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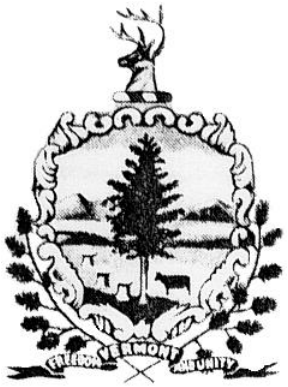

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SECRETARY OF THE SENATE

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as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Adjournment

On motion of Senator Campbell, the Senate adjourned until nine o'clock and thirty minutes in the morning.

TUESDAY, MAY 12, 2015

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 65

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

S. 139. An act relating to pharmacy benefit managers and hospital observation status.

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

The Speaker appointed as members of such Committee on the part of the House:

Rep. Lippert of Hinesburg
Rep. Pearson of Burlington
Rep. Ancel of Calais.

Pursuant to the request of the Senate for a Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 102. An act relating to forfeiture of property associated with animal fighting and certain regulated drug possession, sale, and trafficking violations.

The Speaker has appointed as members of such committee on the part of the House:

Rep. Conquest of Newbury
Rep. Viens of Newport City
Rep. Jewett of Ripton.

Bill Passed in Concurrence with Proposal of Amendment

H. 11.

House bill of the following title was read the third time and passed in concurrence with proposal of amendment:

An act relating to the membership of the Commission on Alzheimer's Disease and Related Disorders.

Proposal of Amendment; Consideration Postponed

H. 35.

House bill entitled:

An act relating to improving the quality of State waters.

Was taken up.

Senators Sirotkin, Ashe, and Mullin moved to amend the Senate proposal of amendment in Sec. 38, 32 V.S.A. § 9602a, in the first sentence after "principal residence of the transferee" and before the period by inserting or the first $200,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as recommended by Senators Sirotkin, Ashe, and Mullin?, on motion of Senator Campbell the Senate postponed consideration until one o'clock and thirty minutes in the afternoon.

Bills Passed in Concurrence

House bills of the following titles were severally read the third time and passed in concurrence:

H. 503. An act relating to approval of amendments to the charter of the City of Burlington.

H. 504. An act relating to approval of the adoption and codification of the charter of the Town of Waitsfield.

Proposal of Amendment; Third Reading Ordered

H. 117.

Senator MacDonald, for the Committee on Finance, to which was referred House bill entitled:

An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service.

Reported recommending 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:

* * * Division for Telecommunications and Connectivity * * *

Sec. 1. REPEAL

3 V.S.A. § 2225 (creating the Division for Connectivity within the Agency of Administration) and 2014 Acts and Resolves No. 190, Secs. 12 (Division for Connectivity), 14 (creation of positions; transfer; reemployment rights), and 30(a)(2) and (b) (statutory revision authority regarding the Division for Connectivity) are repealed.

Sec. 2. 30 V.S.A. § 1 is amended to read:

§ 1. COMPOSITION OF DEPARTMENT

(a) The ~~department of public service~~ Department of Public Service shall consist of the ~~commissioner of public service, a director for regulated utility planning, a director for public advocacy, a director for energy efficiency,~~ Commissioner of Public Service, a Director for Regulated Utility Planning, a Director for Public Advocacy, a Director for Energy Efficiency, a Director for Telecommunications and Connectivity, and such other persons as the ~~commissioner~~ Commissioner considers necessary to conduct the business of the ~~department~~ Department.

(b) The ~~commissioner of public service~~ Commissioner shall be appointed by the ~~governor~~ Governor with the advice and consent of the ~~senate~~ Senate. The ~~commissioner of public service~~ Commissioner shall serve for a term of two years beginning on February 1 of the year in which the appointment is made. The ~~commissioner~~ Commissioner shall serve at the pleasure of the ~~governor~~ Governor. The ~~directors for regulated utility planning, for energy efficiency and for public advocacy~~ Directors for Regulated Utility Planning, for Public Advocacy, and for Energy Efficiency shall be appointed by the ~~commissioner~~ Commissioner. The Director for Telecommunications and Connectivity shall be appointed by the Commissioner in consultation with the Secretary of Administration.

(c) The ~~director for public advocacy~~ Directors for Public Advocacy and for Telecommunications and Connectivity may employ, with the approval of the ~~commissioner~~ Commissioner, legal counsel and other experts, and clerical assistance, and the ~~directors of regulated utility planning and energy efficiency~~ Directors for Regulated Utility Planning and for Energy Efficiency may

employ, with the approval of the ~~commissioner~~ Commissioner, experts and clerical assistance.

Sec. 3. 30 V.S.A. § 202d is amended to read:

§ 202d. TELECOMMUNICATIONS PLAN

(a) The Department of Public Service shall constitute the responsible planning agency of the State for the purpose of obtaining for all consumers in the State stable and predictable rates and a technologically advanced telecommunications network serving all service areas in the State. The Department shall be responsible for the provision of plans for meeting emerging trends related to telecommunications technology, markets, financing, and competition.

(b) The Department shall prepare a Telecommunications Plan for the State. The Department of Innovation and Information, ~~the Division for Connectivity and~~ the Agency of Commerce and Community Development, and the Agency of Transportation shall assist the Department ~~of Public Service~~ in preparing the Plan. The Plan shall be for a ten-year period and shall serve as a basis for State telecommunications policy. Prior to preparing the Plan, the Department shall prepare:

(1) an overview, looking ten years ahead, of future requirements for telecommunications services, considering services needed for economic development, technological advances, and other trends and factors which, as determined by the Department of Public Service, will significantly affect State telecommunications policy and programs;

(2) a survey of Vermont residents and businesses, conducted in cooperation with the Agency of Commerce and Community Development ~~and the Division for Connectivity,~~ to determine what telecommunications services are needed now and in the succeeding ten years;

(3) an assessment of the current state of telecommunications infrastructure;

(4) an assessment, conducted in cooperation with the Department of Innovation and Information and the ~~Division for Connectivity~~ Agency of Transportation, of the current State telecommunications system and evaluation of alternative proposals for upgrading the system to provide the best available and affordable technology for use by government; and

(5) an assessment of the state of telecommunications networks and services in Vermont relative to other states, including price comparisons for key services and comparisons of the state of technology deployment.

(c) In developing the Plan, the Department shall take into account the State telecommunications policies and goals of section 202c of this title.

(d) In establishing plans, public hearings shall be held and the Department shall consult with members of the public, representatives of telecommunications utilities with a certificate of public good, other providers, including the Vermont Electric Power Co., Inc. (VELCO), and other interested State agencies, particularly the Agency of Commerce and Community Development~~, the Division for Connectivity~~, the Agency of Transportation, and the Department of Innovation and Information, whose views shall be considered in preparation of the Plan. To the extent necessary, the Department shall include in the Plan surveys to determine existing, needed, and desirable plant improvements and extensions, access and coordination between telecommunications providers, methods of operations, and any change that will produce better service or reduce costs. To this end, the Department may require the submission of data by each company subject to supervision by the Public Service Board.

(e) Before adopting a Plan, the Department shall conduct public hearings on a final draft and shall consider the testimony presented at such hearings in preparing the final Plan. At least one hearing shall be held jointly with Committees of the General Assembly designated by the General Assembly for this purpose. The Plan shall be adopted by September 1, 2014, and then reviewed and updated as provided in subsection (f) of this section.

(f) The Department, from time to time, but in no event less than every three years, shall institute proceedings to review ~~a~~ the Plan and make revisions, where necessary. The three-year major review shall be made according to the procedures established in this section for initial adoption of the Plan. For good cause or upon request by a Joint Resolution passed by the General Assembly, an interim review and revision of any section of the Plan may be made after conducting public hearings on the interim revision. At least one hearing shall be held jointly with Committees of the General Assembly designated by the General Assembly for this purpose.

(g) The Department shall review and update the minimum technical service characteristic objectives not less than every three years beginning in 2017. In the event such review is conducted separately from an update of the Plan, the Department shall issue revised minimum technical service characteristic objectives as an amendment to the Plan.

Sec. 4. 30 V.S.A. § 202e is added to read:

§ 202e. TELECOMMUNICATIONS AND CONNECTIVITY

(a) Among other powers and duties specified in this title, the Department of Public Service, through the Division for Telecommunications and Connectivity, shall promote:

(1) access to affordable broadband service to all residences and businesses in all regions of the State, to be achieved in a manner that is consistent with the State Telecommunications Plan;

(2) universal availability of mobile telecommunication services, including voice and high-speed data along roadways, and near universal availability statewide;

(3) investment in telecommunications infrastructure in the State that creates or completes the network for service providers to create last-mile connection to the home or business and supports the best available and economically feasible service capabilities;

(4) the continuous upgrading of telecommunications and broadband infrastructure in all areas of the State to reflect the rapid evolution in the capabilities of available broadband and mobile telecommunications technologies, the capabilities of broadband and mobile telecommunications services needed by persons, businesses, and institutions in the State; and

(5) the most efficient use of both public and private resources through State policies by encouraging the development, funding, and implementation of open access telecommunications infrastructure.

(b) To achieve the goals specified in subsection (a) of this section, the Division shall:

(1) provide resources to local, regional, public, and private entities in the form of grants, technical assistance, coordination, and other incentives;

(2) prioritize the use of existing buildings and structures, historic or otherwise, as sites for visually-neutral placement of mobile telecommunications and wireless broadband antenna facilities;

(3) inventory and assess the potential to use federal radio frequency licenses held by instrumentalities of the State to enable broadband service in unserved areas of the State; take steps to promote the use of those licensed radio frequencies for that purpose; and recommend to the General Assembly any further legislative measures with respect to ownership, management, and use of these licenses as would promote the general good of the State;

(4) coordinate telecommunications initiatives among Executive Branch agencies, departments, and offices;

(5) identify the types and locations of infrastructure and services needed to carry out the goals stated in subsection (a) of this section;

(6) formulate, with the advice and assistance of the Telecommunications and Connectivity Board and with input from the Regional Planning Commissions, an action plan that conforms with the State Telecommunications Plan, as updated and revised, and carries out the goals stated in subsection (a) of this section;

(7) coordinate the agencies of the State to make public resources available to support the extension of broadband and mobile telecommunications infrastructure and services to all unserved and underserved areas;

(8) support and facilitate initiatives to extend the availability of broadband and mobile telecommunications, and promote development of the infrastructure that enables the provision of these services;

(9) work cooperatively with the Agency of Transportation and the Department of Buildings and General Services to assist in making available transportation rights-of-way and other State facilities and infrastructure for telecommunications projects in conformity with applicable federal statutes and regulations; and

(10) receive all technical and administrative assistance as deemed necessary by the Director for Telecommunications and Connectivity.

(c)(1) The Director may request from telecommunications service providers voluntary disclosure of information regarding deployment of broadband, telecommunications facilities, or advanced metering infrastructure that is not publicly funded. Such information may include data identifying projected coverage areas, projected average speed of service, service type, and the anticipated date of completion in addition to identifying the location and routes of proposed cables, wires, and telecommunications facilities.

(2) The Director may enter into a nondisclosure agreement with respect to any voluntary disclosures under this subsection, and the information disclosed pursuant thereto shall remain confidential. Alternatively, entities that voluntarily provide information requested under this subsection may select a third party to be the recipient of such information. The third party may aggregate information provided by the entities, but shall not disclose provider-specific information it has received under this subsection to any person, including the Director. The third party shall only disclose the aggregated information to the Director. The Director may publicly disclose

aggregated information based upon the information provided under this subsection. The confidentiality requirements of this subsection shall not affect whether information provided to any agency of the State or a political subdivision of the State pursuant to other laws is or is not subject to disclosure.

(d) The Division shall only promote the expansion of broadband services that offer actual speeds that meet or exceed the minimum technical service characteristic objectives contained in the State's Telecommunications Plan.

(e) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each year, the Director, with the advice and assistance of the Telecommunications and Connectivity Board, shall submit a report of its activities pursuant to this section and duties of title 30 V.S.A. subsection 202f (f) for the preceding fiscal year to the General Assembly. Each report shall include an operating and financial statement covering the Division's operations during the year, including a summary of all grant awards and contracts and agreements entered into by the Division, as well as the action plan required under subdivision (b)(6) of this section. In addition, the report shall include an accurate map and narrative description of each of the following:

(1) the areas served and the areas not served by broadband that has a download speed of at least 4 Mbps and an upload speed of at least 1 Mbps, and cost estimates for providing such service to unserved areas;

(2) the areas served and the areas not served by broadband that has a download speed of at least 25 Mbps and an upload speed of at least 3 Mbps, or as defined by the FCC in its annual report to Congress required by section 706 of the Telecommunications Act of 1996, whichever is higher, and the cost estimates for providing such service to unserved areas;

(3) the areas served and the areas not served by broadband that has a download speed of at least 100 Mbps and is symmetrical, and the cost estimates for providing such service to unserved areas; and

(4) if monetarily feasible, the areas served and the areas not served by wireless communications service, and cost estimates for providing such service to unserved areas.

Sec. 5. 30 V.S.A. § 202f is added to read:

§ 202f. TELECOMMUNICATIONS AND CONNECTIVITY ADVISORY BOARD

(a) There is created a Telecommunications and Connectivity Advisory Board for the purpose of making recommendations to the Commissioner of Public Service regarding his or her telecommunications responsibilities and duties as provided in this section. The Connectivity Advisory Board shall consist of eight members, seven voting and one nonvoting, selected as follows:

(1) the State Treasurer or designee;

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

(3) five at-large members appointed by the Governor, who shall not be employees or officers of the State at the time of appointment; and

(4) the Secretary of Transportation or designee, who shall be a nonvoting member.

(b) A quorum of the Connectivity Advisory Board shall consist of four voting members. No action of the Board shall be considered valid unless the action is supported by a majority vote of the members present and voting and then only if at least four members vote in favor of the action. The Governor shall select, from among the at-large members, a Chair and Vice Chair.

(c) In making appointments of at-large members, the Governor shall give consideration to citizens of the State with knowledge of telecommunications technology, telecommunications regulatory law, transportation rights-of-way and infrastructure, finance, environmental permitting, and expertise regarding the delivery of telecommunications services in rural, high-cost areas. However, the five at-large–members may not be persons with a financial interest in or owners or employees of an enterprise that provides broadband or cellular service or that is seeking in-kind or financial support from the Department of Public Service. The conflict of interest provision in this subsection shall not be construed to disqualify a member who has ownership in a mutual fund, exchange traded fund, pension plan, or similar entity that owns shares in such enterprises as part of a broadly diversified portfolio. The at-large members shall serve terms of two years beginning on February 1 in odd-numbered years, and until their successors are appointed and qualified. However, three of the five at-large members first appointed by the Governor shall serve an initial term of three years. Vacancies shall be filled for the balance of the unexpired term. A member may be reappointed for up to three consecutive terms. Upon completion of a term of service for any reason, including the term's expiration or a member's resignation, and for one year from the date of such completion, a former Board member shall not advocate before the Connectivity Board, Department of Public Service, or the Public Service Board on behalf of an enterprise that provides broadband or cellular service.

(d) Except for those members otherwise regularly employed by the State, the compensation of the Board's members is that provided by 32 V.S.A. § 1010(a). All members of the Board, including those members otherwise regularly employed by the State, shall receive their actual and necessary expenses when away from home or office upon their official duties.

(e) In performing its duties, the Connectivity Advisory Board may use the legal and technical resources of the Department of Public Service. The Department of Public Service shall provide the Board with administrative services.

(f) The Connectivity Advisory Board shall:

(1) have review and nonbinding approval authority with respect to the awarding of grants under the Connectivity Initiative. The Commissioner shall have sole authority to make the final decision on grant awards, as provided in subsection (g) of this section.

(2) function in an advisory capacity to the Commissioner on the development of State telecommunications policy and planning, including the action plan required under subdivision 202e(b)(6) of this chapter and the State Telecommunications Plan.

(3) annually advise the Commissioner on the development of requests for proposals under the Connectivity Initiative.

(4) annually provide the Commissioner with recommendations for the apportionment of funds to the High-Cost Program and the Connectivity Initiative.

(5) annually provide the Commissioner with recommendations on the appropriate Internet access speeds for publicly funded telecommunication and connectivity projects.

(g) The Commissioner shall make an initial determination as to whether a proposal submitted under the Connectivity Initiative meets the criteria of the request for proposals. The Commissioner shall then provide the Connectivity Advisory Board a list of all eligible proposals and recommendations. The Connectivity Advisory Board shall review the recommendations of the Commissioner and may review any proposal submitted, as it deems necessary, and either approve or disapprove each recommendation and may make new recommendations for the Commissioner's final consideration. The Commissioner shall have final decision-making authority with respect to the awarding of grants under the Connectivity Initiative. If the Commissioner does not accept a recommendation of the Board, he or she shall provide the Board with a written explanation for such decision.

(h) On September 15, 2015, and annually thereafter, the Commissioner shall submit to the Connectivity Advisory Board an accounting of monies in the Connectivity Fund and anticipated revenue for the next year. On or before January 1 of each year, the Commissioner, after consulting with the Connectivity Advisory Board, shall recommend to the relevant legislative

committees of jurisdiction a plan for apportioning such funds to the High-Cost Program and the Connectivity Initiative.

(i) The Chair shall call the first meeting of the Connectivity Advisory Board. The Chair or a majority of Board members may call a Board meeting. The Board may meet up to six times a year.

(j) At least annually, the Connectivity Advisory Board and the Commissioner or designee shall jointly hold a public meeting to review and discuss the status of State telecommunications policy and planning, the Telecommunications Plan, the Connectivity Fund, the Connectivity Initiative, the High-Cost Program, and any other matters they deem necessary to fulfill their obligations under this section.

(k) Information and materials submitted by a telecommunications service provider concerning confidential financial or proprietary information shall be exempt from public inspection and copying under the Public Records Act, nor shall any information that would identify a provider who has submitted a proposal under the Connectivity Initiative be disclosed without the consent of the provider, unless a grant award has been made to that provider. Nothing in this subsection shall be construed to prohibit the publication of statistical information, determinations, reports, opinions, or other information so long as the data are disclosed in a form that cannot identify or be associated with a particular telecommunications service provider.

Sec. 6. CREATION OF POSITIONS; TRANSFER OF VACANT POSITIONS; REEMPLOYMENT RIGHTS; TRANSITIONAL PROVISIONS

(a) Up to three additional exempt full-time positions are created within the Division for Telecommunications and Connectivity, as deemed necessary by the Secretary of Administration.

(b) The positions created under subsection (a) of this section shall only be filled to the extent there are existing vacant positions in the Executive Branch available to be transferred and converted to the new positions in the Division for Telecommunications and Connectivity, as determined by the Secretary of Administration and the Commissioner of Human Resources, so that the total number of authorized positions in the State shall not be increased by this act.

(c) All full-time personnel of the Vermont Telecommunications Authority (VTA) employed by the VTA on the day immediately preceding the effective date of this act who do not obtain a position in the Division for Telecommunications and Connectivity pursuant to subsection (a) of this section shall be entitled to the same reemployment or recall rights available to nonmanagement State employees under the existing collective bargaining agreement entered into between the State and the Vermont State Employees' Association.

(d) The Department of Public Service shall assume possession and responsibility for all assets and liabilities of the VTA.

(e) The VTA shall not enter into any new contracts without the approval of the Commissioner of Public Service.

* * * Universal Service Fund * * *

Sec. 7. 30 V.S.A. § 7503 is amended to read:

§ 7503. FISCAL AGENT

(a) A fiscal agent shall be selected to receive and distribute funds under this chapter.

(b) The fiscal agent shall be selected by the ~~Public Service Board~~ Commissioner of Public Service after competitive bidding. No telecommunications service provider shall be eligible to be the fiscal agent. The duties of the fiscal agent shall be determined by a contract with a term not greater than three years.

(c) In order to finance grants and other expenditures that have been approved by the ~~Public Service Board~~ Commissioner of Public Service, the fiscal agent may borrow money from time to time in anticipation of receipts during the current fiscal year. No such note shall have a term of repayment in excess of one year, but the fiscal agent may pledge its receipts in the current and future years to secure repayment. Financial obligations of the fiscal agent are not guaranteed by the State of Vermont.

(d) The fiscal agent shall be audited annually by a certified public accountant in a manner determined by and under the direction of the ~~Public Service Board~~ Commissioner of Public Service.

(e) The financial accounts of the fiscal agent shall be available at reasonable times to any telecommunications service provider in this State. The ~~Public Service Board~~ Commissioner of Public Service may investigate the accounts and practices of the fiscal agent and may enter orders concerning the same.

(f) The fiscal agent acts as a fiduciary and holds funds in trust for the ratepayers until the funds have been disbursed as provided pursuant to ~~sections 7511 through 7515~~ section 7511 of this chapter.

Sec. 8. REPEAL

30 V.S.A. § 7515a (additional program support for Executive Branch activities) is repealed.

Sec. 9. 30 V.S.A. § 7511 is amended to read:

§ 7511. DISTRIBUTION GENERALLY

(a)(1) As directed by the ~~Public Service Board~~ Commissioner of Public Service, funds collected by the fiscal agent, and interest accruing thereon, shall be distributed as follows:

~~(1)~~(A) to pay costs payable to the fiscal agent under its contract with the ~~Board~~ Commissioner;

~~(2)~~(B) to support the Vermont telecommunications relay service in the manner provided by section 7512 of this title;

~~(3)~~(C) to support the Vermont Lifeline program in the manner provided by section 7513 of this title;

~~(4)~~(D) to support Enhanced-911 services in the manner provided by section 7514 of this title; and

~~(5)~~(E) to support the Connectivity Fund established in section 7516 ~~of this chapter; and~~ of this title~~.~~; and

(2) For fiscal year 2016 only, any personnel or administrative costs associated with the Connectivity Initiative shall come from the Connectivity Fund, as determined by the Commissioner in consultation with the Connectivity Board.

(b) If insufficient funds exist to support all of the purposes contained in subsection (a) of this section, the ~~Board~~ Commissioner shall ~~conduct an expedited proceeding to~~ allocate the available funds, giving priority in the order listed in subsection (a).

Sec. 9a. FUNDING FOR CONNECTIVITY PERSONNEL; GROSS RECEIPTS TAX

Not later than January 15, 2016, the Commissioner shall determine whether the revenues raised from the existing gross receipts tax on public service companies, 30 V.S.A. § 22, is sufficient to finance the personnel and administrative costs associated with the Connectivity Initiative, beginning in fiscal year 2017. If the Commissioner determines the revenues are not sufficient for this purpose, he or she shall recommend to the General Assembly either:

(1) a new rate of tax applicable to one or more categories of public service companies, as he or she deems necessary and appropriate; or

(2) a proposal to fund such personnel and administrative costs with monies in the Connectivity Fund.

Sec. 10. 30 V.S.A. § 7516 is amended to read:

§ 7516. CONNECTIVITY FUND

There is created a Connectivity Fund for the purpose of providing support to the High-Cost Program established under section 7515 of this chapter and the Connectivity Initiative established under section 7515b of this chapter. The fiscal agent shall determine annually, on or before September 1, the amount of monies available to the Connectivity Fund. Such funds shall be apportioned ~~equally~~ as follows: 45 percent to the High-Cost Program and 55 percent to the Connectivity Initiative ~~referenced in this section~~.

