs and other useful information on sustainable agriculture.~~

~~(3) The use of State-owned lands, participating farmer managed land, and land owned by the University of Vermont and State Colleges System for continuing research on sustainable agriculture practices.~~

~~(4) Techniques for financing the integration of sustainable agriculture practices into farming operations.~~

~~(5) The teaching of sustainable agriculture practices in schools at the elementary, secondary, and postsecondary levels. [Repealed.]~~

(c) The Secretary of Agriculture, Food and Markets is authorized to apply for, accept, and make use of grants from public and private sources to achieve the objectives of this section, in accordance with the provisions of 32 V.S.A. § 5. In awarding grants, preference shall be given to individuals, especially farmers, conducting on-farm research.

~~(d) By January 15, annually, the Council shall prepare a report for distribution to participating organizations and the public summarizing developments in sustainable agriculture in Vermont and nationally. The report shall also make recommendations for future activities that will promote the objectives of this section. [Repealed.]~~

* * * Vermont Transportation Authority * * *

Sec. 17. REPEAL

29 V.S.A. chapter 16 (Vermont Transportation Authority) is repealed.

* * * Capitol Complex Commission * * *

Sec. 18. 29 V.S.A. § 182 is amended to read:

§ 182. DEFINITIONS

As used in this chapter:

* * *

(2) “~~Capitol complex commission~~ Complex Commission” means a commission consisting of ~~five~~ seven members.

(A) Four members shall be appointed by the ~~governor~~ Governor, with the advice and consent of the ~~senate~~ Senate, for a term of three years. One member shall be appointed by the Speaker of the House, and one member shall be appointed by the Senate Committee on Committees, each for a term of two years. The ~~fifth~~ seventh member shall be appointed by the Montpelier ~~city council~~ City Council for a term of two years.

(B) The ~~chair~~ Chair of the ~~capitol complex commission~~ Capitol Complex Commission shall be designated by the ~~governor~~ Governor.

~~(C) No more~~ Not fewer than two members of the ~~commission~~ Commission shall be residents of the ~~city~~ City of Montpelier, and ~~no a member may~~ shall not be an exempt employee of the ~~state~~ State of Vermont ~~or a State legislator~~.

~~(D) The commissioner of buildings and general services~~ Commissioner of Buildings and General Services shall be the executive secretary of the ~~board~~ Commission and shall have no vote.

* * *

* * * Vermont Enhanced 911 Board * * *

Sec. 19. VERMONT ENHANCED 911 BOARD; SECRETARY OF ADMINISTRATION; REPORT AND RECOMMENDATION

(a) On or before January 15, 2020, the Secretary of Administration shall report to the Senate Committee on Government Operations and the House Committee on Energy and Technology with a recommendation regarding to which agency or department the Vermont Enhanced 911 Board shall report beginning in Fiscal Year 2021.

(b) In formulating the recommendation required by this section, the Secretary shall receive input from the State and local agencies and departments impacted by any changes.

* * * Artificial Intelligence Task Force * * *

Sec. 20. 2018 Acts and Resolves No. 137, Sec. 1 is amended to read:

Sec. 1. ARTIFICIAL INTELLIGENCE TASK FORCE; REPORT

* * *

(e) Meetings.

* * *

(3) The Task Force shall meet not more than 10 15 times and, except that this limitation on meetings shall not apply to any public hearing the Task Force holds for the purpose of obtaining public testimony regarding artificial intelligence. The Task Force shall cease to exist on June 30, 2019 January 15, 2020.

* * *

(h) Reports. On or before February 15, 2019, the Task Force shall submit an update to the Senate Committee on Government Operations and the House Committee on Energy and Technology. On or before ~~June 30, 2019~~ January 15, 2020, the Task Force shall submit a final report to the Senate

Committee on Government Operations and the House Committee on Energy and Technology that shall include:

* * *

* * * Contract Negotiations * * *

Sec. 21. 3 V.S.A. § 925 is amended to read:

§ 925. MEDIATION; FACT FINDING

* * *

(i)(1) If In the case of the Vermont State Colleges or the University of Vermont, if the dispute remains unresolved 20 days after transmittal of findings and recommendations to the parties or within a time frame mutually agreed upon by the parties that may be no more than an additional 30 days, each party shall submit as a single package its last best offer on all disputed issues to the Board. Each party's last best offer shall be filed with the Board under seal and shall be unsealed and placed in the public record only when both parties' last best offers are filed with the Board. The Board shall hold one or more hearings. Within 30 days of the certifications, the Board shall select between the last best offers of the parties, considered in its their entirety without amendment.