Sec. 11. 30 V.S.A. § 7515 is amended to read:

§ 7515. HIGH-COST PROGRAM

(a) The Universal Service Charge shall be used as a means of keeping basic telecommunications service affordable in all parts of this State, thereby maintaining universal service, and as a means of supporting access to broadband service in all parts of the State.

(b) The Public Service Board, after review of a petition of a company holding a certificate of public good to provide telecommunications service in Vermont, and upon finding that the company meets all requirements for designation as an "eligible telecommunications carrier" as defined by the FCC, may designate the company as a Vermont-eligible telecommunications carrier (VETC).

(c) The supported services a designated VETC must provide are voice telephony services, as defined by the FCC, and broadband Internet access, directly or through an affiliate. A VETC receiving support under this section shall use that support for capital improvements in high cost areas, as defined in subsection (f) of this section, to build broadband capable networks.

(d) The Board may designate multiple VETCs for a single high cost area, but each designated VETC shall:

(1) offer supported services to customers at all locations throughout the ~~service~~ high cost area or areas for which it has been designated; and

(2) for its voice telephone services, meet service quality standards set by the Board.

(e) A VETC shall receive support as defined in subsection (i) of this section from the fiscal agent of the Vermont Universal Service Fund for each telecommunications line in service or service location, whichever is greater in number, in each high cost area it services. Such support may be made in the form of a net payment against the carrier's liability to the Fund. If multiple

VETCs are designated for a single area, then each VETC shall receive support for each line it has in service.

(f) As used in this section, a Vermont telephone exchange is a "high cost area" if the exchange is served by a rural telephone company, as defined by federal law, or if the exchange is designated as a rural exchange in the wholesale tariff of a regional bell operating company (RBOC), as defined by the FCC, or of a successor company to an RBOC. An exchange is not a high cost area if the Public Service Board finds that the supported services are available to all locations throughout the exchange from at least two service providers.

(g) Except as provided in subsection (h) of this section, a VETC shall provide broadband Internet access at speeds no lower than 4 Mbps download and 1 Mbps upload in each high cost area it serves within five years of designation. A VETC need not provide broadband service to a location that has service available from another service provider, as determined by the Department of Public Service.

(h) The Public Service Board may modify the build out requirements of subsection (d) of this section as it relates to broadband Internet access to be the geographic area that could be reached using one-half of the funds to be received over five years. A VETC may seek such waiver of the build out requirements ~~in subsection (c)~~ within one year of designation and shall demonstrate the cost of meeting broadband Internet access requirements on an exchange basis and propose an alternative build out plan.

(i) The amount of the monthly support under this section shall be the pro rata share of available funds ~~as provided in subsection (e) of this section~~ based on the total number of incumbent local exchange carriers in the State and reflecting each carrier's lines in service or service locations in its high-cost area or areas, as determined under subsection (e) of this section. If an incumbent local exchange carrier does not petition the Board for VETC designation, or is found ineligible by the Board, the share of funds it otherwise would have received under this section shall be used to support the Connectivity Initiative established in section 7515b of this chapter.

(j) The Public Service Board shall adopt by rule standards and procedures for ensuring projects funded under this section are not competitive overbuilds of existing wired telecommunications services.

(k) Each VETC shall submit certification that it is meeting the requirements of this section and an accounting of how it expended the funds received under this section in the previous calendar year, with its annual report to the Department of Public Service. For good cause shown, the Public Service Board may investigate submissions required by this subsection and

may revoke a company's designation if it finds that the company is not meeting the requirements of this subsection.

Sec. 12. 30 V.S.A. § 7515b is amended to read:

§ 7515b. CONNECTIVITY INITIATIVE

(a) The purpose of the Connectivity Initiative is to provide each service location in Vermont access to Internet service that is capable of speeds of at least ~~4~~ 10 Mbps download and 1 Mbps upload, or the FCC speed requirements established under Connect America Fund Phase II, whichever is higher, beginning with locations not served as of December 31, 2013 according to the minimum technical service characteristic objectives applicable at that time. Within this category of service locations, priority shall be given first to unserved and then to underserved locations. As used in this section, "unserved" means a location having access to only satellite or dial-up Internet service and "underserved" means a location having access to Internet service with speeds that exceed satellite and dial-up speeds but are less than 4 Mbps download and 1 Mbps upload. Any new services funded in whole or in part by monies ~~in this Fund~~ from this Initiative shall be capable of being continuously upgraded to reflect the best available, most economically feasible service capabilities.

(b) The Department of Public Service shall publish annually a list of census blocks eligible for funding based on the Department's most recent broadband mapping data. The Department annually shall solicit proposals from service providers~~, the Vermont Telecommunications Authority, and the Division for Connectivity~~ to deploy broadband to eligible census blocks. The Department shall give priority to proposals that reflect the lowest cost of providing services to unserved and underserved locations; however, the Department also shall consider:

(1) the proposed data transfer rates and other data transmission characteristics of services that would be available to consumers;

(2) the price to consumers of services;

(3) the proposed cost to consumers of any new construction, equipment installation service, or facility required to obtain service;

(4) whether the proposal would use the best available technology that is economically feasible;

(5) the availability of service of comparable quality and speed; and

(6) the objectives of the State's Telecommunications Plan.

* * * 248a; Meteorological Station Conversions * * *

Sec. 13. 30 V.S.A. § 246(e) is added to read:

(e) Notwithstanding any contrary provisions of this section, the holder of a certificate of public good for a constructed meteorological station may apply under section 248a of this title or 10 V.S.A. chapter 151 to convert the station to a wireless telecommunications facility, provided the application is filed at least 90 days before the expiration of the certificate for the station. Any such application shall constitute a new application to be reviewed under the facts and circumstances as they exist at the time of the review.

* * * Agency of Transportation; State-owned Rights-of-Way; Leasing; Telecommunications Providers * * *

Sec. 14. 19 V.S.A. § 26a is amended to read:

§ 26A. DETERMINATION OF RENT TO BE CHARGED FOR LEASING OR LICENSING STATE-OWNED PROPERTY UNDER THE AGENCY'S JURISDICTION

* * *

(b) Unless otherwise required by federal law, the Agency shall assess, collect, and deposit in the Transportation Fund a reasonable charge or payment with respect to leases or licenses for access to or use of State-owned rights-of-way by providers of broadband or wireless communications facilities or services. The ~~Vermont Telecommunications Authority, established by 30 V.S.A. chapter 91,~~ Agency may waive such charge or payment in whole or in part if the provider offers to provide comparable value to the State so as to meet the public good as determined by the ~~Authority~~ Agency and the Department of Public Service. For the purposes of this section, the terms "comparable value to the State" shall be construed broadly to further the State's interest in ubiquitous broadband and wireless service availability at reasonable cost. Any waiver of charges or payments for comparable value to the State granted by the ~~Authority~~ Agency may not exceed five years. Thereafter, the ~~Authority~~ Agency may extend any waiver granted for an additional period not to exceed five years if the ~~Authority~~ Agency makes affirmative written findings demonstrating that the State has received and will continue to receive value that is comparable to the value to the provider of the waiver, or it may revise the terms of the waiver in order to do so. ~~The Authority, in consultation with the Agency of Transportation, shall adopt rules under 3 V.S.A. chapter 25 to implement this section. For the purpose of establishing rules to implement 30 V.S.A. chapter 91 by July 1, 2007, or as soon thereafter as possible, the authority is authorized to adopt initial rules under this section using emergency rulemaking procedures of 3 V.S.A. chapter~~

~~25. Any emergency rules initially adopted may remain in effect longer than 120 days, but in no event shall they remain in effect for more than six months.~~

* * *

* * * Retransmission Fees; Reporting * * *

Sec. 15. 30 V.S.A. § 518 is amended to read:

§ 518. RETRANSMISSION FEES; REPORTING

(a) Purpose. The purpose of this section is to provide the Attorney General with information necessary to investigate certain conduct within the cable and broadcast network industries to determine whether unfair methods of competition ~~or unfair or deceptive acts or practices~~ are occurring in violation of 9 V.S.A. chapter 63.

(b) Reporting. Annually, beginning on January 1, 2015, each commercial broadcasting station doing business with a Vermont cable company shall report to the Attorney General any fees charged for program content retransmitted on the cable network under a retransmission consent agreement entered into pursuant to 47 U.S.C. § 325, for the prior calendar year.

(c) Investigations. The Attorney General may investigate retransmission fees charged by commercial broadcasting stations, pursuant to his or her investigatory powers established under 9 V.S.A. chapter 63.

(d) Public disclosure. The information received ~~under this section~~ by the Attorney General under subsection (b) of this section ~~shall be disclosed to the public at a time and in a manner determined by the Attorney General to be consistent with and permitted by the Public Records Act and relevant provisions of federal law~~ shall be kept confidential and is exempt from public inspection and copying under the Public Records Act, unless otherwise ordered by a court.

(e) Enforcement. A violation of this section constitutes ~~an unfair and deceptive act and practice in commerce~~ unfair competition under 9 V.S.A. § 2453.

(f) The Attorney General may adopt rules he or she deems necessary to implement this section. The rules, as well as any finding of unfair ~~or deceptive practices~~ competition with regard to retransmission consent fees, shall not be inconsistent with the rules, regulations, and decisions of the Federal Communications Commission and the federal courts interpreting the Communications Act of 1934, as amended.

* * * E-911 System; Operations; Savings * * *

Sec. 16. E-911 OPERATIONS AND SAVINGS

(a) The General Assembly finds as follows:

(1) 2014 Acts and Resolves No. 190, Sec. 24 directed the Secretary of Administration to submit a report to the General Assembly proposing a plan for transferring the responsibilities and powers of the Enhanced 911 Board, including necessary positions, to either the Division for Connectivity, the Department of Public Service, or the Department of Public Safety.

(2) The plan was to include budgetary recommendations, striving to achieve annual operational savings of at least $300,000.00, as well as enhanced coordination and efficiency, and reduction in operational redundancies.

(3) On December 15, 2014, the Secretary of Administration made a recommendation to the General Assembly to transfer responsibilities and powers of the Enhanced 911 Board to the Department of Public Safety. In the report, the Secretary estimated that such transfer could be expected to save between $210,000.00 and $350,000.00 each year on an ongoing basis by virtue of personal services savings.

(4) During the 2015 legislative session, a representative of the Enhanced 911 Board testified before the Senate Committee on Appropriations that the Board's current, administrative expenses could be reduced by approximately $300,000.00.

(b) By July 1, 2015, the administration of the Vermont Enhanced 911 system shall be transferred to the Department of Public Safety, as provided in Secs. 17, 18, and 19 of this act; or, if such transfer does not occur, then in fiscal year 2016, not less than $300,000.00 shall be transferred from the Enhanced 911 Fund to the General Fund to offset E-911-eligible costs incurred by the Department of Public Safety, and not less than one, full-time employee position in the Enhanced 911 system shall be eliminated.

Sec. 17. 20 V.S.A. § 1811 is amended to read:

§ 1811. CREATION OF DEPARTMENT

There is ~~hereby~~ created a ~~department of public safety~~ Department of Public Safety for the purpose of consolidating certain existing police and investigating agencies, to promote the detection and prevention of crime generally, ~~and~~ to participate in searches for lost or missing persons, ~~and~~ to assist in case of statewide or local disasters or emergencies, and to administer the statewide Enhanced 911 system established under 30 V.S.A. chapter 87.

Sec. 18. 20 V.S.A. § 1872 is amended to read:

§ 1872. DUTIES OF COMMISSIONER GENERALLY

The ~~commissioner shall be~~ Commissioner is the chief enforcement officer of all the statutes, rules, and regulations pertaining to the law of the road and the display of lights on vehicles. In addition, the ~~commissioner~~ Commissioner shall supervise and direct the activities of the ~~state police~~ State Police and of the Vermont ~~criminal information center~~ Crime Information Center and, as fire marshal, ~~be responsible for enforcing~~ shall enforce the laws pertaining to the investigation of fires, the prevention of fires, the promotion of fire safety, and the delivery of fire service training. In addition, the Commissioner shall administer the statewide Enhanced 911 system established under 30 V.S.A. chapter 87.

Sec. 19. 30 V.S.A. chapter 87 is amended to read:

CHAPTER 87. ENHANCED 911; EMERGENCY SERVICES

§ 7051. DEFINITIONS

As used in this chapter:

(1) "Automatic location identification" or "ALI" means the system capability to identify automatically the geographical location of the electronic device being used by the caller to summon assistance and to provide that location information to an appropriate device located at any public safety answering point for the purpose of sending emergency assistance.

(2) ALI "database" means a derivative, verified set of records ~~which~~ that contain at a minimum a telephone number and location identification for each unique building or publicly used facility within a defined geographic area in Vermont.

(3) "Automatic number identification" or "ANI" means the system capability to identify automatically the calling telephone number and to provide a display of that number at any public safety answering point.

(4) "Board" means the Vermont Enhanced 911 Advisory Board established under section 7053 of this ~~title~~ chapter.

(5) "Caller" means a person or an automated device calling on behalf of a person.

(6) "Commissioner" means the Commissioner of Public Safety.

(7) "Director" means the Director for statewide Enhanced 911.

~~(7)~~(8) "Emergency call system" or "Enhanced 911 system" means a system consisting of devices with the capability to determine the location and

identity of a caller that initiates communication for the purpose of summoning assistance in the case of an emergency. In most cases summoning assistance will occur when a caller dials the digits 9-1-1 on a telephone, mobile phone, or other IP-enabled service, or by a communication technology designed for the purpose of summoning assistance in the case of an emergency.

~~(8)~~(9) "Emergency services" means fire, police, medical, and other services of an emergency nature as identified by the ~~Board~~ Commissioner.

~~(9)~~(10) "IP-enabled service" means a service, device, or application that makes use of Internet protocol, or IP, and ~~which~~ that is capable of entering the digits 9-1-1 or otherwise contacting the ~~emergency~~ Enhanced 911 system. IP-enabled service includes voiceover IP and other services, devices, or applications provided through or using wire line, cable, wireless, ~~or~~ satellite, or other facilities.

~~(10)~~(11) "Municipality" means any city, town, incorporated village, unorganized town, gore, grant, or other political subdivision of the State.

~~(11)~~(12) "Other methods of locating caller" means those commercially available technologies designed to provide the location information of callers when a call is initiated to access emergency 911 services regardless of the type of device ~~that is~~ used.

~~(12)~~(13) "Public safety answering point" means a facility with the capability to receive emergency calls, operated on a 24-hour basis, assigned the responsibility of receiving 911 calls and dispatching, transferring, or relaying emergency 911 calls to other public safety agencies or private safety agencies.

~~(13)~~(14) "Selective routing" means a telecommunications switching system that enables all 911 calls originating from within a defined geographical region to be answered at a ~~pre-designated~~ predesignated public service answering point.

§ 7052. VERMONT ENHANCED 911 ADVISORY BOARD

(a) The Vermont Enhanced 911 Advisory Board is established to ~~develop, implement and supervise the operation~~ make recommendations to the Commissioner regarding the development and implementation of the statewide Enhanced 911 system.

(b) The Board shall consist of nine members: one county law enforcement officer elected by the membership of the Vermont ~~State sheriff's association~~ Sheriff's Association; one municipal law enforcement officer elected by the ~~chiefs of police association of~~ Vermont Association of Chiefs of Police; one official of a municipality; a firefighter; an emergency medical services provider; a Department of Public Safety representative; and three members of

the public. Board members shall be appointed by the Governor to three-year terms, except that the Governor shall stagger initial appointments so that the terms of no more than four members expire during a calendar year. In appointing Board members, the Governor shall give due consideration to the different geographical regions of the State~~,~~ and the need for balance between rural and urban areas. Board members shall serve at the pleasure of the Governor.

(c) Members who are not State employees or not otherwise compensated in the course of their employment shall receive per diem compensation and expense reimbursement for meetings in accordance with the provisions of 32 V.S.A. § 1010. Members who receive per diem shall receive compensation for no more than 12 meetings per year.

(d) The Governor shall annually appoint a member to serve as Board chair and a member to serve as Board vice chair. The Board shall hold at least four regular meetings a year. Meetings of the Board may be held at any time or place within Vermont upon call of the Chair or a majority of the members, after reasonable notice to the other members and shall be held at such times and places as in the judgment of the Board will best serve the convenience of all parties in interest. The Board shall adopt rules and procedures with respect to the conduct of its meetings and other affairs. Membership on the Board does not constitute the holding of an office for any purpose, and members of the Board shall not be required to take and file oaths of office before serving on the Board. A member of the Board shall not be disqualified from holding any public office or employment, and shall not forfeit any office or employment, by reason of ~~their~~ his or her appointment to the ~~board~~ Board, notwithstanding any statute, ordinance, or charter to the contrary.

(e) The Board shall ~~appoint~~ recommend, subject to the approval of the ~~Governor~~ Commissioner, an Executive Director who shall hold office at the pleasure of the ~~Board~~ Commissioner. He or she shall perform such duties as may be assigned by the ~~Board~~ Commissioner. The Executive Director is entitled to compensation, as established by law, and reimbursement for the expenses within the amounts available by appropriation. ~~The Executive Director may, with the approval of the Board, hire employees, agents, and consultants and prescribe their duties.~~

§ 7053. ~~BOARD~~ COMMISSIONER; RESPONSIBILITIES AND POWERS

(a) The ~~Board shall be the single governmental agency~~ Commissioner is responsible for statewide ~~enhanced~~ Enhanced 911. To the extent feasible, the ~~Board~~ Commissioner shall consult with the ~~Agency~~ Secretary of Human Services, the ~~Department of Public Safety, the Department~~ Commissioner of Public Service, and local community service providers on the development of

policies, system design, standards, and procedures. The ~~Board~~ Commissioner shall develop designs, standards, and procedures and shall adopt rules on the following:

(1) the technical and operational standards for public safety answering points;

(2) the system ~~data base~~ database, standards and procedures for developing and maintaining the ~~data base~~ database. The system ~~data base~~ database shall be the property of the ~~Board~~ Department of the Public Safety;

(3) statewide, locatable means of identifying customer location, such as addressing, geo-coding, or other methods of locating the caller; and

(4) standards and procedures to ensure system and ~~data base~~ database security.

~~(b) (d) [Repealed.]~~

~~(e)~~(b) The ~~Board~~ Commissioner is authorized to:

(1) ~~to~~ make or cause to be made studies of any aspect of the ~~enhanced~~ Enhanced 911 system, including service, operations, training, ~~data base~~ database development, and public awareness;

(2) ~~to~~ accept and use in the name of the ~~state~~ State, subject to review and approval by the ~~joint fiscal committee~~ Joint Fiscal Committee, any and all donations or grants, both real and personal, from any governmental unit or public agency or from any institution, person, firm, or corporation, consistent with the rules established by the Board and the purpose or conditions of the donation or grant; and

(3) ~~to~~ exercise all powers and conduct such activities as are necessary in carrying out the ~~Board's~~ Commissioner's responsibilities in fulfilling the purposes of this chapter.

~~(f)~~(c) The ~~Board~~ Commissioner shall adopt such rules as are necessary to carry out the purposes of this chapter, including, where appropriate, imposing reasonable fines or sanctions against persons that do not adhere to applicable ~~board~~ rules.

~~(g), (h) [Repealed.]~~

§ 7054. FUNDING

(a) The Enhanced 911 Fund is created as a special fund subject to the provisions of 32 V.S.A. chapter 7, subchapter 5. Balances in the Fund on June 30 of each year shall carry forward and shall not revert to the General Fund.

(b) The General Assembly shall annually review and approve an amount to be transferred by the universal service fiscal agent to the Enhanced 911 Fund and shall appropriate some or all of that amount for expenditures related to providing Enhanced 911 services.

(c) Into the Enhanced 911 Fund shall be deposited monies transferred from the universal service fiscal agent, any State or federal funds appropriated to the Fund by the General Assembly, any taxes specifically required by law to be deposited into the Fund, and any grants or gifts received by the State for the benefit of the Enhanced 911 system.

(d) Disbursements from the Enhanced 911 Fund shall be made by the State Treasurer on warrants drawn by the ~~Director~~ Commissioner solely for the purposes specified in this chapter. The ~~Director~~ Commissioner may issue such warrants pursuant to contracts or grants.

(e) Disbursements may be made for:

(1) nonrecurring costs, including establishing public safety answering points, purchasing network equipment and software, developing ~~data bases~~ databases, and providing for initial training and public education;

(2) recurring costs, including network access fees and other telephone charges, software, equipment, ~~data base~~ database management and improvement, public education, ongoing training and equipment maintenance;

(3) expenses of the Board and the Department of Public ~~Service~~ Safety incurred under this chapter;

(4) costs solely attributable to statewide public safety answering point operations; and

(5) costs attributable to demonstration projects designed to enhance the delivery of ~~emergency~~ Enhanced 911 and other emergency services.

(f) Disbursements may not be made for:

(1) personnel costs for emergency dispatch answering points;

(2) construction, purchase, renovation, or furnishings for buildings at emergency dispatch points;

(3) two-way radios; and

(4) vehicles and associated equipment.

§ 7055. TELECOMMUNICATIONS COMPANY COORDINATION

(a) Every telecommunications company under the jurisdiction of the Public Service Board offering access to the public network shall make available, in accordance with rules adopted by the Public Service Board, the universal

emergency telephone number 911 for use by the public in seeking assistance from fire, police, medical, and other emergency service providers through a public safety answering point.

(b) Every local exchange telecommunications provider shall provide the ANI and any other information required by rules adopted under section 7053 of this ~~title~~ chapter to the ~~Board~~ Commissioner, or to any administrator of the Enhanced 911 database, for purposes of maintaining the Enhanced 911 database. Each such provider ~~shall be~~ is responsible for updating the information at a frequency specified by such rules. All persons receiving confidential information under this section, as defined by the Public Service Board, shall use it solely for the purposes of providing ~~emergency~~ Enhanced 911 services, and shall not disclose such confidential information for any other purpose.

(c) Each local exchange telecommunications company, cellular company, and mobile or personal communications service company within the State shall designate a person to coordinate with and provide all relevant information to the ~~E-911 Board~~ Commissioner and the Public Service Board ~~in~~ for carrying out the purposes of the chapter.

(d) Wire line and nonwire cellular carriers certificated to provide service in the ~~state~~ State shall provide ANI signaling ~~which~~ that identifies geographical location as well as cell site address for cellular 911 calls. Personal communications networks and any future mobile or personal communications systems ~~shall also be~~ are also required to identify the location of the caller. The telephone company shall provide ANI signaling ~~which~~ that identifies the name of the carrier and identify the type of service as cellular, mobile, or personal communications as part of the ALI along with a screen message that advises the call answerer to verify the location of the reported emergency. Telecommunication providers of mobile wireless, IP-enabled, and other communication services ~~which~~ that have systems with the capability to send data related to the location of the caller with the call or transmission instead of relying on location data otherwise contained in the ALI database shall provide this data with calls or transmissions for the sole purpose of enabling the ~~emergency~~ Enhanced 911 system to locate an individual seeking emergency services. Location data shall be provided in accordance with relevant national standards for next generation ~~9-1-1~~ 911 technology.

(e) Each local exchange telecommunications provider in the State shall file with the Public Service Board tariffs for each service element necessary for the provision of ~~enhanced~~ Enhanced 911 services. The Public Service Board shall review each company's proposed tariff, and shall ensure that tariffs for each necessary basic service element are effective within six months of filing. The

~~Department~~ Commissioner of Public Service, by rule or emergency rule, may establish the basic service elements that each company must provide for in tariffs. Such tariffs must be filed with the Public Service Board within 60 days after the basic service elements are established by the ~~Department~~ Commissioner of Public Service.

§ 7056. MUNICIPAL COOPERATION; ENHANCED ANI/ALI CAPABILITY

(a) Each municipality, by its legislative body, may participate in the Enhanced 911 system. 3 Municipalities choosing to participate shall identify all building locations and other public and private locations frequented by the public and shall cooperate in the development and maintenance of the necessary databases. The ~~Board~~ Commissioner shall work with municipalities to identify nonmonetary incentives designed to streamline and reduce the administrative burdens imposed by this requirement. Any municipality that changes its system for addresses shall ensure that the modified address system is consistent with the standards established by the ~~Board~~ Commissioner.

(b) After the effective date of this chapter, any municipality that changes its system for addresses shall ensure that the modified address system is consistent with the standards established by the ~~Board~~ Commissioner.

~~(c) (e) [Repealed.]~~

§ 7057. PRIVATELY OWNED TELEPHONE SYSTEMS

Any privately owned telephone system shall provide to those end users the same level of 911 service that other end users receive and shall provide ANI signaling, station identification data, and updates to Enhanced 911 databases under rules adopted by the ~~Board~~ Commissioner. The ~~Board~~ Commissioner may waive the provisions of this section for any privately owned telephone system, provided that in the judgment of the ~~Board~~ Commissioner, the owner of the system is actively engaged in becoming compliant with this section, is likely to comply with this section in a reasonable amount of time, and will do so in accordance with standards and procedures adopted ~~by the Board~~ by rule by the Commissioner.

§ 7058. PAY TELEPHONES

Each provider or other owner or lessee of a pay station telephone shall permit a caller to dial 911 without first inserting a coin or paying any other charge. The provider or other owner or lessee shall prominently display on each notice advising callers to dial 911 in an emergency and that deposit of a coin is not required.

§ 7059. CONFIDENTIALITY OF SYSTEM INFORMATION

(a)(1) A person shall not access, use, or disclose to any other person any individually identifiable information contained in the system database created ~~under subdivision 7053(a)(4) of this title~~ subsection 7053(a) of this chapter, including any customer or user ALI or ANI information, except in accordance with rules adopted by the ~~Board~~ Commissioner ~~and~~ for the purpose of:

(A) responding to emergency calls;

(B) system maintenance and quality control under the direction of the Director;

(C) investigation, by law enforcement personnel, of false or intentionally misleading reports of incidents requiring emergency services;

(D) assisting in the implementation of a statewide emergency notification system;

(E) provision of emergency dispatch services by public safety answering points in other states that are under contract with local law enforcement and emergency response organizations; or

(F) coordinating with ~~state~~ State and local service providers for the provision of emergency dispatch services that serve individuals with a disability, elders, and other populations with special needs.

(2) ~~No person shall~~ A person shall not use customer ALI or ANI information to create special 911 databases for any private purpose or any public purpose unauthorized by this chapter.

(b) Notwithstanding the provisions of subsection (a) of this section to the contrary, customer ALI or ANI information obtained in the course of responding to an emergency call may be included in an incident report prepared by emergency response personnel, in accordance with rules adopted by the ~~Board~~ Commissioner.

(c) Information relating to customer name, address, and any other specific customer information collected, organized, acquired, or held by the ~~board~~ Department of Public Safety, the entity operating a public safety answering point or administering the Enhanced 911 database, or emergency service provider is not public information and is exempt from ~~disclosure under 1 V.S.A. chapter 5, subchapter 3~~ public inspection and copying under the Public Records Act.

(d) If a municipality has adopted conventional street addressing for Enhanced 911 addressing purposes, the municipality shall ensure that an individual who so requests will not have his or her street address and name

linked in a municipal public record, but the individual shall be required to provide a mailing address. The request required by this subsection shall be in writing and shall be filed with the municipal clerk. Requests under this subsection shall be confidential and exempt from public inspection and copying under the Public Records Act. A form shall be prepared by the ~~Board~~ Commissioner and made generally available to the public by which the confidentiality option established by this subsection may be exercised.

(e) Notwithstanding any provision of law to the contrary, no person acting on behalf of the State of Vermont or any political subdivision of the ~~state~~ State shall require an individual to disclose his or her Enhanced 911 address, provided that the individual furnishes his or her alternative mailing address.

§ 7060. LIMITATION OF LIABILITY

~~No person shall~~ A person shall not be liable in any suit for civil damages ~~who~~ if he or she in good faith receives, develops, collects, or processes information for the Enhanced 911 database or develops, designs, adopts, establishes, installs, participates in, implements, maintains, or provides access to telephone, mobile, or IP-enabled service for the purpose of helping persons obtain emergency assistance in accordance with this chapter unless such action constitutes gross negligence or an intentional tort. In addition, no provider of telephone, mobile, or other IP-enabled service or a provider's respective employees, directors, officers, assigns, affiliates, or agents shall be liable for civil damages in connection with the release of customer information to any governmental entity, including any public safety answering point, as required under this chapter.

* * * Communications Union Districts * * *

Sec. 20. 30 V.S.A. chapter 82 is added to read:

CHAPTER 82. COMMUNICATIONS UNION DISTRICT

§ 3051. FORMATION

(a) Two or more towns and cities may elect to form a communications union district for the delivery of communications services and the operation of a communications plant, which district shall be a body politic and corporate.

(b) A town or city electing to form a district under this chapter shall submit to the eligible voters of such municipality a proposition in substantially the following form: "Shall the Town of _____ enter into a communications union district to be known as _____, under the provisions of Chapter 82 of Title 30, Vermont Statutes Annotated?" at an annual or special meeting of such town or city.

(c) Additional towns or cities may be admitted to the district in the manner provided in section 3082 of this chapter.

(d) As used in this chapter:

(1) "Communications plant" means any and all parts of any communications system owned by the district, whether using wires, cables, fiber optics, wireless, other technologies, or a combination thereof, and used for the purpose of transporting or storing information, in whatever forms, directions, and media, together with any improvements thereto hereafter constructed or acquired, and all other facilities, equipment, and appurtenances necessary or appropriate to such system. However, the term "communications plant" and any regulatory implications or any restrictions under this chapter regarding a "communications plant" shall not apply to facilities or portions of any communications facilities intended for use by, and solely used by, a district member and its own officers and employees in the operation of municipal departments or systems of which such communications are merely an ancillary component.

(2) "Communications union district" or "district" means a communications union district formed under this chapter.

(3) "District member" or "member municipality" means a town or city that elects to form a communications union district under this chapter.

(4) "Governing board" or "board" means the governing board of the communications union district as established under this chapter.

§ 3052. DISTRICT COMPOSITION

A district formed under this chapter shall be composed of and include all of the lands and residents within a member municipality, and any other town or city subsequently admitted to the district as provided in this chapter except for those towns and cities that withdraw as provided in this chapter. Registered voters in each member municipality are eligible to vote in all district meetings, but only district member representatives are eligible to vote in meetings of the district's governing board.

§ 3053. CREATION; DURATION; NONCONTESTABILITY

(a) Following the organizational meeting called for in section 3060 of this chapter, the district's governing board shall cause to be filed with the Office of the Secretary of State a certificate attesting to the vote conducted under subsection 3051(b) of this chapter.

(b) A district formed under this chapter shall continue as a body politic and corporate unless and until dissolved according to the procedures set forth in this chapter.

(c) An action shall not be brought directly or indirectly challenging, questioning, or in any manner contesting the legality of the formation, or the existence as a body corporate and politic of any communications union district created under this chapter after six months from the date of the recording in the Office of the Secretary of State of the certificate required by subsection (a) of this section. An action shall not be brought directly or indirectly challenging, questioning, or in any manner contesting the legality or validity of any bonds issued to defray costs of communications plant improvements approved by the board, after six months from the date upon which the board voted affirmatively to issue such bonds. This section shall be liberally construed to effect the legislative purpose to validate and make certain the legal existence of all communications union districts in this State and the validity of bonds issued or authorized for communications plant improvements, and to bar every remedy therefor notwithstanding any defects or irregularities, jurisdictional or otherwise, after expiration of the six-month period. The provisions of this subsection shall also pertain to financial contracts directly related to the district's bonding authority.

(d) To the extent a district constructs communications infrastructure with the intent of providing communications services, the district shall ensure that any and all losses from these services, or in the event these services are abandoned or curtailed, any and all costs associated with the investment in communications infrastructure, are not borne by the taxpayers of district members.

§ 3054. DISTRICT POWERS

(a) In addition to the powers enumerated in 24 V.S.A. § 4866, and, subject to the limitations and restrictions set forth in section 3056 of this chapter, a district created under this chapter shall have the power to:

(1) operate, cause to be operated, or contract for the construction, ownership, management, financing, and operation of a communications plant for the delivery of communications services, as provided in 24 V.S.A. chapter 54, and all enactments supplementary and amendatory thereto;

(2) purchase, sell, lease, own, acquire, convey, mortgage, improve, and use real and personal property in connection with its purpose;

(3) hire and fix the compensation and terms of employment of employees;

(4) sue and be sued;

(5) enter into contracts for any term or duration;

(6) contract with architects, engineers, financial and legal consultants, and others for professional services;

(7) contract with individuals, corporations, associations, authorities, and agencies for services and property, including the assumption of the liabilities and assets thereof;

(8) provide communications services for its members, the inhabitants thereof, and the businesses therein, and for such others as its facilities and obligations may allow, and further provided such service is not extended to a location in a municipality that is not contiguous with the town limits of a member district and that does not have access to broadband service from another provider;

(9) contract with the State of Vermont, the United States of America, or any subdivision or agency thereof for services, assistance, and joint ventures;

(10) contract with any municipality for the services of any officers or employees of that municipality useful to it;

(11) promote cooperative arrangements and coordinated action among its members and other public and private entities;

(12) make recommendations for review and action to its members and other public agencies which perform functions within the region in which its members are located;

(13) exercise any other powers which are necessary or desirable for dealing with communications matters of mutual concern and that are exercised or are capable of exercise by any of its members;

(14) enter into financing agreements as provided by 24 V.S.A. § 1789 and chapter 53, subchapter 2, or other provisions of law authorizing the pledge of net revenue, or alternative means of financing capital improvements and operations;

(15) establish a budget to provide for the funding thereof out of general revenue of the district;

(16) appropriate and expend monies;

(17) establish sinking and reserve funds for retiring and securing its obligations;

(18) establish capital reserve funds and make appropriations thereto for communications plant improvements and the financing thereof;

(19) enact and enforce any and all necessary or desirable bylaws for the orderly conduct of its affairs for carrying out its communications purpose and for protection of its communications property;

(20) solicit, accept, and administer gifts, grants, and bequests in trust or otherwise for its purpose;

(21) exercise all powers incident to a public corporation;

(22) adopt a name under which it shall be known and shall conduct business; and

(23) establish an effective date of its creation.

(b) Before a district may sell any service using a communications plant subject to Public Service Board jurisdiction and for which a certificate of public good is required under chapter 5 or 13 of this title, it shall obtain a certificate of public good for such service. Each such certificate of public good shall be nonexclusive and shall not contain terms or conditions more favorable than those imposed on existing certificate holders authorized to serve the municipality.

§ 3055. COMMUNICATIONS PLANT; SITES

Each member shall make available for lease to the district one or more sites for a communications plant or components thereof within such member municipality.

§ 3056. LIMITATIONS; TAXES; INDEBTEDNESS

(a) Notwithstanding any grant of authority in this chapter to the contrary, a district shall not accept funds generated by a member's taxing or assessment power.

(b) Notwithstanding any grant of authority in this chapter to the contrary, a district shall not have the power to levy, assess, apportion, or collect any tax upon property within the district, nor upon any of its members, without specific authorization of the General Assembly.

(c) Notwithstanding any grant of authority in this chapter to the contrary, every issue of a district's notes and bonds shall be general obligations of the district payable only out of any revenues or monies of the district.

§ 3057. BOARD AUTHORITY

The legislative power and authority of a district and the administration and the general supervision of all fiscal, prudential, and governmental affairs thereof shall be vested in a legislative body known as the governing board, except as specifically provided otherwise in this chapter.

§ 3058. BOARD COMPOSITION

The district governing board shall be composed of one representative from each member and one or more alternates to serve in the absence of the designated representative.

§ 3059. APPOINTMENT

Annually on or before the last Monday in April commencing in the year following the effective date of the district's creation, the legislative body of each member shall appoint a representative and one or more alternates to the governing board for one-year terms. Appointments of representatives and alternates shall be in writing, signed by the chair of the legislative body of the appointing member, and presented to the clerk of the district. The legislative body of a member, by majority vote, may replace its appointed representative or alternate at any time and shall promptly notify the district clerk of such replacement.

§ 3060. ORGANIZATIONAL MEETING

Annually, on the second Tuesday in May following the appointments contemplated in section 3059 of this chapter, the board shall hold its organizational meeting. At such meeting, the board shall elect from among its appointed representatives a chair and a vice chair, each of whom shall hold office for one year and until his or her successor is duly elected.

§ 3061. QUORUM

For the purpose of transacting business, the presence of delegates or alternates representing more than 50 percent of district members shall constitute a quorum. However, a smaller number may adjourn to another date. Any action adopted by a majority of the votes cast at a meeting of the board at which a quorum is present shall be the action of the board, except as otherwise provided in this chapter.

§ 3062. VOTING

Each district member's delegation shall be entitled to cast one vote.

§ 3063. TERM

Unless replaced in the manner provided in section 3059 of this chapter, a representative on the governing board shall hold office until his or her successor is duly appointed. Any representative or alternate may be reappointed to successive terms without limit.

§ 3064. VACANCY

Any vacancy on the board shall be filled within 30 days after such vacancy occurs by appointment by the authority which appointed the representative or alternate whose position has become vacant. An appointee to a vacancy shall serve until the expiration of the term of the representative or alternate to whose position the appointment was made and may thereafter be reappointed.

§ 3065. RULES OF PROCEDURE

Except as otherwise provided by law, or as may be agreed upon by the board, Robert's Rules of Order shall govern at all meetings.

§ 3066. COMPENSATION OF REPRESENTATIVES

Each district member may reimburse its representative to the governing board for expenses as it determines reasonable, except as provided in section 3072 of this chapter with respect to district officers.

§ 3067. OFFICERS; BOND

(a) The officers of the district shall be the chair and the vice chair of the board, the clerk of the district, and the treasurer of the district. Prior to assuming their offices, officers may be required to post bond in such amounts as shall be determined by resolution of the board. The cost of such bond shall be borne by the district.

(b) The chair shall preside at all meetings of the board and shall make and sign all contracts on behalf of the district upon approval by the board. The chair shall perform all duties incident to the position and office as required by the general laws of the State.

(c) During the absence of or inability of the chair to render or perform his or her duties or exercise his or her powers, the same shall be performed and exercised by the vice chair and when so acting, the vice chair shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon the chair.

(d) During the absence or inability of the vice chair to render or perform his or her duties or exercise his or her powers, the board shall elect from among its membership an acting vice chair who shall have the powers and be subject to all the responsibilities hereby given or imposed upon the vice chair.

(e) Upon the death, disability, resignation, or removal of the chair or vice chair, the board shall forthwith elect a successor to such vacant office until the next annual meeting.

§ 3068. CLERK

The clerk of the district shall be appointed by the board, and shall serve at its pleasure. The clerk is not required to be a member of the governing board. The clerk shall have the exclusive charge and custody of the records of the district and the seal of the district. The clerk shall record all votes and proceedings of the district, including district and board meetings, and shall prepare and cause to be posted and published all warnings of meetings of such meetings. Following approval by the board, the clerk shall cause the annual

report to be distributed to the legislative bodies of the district members. The clerk shall prepare and distribute any other reports required by State law and resolutions or regulations of the board. The clerk shall perform all duties and functions incident to the office of secretary or clerk of a body corporate.

§ 3069. TREASURER

The treasurer of the district shall be appointed by the board, and shall serve at its pleasure. The treasurer shall not be a member of the governing board. The treasurer shall have the exclusive charge and custody of the funds of the district and shall be the disbursing officer of the district. When authorized by the board, the treasurer may sign, make, or endorse in the name of the district all checks and orders for the payment of money and pay out and disburse the same and receipt therefor. The treasurer shall keep a record of every obligation issued and contract entered into by the district and of every payment thereon. The treasurer shall keep correct books of account of all the business and transactions of the district and such other books and accounts as the board may require. The treasurer shall render a statement of the condition of the finances of the district at each regular meeting of the board and at such other times as shall be required of the treasurer. The treasurer shall prepare the annual financial statement and the budget of the district for distribution, upon approval of the board, to the legislative bodies of district members. The treasurer shall do and perform all of the duties appertaining to the office of treasurer of a body politic and corporate. Upon removal or the treasurer's termination from office by virtue of removal or resignation, the treasurer shall immediately pay over to the successor all of the funds belonging to the district and at the same time deliver to the successor all official books and papers.

§ 3070. AUDIT

Once the district becomes operational, the board shall cause an audit of the financial condition of the district to be performed annually by an independent professional accounting firm.

§ 3071. COMMITTEES

The board has authority to establish one or more committees and grant and delegate to them such powers as it deems necessary. Members of an executive committee shall serve staggered terms and shall be board members. Membership on other committees established by the board is not restricted to board members.

§ 3072. COMPENSATION OF OFFICERS

Officers of the district shall be paid from district funds such compensation or reimbursement of expenses, or both, as determined by the board.

§ 3073. RECALL OF OFFICERS

An officer may be removed by a two-thirds' vote of the board whenever, in its judgment, the best interest of the district shall be served.

§ 3074. FISCAL YEAR

The fiscal year of the district shall commence on January 1 and end on December 31 of each year.

§ 3075. BUDGET

(a) Annually, not later than September 15, the board shall approve and cause to be distributed to the legislative body of each district member for review and comment an annual report of its activities, together with a financial statement, a proposed district budget for the next fiscal year, and a forecast presenting anticipated year-end results. The proposed budget shall include reasonably detailed estimates of:

(1) deficits and surpluses from prior fiscal years;

(2) anticipated expenditures for the administration of the district;

(3) anticipated expenditures for the operation and maintenance of any district communications plant;

(4) payments due on obligations, long-term contracts, leases, and financing agreements;

(5) payments due to any sinking funds for the retirement of district obligations;

(6) payments due to any capital or financing reserve funds;

(7) anticipated revenues from all sources; and

(8) such other estimates as the board deems necessary to accomplish its purpose.

(b) Coincident with a regular meeting thereof, the board shall hold a public hearing not later than November 1 of each year to receive comments from the legislative bodies of district members and hear all other interested persons regarding the proposed budget. Notice of such hearing shall be given to the legislative bodies of district members at least 30 days prior to such hearing. The board shall give consideration to all comments received and make such changes to the proposed budget as it deems advisable.

(c) Annually, not later than December 1, the board shall adopt the budget and appropriate the sums it deems necessary to meet its obligations and operate and carry out the district's functions for the next ensuing fiscal year.

(d) Actions or resolutions of the board for the annual appropriations of any year shall not cease to be operative at the end of the fiscal year for which they were adopted. Appropriations made by the board for the various estimates of the budget shall be expended only for such estimates, but by majority vote of the board the budget may be amended from time to time to transfer funds between or among such estimates. Any balance left or unencumbered in any such budget estimate, or the amount of any deficit at the end of the fiscal year, shall be included in and paid out of the operating budget and appropriations in the next fiscal year. All such budget amendments shall be reported by the district treasurer to the legislative bodies of each district member within 14 days of the end of the fiscal year.

(e) Financial statements and audit results shall be delivered to the legislative bodies of each district member within 10 days of delivery to the board.

§ 3076. INDEBTEDNESS

The board may borrow money through the issuance of notes of the district for the purpose of paying current expenses of the district. Such notes shall mature within one year, and may be refunded in the manner provided by law, and shall be payable solely from the district's operating revenues. The governing board may borrow money in anticipation of the receipt of grants-in-aid from any source and any revenues. Such notes shall mature within one year, but may be renewed as provided by general law.

§ 3077. PLEDGE OF REVENUES

(a) When the board, at a regular or special meeting called for such purpose, determines by resolution passed by a vote of a majority of members present and voting that the public interest or necessity demands communications plant improvements, or a long-term contract, and that the cost of the same will be too great to be paid out of the ordinary annual income and revenue of the district, the board may pledge communications plant net revenues and enter into long-term contracts to provide for such improvements. A "long-term contract" means an agreement in which the district incurs direct or conditional obligations for which the costs are too great to be paid out of the ordinary annual income and revenues of the district, in the judgment of the board. It includes an agreement authorized under 24 V.S.A. § 1789, wherein performance by the district is conditioned upon periodic appropriations. The term "communications plant improvements" includes improvements that may be used for the benefit of the public, whether or not publicly owned or operated.

(b) The pledge of communications plant net revenues, and other obligations allowed by law, may be authorized for any purpose permitted by this chapter,

24 V.S.A. chapter 53, subchapter 2, and chapter 54, or any other applicable statutes. A communications plant is declared to be a project within the meaning of 24 V.S.A. § 1821(4).

§ 3078. SINKING AND RESERVE FUNDS

(a) The board may establish and provide for sinking and reserve funds, however denominated, for the retirement and security of pledges of communications plant net revenue, or for long-term contracts. When so established, such funds shall be kept intact and separate from other monies at the disposal of the district, and shall be accounted for as a pledged asset for the purpose of retiring or securing such obligations or contracts. The cost of payments to any sinking or reserve fund shall be included in the annual budget of the district.

(b) The board shall establish and provide for a capital reserve fund to pay for communications plant improvements, replacement of worn out buildings and equipment, and planned and unplanned major repairs in furtherance of the purpose for which the district was created. Any such capital reserve fund shall be kept in a separate account and invested as are other public funds and shall be expended for such purposes for which established. The cost of payments to any capital reserve fund shall be included in the annual budget of the district.

§ 3079. SERVICE FEES

The board may from time to time establish and adjust service, subscription, access, and utility fees for the purpose of generating revenues from the operation of its communications plant.

§ 3080. SPECIAL MEETINGS

(a) The board may call a special meeting of the district when it deems it necessary or prudent to do so and shall call a special meeting of the district when action by the voters is necessary under this chapter. In addition, the board shall call a special meeting upon receipt of a petition signed by at least five percent of the registered voters within the district, or upon request of at least 25 percent of district members evidenced by formal resolutions of the legislative bodies of such members or by petitions signed by at least five percent of the member's registered voters. The board may rescind the call of a special meeting called by it but not a special meeting called as provided in this subsection. The board may schedule the date of such special meetings to coincide with the date of annual municipal meetings, primary elections, general elections, or similar meetings when the electorate within the district members will be voting on other matters.