(2) In the case of the State of Vermont or the Department of State's Attorneys and Sheriffs, if the dispute remains unresolved 20 days after transmittal of findings and recommendations to the parties or within a time frame mutually agreed upon by the parties that may be no more than an additional 30 days, each party shall submit as a single package its last best offer on all disputed issues to the Board, or upon the request of either party, to an arbitrator mutually agreed upon by the parties. If the parties cannot agree on an arbitrator, the American Arbitration Association shall appoint a neutral third party to act as arbitrator. Each party's last best offer shall be filed with the Board or the arbitrator under seal and shall be unsealed and placed in the public record only when both parties' last best offers are filed with the Board or the arbitrator. The Board or the arbitrator shall hold one or more hearings. Within 30 days of the certifications, the Board or the arbitrator shall select between the last best offers of the parties, considered in their entirety without amendment.

(j) Notwithstanding the provisions of subsection (i) of this section;

(1) In the case of the Vermont State Colleges or the University of Vermont, should the Board find the last best offers of both parties unreasonable and likely to produce undesirable results, or likely to result in a long-lasting negative impact upon the parties' collective bargaining

relationship, then the Board may select the recommendation of the fact finder under subsection (g) of this section as to those disputed issues submitted to the Board in the last best offers.

(2) In the case of the State of Vermont or the Department of State's Attorneys and Sheriffs, should the Board or the arbitrator find the last best offers of both parties unreasonable and likely to produce undesirable results, or likely to result in a long-lasting negative impact upon the parties' collective bargaining relationship, then the Board or the arbitrator may select the recommendation of the fact finder under subsection (g) of this section as to those disputed issues submitted to the Board or the arbitrator in the last best offers.

~~(k)(1) In the case of the State of Vermont or the Department of State's Attorneys and Sheriffs, the decision of the Board shall be final, and the terms of the chosen agreement shall be binding on each party, subject to appropriations in accordance with subsection 982(d) of this title. In the case of the University of Vermont or the Vermont State Colleges, the decision of the Board shall be final and binding on each party.~~

(2) In the case of the State of Vermont or the Department of State's Attorneys and Sheriffs, the decision of the Board or the arbitrator shall be final, and the terms of the chosen agreement shall be binding on each party, subject to appropriations in accordance with subsection 982(d) of this title.

(l) Nothing herein shall be construed to permit an arbitrator or the Board to issue an order under subsection (i) of this section binding upon the parties that is in conflict with any statute or any rule or regulation that is not bargainable.

Sec. 22. 21 V.S.A. § 1733 is amended to read:

§ 1733. ARBITRATION

(a)(1) ~~Nothing herein in this chapter~~ shall prevent the legislative body of a municipal employer and the exclusive bargaining agent from voluntarily submitting a contract impasse to final and binding arbitration or for the municipality by a referendum vote from adopting binding arbitration procedures, in the following form:

The arbitrator shall have the power to determine all issues in dispute involving wages, hours, and conditions of employment as defined by ~~this chapter~~ 21 V.S.A. chapter 22.

(2)(A) Notwithstanding any provision of subdivision (1) of this section, if an impasse continues between the legislative body of a municipal employer and the exclusive bargaining agent for municipal public safety employees for 20 days after a fact finder has made its report public under subsection 1732(e)

of this title, the legislative body of the municipal employer and the exclusive bargaining agent for the municipal public safety employees shall submit the contract impasse to final and binding arbitration pursuant to the provisions of this section.

(B) Notwithstanding section 1732 of this chapter to the contrary, after the mediator has certified to the Commissioner of Labor that the impasse continues, the legislative body of a municipal employer and the exclusive bargaining agent for municipal public safety employees may agree to proceed directly to final and binding arbitration pursuant to the provisions of this section without first submitting the dispute to fact finding pursuant to section 1732 of this chapter.