(b) At any special meeting of the district, voters of each district member shall cast their ballots at such polling places within the municipality of their

residence as shall be determined by the board of the district in cooperation with the boards of civil authority of each district member.

(c) Not less than three nor more than 14 days prior to any special meeting, at least one public hearing shall be held by the board at which time the issues under consideration shall be presented and comments received. Notice of such public hearing shall include the publication of a warning in a newspaper of general circulation in the district at least once a week, on the same day of the week, for three consecutive weeks, the last publication not less than five nor more than 10 days before the public hearing. Such notice may be included in the warning called for in subsection (d) of this section.

(d) The board shall warn a special meeting by filing a notice with the clerk of each district member and by posting a notice in at least five public places in each municipality in the district not less than 30 nor more than 40 days before the meeting. In addition, the warning shall be published in a newspaper of general circulation in the district once a week on the same day of the week for three consecutive weeks before the meeting, the last publication to be not less than five nor more than 10 days before the meeting.

(e) The original warning of any special meeting of the district shall be signed by a majority of the board and shall be filed with the clerk before being posted.

(f) The posted and published warning notification shall include the date, time, place, and nature of the meeting. It shall, by separate articles, specifically indicate the business to be transacted and the questions to be voted upon.

(g) The Australian ballot system shall be used at all special meetings of the district when voting is to take place. Ballots shall be commingled and counted under the supervision of the district clerk.

(h) All legal voters of the district members shall be legal voters of the district. The district members shall post and revise checklists in the same manner as for municipal meetings prior to any district meeting at which there will be voting.

(i) At all special meetings, the provisions of 17 V.S.A. chapter 51 regarding election officials, voting machines, polling places, absentee voting, process of voting, count and return of votes, validation, recounts and contest of elections, reconsideration or rescission of vote, and jurisdiction of courts shall apply except where clearly inapplicable. The clerk shall perform the functions assigned to the Secretary of State under that chapter. The Washington Superior Court shall have jurisdiction over petitions for recounts. Election expenses shall be borne by the district, unless within 30 days of the date of

such resolution there is filed with the clerk of the district a request to call a special district meeting under this section to consider a proposition to rescind such resolution.

§ 3081. WITHDRAWAL OF A MEMBER MUNICIPALITY

A district member may withdraw from the district upon the terms and conditions specified below:

(1) Prior to the district pledging communications plant net revenues, or entering into a long-term contract, or contract subject to annual appropriation, a district member may vote to withdraw in the same manner as the vote for admission to the district. If a majority of the voters of a district member present and voting at a meeting duly warned for such purpose votes to withdraw from the district, the vote shall be certified by the clerk of that municipality and presented to the board. Thereafter, the board shall give notice to the remaining district members of the vote to withdraw and shall hold a meeting to determine if it is in the best interest of the district to continue to exist. Representatives of the district members shall be given an opportunity to be heard at such meeting together with any other interested persons. After such a meeting, the board may declare the district dissolved immediately or as soon thereafter as its financial obligations and of each district member on account thereof have been satisfied, or it may declare that the district shall continue to exist despite the withdrawal of such member. The membership of the withdrawing municipality shall terminate as soon after such vote to withdraw as any financial obligations of the withdrawing municipality have been paid to the district.

(2) After the district has pledged communications plant net revenues, or entered into a long-term contract or contract subject to annual appropriations, a district member may vote to withdraw in the same manner as the vote for admission to the district. It shall be a condition that the withdrawing municipality shall enter into a written agreement with the district whereby such municipality shall be obligated to continue to pay its share of any contract obligations incurred by the district for the remaining term of the contract term.

§ 3082. ADMISSION OF DISTRICT MEMBERS

The board may authorize the inclusion of additional district members in the communications union district upon such terms and conditions as it in its sole discretion shall deem to be fair, reasonable, and in the best interests of the district. The legislative body of any nonmember municipality which desires to be admitted to the district shall make application for admission to the board. The board shall determine the financial, economic, governance, and operational effects that are likely to occur if such municipality is admitted and thereafter either grant or deny authority for admission of the petitioning

municipality. If the board grants such authority, it shall also specify any terms and conditions, including financial obligations, upon which such admission is predicated. Upon resolution of the board, such applicant municipality shall become and thereafter be a district member.

§ 3083. DISSOLUTION

(a) If the board by resolution approved by two-thirds of all the votes entitled to be cast determines that it is in the best interests of the public, the district members, and the district that such district be dissolved, and if the district then has no outstanding obligations under pledges of communications plant net revenue, long-term contracts, or contracts subject to annual appropriation, or will have no such debt or obligation upon completion of the plan of dissolution, it shall prepare a plan of dissolution and thereafter adopt a resolution directing that the question of such dissolution and the plan of dissolution be submitted to the voters of the district at a special meeting thereof duly warned for such purpose. If a majority of the voters of the district present and voting at such special meeting shall vote to dissolve the district and approve the plan of dissolution, the district shall cease to conduct its affairs except insofar as may be necessary for the winding up thereof. The board shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of the district and to the Secretary of State and shall proceed to collect the assets of the district and apply and distribute them in accordance with the plan of dissolution.

(b) The plan of dissolution shall:

(1) identify and value all unencumbered assets;

(2) identify and value all encumbered assets;

(3) identify all creditors and the nature or amount of all liabilities and obligations;

(4) identify all obligations under long-term contracts and contracts subject to annual appropriation;

(5) specify the means by which assets of the district shall be liquidated and all liabilities and obligations paid and discharged, or adequate provision made for the satisfaction thereof;

(6) specify the means by which any assets remaining after discharge of all liabilities shall be liquidated if necessary; and

(7) specify that any assets remaining after payment of all liabilities shall be apportioned and distributed among the district members according to a formula based upon population.

(c) When the plan of dissolution has been implemented, the board shall adopt a resolution certifying that fact to the district members whereupon the district shall be terminated, and notice thereof shall be delivered to the Secretary of the Senate and the Clerk of the House of Representatives in anticipation of confirmation of dissolution by the General Assembly.

Sec. 21. EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT

The East Central Vermont Telecommunications District approved by the voters of the Towns of Norwich, Randolph, Sharon, Strafford, and Woodstock on March 3, 2015, qualifies as a communications union district under 30 V.S.A. chapter 82, if so approved by the legislative body of each municipality after enactment of 30 V.S.A. chapter 82.

* * * VEDA Loans to Telecommunications Union Districts * * *

Sec. 22. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter:

* * *

(6) "Eligible facility" or "eligible project" means any industrial, commercial, or agricultural enterprise or endeavor approved by the authority that meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under section 280b of this title, including land and rights in land, air, or water, buildings, structures, machinery, and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of state, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to housing. Such enterprises or endeavors may include:

* * *

(N) industrial park planning, development, or improvement; ~~or~~

(O) for purposes of subchapter 5 of this chapter, a telecommunications plant, as defined in 24 V.S.A. § 1911(2), owned by a municipality individually or in concert with one or more other municipalities as a communications union district established under 30 V.S.A. chapter 82; or

(P) any combination of the foregoing activities, uses, or purposes. An eligible facility may include structures, appurtenances incidental to the foregoing such as utility lines, storage accommodations, offices, dependent care facilities, or transportation facilities.

* * *

Sec. 23. 10 V.S.A. § 261 is amended to read:

§ 261. ADDITIONAL POWERS

In addition to powers enumerated elsewhere in this chapter, the Authority may:

(1) make loans secured by mortgages, which may be subordinate to one or more prior mortgages, upon application by the proposed mortgagor, who may be a private corporation, partnership ~~or~~, person, or municipality financing an eligible project described in subdivision 212(6) of this title, upon such terms as the Authority may prescribe, for the purpose of financing the establishment or expansion of eligible facilities. Such loans shall be made from the Vermont Jobs Fund established under subchapter 3 of this chapter. The Authority may provide for the repayment and redeposit of such loans in the manner provided hereinafter.

* * *

Sec. 24. 10 V.S.A. § 262 is amended to read:

§ 262. FINDINGS

Before making any loan, the Authority shall receive from an applicant a loan application in such form as the Authority may by regulation prescribe, and the Authority, or the Authority's loan officer pursuant to the provisions of subdivision 216(15) of this title, shall determine and incorporate findings in its minutes that:

* * *

(5) The principal obligation of the Authority's mortgage does not exceed $1,500,000.00 which may be secured by land and buildings or by machinery and equipment, or both; unless:

(A) an integral element of the project consists of the generation of heat or electricity employing biomass, geothermal, methane, solar, or wind energy resources to be primarily consumed at the project, in which case the principal obligation of the Authority's mortgage does not exceed $2,000,000.00, which may be secured by land and by buildings, or machinery and equipment, or both; such principal obligation does not exceed 40 percent of the cost of the project; and the mortgagor is able to obtain financing for the balance of the cost of the project from other sources as provided in the following section; or

(B) a single loan for which the principal amount of the Authority's mortgage does not exceed $3,000,000.00 for an eligible facility consisting of a municipal telecommunications plant, as defined in 24 V.S.A. § 1911(2); or

* * *

Sec. 25. 10 V.S.A. § 263 is amended to read:

§ 263. MORTGAGE LOAN; LIMITATIONS

* * *

(b) Any loan of the ~~authority~~ Authority under this subchapter shall be for a period of time and shall bear interest at such rate as determined by the ~~authority~~ Authority and shall be secured by a mortgage on the eligible facility for which the loan was made or upon the assets of a municipal communications plant, including the net revenues derived from the operation thereof, or both. The mortgage may be subordinate to one or more prior mortgages, including the mortgage securing the obligation issued to secure the commitment of funds from the independent and responsible sources and used in the financing of the economic development project. Monies loaned by the authority shall be withdrawn from the Vermont jobs fund fund and paid over to the mortgagor in such manner as provided and prescribed by the rules and regulations of the authority. All payments of principal and interest on the loans shall be deposited by the authority in the Vermont jobs fund.

* * *

(h) All actions of a municipality taken under this subchapter for the financing of an eligible project described in subsection 212(b) shall be as authorized in section 245 of this title.

(i) The provisions of section 247 of this title shall apply to the financing of an eligible project described in subdivision 216(6) of this title.

* * * Statutory Revision * * *

Sec. 26. STATUTORY REVISION

In its statutory revision capacity under 2 V.S.A. § 424, the Office of Legislative Council shall, where appropriate in 30 V.S.A. chapter 88:

(1) replace the words "Public Service Board" with the words "Department of Public Service";

(2) replace the word "Board" with the word "Commissioner"; and

(3) make other similar amendments necessary to effect the purposes of this act.

* * * Effective Dates * * *

Sec. 27. EFFECTIVE DATES

(a) This act shall take effect on July 1, 2015, except that this section and Secs. 6(e) (Commissioner approval of all Vermont Telecommunications

Contracts), 13 (conversion of a meteorological station to wireless telecommunications facility), 15 (retransmission fee reporting), 16 (E-911 operations and savings), 20 (telecommunications union district), 21 (ECFiber qualifies as telecommunications union district), 22–25 (municipal telecommunications projects eligible for VEDA lending), and 26 (statutory revision authority) shall take effect on passage.

(b) Secs. 17, 18, and 19 (transferring administration of the E-911 Board to the Department of Public Safety) shall take effect upon a finding by the Secretary of Administration that the administration of the E-911 system should be transferred to the Department of Public Safety not later than July 1, 2015.

And that after passage the title of the bill be amended to read:

An act relating to telecommunications.

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Kitchel, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Finance.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposal of amendment was agreed to, and third reading of the bill was ordered.

Proposal of Amendment; Third Reading Ordered

H. 269.

Senator Bray, for the Committee on Natural Resources & Energy, to which was referred House bill entitled:

An act relating to the transportation and disposal of excavated development soils legally categorized as solid waste.

Reported recommending 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. LEGISLATIVE FINDINGS

The General Assembly finds and declares that:

(1) polycyclic aromatic hydrocarbons (PAHs), arsenic, and lead may be considered hazardous materials under State law;

(2) PAHs, arsenic, and lead frequently are present in the environment as a result of atmospheric deposition of exhaust products from incomplete

combustion of hydrocarbons, including oil, gasoline, coal, wood, and solid waste;

(3) arsenic and lead can be present as naturally occurring elements in soils;

(4) soils on properties within downtowns or village centers often contain PAHs, arsenic, or lead at levels that exceed the Vermont soil screening standards even though there is no identifiable, site-specific source of the PAHs, arsenic, or lead contamination on the property;

(5) presence of PAHs, arsenic, or lead due to atmospheric deposition or natural occurrence can complicate the development of properties in downtowns and village centers; and

(6) to facilitate development in downtowns and village centers, while also arranging for the proper disposition of contaminated soil, a process should be established to allow the transfer of soil containing PAHs, arsenic, or lead to receiving sites that meet criteria established by the Secretary of Natural Resources.

Sec. 2. 10 V.S.A. § 6602 is amended to read:

§ 6602. DEFINITIONS

As used in this chapter:

* * *

(37) "Background concentration level" means the concentration level of PAHs, arsenic, or lead in soils, expressed in units of mass per mass, that is attributable to site contamination caused by atmospheric deposition or is naturally occurring and determined to be representative of statewide or regional concentrations through a scientifically valid means as determined by the Secretary.

(38) "Commencement of construction" means the construction of the first improvement on the land or to any structure or facility located on the land. "Commencement of construction" shall not mean soil testing or other work necessary for assessment of the environmental conditions of the land and subsurface of the land.

(39) "Development soils" means unconsolidated mineral and organic matter overlying bedrock that contains PAHs, arsenic, or lead in concentrations that:

(A) exceed the relevant soil screening level for residential soil;

(B) when managed in compliance with section 6604c, 6605, or 6605c of this title:

(i) pose no greater risk than the Agency-established soil screening value for the intended reuse of the property; and

(ii) pose no unreasonable risk to human health through a dermal, inhalation, or ingestion exposure pathway;

(C) does not leach compounds at concentrations that exceed groundwater enforcement standards; and

(D) does not result in an exceedance of Vermont groundwater enforcement standards.

(40) "Development soils concentration level" means those levels of PAHs, arsenic, or lead expressed in units of mass per mass, contained in the development soils.

(41) "Downtown development district" shall have the meaning stated in 24 V.S.A. § 2791(4).

(42) "Growth center" shall have the meaning stated in 24 V.S.A. § 2793c.

(43) "Neighborhood development area" shall have the meaning stated in 24 V.S.A. § 2793e.

(44) "Origin site" means a location where development soils originate.

(45) "PAHs" means polycyclic aromatic hydrocarbons.

(46) "Receiving site" means a location where development soils are deposited.

(47) "Receiving site concentration level" means those levels of PAHs, arsenic, or lead, expressed in units of mass per mass, that exist in soils at a receiving site.

(48) "TIF district" means a tax increment financing district created by a municipality pursuant to 24 V.S.A. § 1892.

(49) "Village center" shall have the meaning stated in 24 V.S.A. § 2791(10).

Sec. 3. 10 V.S.A. § 6604c is added to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a)(1) The Secretary shall not require a person that manages development soils in a manner that meets the requirements of this section to take corrective action procedures pursuant to section 6615b or 6648 of this title or to obtain a solid waste certification under this chapter for the management, transport, or receipt of development soils, provided that:

(A) the soils are removed from an origin site located in a designated downtown development district, growth center, neighborhood development area, TIF district, or village center;

(B) the origin site or the receiving site of the development soils is not:

(i) the subject of a planned or ongoing removal action under the Comprehensive Environmental, Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601 et seq.; or

(ii) listed or proposed for listing as a CERCLA site under 42 U.S.C. § 9605; and

(C) the investigation and management of development soils occur under plans submitted and approved pursuant to subsection (b) of this section.

(2) This section shall apply to the management of development soils only until the Secretary adopts rules under this chapter for the management of development soils, provided that those rules satisfy all of the requirements of subsection (d) of this section.

(b) Development soils cleanup requirements.

(1) The development and implementation of plans and work performed pursuant to plans under this section shall be supervised and certified by an environmental professional, as that term is defined in 40 C.F.R. § 312.10.

(2) Prior to the commencement of construction activities, a person applying to manage development soils under this subsection shall provide the Secretary with:

(A) complete investigation workplans for the origin site and the proposed receiving site that include:

(i) for the origin site, representative sampling and analysis of the development soil proposed for management under this section for PAHs, arsenic, and lead;

(ii) for the receiving site, representative in situ surface soil sampling and analysis for PAHs, arsenic, and lead;

(iii) at least one synthetic precipitation leachate procedure analysis representative of the development soil to determine likelihood of adverse impacts to groundwater; and

(iv) establishment of approximate seasonal depth to groundwater and underlying soil stratigraphy at the receiving site;

(B) a report of the results of any approved investigation workplan;

(C) the management plans for the origin site and proposed receiving site. which;

(i) shall demonstrate that the management of the development soils will meet all applicable Vermont Water Quality Standards and will not present an unreasonable threat to groundwater, surface water, human health, or the environment; and

(ii) for a receiving site, shall include a description of the siting, construction, operation, and closure of the receiving site; and

(D) documentation that the development soils concentration levels are approximately equivalent to or less than the receiving site concentration levels for the same contaminants.

(3) Upon receipt of a complete work plan submitted under subdivision (b)(2)(A) of this section or a complete management plan submitted under subdivision (b)(2)(C) of this section, the Secretary shall make a final determination as to whether the investigation workplan or management plan submitted under this subsection satisfies the requirements of subdivision (b)(2)(A) of this section for investigation work plans or subdivision (b)(2)(C) of this section for management plans. Prior to making a final determination on a management plan under this section, the Secretary shall allow for a public comment period on the plan for no less than 14 days. The Secretary shall hold a public informational meeting on a management plan upon request from any person. The Secretary shall issue a final decision regarding the investigation work plan or management plan within 45 days of receipt of the respective plan.

(4) Upon the submission of a final report documenting implementation of the management plan, the Secretary shall make a final determination as to whether the developer has satisfied all requirements of the management plan within 45 days of receipt of the developer's request for such a determination.

(c) Notwithstanding the requirements under subdivision (b)(2) of this section for submission of required materials prior to the commencement of construction, development soils stockpiled on municipal properties as of the effective date of this section shall be eligible for management under the provisions of this section, provided that the requirements of subsection (a)(1) and (b) of this section are otherwise met.

(d) On or before July 1, 2016, the Secretary shall adopt rules that allow for the management of excavated soils requiring disposal that contain PAHs, arsenic, or lead in a manner that ensures protection of human health and the environment and promotes Vermont's traditional settlement patterns in compact village or city centers. At a minimum, the rules shall:

(1) include statewide or regional background concentration levels for PAHs, arsenic, and lead that are representative of typical soil concentrations and found throughout existing development areas;

(2) specify that development soils with concentration levels equal to or lower than the background concentration levels established by the Secretary shall not be defined as or required to be treated as solid waste;

(3) include criteria for determining site-specific maximum development soil concentration levels for PAHs, arsenic, and lead;

(4) in addition to disposal at a certified waste facility, adopt procedures for the management or disposal of development soils that have concentration levels that exceed residential soil screening levels, but are below the site-specific maximum development soils concentration levels;

(5) adopt a process to preapprove sites to receive development soils from multiple developments; and

(6) be designed to provide that the criteria established under subdivision (3) of this subsection and the process developed under subdivision (4) of this subsection shall be no less protective of human health and the environment than the standard for development soils and the process established under subsection (b) of this section.

(e) At any time, the Secretary may adopt by rule background and maximum concentration levels for other potentially hazardous material in soils such that the development soils containing these other materials would be categorized and treated according to the rules adopted by the Secretary under subsection (d) of this section.

Sec. 4. 10 V.S.A. § 6001(3)(D)(vi) is amended to read:

(vi) The construction of improvements for any one of the actions or abatements authorized in subdivision (I) of this subdivision (vi):

* * *

(ff) The management of "development soils," as that term is defined in 10 V.S.A. § 6602(39), under a plan approved by the Secretary of Natural Resources under section 6604c of this title.

Sec. 5. CATEGORICAL SOLID WASTE CERTIFICATION

Development soils as defined in 10 V.S.A. § 6602(39) shall be eligible for disposal at a categorical disposal facility certified by the Secretary of Natural Resources for the disposal of development soils pursuant to 10 V.S.A. § 6605c.

Sec. 6. MANAGEMENT OF DEVELOPMENT SOILS AS ALTERNATIVE DAILY COVER

Development soils as defined in 10 V.S.A. § 6602(39) shall be eligible to be used as alternative daily cover at a solid waste facility certified pursuant to 10 V.S.A. § 6605.

Sec. 7. REPEAL

On July 1, 2016, 10 V.S.A. § 6604c(a), (b), and (c) are repealed.

Sec. 8. EFFECTIVE DATE

This act shall take effect on passage.

And that the bill ought to pass in concurrence with such proposal of amendment.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposal of amendment was agreed to, and third reading of the bill was ordered.

Proposal of Amendment; Third Reading Ordered

H. 484.

Senator Starr, for the Committee on Agriculture, to which was referred House bill entitled:

An act relating to miscellaneous agricultural subjects.

Reported recommending 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:

* * * Agricultural Water Quality; Financial Assistance * * *

Sec. 1. 6 V.S.A. § 4815(c) is amended to read:

(c) ~~For purposes of~~ As used in this section, "waste storage facility" means an impoundment made for the purpose of storing agricultural waste by constructing an embankment, excavating a pit or dugout, fabricating an ~~in-ground or above-ground~~ inground and aboveground structure, or any combination thereof. ~~This section does not apply to concrete slabs used for agricultural waste management.~~

Sec. 2. 6 V.S.A. § 4820 is amended to read:

§ 4820. DEFINITIONS

~~For purposes of~~ As used in this subchapter:

(1) "AAPs" means "accepted agricultural practices" as defined by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets pursuant to subchapter 1 of this chapter.

(2) "Secretary" means the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets.

(3) "Agency" means the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets.

* * *

(6) "Good standing" means the participant:

(A) does not have an active enforcement violation that has reached a final order with the Secretary; or

(B) is in compliance with all terms of a current grant agreement or contract with the Agency.

Sec. 3. 6 V.S.A. § 4821 is amended to read:

§ 4821. ASSISTANCE PROGRAM CREATED; ADMINISTRATION

(a) Program created. A program is created to provide ~~state~~ State financial assistance to Vermont farmers in support of their voluntary construction of on-farm improvements and maintenance of acceptable operating standards designed to abate nonpoint source agricultural waste discharges into the waters of the ~~state~~ State of Vermont, consistent with goals of the federal Water Pollution Control Act and with ~~state~~ State water quality standards. The program shall be conducted in a manner which makes maximum use of federal financial aid for the same purpose, as provided by this subchapter, and which seeks to use the least costly methods available to accomplish the abatement required. The construction of temporary fencing intended to exclude livestock from entering surface waters of the ~~state~~ State shall be an on-farm improvement eligible for assistance under this subchapter when subject to a maintenance agreement entered into with the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets.

(b) Program administration. The ~~secretary~~ Secretary shall:

(1) ~~administer~~ Administer the ~~state~~ State assistance program, for which purpose the ~~secretary~~ Secretary shall coordinate with officials of the U.S. Department of Agriculture or other federal agencies, and shall adopt rules pursuant to 3 V.S.A. chapter 25 ~~of Title 3~~ concerning farmer application and eligibility requirements, financial assistance award priorities, and other administrative and enforcement conditions~~; and~~.

(2) ~~may~~ May provide technical assistance to individual farmers with the preparation of on-farm agricultural waste management plans, applications for ~~state~~ State and federal financial assistance awards, installation of on-farm improvements, and maintenance of acceptable operating standards during the ~~life of a state assistance award contract~~ term of the program grant agreement. For this purpose, ~~state~~ State employees of the ~~agency~~ Agency shall cooperate with federal employees of the U.S. Department of Agriculture or other federal agencies.

Sec. 4. 6 V.S.A. § 4822 is amended to read:

§ 4822. ELIGIBILITY FOR STATE ASSISTANCE

Vermont farmers shall be eligible to receive available ~~state~~ State financial assistance with the installation of on-farm improvements designed to control agricultural nonpoint source waste discharges, provided that:

(1) for farmers who also seek federal financial assistance for this purpose, the improvements:

(A) are eligible for federal assistance through programs of the U.S. Department of Agriculture; and

(B) are consistent with a "nutrient management plan" prepared by the Vermont field office of the NRCS, or with an animal waste management plan based on standards equivalent to those of the NRCS; or

(2) for farmers who decline to seek or accept federal financial assistance for this purpose, the improvements:

(A) are determined by the ~~secretary~~ Secretary to be equivalent to those eligible for federal assistance through programs of the U.S. Department of Agriculture; and

(B) are consistent with an animal waste management plan based on standards determined by the ~~secretary~~ Secretary to be equivalent to those of the NRCS~~.~~; and

(3) improvements will be constructed on a farm that is in good standing with the Secretary at the time of the award on all grant agreements, contract awards, or enforcement proceedings.

Sec. 5. 6 V.S.A. § 4824 is amended to read:

§ 4824. STATE FINANCIAL ASSISTANCE AWARDS

(a) State grant. State financial assistance awarded under this subchapter shall be in the form of a grant. When a State grant is intended to match federal financial assistance for the same on-farm improvement project, the State grant shall be awarded only when the federal financial assistance has also been

approved or awarded. An applicant for a State grant shall pay at least 10 percent of the total eligible project cost. The dollar amount of a State grant shall be equal to the total eligible project cost, less 10 percent of the total as paid by the applicant, and less the amount of any federal assistance awarded, except that a State grant shall not exceed 90 percent of the total eligible project cost.

(b) ~~Farmer contract.~~ A State grant awarded to an applicant under this subchapter shall be awarded in accordance with a State ~~contract~~ grant containing ~~contract~~ terms substantially the same as those required for receipt of a federal award for the same purpose from the U.S. Department of Agriculture, except as provided by the Secretary by rule.

Sec. 6. 6 V.S.A. § 4826 is amended to read:

§ 4826. COST ASSISTANCE FOR WASTE STORAGE FACILITIES

(a) The owner or operator of a farm required under section 4815 of this title to design, construct, or modify a waste storage facility may apply in writing to the Secretary of Agriculture, Food and Markets for cost assistance. Using ~~state~~ State or federal funds, or both, a State assistance grant shall be awarded, subject to the availability of funds, to applicants. Such grants shall not exceed 90 percent of the cost of an adequately sized and designed waste storage facility and the equipment eligible for Natural Resources Conservation Service cost share assistance. Application for a State assistance grant shall be made in the manner prescribed by the Secretary. ~~As used in this section, "waste storage facility" means an impoundment made for the purpose of storing agricultural waste by constructing an embankment, excavating a pit or dugout, fabricating an in-ground or above-ground structure, or any combination thereof. This section shall apply to concrete slabs used for agricultural waste management.~~

(b) If the Secretary lacks adequate funds necessary for the cost assistance awards required by subsection (a) of this section, the Secretary shall appear before the Emergency Board, as soon as possible, and shall request that necessary funds be provided. If the Emergency Board fails to provide adequate funds, the design and construction requirements for waste storage facilities under subsection 4815(b) of this title and the AAPs for groundwater, as they relate to a waste storage facility, shall be suspended for a farm with a waste storage facility subject to the requirements of subsection 4815(b) of this title until adequate funding becomes available. Suspension of the design and construction requirements of subsection 4815(b) of this title does not relieve an owner or operator of a farm permitted under section 4858 or 4851 of this title from the remaining requirements of the owner's or operator's permit, including discharge standards, groundwater protection, nutrient management planning, and land application of manure. This subsection does not apply to farms

permitted under 10 V.S.A. § 1263 ~~or farms permitted under section 4851 of this title~~.

(c) The owner or operator of a farm with a waste storage facility may apply in writing to the Secretary of Agriculture, Food and Markets for a State assistance grant for the costs of complying with the U.S. Department of Agriculture Natural Resources Conservation Service requirements for inspection of a waste storage facility. Such grants shall not exceed 90 percent of the cost of the inspection of the waste storage facility. Application for a State assistance grant shall be made in the manner prescribed by the Secretary.

Sec. 7. 6 V.S.A. § 4827(e) and (f) are amended to read:

(e) If the Secretary or the applicable U.S. Department of Agriculture conservation programs lack adequate funds necessary for the financial assistance required by subsection (a) of this section, the requirement to develop and implement a nutrient management plan under State statute or State regulation shall be suspended until adequate funding becomes available. Suspension of a State-required nutrient management plan does not relieve an owner or operator of a farm permitted under section 4858 or 4851 of this title of the remaining requirements of a State permit, including discharge standards, groundwater protection, and land application of manure. This subsection does not apply to farms permitted under 10 V.S.A. § 1263 ~~or farms permitted under section 4851 of this title~~.

(f) The Secretary may ~~contract~~ enter into grants with natural resources conservation districts, the University of Vermont Extension Service, and other persons and organizations to aid in the implementation of the incentive grants program under subsection (a) of this section and to assist farmers in the development and implementation of nutrient management plans.

Sec. 8. 6 V.S.A. § 4828 is amended to read:

§ 4828. CAPITAL EQUIPMENT ASSISTANCE PROGRAM

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

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

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

(1) First priority shall be given to capital equipment to be used on farm sites that are serviced by custom applicators and nonprofit organizations and that are located in descending order within the boundaries of:

(A) the Lake Champlain Basin;

(B) the Lake Memphremagog Basin;

(C) the Connecticut River Basin; and

(D) the Hudson River Basin.

(2) Next priority shall be given to capital equipment to be used at a farm site which is located in descending order within the boundaries of:

(A) the Lake Champlain Basin;

(B) the Lake Memphremagog Basin;

(C) the Connecticut River Basin; and

(D) the Hudson River Basin.

(d) [Repealed.]

Sec. 9. 6 V.S.A. § 4849 is amended to read:

§ 4849. RECYCLING ANIMAL WASTE NUTRIENTS

In order to best use the nutrients of animal waste generated by ~~large~~ farm operations, the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets together with the ~~department of public service~~ Department of Public Service shall use available resources to inform ~~large~~ farm operations of appropriate methods and resources available to digest and compost their animal wastes, and to capture methane for beneficial uses.

Sec. 10. 6 V.S.A. § 4850 is amended to read:

§ 4850. DEFINITIONS

~~For purposes of~~ As used in this subchapter:

(1) "Domestic fowl" means laying-hens, broilers, ducks, ~~and~~ turkeys, or any other number or type of fowl that the Secretary deems domestic fowl.

(2) "Livestock" means cattle, mature cow/calf pairs, youngstock, heifers, bulls, swine, sheep, ~~or~~ goats, horses, or any other number and type of domestic animal that the Secretary deems livestock.

Sec. 11. 6 V.S.A. § 4851 is amended to read:

§ 4851. PERMIT REQUIREMENTS FOR LARGE FARM OPERATIONS

(a) No person shall, without a permit from the ~~secretary~~ Secretary, construct a new barn, or expand an existing barn, designed to house more than 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks without a liquid manure handling system. No permit shall be required to replace an existing barn in use for livestock or domestic fowl production at its existing capacity. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in consultation with the ~~secretary of natural resources~~ Secretary of Natural Resources, shall review any application for a permit under this section with regard to water quality impacts and, prior to approval of a permit under this subsection, shall issue a written determination regarding whether the applicant has established that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant to the federal regulations for concentrated animal feeding operations. If upon review of an application for a permit under this subsection, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the ~~state~~ State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall respond to the discharge in accordance with the memorandum of understanding regarding concentrated animal feeding operations under subsection 4810(b) of this title. The ~~secretary of natural resources~~ Secretary of Natural Resources may require a large farm to obtain a permit under 10 V.S.A. § 1263 pursuant to federal regulations for concentrated animal feeding operations.

(b) A person shall apply for a permit in order to operate a farm which exceeds 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks if the livestock or domestic fowl are in a barn or adjacent barns owned by the same person, or if the barns share a common border or have a common waste disposal system. In order to receive

this permit, the person shall demonstrate to the ~~secretary~~ Secretary that the farm has an adequately sized manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with accepted agricultural practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards.

(c) The ~~secretary~~ Secretary shall approve, condition, or disapprove the application within 45 business days of the date of receipt of a complete application for a permit under this section. Failure to act within the 45 business days shall be deemed approval.

(d) A person seeking a permit under this section shall apply in writing to the ~~secretary~~ Secretary. The application shall include a description of the proposed barn or expansion of livestock or domestic fowl; a proposed nutrient management plan to accommodate the number of livestock or domestic fowl the barn is designed to house or the farm is intending to expand to; and a description of the manure management system to be used to accommodate agricultural wastes.

(e) The ~~secretary~~ Secretary may condition or deny a permit on the basis of odor, noise, traffic, insects, flies, or other pests.

(f) Before granting a permit under this section, the ~~secretary~~ Secretary shall make an affirmative finding that the animal wastes generated by the construction or expansion will be stored so as not to generate runoff from a 25-year, 24-hour storm event and shall be disposed of, in accordance with the accepted agricultural practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards.

(g) A farm that is permitted under this section and that withdraws more than 57,600 gallons of groundwater per day averaged over any 30 consecutive-day period shall annually report estimated water use to the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets shall share information reported under this subsection with the ~~agency of natural resources~~ Agency of Natural Resources.

Sec. 12. 6 V.S.A. § 4856 is amended to read:

§ 4856. ~~RECYCLING ANIMAL WASTE NUTRIENTS~~

~~In order best to use the nutrients of animal waste generated by farms to which this subchapter applies, the agency of agriculture, food and markets, together with the department of public service, shall use available resources to inform operators of such farms of appropriate methods and resources available to digest and compost their animal wastes and to capture methane for beneficial uses.~~ [Repealed.]

Sec. 13. 6 V.S.A. § 4857 is amended to read:

§ 4857. DEFINITIONS

~~For purposes of~~ As used in this subchapter:

(1) "Animal feeding operation" (AFO) means a lot or facility where the livestock or domestic fowl have been, are, or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period, and crops, vegetation, or forage growth are not sustained in the normal growing season over any portion of the lot or facility. Two or more individual farms qualifying as an AFO which are under common ownership and which adjoin each other or use a common area or system for the disposal of waste, shall be considered to be a single AFO if the combined number of livestock or domestic fowl resulting qualifies as a medium farm as defined in subdivision (2) of this section.

(2) "Medium farm" is an AFO which houses 200 to 699 mature dairy animals, 300 to 999 cattle or cow/calf pairs, 300 to 999 veal calves, 750 to 2,499 swine weighing over 55 pounds, 3,000 to 9,999 swine weighing less than 55 pounds, 150 to 499 horses, 3,000 to 9,999 sheep or lambs, 16,500 to 54,999 turkeys, 9,000 to 29,999 laying hens or broilers with a liquid manure handling system, 25,000 to 81,999 laying hens without a liquid manure handling system, 37,500 to 124,999 chickens other than laying hens without a liquid manure handling system, 1,500 to 4,999 ducks with a liquid manure handling system or 10,000 to 29,999 ducks without a liquid manure handling system.

(3) "Small farm" is an AFO which houses no more than 199 mature dairy animals, 299 cattle or cow/calf pairs, 299 veal calves, 749 swine weighing over 55 pounds, 2,999 swine weighing less than 55 pounds, 149 horses, 2,999 sheep or lambs, 16,499 turkeys, 8,999 laying hens or broilers with a liquid manure handling system, 24,999 laying hens without a liquid manure handling system, 37,499 chickens other than laying hens without a liquid manure handling system, 1,499 ducks with a liquid manure handling system or 9,999 ducks without a liquid manure handling system.

(4) "Domestic fowl" means laying hens, broilers, ducks, ~~and~~ turkeys, or any other number or type of fowl that the Secretary deems domestic fowl.

(5) "Livestock" means cattle, swine, sheep, goats, and horses, or any other number and type of domestic animal that the Secretary deems livestock.

Sec. 14. 6 V.S.A. § 4858(c) is amended to read:

(c)(1) Medium farm general permit. The owner or operator of a medium farm seeking coverage under a general permit adopted pursuant to this section shall certify to the ~~secretary~~ Secretary within a period specified in the permit,

and in a manner specified by the ~~secretary~~ Secretary, that the medium farm does comply with permit requirements regarding an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with accepted agricultural practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards. Any certification or notice of intent to comply submitted under this subdivision shall be kept on file at the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in consultation with the ~~secretary of natural resources~~ Secretary of Natural Resources, shall review any certification or notice of intent to comply submitted under this subdivision with regard to the water quality impacts of the medium farm for which the owner or operator is seeking coverage, and, within 18 months of receiving the certification or notice of intent to comply, shall verify whether the owner or operator of the medium farm has established that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant to the federal regulations for concentrated animal feeding operations. If upon review of a medium farm granted coverage under the general permit adopted pursuant to this subsection, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the ~~state~~ State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall respond to the discharge in accordance with the memorandum of understanding regarding concentrated animal feeding operations under subsection 4810(b) of this title.

* * *

(d) Medium and small farms; individual permit. The ~~secretary~~ Secretary may require the owner or operator of a small or medium farm to obtain an individual permit to operate after review of the farm's history of compliance, application of accepted agricultural practices, the use of an experimental or alternative technology or method to meet a ~~state~~ State performance standard, or other factors set forth by rule. The owner or operator of a small farm may apply to the ~~secretary~~ Secretary for an individual permit to operate under this section. To receive an individual permit, an applicant shall in a manner prescribed by rule demonstrate that the farm has an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with accepted agricultural practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards, including setback requirements for waste application. An individual permit shall be

valid for no more than five years. Any application for an individual permit filed under this subsection shall be kept on file at the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets. The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in consultation with the ~~agency of natural resources~~ Agency of Natural Resources, shall review any application for a permit under this subsection and, prior to issuance of an individual permit under this subsection, shall issue a written determination regarding whether the permit applicant has established that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant to federal regulations for concentrated animal feeding operations. If, upon review of an application for a permit under this subsection, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets that the permit applicant may be discharging to waters of the ~~state~~ State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources shall respond to the discharge in accordance with the memorandum of understanding regarding concentrated animal feeding operations under subsection 4810(b) of this title. The ~~secretary of natural resources~~ Secretary of Natural Resources may require a medium or small farm to obtain a permit under 10 V.S.A. § 1263 pursuant to federal regulations for concentrated animal feeding operations. Coverage of a medium farm under a general permit adopted pursuant to this section or an individual permit issued to a medium or small farm under this section is rendered void by the issuance of a permit to a farm under 10 V.S.A. § 1263.

Sec. 15. 6 V.S.A. chapter 215, subchapter 6 is amended to read:

Subchapter 6. Vermont ~~Agricultural Buffer~~ Critical Area Seeding and Filter Strip Program

§ 4900. VERMONT ~~AGRICULTURAL BUFFER~~ SEEDING AND FILTER STRIP PROGRAM

(a) The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets is authorized to develop a Vermont ~~agricultural buffer~~ critical source area seeding and filter strip program in addition to the federal conservation reserve enhancement program in order to compensate farmers for establishing and maintaining harvestable perennial vegetative ~~buffers and installing conservation practices in ditch networks~~ grassed waterways and filter strips on agricultural ~~land~~ cropland perpendicular and adjacent to the surface waters of the ~~state~~ State, including ditches. Eligible acreage would include annually tilled cropland or a portion of cropland currently cropped as hay that will not be rotated into an annual crop for a 10-year period of time. Acreage

that is currently managed as hay shall have a prior history of rotation as corn or other annual commodity crop.

(b) ~~The establishment and annual incentive payments from the agency of agriculture, food and markets under the Vermont agricultural buffer program shall not exceed the combined federal and state payment that the relevant agricultural land or conservation practice would be eligible for under the federal conservation reserve enhancement program or another approved conservation program. The incentive payment~~ Incentive payments from the Agency of Agriculture, Food and Markets shall be made ~~annually at the end of the cropping season for a nonrenewable five-year period~~ at the outset of a 10-year agreement to establish or maintain the acreage as harvestable grassed waterway or filter strip.

(c) The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets may establish by procedure financial and technical criteria for the implementation and operation of the Vermont ~~agricultural buffer~~ critical source area seeding and filter strip program.

(d) Land enrolled in the Vermont agricultural buffer program shall be considered to be in "active use" as that term is defined in 32 V.S.A. § 3752(15).

(e) As used in this section, "surface waters" means all rivers, streams, ditches, creeks, brooks, reservoirs, ponds, lakes, and springs which are contained within, flow through, or border upon the ~~state~~ State or any portion of it.

Sec. 16. 6 V.S.A. § 4951 is amended to read:

§ 4951. FARM AGRONOMIC PRACTICES PROGRAM

(a) The Farm Agronomic Practices Assistance Program is created in the Agency of Agriculture, Food and Markets to provide the farms of Vermont with State financial assistance for the implementation of soil-based practices that improve soil quality and nutrient retention, increase crop production, minimize erosion potential, and reduce agricultural waste discharges. The following practices ~~shall~~ may be eligible for assistance to farms under the grant program:

(1) conservation crop rotation;

(2) cover cropping;

(3) strip cropping;

(4) cross-slope tillage;

(5) zone or no-tillage;

(6) pre-sidedress nitrate tests;

(7) annual maintenance of a nutrient management plan that is no longer receiving funding under a State or federal contract, provided the maximum assistance provided to a farmer under this subdivision shall be $2,000.00 per year;

(8) educational and instructional activities to inform the farmers and citizens of Vermont of:

(A) the impact on Vermont waters of agricultural waste discharges;

(B) the federal and State requirements for controlling agricultural waste discharges;

(9) implementing alternative manure application techniques; and

(10) additional soil erosion reduction practices.

(b) Funding available under section 4827 of this title for nutrient management planning may be used to fund practices under this section.

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

Sec. 17. 6 V.S.A. § 1 is amended to read:

§ 1. GENERAL POWERS OF AGENCY; SECRETARY OF AGRICULTURE, FOOD AND MARKETS

(a) The ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets shall be administered by a ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets. The ~~secretary~~ Secretary shall supervise and be responsible for the execution and enforcement of all laws relating to agriculture and standards of weight and measure. The ~~secretary~~ Secretary may:

* * *

(13) notwithstanding any law to the contrary in this title or Title 9 or 20, issue all licenses, permits, registrations, or certificates under a program administered by the ~~secretary~~ Secretary for a term of up to three years; renew and issue such licenses, permits, registrations, and certificates on any calendar cycle; collect any annual fee set by law for such multiyear licensure, permit, registration, or certificate on a pro-rated basis which shall not exceed 150 percent of the annual fee for an 18-month cycle, 200 percent of the annual fee for a two-year cycle, or 300 percent of the annual fee for a three-year cycle; and conduct inspections at regulated premises at least once every three years when inspection is required by law. The authority to mandate licenses, permits, registrations, or certificates for more than one year shall not extend to any program administered by the ~~secretary~~ Secretary where the annual fee is

more than $125.00. The Secretary shall only provide refunds for overpayments of $25.00 or more on a license, permit, registration, or certificate issued by the Secretary;

* * *

* * * Dairy Operations; Drugs * * *

Sec. 18. 6 V.S.A. § 2744a is amended to read:

§ 2744a. DRUGS

(a) No producer shall sell or offer for sale milk which contains any drug or drugs in excess of tolerances established by the United States Food and Drug Administration in the Code of Federal Regulations.

~~(1) In the event that milk from a dairy farm contains a drug, no more milk produced by that producer shall be received by any milk dealer or handler until a sample of at least one complete milking has been collected and found negative. In the event of a second violation within a 12-month period, no more milk produced by that producer shall be received by any milk dealer or handler for a period of up to two days and until a sample of at least one complete milking has been collected and found negative. In the event of a third violation within a 12-month period, the secretary shall, at a minimum, take the same action as required for a second violation and may prohibit the producer from selling milk in this state. No handler or dealer shall accept milk from a producer whose ability to sell milk is suspended or terminated.~~

~~(2) In lieu of suspending a producer's ability to sell milk, the secretary may issue an administrative penalty. The amount of the penalty shall not exceed the value of the milk which could have been prohibited from sale. A producer who fails to pay an administrative penalty, after opportunity for hearing, shall have his or her ability to sell milk suspended until the penalty is paid. In lieu of suspending a producer's ability to sell milk, the secretary may accept the assessment by the milk dealer or handler, against the producer, of damages beyond the milk dealer's or handler's control that occurred as a result of purchasing the contaminated milk, as an equivalent penalty.~~

(1) In the event that milk from a dairy producer contains a drug residue:

(A) No more milk from that producer shall be received by any milk dealer or handler until a sample of at least one complete milking has been collected and found negative.

(B) If a second drug residue violation occurs within 12 months of the first violation, no more milk from that producer shall be received by any milk dealer or handler until a sample of at least one complete milking has been

collected and found negative. The producer shall have an administrative penalty equal to the value of one day of milk production assessed.

(C) If a third drug residue violation occurs within 12 months of the first violation, no more milk from that producer shall be received by any milk dealer or handler until a sample of at least one complete milking has been collected and found negative. The producer shall have an administrative penalty equal to the value of two days of milk production assessed. A hearing shall be warned to determine if the producer will be allowed to continue to ship milk.

(2) No handler or dealer shall accept milk from:

(A) a producer after a drug residue violation has occurred until a sample of at least one complete milking has been found negative; or

(B) a producer whose ability to sell milk is suspended or terminated.

(3) A producer who fails to pay an administrative penalty issued under this section within 30 days of issuance of a citation for violation of this section shall have his or her ability to sell milk suspended until the administrative penalty is paid. In lieu of suspending a producer's ability to sell milk, the Secretary may accept the assessment by the milk dealer against the producer.

~~(3)~~(4) Notwithstanding the provisions of subsection (c) of this section, the ~~secretary~~ Secretary may at any time issue an emergency order prohibiting a producer from selling and a handler from accepting any milk until the milk tests negative for drugs.

(b)(1) No producer shall sell ~~livestock~~ for slaughter ~~which contains~~ livestock with bodily tissue containing any drug or drugs in excess of tolerances established by the ~~United States~~ U.S. Food and Drug Administration in the Code of Federal Regulations.