(C) The provisions of this subdivision (2) shall not apply to negotiations between the legislative body of a municipal employer and the exclusive bargaining agent for a bargaining unit that includes both municipal public safety employees and other municipal employees.

* * *

Sec. 23. 21 V.S.A. § 1722 is amended to read:

§ 1722. DEFINITIONS

As used in this chapter:

* * *

(22) “Municipal public safety employee” means a municipal employee who is:

(A) a firefighter as defined in 20 V.S.A. § 3151(3);

(B) an ambulance service, emergency medical personnel, or first responder service as defined in 24 V.S.A. § 2651; or

(C) a law enforcement officer who has been certified by the Vermont Criminal Justice Training Council pursuant to 20 V.S.A. § 2358.

Sec. 24. APPLICATION

Secs. 21-23 of this act (contract negotiations) shall apply to contract negotiations that begin on or after July 1, 2019.

* * * Effective Date * * *

Sec. 25. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

(Committee vote: 4-0-1)

(For House amendments, see House Journal for January 31, 2019, pages 99-101 and February 1, 2019, page 108)

Reported favorably with recommendation of proposal of amendment by Senator Ashe for the Committee on Appropriations.

The Committee recommends that the Senate propose to the House that the bill be amended as recommended by the Committee on Government Operations with the following amendment thereto:

By striking out in its entirety Sec. 3 (Vermont State Archives and Records Administration; position) and inserting in lieu thereof the following:

Sec. 3. [Deleted.]

(Committee vote: 6-0-1)

H. 330.

An act relating to repealing the statute of limitations for civil actions based on childhood sexual abuse.

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

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

Sec. 1. 12 V.S.A. § 522 is amended to read:

§ 522. ACTIONS BASED ON CHILDHOOD SEXUAL ABUSE

(a) A civil action brought by any person for recovery of damages for injury suffered as a result of childhood sexual abuse ~~shall~~ may be commenced ~~within six years of~~ at any time after the act alleged to have caused the injury or condition, ~~or six years of the time the victim discovered that the injury or condition was caused by that act, whichever period expires later.~~ The victim need not establish which act in a series of continuing sexual abuse or exploitation incidents caused the injury.

(b) If a complaint is filed alleging an act of childhood sexual abuse ~~which occurred more than six years prior to the date the action is commenced,~~ the complaint shall immediately be sealed by the clerk of the court. The complaint shall remain sealed until the answer is served or, if the defendant files a motion to dismiss under Rule 12(b) of the Vermont Rules of Civil Procedure, until the court rules on that motion. If the complaint is dismissed, the complaint and any related papers or pleadings shall remain sealed. Any hearing held in connection with the motion to dismiss shall be in camera.

(c) As used in this section, “childhood sexual abuse” means any act committed by the defendant against a complainant who was less than 18 years

of age at the time of the act and which act would have constituted a violation of a statute prohibiting lewd and lascivious conduct, lewd or lascivious conduct with a child, felony sexual exploitation of a minor in violation of 13 V.S.A. § 3258(c), sexual assault, or aggravated sexual assault in effect at the time the act was committed.

(d) Notwithstanding 1 V.S.A. § 214, this section shall apply retroactively to childhood sexual abuse that occurred prior to the effective date of this act, irrespective of any statute of limitations in effect at the time the abuse occurred. In an action based on childhood sexual abuse that would have been barred by any statute of limitations in effect on June 30, 2019, damages may be awarded against an entity that employed, supervised, or had responsibility for the person allegedly committing the sexual abuse only if there is a finding of gross negligence on the part of the entity.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 19, 2019, pages 513-514)

House Proposal of Amendment to Senate Proposal of Amendment

H. 514

An act relating to miscellaneous tax provisions

The House concurs in the Senate proposal of amendment with further amendments thereto as follows:

First: by inserting a Sec. 7a and 7b to read as follows:

Sec. 7a. 32 V.S.A. § 5833 is amended to read:

§ 5833. ALLOCATION AND APPORTIONMENT OF INCOME

(a) If the income of a taxable corporation is derived from any trade, business, or activity conducted entirely within this State, the Vermont net income of the corporation shall be allocated to this State in full. If the income of a taxable corporation is derived from any trade, business, or activity conducted both within and outside this State, the amount of the corporation's Vermont net income ~~which~~ that shall be apportioned to this State, so as to allocate to this State a fair and equitable portion of that income, shall be determined by multiplying that Vermont net income by the arithmetic average of the following factors, with the sales factor described in subdivision (3) of this subsection double-weighted:

(1) The average of the value of all the real and tangible property within this State (A) at the beginning of the taxable year and (B) at the end of the taxable year (but the Commissioner may require the use of the average of such value on the 15th or other day of each month, in cases where he or she determines that such computation is necessary to more accurately reflect the average value of property within Vermont during the taxable year), expressed as a percentage of all such property both within and outside this State;

(2) The total wages, salaries, and other personal service compensation paid during the taxable year to employees within this State, expressed as a percentage of all such compensation paid whether within or outside this State;

(3) The gross sales, or charges for services performed, within this State, expressed as a percentage of such sales or charges whether within or outside this State.

(A) Sales of tangible personal property are made in this State if:

(i) the property is delivered or shipped to a purchaser, other than the ~~United States~~ U.S. government, who takes possession within this State, regardless of f.o.b. point or other conditions of sale; or

(ii) the property is shipped from an office, store, warehouse, factory, or other place of storage in this State; and

~~(A)(I)~~ the purchaser is the ~~United States~~ U.S. government; or

~~(B)(II)~~ the corporation is not taxable in the State in which the purchaser takes possession. ~~Sales other than sales of tangible personal property are in this State if the income producing activity is performed in this State or the income producing activity is performed both in and outside this State and a greater proportion of the income producing activity is performed in this State than in any other state, based on costs of performance.~~

(B) Sales, other than the sale of tangible personal property, are in this State if the taxpayer's market for the sales is in this State. The taxpayer's market for sales is in this State:

(i) in the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this State;

(ii) in the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this State;

(iii) in the case of sale of a service, if and to the extent the service is delivered to a location in this State; and

(iv) in the case of intangible property:

(I) that is rented, leased, or licensed, if and to the extent the property is used in this State, provided that intangible property utilized in marketing a good or service to a consumer is “used in this State” if that good or service is purchased by a consumer who is in this State; and

(II) that is sold, if and to the extent the property is used in this State, provided that:

(aa) a contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is “used in this State” if the geographic area includes all or part of this State;

(bb) receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of such intangible property under subdivision (iv)(I) of this subdivision (B); and

(cc) all other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the receipts factor.

(C) If the state or states of assignment under subdivision (B) of this subsection cannot be determined, the state or states of assignment shall be reasonably approximated.

(D) If the taxpayer is not taxable in a state to which a receipt is assigned under subdivision (B) or (C) of this subsection, or if the state of assignment cannot be determined under subdivision (B) of this subsection or reasonably approximated under subdivision (C) of this subsection, such receipt shall be excluded from the denominator of the receipts factor.

(E) The Commissioner of Taxes shall adopt regulations as necessary to carry out the purposes of this section.

(b) If the application of the provisions of this section does not fairly represent the extent of the business activities of a corporation within this State, the corporation may petition for, or the Commissioner may require, with respect to all or any part of the corporation’s business activity, if reasonable:

(1) ~~Separate~~ separate accounting;

(2) ~~The~~ the exclusion or modification of any or all of the factors;

(3) ~~The~~ the inclusion of one or more additional factors ~~which~~ that will fairly represent the corporation’s business activity in this State; or

(4) the employment of any other method to effectuate an equitable allocation and apportionment of the corporation’s income.

Sec. 7b. REPORT

As part of the General Assembly's continuing effort to modernize Vermont's corporate income tax code and to foster economic development in the State, the Department of Taxes, with the assistance of the Joint Fiscal Office and the Office of Legislative Council, shall provide the General Assembly with a report, not later than December 15, 2019, analyzing the following issues related to Vermont's corporate income tax. The report shall:

(1) identify and analyze any fiscal, legal, distributional, and administrative issues related to moving Vermont from its current apportionment formula under 32 V.S.A. § 5833 to a single sales factor;

(2) evaluate the impact of the current exclusion of overseas business organizations from an affiliated group, and identify and analyze any fiscal, legal, distributional, and administrative issues related to eliminating that exclusion;

(3) in consultation with the Vermont Banker's Association, compare the impact of the current bank franchise tax to the impact of a taxing regime where there is no bank franchise tax, and financial institutions pay the Vermont corporate tax based on Vermont's current apportionment factors with the market-based sourcing changes made in this act; and

(4) examine alternatives to Vermont's corporate income tax which could more accurately capture corporate economic activity within Vermont, focusing particularly on corporations who conduct business in the State, but who have little or no taxable income.