(2) In the event that bodily tissue obtained from livestock intended for slaughter is found to contain a drug or drugs in excess of levels established by the ~~United States~~ U.S. Food and Drug Administration in the Code of Federal Regulations at the time of sale, the ~~secretary~~ Secretary may assess an administrative penalty not to exceed $1,000.00 for each violation and may require the farm to participate in a program approved by the Agency intended to mitigate further selling of animals for food that contain violative drug residues in their tissue.

(c) Before issuing an order or administrative penalty under this section, the ~~secretary~~ Secretary shall provide the producer and the handler or dealer an opportunity for hearing.

* * * Weights and Measures * * *

Sec. 19. 9 V.S.A. § 2633 is amended to read:

§ 2633. SPECIFIC POWERS AND DUTIES OF SECRETARY; REGULATIONS

(a) The Secretary shall issue from time to time reasonable regulations for the enforcement of this chapter, which regulations shall have the force and effect of law. These regulations may include (1) standards of net weight, measure, or count, and reasonable standards of fill, for any commodity in package form, (2) rules governing the technical and reporting procedures to be followed and the report and record forms and marks of approval and rejection to be used by inspectors of weights and measures in the discharge of their official duties, (3) exemptions from the sealing or marking requirements of section 2639 of this title with respect to weights and measures of such character or size that such sealing or marking would be inappropriate, impracticable, or damaging to the apparatus in question. These regulations shall include specifications, tolerances, and other technical requirements for weights and measures of the character of those specified in section 2635 of this title, designed to eliminate from use, without prejudice to apparatus that conforms as closely as practicable to the official standards, those (1) that are not accurate, (2) that are of such construction that they are faulty—that is, that are not reasonably permanent in their adjustment or will not repeat their indications correctly—or (3) that facilitate the perpetration of fraud.

(b) The specifications, tolerances, and other technical requirements for commercial, law enforcement, data gathering, and other weighing and measuring devices, as adopted by the national conference on weights and measures and published in National Institute of Standards and Technology Handbook 44, "Specifications, Tolerances, and other Technical Requirements for Weighing and Measuring Devices," and supplements thereto, or revisions thereof, shall apply to weighing and measuring devices in the State, except insofar as modified or rejected by regulation.

(c) The uniform regulation for packaging and labeling, the uniform regulation for unit pricing, and the uniform regulation for the method of sale of commodities, except for bread, as adopted by the national conference on weights and measures, and published by the National Institute of Standards and Technology Handbook 130, "Uniform Laws and Regulations," together with amendments, supplements, and revisions thereto, are adopted as part of this chapter except as modified or rejected by regulation.

* * * VEDA; Water Quality Initiatives * * *

Sec. 20. 10 V.S.A. § 280a is amended to read:

§ 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

(a) The Authority may develop, modify, and implement any existing or new financing program, provided that any specific project that benefits from such program shall meet the criteria contained in the Vermont Sustainable Jobs Strategy adopted under section 280b of this title, and provided further that the program shall meet the criteria contained in the Vermont Sustainable Jobs Strategy adopted under section 280b of this title. These programs may include:

* * *

(11) a program that would award grants made to eligible and qualified recipients as directed by the Agency of Agriculture, Food and Markets or the Agency of Natural Resources for the purpose of funding ~~stream stability and conservation reserve enhancement environmental~~ water quality initiatives approved by the agencies, provided that the maximum amount of grants awarded by the Authority pursuant to the program shall not exceed $1,340,238.00 in the aggregate.

* * *

Sec. 21. VEDA FINANCING OF WATER QUALITY INITIATIVES

Notwithstanding 32 V.S.A. § 706, the Vermont Economic Development Authority is authorized to transfer to the Agency of Agriculture, Food and Markets or the Agency of Natural Resources funds held by VEDA for water quality programs pursuant to 10 V.S.A. § 280a(11).

* * * Working Lands Enterprise Program * * *

Sec. 22. 6 V.S.A. § 4604 is amended to read:

§ 4604. LEGISLATIVE INTENT

It is the intent of the General Assembly in adopting this subchapter to create a working lands enterprise board to administer a fund and develop policy recommendations to:

* * *

(8) increase the amount of State investment in working lands enterprises, particularly when it leverages private and philanthropic funds; ~~and~~

(9) support the people and businesses that depend on Vermont's renewable land-based resources and the sustainable and productive use of the land by coordinating and integrating financial products and programs; and

(10) provide priority funding to agricultural and forest product enterprises. The priority for funding agricultural and forest product enterprises is not intended to exclude funding for technical assistance that directly supports enterprise development.

Sec. 23. 6 V.S.A. § 4606(b) is amended to read:

(b) Organization of Board. The Board shall be composed of:

(1) the Secretary of Agriculture, Food and Markets or designee, who shall serve as chair;

(2) the Commissioner of Forests, Parks and Recreation or designee;

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

(4) the following members appointed by the Speaker of the House:

(A) one member who is a ~~representative of the Vermont forest industry who is also a~~ consulting forester;

(B) one member who is actively engaged in ~~commodity~~ maple production;

(C) one member who is actively engaged in on-farm value-added processing;

(D) one member who is actively engaged in manufacturing or distribution of Vermont agricultural products; and

(E) one member with expertise in sales, marketing, or market development;

(5) the following members appointed by the Senate Committee on Committees:

(A) one member who is actively engaged in wood products manufacturing;

(B) one member ~~who is a representative of one of the two largest membership-based agricultural organizations in Vermont who is not a dairy farmer~~ involved in production agriculture whose primary enterprise is not fluid milk;

(C) one member who is actively engaged in primary wood processing or logging;

(D) one member who is an agriculture and forestry enterprise funder; and

(E) one member who is a person with expertise in rural economic development; and

(6) the following members appointed by the Governor:

(A) one member who is a representative of Vermont's dairy industry who is also a dairy farmer;

(B) one member who is a representative of ~~a membership-based forestland owner organization~~ Vermont's forestry industry who is also a working forest landowner;

(C) one member with expertise in land planning and conservation efforts that support Vermont's working landscape; and

(D) one member who is an employee of a Vermont institution engaged in agriculture or forestry education, training, or research; and

~~(7) the following members appointed by the Vermont Agricultural and Forest Products Development Board:~~

~~(A) one member who is actively engaged in value-added agricultural products manufacturing; and~~

~~(B) two members actively engaged in providing marketing assistance, market development, or business and financial planning;~~

~~(8)~~(7) the following members, who shall serve as ex officio, nonvoting members:

(A) the Manager of the Vermont Economic Development Authority or designee;

(B) the Executive Director of the Vermont Sustainable Jobs Fund or designee; and

(C) the Executive Director of the Vermont Housing Conservation Board or designee.

Sec. 24. 6 V.S.A. § 4607 is amended to read:

§ 4607. POWERS AND DUTIES OF THE VERMONT WORKING LANDS ENTERPRISE BOARD

(a) Duties. The Vermont Working Lands Enterprise Board is charged with:

(1) optimizing the agricultural and forest use of Vermont lands and other agricultural resources;

(2) expanding existing markets and identifying and developing new profitable in-state and out-of-state markets for food, fiber, forest products, and

value-added agricultural products, including farm-derived renewable energy; and

(3) identifying opportunities and challenges related to access to capital, infrastructure, product development, marketing, training, research, and education.

(b) Powers. The Vermont Working Lands Enterprise Board shall have the authority:

(1) to design and conduct an ongoing public engagement process, which may include taking testimony and receiving information from any party interested in the Board's activities;

(2) to gain information through the use of experts, consultants, and data to perform analysis as needed;

(3) to request services from State economists, State administrative agencies, and State programs;

(4) to obtain information from other planning entities, including the Farm to Plate Investment Program;

(5) to serve as a resource for and make recommendations to the Administration and the General Assembly on ways to improve Vermont's laws, regulations, and policies in order to attain the goals set forth in section 4604 of this title;

~~(1)~~(6) to establish an application process and eligibility criteria for awarding grants, loans, incentives, and other investments in agricultural and forestry enterprises and in food and forest systems, provided that the Board shall prioritize assistance under this chapter to a person engaged in farming or forestry before providing assistance to a nonprofit organization or nonprofit corporation for a project that competes with a person engaged in farming or forestry;

~~(2)~~(7) to award grants and other investments, which may include loans underwritten and administered through the Vermont Economic Development Authority;

~~(3)~~(8) to enter into performance contracts with one or more persons in order to provide investment and services to agricultural and forestry enterprises, including:

(A) technical assistance and product research services;

(B) marketing assistance, market development, and business and financial planning;

(C) organizational, regulatory, and development assistance; and

(D) feasibility studies of facilities or capital investments to optimize construction and other cost efficiencies;

~~(4)~~(9) to identify workforce needs and programs in order to develop training and incentive opportunities for the agriculture and forest product sectors after consulting with the Department of Labor;

~~(5)~~(10) to identify strategic statewide infrastructure and investment priorities considering:

(A) leveraging opportunities;

(B) economic clusters;

(C) return-on-investment analysis;

(D) other considerations the Board determines appropriate; and

~~(6)~~(11) ~~to pursue and accept grants or other funding from any public or private source and to administer such grants or funding consistent with their terms.~~ to develop an annual operating budget, and:

(A) solicit and accept any grants, gifts, or appropriations necessary to implement the budget pursuant to 32 V.S.A. § 5; and

(B) expend any monies necessary to carry out the purposes of this section.

~~(b)~~(c) Staff support. The Agency of Agriculture, Food and Markets shall provide administrative support to the extent authorized by the Secretary of Agriculture, Food and Markets, and with the assistance of the Department of Forests, Parks and Recreation to the extent authorized by the Commissioner of Forests, Parks and Recreation, in order to support the ~~board~~ Board in the performance of its duties pursuant to this section.

Sec. 25. REPEAL OF VERMONT AGRICULTURAL AND FOREST PRODUCTS DEVELOPMENT BOARD

6 V.S.A. § 2966 (Agricultural and Forest Products Development Board) shall be repealed on July 1, 2015.

* * * Animal Shelter * * *

Sec. 26. 13 V.S.A. § 365 is amended to read:

§ 365. SHELTER OF ANIMALS

* * *

(c)(1) A dog, whether chained or penned, shall be provided living space no less than three feet by four feet for 25 pound and smaller dogs, four feet by four feet for 26-35 pound dogs, four feet by five feet for 36-50 pound dogs,

five feet by five feet for 51-99 pound dogs, and six feet by five feet for 100 pound and larger dogs. The shelter shall be constructed of materials with a thermal resistance factor of 0.9 or greater and shall contain clean bedding material sufficient to retain the dog's normal body heat.

* * *

(e) A dog maintained out-of-doors ~~must~~ shall be provided with suitable housing or shelter that ~~assures~~ ensures that the dog is protected from wind and draft, and from excessive sun, rain, and other environmental hazards throughout the year. The housing or shelter shall be fully enclosed except for a portal. The portal shall be of a sufficient size to allow the dog unimpeded passage into and out of the structure. The portal shall be constructed with a baffle or other means of keeping wind and precipitation out of the interior. Inadequate shelter may be indicated by the shivering of the dog due to cold weather for a continuous period of 10 minutes or by symptoms of frostbite or hypothermia. A metal barrel is not adequate shelter for a dog.

(f) A dog chained to a shelter must be on a tether chain at least ~~four~~ five times the length of the dog as measured from the tip of its nose to the base of its tail, and shall allow the dog access to the shelter. The chain or tether shall be attached to both the dog and the anchor using swivels or similar devices that prevent the chain or tether from becoming entangled or twisted. The chain or tether shall be attached to a well-fitted collar or harness on the dog.

* * *

* * * Agricultural Equipment * * *

Sec. 27. 32 V.S.A. § 9741(25) is amended to read:

(25) ~~Sales~~ Sale to a farmer, as that term is defined in section 3752 of this title, of agricultural machinery and equipment for use and consumption directly and exclusively, except for isolated or occasional uses, 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. It shall be rebuttably presumed that uses are not isolated or occasional if they total more than ~~four~~ 50 percent of the time the machinery or equipment is operated.

* * * Motor Fuel Oil Prices; Agricultural Economy * * *

Sec. 28. MOTOR FUEL OIL PRICES; STUDY

(a) Findings. The General Assembly finds as follows:

(1) The price of motor fuel has a major effect on Vermonters and our economy as a whole, particularly the agricultural sector of our economy.

(2) In recent years, it has become apparent that, although fuel prices have decreased nationally and across Vermont, this cost reduction has not kept pace in the State's northwestern communities.

(3) Based on the most recent census data collected by the U.S. Department of Agriculture, in the year 2012 there were 1,444 farms spanning 278,897 acres in Chittenden, Franklin, and Grand Isle Counties.

(4) Combined, the gasoline, fuel, and oil expenses for the farms in those three counties were $14.712 million.

(5) It is incumbent upon the proper authorities to ensure to the greatest extent possible that farm production expenses reflect fair pricing so that the many agricultural products placed into the greater stream of commerce are competitively priced.

(b) Definitions. As used in this section:

(1) "Control" means the power, whether or not exercised, to establish, fix, or direct the retail price of motor fuel sold by a dealer, through ownership of stock or assets used by the dealer or through contract, agency, consignment, or otherwise, whether that power can be exercised directly or indirectly or through parent corporations, subsidiaries, related persons and entities, or affiliates.

(2) "Dealer" means a person located in Vermont that sells motor fuel oil to an end user at a service station, filling station, or otherwise.

(3) "Distributor" means a person that sells motor fuel oil to a dealer or directly to an end user.

(4) "Motor fuel oil" means internal combustion fuel sold for use in a motor vehicle, as that term is defined in 23 V.S.A. § 4(21), or in a farm tractor, as that term is defined in 23 V.S.A. § 4(68).

(5) "Motor fuel oil sales" means the wholesale or retail sale of motor fuel oil.

(c) Reporting. On or before December 15, 2015, the Attorney General may require distributors and dealers to provide information about the ownership or control of dealers or of assets related to motor fuel oil sales, volume of motor fuel oil sold or supplied, and wholesale and retail motor fuel oil prices.

(d) Confidentiality. Information received by the Attorney General under this section is confidential and shall be treated in the same manner as provided in 9 V.S.A. § 2460(a)(4).

(e) Report. The Attorney General shall study any data deemed relevant to the retail price of motor fuel oil in Vermont, including the data identified in subsection (c) of this section, and, on or before December 15, 2015, shall report to the General Assembly with recommendations, if any, regarding market conduct, including pricing, in the motor fuel oil industry in Vermont.

(f) Exercise of authority. The authority of the Attorney General under subsection (c) of this section to require reporting of distributors and dealers shall be exercised only with respect to the requirements of this section and shall not be exercised after December 15, 2015.

* * * Unpasteurized Milk * * *

Sec. 29. 6 V.S.A. chapter 152 is amended to read:

CHAPTER 152. SALE OF UNPASTEURIZED (RAW) MILK

* * *

§ 2777. STANDARDS FOR THE SALE OF UNPASTEURIZED (RAW) MILK

* * *

(b) Unpasteurized milk shall be sold only from the farm on which it was produced except when delivery is arranged in conformance with section 2778 of this chapter. Unpasteurized milk shall not be sold or offered as free samples at any location other than on the farm on which the milk was produced.

(c) Unpasteurized milk operations shall conform to reasonable sanitary standards, including:

(1)(A) Unpasteurized milk shall be derived from healthy animals which are subject to appropriate veterinary care, including tuberculosis and brucellosis testing and rabies vaccination~~,~~ according to accepted testing and ~~vaccinations~~ vaccination standards ~~as~~ established by the Agency.

(B) Prior to the use of a dairy animal for the production and sale of unpasteurized milk under this chapter, a producer of unpasteurized milk shall test the dairy animal for brucellosis and tuberculosis. The producer shall test the dairy animal used for production and sale of unpasteurized milk for brucellosis and tuberculosis every two years from the date of the first test for brucellosis and tuberculosis accordingly.

(C) ~~Test~~ A producer shall post test results and verification of vaccinations ~~shall be posted~~ on the farm in a prominent place and ~~be easily visible~~ shall make results available to customers and the Agency.

* * *

(d) Unpasteurized milk shall conform to the following production and marketing standards:

* * *

(6) Customer inspection and notification.

(A) ~~Prior to selling milk to a new customer, the new customer shall visit the farm and the~~ The producer shall provide the customer with the opportunity to tour the farm and any area associated with the milking operation. The producer shall permit the customer to return to the farm at a reasonable time and at reasonable intervals to reinspect any areas associated with the milking operation.

(B) A sign with the words "Unpasteurized (Raw) Milk. Not pasteurized. Keep Refrigerated." and "This product has not been pasteurized and therefore may contain harmful bacteria that can cause illness particularly in children, elders, and persons with weakened immune systems and in pregnant women can cause illness, miscarriage, or fetal death, or death of a newborn." shall be displayed prominently on the farm in a place where it can be easily seen by customers. The lettering shall be at least one inch in height and shall be clearly readable.

(e) ~~Producers~~ A producer selling 87.5 or fewer gallons (350 quarts) of unpasteurized milk per week shall meet the requirements of subsections (a) through (d) of this section and shall sell unpasteurized milk only from the farm on which it was produced. A producer selling 87.5 or fewer gallons of unpasteurized milk may choose to meet the requirements of subsection (f) of this section, in which case the producer may deliver in accordance with section 2778 of this title.

(f) ~~Producers~~ A producer selling ~~6~~ more than 87.5 gallons to ~~280~~ 350 gallons (more than 350 to ~~1,120~~ 1,400 quarts) of unpasteurized milk per week shall meet the requirements of subsections (a) through (d) of this section as well as the following standards:

* * *

(3) Testing.

(A) A producer shall have unpasteurized milk tested twice per month by a U.S. Food and Drug Administration accredited laboratory using accredited lab approved testing containers. Milk shall be tested for the following and the results shall be below these limits:

(i) total bacterial (aerobic) count: 15,000 cfu/ml (cattle and goats);

(ii) total coliform count: 10 cfu/ml (cattle and goats);

(iii) somatic cell count: 225,000/ml (cattle); 500,000/ml (goats).

(B) The producer shall ~~assure~~ ensure that all test results are forwarded to the Agency, by the laboratory, upon completion of testing or within five days of receipt of the results by the producer.

* * *

(D) The Secretary shall issue a warning to a producer when a monthly test exceeds the limits required under subdivision (3)(A) of this subsection (f). The producer shall retest unpasteurized milk from the farm no later than one week from the date of receipt of the test results indicating that unpasteurized milk exceeded the limits required under subdivision (3)(A) of this subsection.

(E) If a retest of unpasteurized milk under subdivision (3)(D) of this subsection (f) exceeds the limits required under subdivision (3)(A) of this subsection, the Secretary shall suspend the authority of the producer under this chapter to sell unpasteurized milk until the producer submits test results indicating that unpasteurized milk from the farm is below the limits required under subdivision (3)(A) of this subsection.

(F) If a retest required under subdivision (3)(D) of this subsection (f) exceeds the limits required under subdivision (3)(A) of this subsection, the producer shall warn customers that unpasteurized milk from the farm exceeds one or more of the limits required under subdivision (3)(A) of this subsection until the producer submits test results indicating that unpasteurized milk from the farm is below the limits required under subdivision (3)(A) of this subsection. The producer may provide the warning by posting the test results on a sign that is located in a prominent manner and that is clearly visible to consumers at the point of delivery or by directly notifying customers.

* * *

(6) ~~Prearranged~~ Off-farm delivery. ~~Prearranged~~ The delivery of unpasteurized milk is permitted and shall be in compliance with section 2778 of this title.

(g) The sale of more than ~~280~~ 350 gallons (~~1,120~~ 1,400 quarts) of unpasteurized milk in any one week is prohibited.

§ 2778. DELIVERY OF UNPASTEURIZED (RAW) MILK

(a) Delivery of unpasteurized milk off the farm is permitted only within the State of Vermont and only of milk produced by ~~those producers~~ a producer meeting the requirements of subsection 2777(f) of this chapter.

(b) Delivery shall conform to the following requirements:

(1) Delivery shall be to ~~customers who have~~ a customer who has:

~~(A) visited the farm as required under subdivision 2777(d)(4) of this title; and~~

~~(B)~~ purchased milk in advance either by a one-time payment or through a subscription. Milk is purchased in advance of delivery when payment is provided prior to delivery at the customer's home or prior to commencement of the farmers' market where the customer receives delivery.

(2) ~~Delivery shall be~~ A producer may deliver directly to the customer:

(A) at the customer's home or into a refrigerated unit at the customer's home if such unit is capable of maintaining the unpasteurized milk at 40 degrees Fahrenheit or lower until obtained by the customer;

(B) at a farmers' market, as that term is defined in section 5001 of this title, where the producer is a vendor.~~.~~;

(3) During delivery, unpasteurized milk shall be protected from exposure to direct sunlight.

(4) During delivery, unpasteurized milk shall be kept at 40 degrees Fahrenheit or lower at all times.

(c) A producer may contract with another individual to deliver the unpasteurized milk in accordance with this section. The producer shall be jointly and severally liable for the delivery of the unpasteurized milk in accordance with this section.

(d) Prior to delivery at a farmers' market under this section, a producer shall submit to the Agency of Agriculture, Food and Markets~~, on a form provided by the Agency,~~ written or electronic notice of intent to deliver unpasteurized milk at a farmers' market. The notice shall:

(1) include the producer's name and proof of registration;

(2) identify the farmers' market or markets where the producer will deliver milk; and

(3) specify the day or days of the week on which delivery will be made at a farmers' market.

(e) A producer delivering unpasteurized milk at a farmers' market under this section shall display the registration required under subdivision 2777(f)(4) of this title and the sign required under subdivision 2777(d)(6) on the farmers' market stall or stand in a prominent manner that is clearly visible to consumers.

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

(a) This section and Sec. 29 (unpasteurized milk) shall take effect on passage.

(b) The remainder of the act shall take effect on July 1, 2015.

And that the bill ought to pass in concurrence with such proposal of amendment.

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as moved by Senator Starr? Senator Benning raised a *point of order* under Sec. 402 of Mason's Manual of Legislative Procedure on the grounds that Section 28 of the proposal of amendment offered by Senator Starr was *not germane* to the bill and therefore could not be considered by the Senate.

Thereupon, the President *sustained* the point of order declared that the proposal of amendment offered by Senator Starr could *not* be considered by the Senate and Sec. 28 of the proposal of amendment was ordered stricken.

Senator Ashe, for the Committee on Finance, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Agriculture with the following amendment thereto:

By striking out Sec. 27 (agricultural equipment; sales and use tax) in its entirety and inserting in lieu thereof the following:

Sec. 27. [Deleted.]

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Starr, for the Committee on Appropriations, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Agriculture with the following amendment thereto:

In Sec. 21 (VEDA financing of water quality initiatives), after "the Agency of Agriculture, Food and Markets" and before "funds held by VEDA" by striking out the words "or the Agency of Natural Resources"

And that the bill ought to pass in concurrence with such proposal of amendment.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of proposal of amendment of the Committee

on Agriculture was amended as recommended by the Committee on Appropriations.

Thereupon, the question, Shall the recommendation of the Committee on Agriculture, as amended?, be amended as recommended by the Committee on Finance was agreed to on a division of the Senate, Yeas 16, Nays 8.

Thereupon, the pending question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Agriculture, as amended?, was agreed to.

Thereupon, pending the question, Shall the bill be read the third time?, Senator Benning requested that Sec. 26 be struck from the bill, which was agreed to on a division of the Senate, Yeas 16, Nays 7.

Thereupon, third reading of the bill was ordered.

Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 115.

Senator White, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

An act relating to expungement of convictions based on conduct that is no longer criminal.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 7601 is amended to read:

§ 7601. DEFINITIONS

As used in this chapter:

* * *

(3) "Predicate offense" means a criminal offense that can be used to enhance a sentence levied for a later conviction, and includes operating a vehicle under the influence of intoxicating liquor or other substance in violation of 23 V.S.A. § 1201, domestic assault in violation of section 1042 of this title, and stalking in violation of section 1062 of this title. "Predicate

offense" shall not include misdemeanor possession of marijuana or a disorderly conduct offense under section 1026 of this title.

(4) "Qualifying crime" means:

(A) a misdemeanor offense which is not a listed crime as defined in subdivision 5301(7) of this title, an offense involving sexual exploitation of children in violation of chapter 64 of this title, an offense involving violation of a protection order in violation of section 1030 of this title, a prohibited act as defined in section 2632 of this title, or a predicate offense;

(B) a violation of subsection 3701(a) of this title related to criminal mischief; ~~or~~

(C) a violation of section 2501 of this title related to grand larceny; or

(D) a violation of section 1201 of this title related to burglary, excluding any burglary into an occupied dwelling, as defined in subdivision 1201(b)(2) of this title.

Sec. 2. 13 V.S.A. § 7602 is amended to read:

§ 7602. EXPUNGEMENT AND SEALING OF RECORD, POSTCONVICTION; PROCEDURE

(a)(1) A person ~~who was convicted of a qualifying crime or qualifying crimes arising out of the same incident or occurrence~~ may file a petition with the Court requesting expungement or sealing of the criminal history record related to the conviction~~. The State's Attorney or Attorney General shall be the respondent in the matter.~~ if:

(A) the person was convicted of a qualifying crime or qualifying crimes arising out of the same incident or occurrence; or

(B) the person was convicted of an offense for which the underlying conduct is no longer prohibited by law or designated as a criminal offense.

(2) The State's Attorney or Attorney General shall be the respondent in the matter.

(3) The Court shall grant the petition without hearing if the petitioner and the respondent stipulate to the granting of the petition. The respondent shall file the stipulation with the Court, and the Court shall issue the petitioner a certificate and provide notice of the order in accordance with this section.

* * *

(d) The Court shall grant the petition and order that the criminal history record be expunged in accordance with section 7606 of this title if the following conditions are met:

(1) The petitioner committed the qualifying crime or crimes prior to reaching 25 years of age.

(2) At least five years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or if the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least five years previously.

(3) The person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted of the qualifying crime.

(4) The person successfully completed a term of regular employment or public service, independent of any service ordered as a part of the petitioner's sentence for the conviction, and as approved by the Community Justice Network of Vermont, which may include:

(A) community service hours completed without compensation, reparation of harm to the victim, or education regarding ways not to reoffend, or a combination of the three;

(B) at least one year of service in the U.S. Armed Forces, followed by an honorable discharge or continued service in good standing;

(C) at least one year of service in AmeriCorps or another local, state, national, or international service program, followed by successful completion of the program or continued service in good standing; or

(D) at least one year of regular employment.

(5) Any restitution ordered by the Court for any crime of which the person has been convicted has been paid in full.

(6) The Court finds that expungement of the criminal history record serves the interest of justice.

(e) For petitions filed pursuant to subdivision (a)(1)(B) of this section, the Court shall grant the petition and order that the criminal history record be expunged in accordance with section 7606 of this title if the following conditions are met:

(1) At least one year has elapsed since the completion of any sentence or supervision for the offense, whichever is later.

(2) Any restitution ordered by the Court has been paid in full.

(3) The Court finds that expungement of the criminal history record serves the interest of justice.

(f) For petitions filed pursuant to subdivision (a)(1)(B) of this section for a conviction for possession of a regulated drug under 18 V.S.A. chapter 84, subchapter 1 in an amount that is no longer prohibited by law or for which criminal sanctions have been removed:

(1) The petitioner shall bear the burden of establishing that his or her conviction was based on possessing an amount of regulated drug that is no longer prohibited by law or for which criminal sanctions have been removed.

(2) There shall be a rebuttable presumption that the amount of the regulated drug specified in the affidavit of probable cause associated with the petitioner's conviction was the amount possessed by the petitioner.

(g) Prior to granting an expungement or sealing under this section for petitions filed pursuant to subdivision 7601(4)(D) of this title, the Court shall make a finding that the conduct underlying the conviction under section 1201 of this title did not constitute a burglary into an occupied dwelling, as defined in subdivision 1201(b)(2) of this title. The petitioner shall bear the burden of establishing this fact.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

JEANETTE K. WHITE
ALICE W. NITKA
JOSEPH C. BENNING

Committee on the part of the Senate

MAXINE JO GRAD
BETTY A. NUOVO
THOMAS B. BURDITT

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Committee of Conference Appointed

S. 139.

An act relating to pharmacy benefit managers and hospital observation status.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Ayer
Senator Kitchel
Senator Ashe

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Rules Suspended; Action Messaged

On motion of Senator Baruth, the rules were suspended, and the action on the following bill was ordered messaged to the House forthwith:

S. 139.

Message from the House No. 66

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

S. 138. An act relating to promoting economic development.

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

Pursuant to the request of the Senate for a Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 93. An act relating to lobbying disclosures.

The Speaker has appointed as members of such committee on the part of the House:

Rep. Townsend of South Burlington
Rep. LaClair of Barre Town
Rep. Martin of Wolcott

Adjournment

On motion of Senator Baruth, the Senate adjourned until one o'clock and thirty minutes in the afternoon.

Afternoon

The Senate was called to order by the President.

Consideration Resumed; Proposals of Amendment; Consideration Interrupted by Recess

H. 35.

Consideration was resumed on House bill entitled:

An act relating to improving the quality of State waters.

Thereupon, the pending question, Shall the Senate proposal of amendment be amended as proposed by Senators Sirotkin, Ashe, and Mullin was agreed to.

Thereupon, pending third reading of the bill, Senators Lyons and Ayer moved to amend the Senate proposal of amendment as follows:

First: By striking out Sec. 40 (State Treasurer water quality report) in its entirety and inserting in lieu thereof a new Sec. 40 to read as follows:

Sec. 40. STATE TREASURER REPORT ON LONG-TERM FINANCING OF STATEWIDE WATER QUALITY IMPROVEMENT

On or before January 15, 2017, the State Treasurer, after consultation with the Secretary of Administration and the Commissioner of Taxes, shall submit to the Senate and House Committees on Appropriations, the House Committee on Fish, Wildlife and Water Resources, the Senate Committee on Natural Resources and Energy, the House Committee on Agriculture and Forest Products, the Senate Committee on Agriculture, the House Committee on Ways and Means, and the Senate Committee on Finance a recommendation for financing water quality improvement programs in the State. The recommendation shall include:

(1) Proposed revenue sources for water quality improvement programs that will replace the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a. The proposed revenue sources shall be designed to assess fees, taxes, or other revenue sources from a property, parcel use, parcel, type, or an activity in proportion to the negative impacts of property, parcel use, parcel type, or activity on the water quality in the State.

(2) A recommendation for rewarding or incentivizing best management practices for a property or activity that is subject to the proposed fee, tax, or revenue source.

(3) An estimate of the amount of revenue to be generated from each proposed revenue source.

(4) A summary of how assessment of the proposed revenue source will be administered, collected, and enforced.

(5) A recommendation of whether the State should bond for the purposes of financing water quality improvement programs, including whether a proposed revenue source would be sufficient for issuance of water quality revenue bonds.

(6) A legislative proposal to implement each of the revenue sources proposed under this section.

Second: By striking out Sec. 39 (repeal of Clean Water Surcharge) in its entirety and inserting in lieu thereof a new Sec. 39 to read as follows:

Sec. 39. [Deleted.]

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as proposed by Senators Lyons and Ayer, Senator Sirotkin requested the question be divided.

Thereupon, the question, Shall the Senate proposal of amendment be amended as proposed in the *first* proposal of amendment was agreed to.

Thereupon, the question, Shall the Senate proposal of amendment be amended as proposed in the *second* proposal of amendment?, Senator Ayer requested and was granted leave to withdraw the proposal of amendment.

Thereupon, pending third reading of the bill, Senator Bray moved to amend the Senate proposal of amendment as follows:

First: In Sec. 3, in 6 V.S.A § 4871, by striking subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) Small farm definition. As used in this section, "small farm" means a parcel or parcels of land:

(1) on which 10 or more acres are used for farming;

(2) that house no more than the number of animals specified under section 4857 of this title; and

(3)(A) that house at least the number of mature animals that the Secretary of Agriculture, Food and Markets designates by rule under the Required Agricultural Practices; or

(B) that are used for the preparation, tilling, fertilization, planting, protection, irrigation, and harvesting of crops for sale.

and in subsection (d), in the first sentence, by striking out the following: "January 1, 2016" where it appears and inserting in lieu thereof the following: July 1, 2016 and by striking subsection (e) in its entirety and inserting in lieu thereof a new subsection (e) to read as follows:

(e) Small farm inspection. The Secretary may inspect a small farm in the State at any time for the purposes of assessing compliance by the small farm with the required agricultural practices and determining consistency with a certification of compliance submitted by the person who owns or operates the small farm. The Secretary may prioritize inspections of small farms in the State based on identified water quality issues posed by a small farm. The Secretary shall adopt by rule, as part of the required agricultural practices, the required frequency of inspection of small farms.

Second: In Sec. 4, 6 V.S.A. § 4810a, in subdivision (a)(2)(B), after "within 200 feet of a water of the State" and before the period by inserting the following: , provided that the Secretary may authorize siting within 200 feet, but not less than 100 feet, of a private well or surface water if the Secretary determines that a manure stacking or piling site, fertilizer storage, or other nutrient storage will not have an adverse impact on groundwater quality or a surface water quality

Third: In Sec. 12, 6 V.S.A. § 4810, in subsection (c), by striking out the sixth sentence and inserting in lieu thereof the following:

Soil monitoring or innovative manure management implemented as a BMP shall be eligible for State assistance under the Clean Water Fund established under 10 V.S.A. chapter 47, subchapter 7.

Fourth: In Sec. 15, in 6 V.S.A. § 4981, in subsection (c), in the third sentence, by striking out the following: "On or before January 1, 2017," where it appears and inserting in lieu thereof the following: On or before July 1, 2017,

Fifth: In Sec. 22, 10 V.S.A. § 1021, by striking out subsection (f) in its entirety and inserting in lieu thereof a new subsection (f) to read as follows:

(f) This subchapter shall not apply to ~~accepted agricultural or silvicultural practices, as defined by the Secretary of Agriculture, Food and Markets, or the Commissioner of Forests, Parks and Recreation, respectively~~:

(1) accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices which are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation; or

(2) a farm that is implementing an approved U.S. Department of Agriculture Natural Resource Conservation Service streambank stabilization project or a streambank stabilization project approved by the Secretary of Agriculture, Food and Markets that is consistent with policies adopted by the Secretary of Natural Resources to reduce fluvial erosion hazards.

* * *

Sixth: In Sec. 30, 10 V.S.A. § 1251a(c), in the last sentence after "a permit under this chapter" and before the period by striking out the following: "and to a permit or coverage under a general permit issued a farm under 6 V.S.A. chapter 215 when the farm has the potential to discharge to State waters"

Seventh: In Sec. 31, 10 V.S.A. § 1264, by striking out subdivision (d)(1)(A) in its entirety and inserting in lieu thereof a new (d)(1)(A) to read as follows:

(A) Stormwater runoff from farms in compliance with agricultural practices adopted by the Secretary of Agriculture, Food and Markets, provided that this exemption shall not apply to construction stormwater permits required by subdivision (c)(4) of this section.

and by striking out subdivision (d)(1)(C) in its entirety and inserting in lieu thereof a new (d)(1)(C) to read as follows:

(C) Stormwater runoff from accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices which are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation.

and by striking out the first sentence of subdivision (d)(2) in its entirety and inserting in lieu thereof the following:

No permit is required under subdivision (c)(1), (5), or (7) of this section and for which a municipality has assumed full legal responsibility as part of a permit issued to the municipality by the Secretary.

and in subsection (f), in the first sentence, after "adopt rules to manage" and before "stormwwater runoff" by striking out "regulated"

and in subdivision (g)(1), after "general permits for classes of" and before "stormwater runoff" by striking out "regulated"

Eighth: In Sec. 40, in the first sentence after "Secretary of Administration" and before "and the Commissioner of Taxes" by inserting the following: , the Commissioner of Environmental Conservation,

Ninth: In Sec. 41, by striking out subdivision (a)(1) in its entirety and inserting in lieu thereof the following:

(1) In the Agency of Agriculture, Food and Markets–three (3) Water Quality Specialists, one (1) Chief Policy Enforcement Officer, one (1) Agriculture Systems Specialist, one (1) Financial Administrator II, one (1) GIS Project Supervisor, and one (1) Senior Agricultural Development Coordinator;

Tenth: In Sec. 44, 3 V.S.A. § 2822, in subsection (i), in the third sentence, by striking out "stormwater systems prescribed in subdivisions (j)(2)(A)(iii) and (2)(B)(iv)(I) or (II) of this section" and inserting in lieu thereof stormwater systems prescribed in subdivision (j)(2)(A)(iii)(I), (II), or (IV) and (j)(2)(B)(iv)(I), (II), or (V) of this section

and by striking out subdivision (j)(2)(A)(i)(I) and (II) in their entirety and inserting in lieu thereof:

(I) Individual permit: original application; amendment for increased flows; amendment for change in treatment process~~.~~:	~~$0.0023~~ $0.003 per gallon ~~design~~ permitted flow; minimum ~~$50.00~~ $100.00 per outfall; maximum $30,000.00 per application.
(II) Renewal, transfer, or minor amendment of individual permit~~.~~:	~~$0.00~~ $0.002 per gallon permitted flow; minimum $50.00 per outfall; maximum $5,000.00 per application.

and by striking out subdivision (j)(2)(B)(ii) in its entirety and inserting in lieu thereof the following:

(ii) Municipal~~.~~:	$0.003 per gallon of ~~actual~~ permitted flows. ~~$150.00~~ $200.00 minimum; maximum $12,500.00.

Eleventh: By striking out Secs. 51 and 52 in their entirety and inserting in lieu thereof new Secs. 51 and 52 to read as follows:

Sec. 51. 10 V.S.A. § 1259(f) is amended to read:

(f) The provisions of subsections (c), (d), and (e) of this section shall not regulate ~~accepted~~ required agricultural ~~or silvicultural~~ practices, as ~~such are defined~~ adopted by rule by the ~~secretary of agriculture, food and markets and the commissioner of forests, parks and recreation, respectively, after an opportunity for a public hearing~~ Secretary of Agriculture, Food and Markets, or accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices which are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation; nor shall these provisions regulate discharges from concentrated animal feeding operations that require a permit under section 1263 of this title; nor shall those provisions prohibit stormwater runoff or the discharge of nonpolluting wastes, as defined by the ~~secretary~~ Secretary.

Sec. 52. 24 V.S.A. § 4413(d) is amended to read:

(d) A bylaw under this chapter shall not regulate ~~accepted~~ required agricultural ~~and silvicultural~~ practices, including the construction of farm

structures, as those practices are defined by the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets or ~~the commissioner of forests, parks and recreation , respectively, under 10 V.S.A. §§ 1021(f) and 1259(f) § 2622 and 6 V.S.A. § 4810~~ accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices which are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation.

* * *

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as proposed by Senator Bray, Senator Campbell requested that the Senate recess until two o'clock and thirty minutes.

Called to Order

The Senate was called to order by the President.

Recess

On motion of Senator Baruth the Senate recessed until two o'clock and forty-five minutes.

Called to Order

The Senate was called to order by the President.

Consideration Resumed; Proposals of Amendment; Third Reading Ordered; Bill Passed in Concurrence with Proposal of Amendment

H. 35.

Consideration was resumed on House bill entitled:

An act relating to improving the quality of State waters.

Thereupon, the pending question, Shall the Senate proposal of amendment be amended as proposed by Senator Bray?, was agreed to.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment on a roll call, Yeas 27, Nays 2.

Senator Campbell having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ayer, Balint, Baruth, Benning, Bray, Campbell, Campion, Collamore, Cummings, Degree, Doyle, Flory, Kitchel, Lyons, Mazza, McCormack, Mullin, Nitka, Pollina, Rodgers, Sears, Sirotkin, Snelling, Starr, Westman, White, Zuckerman.

Those Senators who voted in the negative were: Ashe, MacDonald.

The Senator absent and not voting was: McAllister.

Rules Suspended; House Proposal of Amendment to Senate Bill; Consideration Postponed

S. 73.

Appearing on the Calendar for notice, on motion of Senator Mullin, the rules were suspended and House proposal of amendment to Senate bill entitled:

An act relating to State regulation of rent-to-own agreements for merchandise.

Was taken up for immediate consideration.

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

* * * Consumer Rent-to-Own Agreements * * *

Sec. 1. 9 V.S.A. § 41b is amended to read:

§ 41b. RENT-TO-OWN AGREEMENTS; DISCLOSURE OF TERMS

~~(a) The attorney general shall adopt by rule standards for the full and conspicuous disclosure to consumers of the terms of rent-to-own agreements. For purposes of this section a rent-to-own agreement means an agreement for the use of merchandise by a consumer for personal, family, or household purposes, for an initial period of four months or less, that is renewable with each payment after the initial period and that permits the lessee to become the owner of the property. An agreement that complies with this article is not a retail installment sales contract, agreement or obligation as defined in this chapter or a security interest as defined in section 1-201(37) of Title 9A.~~

~~(b) The attorney general, or an aggrieved person, may enforce a violation of the rules adopted pursuant to this section as an unfair or deceptive act or practice in commerce under section 2453 of this title.~~

(a) Definitions. In this section:

(1) "Advertisement" means a commercial message that solicits a consumer to enter into a rent-to-own agreement for a specific item of merchandise that is conveyed:

(A) at a merchant's place of business;

(B) on a merchant's website; or

(C) on television or radio.

(2) "Cash price" means the price of merchandise available under a rent-to-own agreement that the consumer may pay in cash to the merchant at the inception of the agreement to acquire ownership of the merchandise.

(3) "Clear and conspicuous" means that the statement or term being disclosed is of such size, color, contrast, or audibility, as applicable, so that the nature, content, and significance of the statement or term is reasonably apparent to the person to whom it is disclosed.

(4) "Consumer" has the same meaning as in subsection 2451a(a) of this title.

(5) "Merchandise" means an item of a merchant's property that is available for use under a rent-to-own agreement. The term does not include:

(A) real property;

(B) a mobile home, as defined in section 2601 of this title;

(C) a motor vehicle, as defined in 23 V.S.A. § 4;

(D) an assistive device, as defined in section 41c of this title; or

(E) a musical instrument intended to be used primarily in an elementary or secondary school.

(6) "Merchant" means a person who offers, or contracts for, the use of merchandise under a rent-to-own agreement.

(7) "Merchant's cost" means the documented actual cost, including actual freight charges, of merchandise to the merchant from a wholesaler, distributor, supplier, or manufacturer and net of any discounts, rebates, and incentives that are vested and calculable as to a specific item of merchandise at the time the merchant accepts delivery of the merchandise.

(8)(A) "Rent-to-own agreement" means a contract under which a consumer agrees to pay a merchant for the right to use merchandise and acquire ownership, which is renewable with each payment after the initial period, and which remains in effect until:

(i) the consumer returns the merchandise to the merchant;

(ii) the merchant retakes possession of the merchandise; or

(iii) the consumer pays the total cost and acquires ownership of the merchandise.

(B) A "rent-to-own agreement" as defined in subdivision (7)(A) of this subsection is not:

(i) a sale subject to 9A V.S.A. Article 2;

(ii) a lease subject to 9A V.S.A. Article 2A;

(iii) a security interest as defined in subdivision 9A V.S.A. § 1-201(a)(35); or

(iv) a retail installment contract or retail charge agreement as defined in chapter 61 of this title.

(9) "Rent-to-own charge" means the difference between the total cost and the cash price of an item of merchandise.

(10) "Total cost" means the sum of all payments, charges, and fees that a consumer must pay to acquire ownership of merchandise under a rent-to-own agreement. The term does not include charges or fees for optional services or charges or fees due only upon the occurrence of a contingency specified in the agreement.

(b) General requirements.

(1) Prior to execution, a merchant shall give a consumer the opportunity to review a written copy of a rent-to-own agreement that includes all of the information required by this section for each item of merchandise covered by the agreement and shall not refuse a consumer's request to review the agreement with a third party, either inside the merchant's place of business or at another location.

(2) A disclosure required by this section shall be clear and conspicuous.

(3) In a rent-to-own agreement, a merchant shall state a numerical amount or percentage as a figure and shall print or legibly handwrite the figure in the equivalent of 12-point type or greater.

(4) A merchant may supply information not required by this section with the disclosures required by this section, but shall not state or place additional information in such a way as to cause the required disclosures to be misleading or confusing, or to contradict, obscure, or detract attention from the required disclosures.

(5) Except for price cards on site, a merchant shall preserve an advertisement, or a digital copy of the advertisement, for not less than two years after the date the advertisement appeared. In the case of a radio, television, or Internet advertisement, a merchant may preserve a copy of the script or storyboard.

(6) Subject to availability, a merchant shall make merchandise that is advertised available to all consumers on the terms and conditions that appear in the advertisement.

(7) A rent-to-own agreement that is substantially modified, including a change that increases the consumer's payments or other obligations or diminishes the consumer's rights, shall be considered a new agreement subject to the requirements of this chapter.

(8) For each rent-to-own agreement, a merchant shall keep the following information in an electronic or hard copy for a period of four years following the date the agreement ends:

(A) the rent-to-own agreement covering the item; and

(B) a record that establishes the merchant's cost for the item.

(9) A rent-to-own agreement executed by a merchant doing business in Vermont and a resident of Vermont shall be governed by Vermont law.

(c) Cash price; reduction for used merchandise; maximum limits.

(1) Except as otherwise provided in subdivision (2) of this subsection, the maximum cash price for an item of merchandise shall not exceed:

(A) for an appliance, 1.75 times the merchant's cost;

(B) for an item of electronics that has a merchant's cost of less than $150.00, 1.75 times the merchant's cost;

(C) for an item of electronics that has a merchant's cost of $150.00 or more, 2.00 times the merchant's cost;

(D) for an item of furniture or jewelry, 2.50 times the merchant's cost; and

(E) for any other item, 2.00 times the merchant's cost.

(2)(A) The cash price for an item of merchandise that has been previously used by a consumer shall be at least 10 percent less than the cash price calculated under subdivision (1) of this subsection.

(B) The merchant shall reduce the amount of the periodic payment in a rent-to-own agreement by the percentage of the cash price reduction for previously used merchandise established by the merchant.