Second: In Sec. 17a (repeal) by striking out "2021" and inserting "2022"

Third: By striking out Secs. 32 (land use change tax) and 32a (rulemaking) in their entireties and inserting in lieu thereof the following:

Sec. 32. [Deleted.]

Sec. 32a. [Deleted.]

Fourth: By striking out Sec. 36b (veterinary supplies) in its entirety and inserting in lieu thereof the following:

Sec. 36b. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(3) Agriculture feeds, seed, plants, baler twine, silage bags, agricultural wrap, sheets of plastic for bunker covers, liming materials, breeding and other livestock, semen breeding fees, baby chicks, turkey poults, agriculture chemicals other than pesticides, ~~veterinary supplies~~, and bedding; and fertilizers and pesticides for use and consumption directly in the production for sale of tangible personal property on farms, including stock, dairy, poultry, fruit and truck farms, orchards, nurseries, or in greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities for sale.

* * *

(53) Prescription drugs intended for animal use, and durable medical equipment, prosthetics and veterinary supplies intended for agricultural use. As used in this subdivision, “prescription drugs intended for animal use” means a drug dispensed only by or upon the lawful written order of a licensed veterinarian, and “veterinary supplies” mean tangible personal property therapeutic in nature, not normally used absent illness or injury, and not intended for repeated usage.

Fifth: In Sec. 37 (repeals), by striking out subdivision (1) in its entirety and renumbering the remaining subdivisions to be numerically correct.

Sixth: In Sec. 38 (effective dates) by adding a subdivision (5) to read:

(5) Sec. 7a (market-based sourcing) shall take effect on January 1, 2020, and apply to tax years starting after that date.

NOTICE CALENDAR

Second Reading

Favorable

H. 539.

An act relating to approval of amendments to the charter of the Town of Stowe and to the merger of the Town and the Stowe Fire District No. 3.

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

(Committee vote: 5-0-0)

(No House amendments)

H. 540.

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

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

(Committee vote: 5-0-0)

(No House amendments)

H. 544.

An act relating to approval of amendments to the charter of the City of Burlington.

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

(Committee vote: 5-0-0)

(No House amendments)

H. 549.

An act relating to approval of the dissolution of Rutland Fire District No. 10.

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

(Committee vote: 5-0-0)

(No House amendments)

Favorable with Proposal of Amendment

H. 536.

An act relating to education finance.

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

The Committee recommends that the Senate propose to the House to amend the bill by striking out Sec. 5 in its entirety and inserting in lieu thereof the following:

Sec. 5. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME
DOLLAR EQUIVALENT YIELD, AND NONRESIDENTIAL
RATE FOR FISCAL YEAR 2020

(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2020 only, the property dollar equivalent yield shall be \$10,591.00.

(b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2020 only, the income dollar equivalent yield shall be \$13,015.00.

(c) Notwithstanding any other provision of law, the nonresidential rate for fiscal year 2020 shall be \$1.598 per \$100.00 of equalized education property value under 32 V.S.A. § 5402(a)(1).

(Committee vote: 7-0-0)

(No House amendments)

House Proposal of Amendment to Senate Proposal of Amendment

H. 133

An act relating to miscellaneous energy subjects

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

By striking out Sec. 24, effective date, in its entirety and inserting in lieu thereof five new sections and their reader assistance headings to read as follows:

* * * Energy Storage Facilities * * *

Sec. 24. 30 V.S.A. § 201 is amended to read:

§ 201. DEFINITIONS

* * *

(c) As used in this chapter, “energy storage facility” means a system that uses mechanical, chemical, or thermal processes to store energy for export to the grid.

Sec. 25. 30 V.S.A. § 248 is amended to read:

§ 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND FACILITIES; CERTIFICATE OF PUBLIC GOOD

(a)(1) No company, as defined in section 201 of this title, may:

* * *

(B) invest in an electric generation facility, energy storage facility, or transmission facility located outside this State unless the Public Utility Commission first finds that the same will promote the general good of the State and issues a certificate to that effect.

(2) Except for the replacement of existing facilities with equivalent facilities in the usual course of business, and except for electric generation or energy storage facilities that are operated solely for on-site electricity consumption by the owner of those facilities and for hydroelectric generation facilities subject to licensing jurisdiction under the Federal Power Act, 16 U.S.C. chapter 12, subchapter 1:

(A) no company, as defined in section 201 of this title, and no person, as defined in 10 V.S.A. § 6001(14), may begin site preparation for or construction of an electric generation facility, energy storage facility, or electric transmission facility within the State that is designed for immediate or eventual operation at any voltage; and

(B) no such company may exercise the right of eminent domain in connection with site preparation for or construction of any such transmission facility, energy storage facility, or generation facility, unless the Public Utility Commission first finds that the same will promote the general good of the State and issues a certificate to that effect.

* * *

(7) When a certificate of public good under this section or amendment to such a certificate is issued for an in-state electric generation or energy storage facility with a capacity that is greater than 15 kilowatts, the certificate holder within 45 days shall record a notice of the certificate or amended certificate, on a form prescribed by the Commission, in the land records of each municipality in which a facility subject to the certificate is located and shall submit proof of this recording to the Commission. The recording under this subsection shall be indexed as though the certificate holder were the grantor of a deed. The prescribed form shall not exceed one page and shall require identification of the land on which the facility is to be located by reference to the conveyance to the current landowner, the number of the certificate, and the name of each person to which the certificate was issued, and shall include information on how to contact the Commission to view the certificate and supporting documents.

* * *

(u) A certificate under this section shall only be required for an energy storage facility that has a capacity of 500 kW or greater.

Sec. 26. DEPARTMENT OF PUBLIC SERVICE RECOMMENDATIONS

On or before January 15, 2020, the Department of Public Service, after consultation with stakeholders, shall provide to the General Assembly recommendations, including proposed statutory language, for the regulatory

treatment of energy storage facilities. These recommendations shall address both energy storage facilities with a capacity of less than 500 kW and energy storage facilities of any size with grid-exporting capabilities not subject to direct or indirect control by a Vermont distribution utility.

* * * Standard Offer Program Exemption * * *

Sec. 27. 30 V.S.A. § 8005a is amended to read:

§ 8005a. STANDARD OFFER PROGRAM

* * *

(k) Executed standard offer contracts; transferability; allocation of benefits and costs. With respect to executed contracts for standard offers under this section:

* * *

(B) A retail electricity provider shall be exempt and wholly that was relieved from the requirements of this subdivision if, by the Commission on or before January 25, 2018, shall be exempt from the requirements of this subdivision in any year that the Standard Offer Facilitator allocates electricity pursuant to this subdivision if the retail electricity provider meets the following criteria:

(i) during the immediately preceding 12-month period ending October 31, the amount of renewable energy supplied to the provider by generation owned by or under contract to the provider, regardless of whether the provider owned the energy's environmental attributes, was not less than the amount of energy sold by the provider to its retail customers; and

(ii) the retail electricity provider owns and retires an amount of 30 V.S.A. § 8005(a)(1) qualified energy environmental attributes that is not less than the provider's retail sales.

* * *

* * * Effective Date * * *

Sec. 28. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

CONCURRENT RESOLUTIONS FOR ACTION

Concurrent Resolutions For Action Under Joint Rule 16

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless a Senator requests floor consideration before the end of the session. Requests for floor consideration should be communicated to the Secretary's Office.

H.C.R. 165 - 175 (For text of Resolutions, see Addendum to House Calendar for May 9, 2019)

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission shall be fully and separately acted upon.

Lindsay H. Kurrle of Middlesex – Commissioner, Department of Labor – By Sen. Clarkson for the Committee on Economic Development, Housing and General Affairs. (5/1/19)

Kenneth A. Schatz of South Burlington – Commissioner, Department for Children and Families – By Sen. Ingram for the Committee on Health and Welfare. (5/3/19)