(3) The total cost for an item of merchandise shall not exceed two times the maximum cash price for the item.

(d) Disclosures in advertising; prohibited disclosures.

(1) An advertisement that refers to or states the dollar amount of any payment for merchandise shall state:

(A) the cash price of the item;

(B) that the merchandise is available under a rent-to-own agreement;

(C) the amount, frequency, and total number of payments required for ownership;

(D) the total cost for the item;

(E) the rent-to-own charge for the item; and

(F) that the consumer will not own the merchandise until the consumer pays the total cost for ownership.

(2) A merchant shall not advertise that no credit check is required or performed, or that all consumers are approved for transactions, if the merchant subjects the consumer to a credit check.

(e) Disclosures on site. In addition to the information required in subsection (d) of this section, an advertisement at a merchant's place of business shall include:

(1) whether the item is new or used; and

(2) when the merchant acquired the item.

(f) Disclosures in rent-to-own agreement.

(1) The first page of a rent-to-own agreement shall include:

(A) a heading and clause in bold-face type that reads: "IMPORTANT INFORMATION ABOUT THIS RENT-TO-OWN AGREEMENT. Do Not Sign this Agreement Before You Read It or If It Contains any Blank Spaces. You have a Right to Review this Agreement or Compare Costs Away from the Store Before You Sign."; and

(B) the following information in the following order:

(i) the name, address, and contact information of the merchant;

(ii) the name, address, and contact information of the consumer;

(iii) the date of the transaction;

(iv) a description of the merchandise sufficient to identify the merchandise to the consumer and the merchant, including any applicable model and identification numbers;

(v) a statement whether the merchandise is new or used, and in the case of used merchandise, a statement that the merchandise is in good working order, is clean, and is free of any infestation.

(2) A rent-to-own agreement shall include the following cost disclosures, printed and grouped as indicated below, immediately preceding the signature lines:

(1) Cash Price: $

(2) Payments required to become owner:

$ /(weekly)(biweekly)(monthly) × (# of payments) = $

(3) Mandatory charges and fees required to become owner (itemize):

$

$

$

Total required fees and charges: $

(4) Total cost: (2) + (3) = $

(5) Rent-to-Own Charge: (4) − (1) = $

(6) Tax = $

(7) DO NOT SIGN BEFORE READING THIS AGREEMENT CAREFULLY

(g) Required provisions of rent-to-own agreement. A rent-to-own agreement shall provide:

(1) a statement of payment due dates;

(2) a line-item list of any other charges or fees the consumer could be charged or have the option of paying in the course of acquiring ownership or during or after the term of the agreement;

(3) that the consumer will not own the merchandise until he or she makes all of the required payments for ownership;

(4) that the consumer has the right to receive a receipt for a payment and, upon reasonable notice, a written statement of account;

(5) who is responsible for service, maintenance, and repair of an item of merchandise;

(6) that, except in the case of the consumer's negligence or abuse, if the merchant, during the term of the agreement, must retake possession of the merchandise for maintenance, repair, or service, or the item cannot be repaired, the merchant is responsible for providing the consumer with a replacement item of equal quality and comparable design;

(7) that the maximum amount of the consumer's liability for damage or loss to the merchandise is limited to an amount equal to the cash price multiplied by the ratio of:

(A) the number of payments remaining to acquire ownership under the agreement; to

(B) the total number of payments necessary to acquire ownership under the agreement.

(8) a statement that if any part of a manufacturer's express warranty covers the merchandise at the time the consumer acquires ownership the merchant shall transfer the warranty to the consumer if allowed by the terms of the warranty;

(9) a description of any damage waiver or insurance purchased by the consumer, or a statement that the consumer is not required to purchase any damage waiver or insurance;

(10) an explanation of the consumer's options to purchase the merchandise;

(11) an explanation of the merchant's right to repossess the merchandise; and

(12) an explanation of the parties' respective rights to terminate the agreement, and to reinstate the agreement.

(h) Warranties.

(1) Upon transfer of ownership of merchandise to a consumer, a merchant shall transfer to the consumer any manufacturer's or other warranty on the merchandise.

(2) A merchant creates an implied warranty to a consumer, which may not be waived, in the following circumstances:

(A) an affirmation of fact or promise made by the merchant to the consumer which relates to merchandise creates an implied warranty that the merchandise will substantially conform to the affirmation or promise;

(B) a description of the merchandise by the merchant creates an implied warranty that the merchandise will substantially conform to the description; and

(C) a sample or model exhibited to the consumer by the merchant creates an implied warranty that the merchandise actually delivered to the consumer will substantially conform to the sample or model.

(i) Maintenance and repairs.

(1) During the term of a rent-to-own agreement, the merchant shall maintain the merchandise in good working condition.

(2) If a repair cannot be completed within three days, the merchant shall provide a replacement to the consumer to use until the original merchandise is repaired. Replacement merchandise shall be at least comparable in quality, age, condition, and warranty coverage to the replaced original merchandise.

(3) A merchant is not required to repair or replace merchandise that has been damaged as a result of negligence or an intentional act by the consumer.

(j) Prohibited provisions of rent-to-own agreement. A rent-to-own agreement shall not include any of the following provisions, which shall be void and unenforceable:

(1) a provision requiring a confession of judgment;

(2) a provision requiring a garnishment of wages;

(3) a provision requiring arbitration or mediation of a claim that otherwise meets the jurisdictional requirements of a small claims proceeding under 12 V.S.A. chapter 187;

(4) a provision authorizing a merchant or its agent to enter unlawfully upon the consumer's premises or to commit any breach of the peace in the repossession of property;

(5) a provision requiring the consumer to waive any defense, counterclaim, or right of action against the merchant or its agent in collection of payment under the agreement or in the repossession of property; or

(6) a provision requiring the consumer to purchase a damage waiver or insurance from the merchant to cover the property.

(k) Option to purchase. Notwithstanding any other provision of this section, at any time after the first payment a consumer who is not in violation of a rent-to-own agreement may acquire ownership of the merchandise covered by the agreement by paying an amount equal to the cash price of the merchandise minus 50 percent of the value of the consumer's previous payments.

(l) Payment; notice of default. If a consumer fails to make a timely payment required in a rent-to-own agreement, the merchant shall deliver to the consumer a notice of default and right to reinstate the agreement at least 14 days before the merchant commences a civil action to collect amounts the consumer owes under the agreement.

(m) Collections; repossession of merchandise; prohibited acts. When attempting to collect a debt or enforce an obligation under a rent-to-own agreement, a merchant shall not:

(1) call or visit a consumer's workplace after a request by the consumer or his or her employer not to do so;

(2) use profanity or any language to abuse, ridicule, or degrade a consumer;

(3) repeatedly call, leave messages, knock on doors, or ring doorbells;

(4) ask someone, other than a spouse, to make a payment on behalf of a consumer;

(5) obtain payment through a consumer's bank, credit card, or other account without authorization;

(6) speak with a consumer more than six times per week to discuss an overdue account;

(7) engage in violence;

(8) trespass;

(9) call or visit a consumer at home or work after receiving legal notice that the consumer has filed for bankruptcy;

(10) impersonate others;

(11) discuss a consumer's account with anyone other than a spouse of the consumer;

(12) threaten unwarranted legal action; or

(13) leave a recorded message for a consumer that includes anything other than the caller's name, contact information, and a courteous request that the consumer return the call.

(n) Reinstatement of agreement.

(1) A consumer who fails to make a timely payment may reinstate a rent-to-own agreement without losing any rights or options that exist under the agreement by paying all past-due charges, the reasonable costs of pickup, redelivery, and any refurbishing, and any applicable late fee:

(A) within five business days of the renewal date of the agreement if the consumer pays monthly; or

(B) within three business days of the renewal date of the agreement if the consumer pays more frequently than monthly.

(2) If a consumer promptly returns or voluntarily surrenders merchandise upon a merchant's request, the consumer may reinstate a rent-to-own agreement during a period of not less than 180 days after the date the merchant retakes possession of the merchandise.

(3) In the case of a rent-to-own agreement that is reinstated pursuant to this subsection, the merchant is not required to provide the consumer with the identical item of merchandise and may provide the consumer with a replacement item of equal quality and comparable design.

(o) Reasonable charges and fees; late fees.

(1) A charge or fee assessed under a rent-to-own agreement shall be reasonably related to the actual cost to the merchant of the service or hardship for which it is charged.

(2) A merchant may assess only one late fee for each payment regardless of how long the payment remains due.

(p) Prohibition on rent-to-own businesses and licensed lenders. A person engaged in the business of selling merchandise under a rent-to-own agreement subject to this section shall not engage in any conduct or business at the same physical location that would require a license under 8 V.S.A. chapter 73 (licensed lenders).

(q) Enforcement; remedies; damages. A person who violates this section commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

* * * Financial Literacy * * *

Sec. 2. FINDINGS

The General Assembly finds:

(1) Many Vermonters are not learning the basics of personal finance in school or in life and their lack of knowledge and skill can have severe and negative consequences to themselves and Vermont's economy. Financial illiteracy affects everyone—men and women, young and old, and crosses all racial and socio-economic boundaries.

(2) Financial literacy is an essential 21st century life skill that young people need to succeed, yet recent studies and surveys show that our youth have not mastered these topics. For example, a 2013 report by Vermont Works for Women indicated that young women believe that a lack of personal finance training was a major deficiency in their education. Without improved financial literacy, the next generation of Vermont leaders, job creators, entrepreneurs,

and taxpayers will lack skills they need to survive and to thrive in this increasingly complex financial world.

(3) The following are some facts about the lack of financial literacy in Vermont's k–12 schools:

(A) Vermont received a "D" grade in a national report card on State efforts to improve financial literacy in high schools, but more than one-half of the states received a grade of A, B, or C;

(B) in an Organisation for Economic Co-operation and Development (OECD) Programme for International Student Assessment (PISA) international financial literacy test of 15-year-olds, the United States ranked 9th out of 13 countries participating in the exam—statistically tied with the Russian Federation and behind China, Estonia, Czech Republic, Poland, and Latvia;

(C) only 10 percent of high schools in Vermont (7 out of 65) have a financial literacy graduation requirement;

(D) a 2011 survey shows that as many as 30 percent of Vermont high schools may not even offer a personal finance elective course for their students to take; and

(E) the same survey indicates that Vermont high school administrators estimate that more than two-thirds of the students graduate without achieving competence in financial literacy topics.

(4) Most students are not financially literate when they enter college and we know that many students leave college for "financial reasons." Too few Vermont college students have received personal finance education in k–12 school or at home. In fact, a Schwab survey indicated that parents are nearly as uncomfortable talking to their children about money as they are discussing sex. Except in some targeted programs and occasional courses, most college students in Vermont are not offered much in the way of financial literacy education. Personal finance education often consists of brief mandatory entrance and exit counseling for students with federal loans, along with reminders to Vermont students to repay their loans. Today's college graduates need to be financially sophisticated because they face greater challenges than previous generations experienced. As a result of the recent recession, many are worse off than their parents were at the same age, with more debt and stagnant or lower incomes. They have higher unemployment rates than older citizens, more live at home with their parents, while fewer own a home, have children or are married. A lack of financial skills is clearly a factor in the failure of many in this generation to launch, and is having a substantial impact on our overall economy.

(5) A more financially sophisticated collegiate student body can be expected to yield a corresponding increase in retention and persistence rates, fewer student loans, and lower student loan default rates and greater alumni giving.

(6) Several studies show that financially sophisticated college students have better outcomes. For example, three University of Arizona longitudinal studies that followed students through college and into the workforce clearly demonstrated that achieving financial self-sufficiency, a key developmental challenge of young adulthood, appears to be driven by financial behaviors practiced during emerging adulthood. The study indicated that college students who exhibited responsible early financial practices experienced smoother transitions to adulthood than students who had poor behaviors. The studies also found that those students who were most successful with this transition to adulthood had more financial education through personal finance or economics classes.

(7) Some troubling facts about college students lack of financial literacy include:

(A) 63 percent of Vermont four-year college students that graduated in 2012 had student loan debt that averaged $28,299.00;

(B) nationally, nearly 11 percent of all student loan borrowers were delinquent in their payments by more than 90 days as of June 2014; and

(C) only 27 percent of parents in Vermont have set aside funds for their child's college education.

(8) Many of Vermont's adults struggle financially. The recent recession demonstrated that our citizens have trouble making complex financial decisions that are critical to their well-being. Nearly one-half of Vermont adults have subprime credit ratings, and thus pay more interest on auto and home loans and credit card debt; nearly two-thirds have not planned for retirement; and less than one-half of Vermont adults participate in an employment-based retirement plan.

(9) Personal economic stress results in lost productivity, increased absenteeism, employee turnover, and increased medical, legal, and insurance costs. Employers in Vermont and our overall economy will benefit from a decrease in personal economic stress that can result from more adult financial education.

(10) Some troubling facts about Vermont adults' lack of financial literacy:

(A) in a 2014 survey, 41 percent of U.S. adults gave themselves a grade of C, D, or F on their personal finance knowledge;

(B) nationally, 34 percent of adults indicated that they have no retirement savings;

(C) as of the third quarter of 2014, among those Vermonters owing money in revolving debt, including credit cards, private label cards, and lines of credit, the average balance was $9,822.00 per borrower;

(D) 62 percent of Vermont adults do not have a rainy-day fund, a liquid emergency fund that would cover three months of life's necessities;

(E) nearly 20 percent of adult Vermonters are unbanked or underbanked; and

(F) 22 percent of Vermont adults used one or more nonbank borrowing methods in the past five years, including an auto title loan, payday loan, advance on tax refund, pawn shop, and rent-to-own.

(11) Vermonters need the skills and tools to take control of their financial lives. Studies have shown that financial literacy is linked to positive outcomes like wealth accumulation, stock market participation, retirement planning, and avoidance of high cost alternative financial products.

(12) When they graduate, Vermont high school students should, at a minimum, understand how credit works, how to budget, and how to save and invest. College graduates should understand those concepts in addition to the connection between income and careers, and how student loans work. Vermont adults need to understand the critical importance of rainy-day and retirement funds, and the amounts they will need in those funds.

(13) All Vermonters should have access to content and training that will help them increase their personal finance knowledge. Vermont students and adults need a clear path to building their personal finance knowledge and skills. Vermont needs to increase its focus on helping Vermonters become wiser consumers, savers, and investors. Financial literacy education is a helping hand that gives individuals knowledge and skills that can lift them out of a financial problem, or prevent difficulties from occurring.

(14) A more financially sophisticated and capable citizenry will help improve Vermont's economy and overall prosperity.

(15) In 2014, a Vermont Financial Literacy Task Force convened by the Center for Financial Literacy at Champlain College, recommended as one of its 13 action items that a Vermont Financial Literacy Commission be created to help improve the financial literacy and capability of all Vermonters.

Sec. 3. 9 V.S.A. chapter 151 is added to read:

CHAPTER 151. VERMONT FINANCIAL LITERACY COMMISSION

§ 6001. DEFINITIONS

In this chapter:

(1) "Financial capability" means:

(A) financial literacy and access to appropriate financial products; and

(B)(i) the ability to act, including knowledge, skills, confidence, and motivation; and

(ii) the opportunity to act, through access to beneficial financial products and institutions.

(2) "Financial literacy" means the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.

§ 6002. VERMONT FINANCIAL LITERACY COMMISSION

(a) There is created a Vermont Financial Literacy Commission to measurably improve the financial literacy and financial capability of Vermont's citizens.

(b) The Commission shall be composed of the following members:

(1) the Vermont State Treasurer or designee;

(2) the Secretary of Education or designee;

(3) one representative of the Executive Branch, appointed by the Governor, who is an employee of an agency or department that conducts financial literacy education outreach efforts in Vermont, including the Department of Children and Families, Agency of Commerce and Community Development, Department of Financial Regulation, Department of Labor, Department of Libraries, or the Commission on Women, but not including the Agency of Education;

(4) a k–12 public school financial literacy educator appointed by the Vermont-NEA;

(5) one representative of k–12 public school administration, currently serving as a school board member, superintendent, or principal, appointed by the Governor based on nominees submitted by the Vermont School Board Association, the Vermont Superintendents Association, and the Vermont Principals Association;

(6) three representatives focused on collegiate financial literacy issues:

(A) the President of the Vermont Student Assistance Corporation or designee;

(B) one representative appointed by the Governor from either Vermont State Colleges or the University of Vermont; and

(C) one representative appointed by the Governor from an independent college in Vermont;

(7) two representatives from nonprofit entities engaged in providing financial literacy education to Vermont adults appointed by the Governor, one of which entities shall be a nonprofit that provides financial literacy and related services to persons with low income;

(8) one representative from Vermont's banking industry appointed by the Vermont Bankers Association, and one representative from Vermont's credit union industry appointed by the Association of Vermont Credit Unions; and

(9) one member of the public, appointed by the Governor.

(c) The Treasurer or designee and another member of the Commission, appointed by the Governor, who is not an employee of the State of Vermont, shall serve as co-chairs of the Commission.

(d)(1) Each member shall serve for a three-year term, provided that the Treasurer shall have the authority to designate whether an initial term for each appointee shall be for a one, two, or three-year initial term in order to ensure that no more than one-third of the terms expire in any given year.

(2) A vacancy shall be filled by the appointing authority as provided in subsection (a) of this section for the remainder of the term.

(3) A member of the Commission who is not an employee of the State of Vermont and who is not otherwise compensated or reimbursed for his or her attendance at a meeting of the Commission shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

(e) The Commission may request from any branch, division, department, board, commission, or other agency of the State or any entity that receives State funds, such information as will enable the Commission to perform its duties as required in this chapter.

§ 6003. POWERS AND DUTIES

The Vermont Financial Literacy Commission established by section 6002 of this title shall have the following powers and duties necessary and appropriate to achieve the purposes of this chapter:

(1) collaborate with relevant State agencies and departments, private enterprise, and nonprofit organizations;

(2) incentivize Vermont's k–16 educational system, businesses, community organizations, and governmental agencies to implement financial literacy and capability programs;

(3) advise the administration, governmental agencies and departments, and the General Assembly on the current status of our citizens' financial literacy and capability;

(4) create and maintain a current inventory of all financial literacy and capability initiatives available in the State, and in particular identify trusted options that will benefit our citizens;

(5) identify ways to equip Vermonters with the training, information, skills, and tools they need to make sound financial decisions throughout their lives and ways to help individuals with low income get access to needed financial products and services;

(6) identify ways to help Vermonters with low income save and build assets;

(7) identify ways to help increase the percentage of Vermont employees saving for retirement;

(8) recommend actions that can be taken by the public and private sector to achieve the goal of increasing the financial literacy and capability of all Vermonters;

(9) promote and raise the awareness in our State about the importance of financial literacy and capability;

(10) identify key indicators to be tracked regarding financial literacy and capability in Vermont;

(11) analyze data to monitor the progress in achieving an increase in the financial literacy and capability of Vermont's citizens;

(12) pursue and accept funding for, and direct the administration of, the Financial Literacy Commission Fund created in section 6004 of this title;

(13) consider and implement research and policy initiatives that provide effective and meaningful results; and

(14) issue a report during the first month of each legislative biennium on the Commission's progress and recommendations for increasing the financial literacy and capability of Vermont's citizens, including an accounting of receipts, disbursements, and earnings of the Financial Literacy Commission Fund, and whether the Commission should be reconfigured, to:

(A) the Governor;

(B) the House Committees on Commerce and Economic Development, on Education, on Government Operations, and on Human Services; and

(C) the Senate Committees on Economic Development, Housing and General Affairs, on Education, on Government Operations, and on Health and Welfare.

§ 6004. FINANCIAL LITERACY COMMISSION FUND

(a) There is created within the Office of the State Treasurer the Financial Literacy Commission Fund, a special fund created pursuant to 32 V.S.A. chapter 7, subchapter 5 that shall be administered by the Treasurer under the direction of the Financial Literacy Commission.

(b) The Fund shall consist of sums appropriated to the Fund and monies from any source accepted for the benefit of the Fund and interest earned from the investment of Fund balances. Any interest earned and any remaining balance at the end of the fiscal year shall be carried forward in the Fund and shall not revert to the General Fund.

(c) The purpose of the Fund shall be to enable the Commission to pursue and accept funding from diverse sources outside of State government in the form of gifts, grants, federal funding, or from any other sources public or private, consistent with this chapter, in order to support financial literacy projects.

(d) The Treasurer, under the supervision of the Commission, shall have the authority:

(1) to expend monies from the Fund for financial literacy projects in accordance with 32 V.S.A. § 462; and

(2) to invest monies in the Fund in accordance with 32 V.S.A. § 434.

Sec. 3A. REPEAL

9 V.S.A. chapter 151 (Vermont Financial Literacy Commission) shall be repealed on July 1, 2018.

* * * Fees for Automatic Dialing Service * * *

Sec. 4. 9 V.S.A. § 2466b is added to read:

§ 2466b. DISCLOSURE OF FEE FOR AUTOMATIC DIALING SERVICE

(a) In this section:

(1) "Automatic dialing service" means a service of a home or business security, monitoring, alarm, or similar system, by which the system automatically initiates a call or connection to an emergency service provider, either directly or through a third person, upon the occurrence of an action specified within the system to initiate a call or connection.

(2) "Emergency functions" include services provided by the department of public safety, firefighting services, police services, sheriff's department services, medical and health services, rescue, engineering, emergency warning services, communications, evacuation of persons, emergency welfare services, protection of critical infrastructure, emergency transportation, temporary restoration of public utility services, other functions related to civilian protection and all other activities necessary or incidental to the preparation for and carrying out of these functions.

(3) "Emergency service provider" means a person that performs emergency functions.

(b) Before executing a contract for the sale or lease of a security, monitoring, alarm, or similar system that includes an automatic dialing service, the seller or lessor of the system shall disclose in writing:

(1) any fee or charge the seller or lessor charges to the buyer or lessee for the service; and

(2) that the buyer or lessor may be subject to additional fees or charges imposed by another person for use of the service.

(c) A person who fails to provide the disclosure required by subsection (b) of this section commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

* * * Consumer Litigation Funding * * *

Sec. 5. 8 V.S.A. § 2246 is added to read:

§ 2246. CONSUMER LITIGATION FUNDING

(a) Findings. The General Assembly finds that the relatively new business of consumer litigation funding, as defined in subsection (b) of this section, raises concerns about whether and, if so, to what extent such transactions should be regulated by the Commissioner of Financial Regulation. Concerns include: finance charges and fees; terms and conditions of contracts; rescission rights; licensure or registration; disclosure requirements; enforcement and penalties; and any other standards and practices the Commissioner deems relevant.

(b) Definition. As used in this section, "consumer litigation funding" means a nonrecourse transaction in which a person provides personal expense funds to a consumer to cover personal expenses while the consumer is a party to a civil action or legal claim and, in return, the consumer assigns to such person a contingent right to receive an amount of the proceeds of a settlement or judgment obtained from the consumer's action or claim. If no such proceeds are obtained, the consumer is not required to repay the person the funded amount, any fees or charges, or any other sums.

(c) Recommendation. On or before December 1, 2015, the Commissioner of Financial Regulation and the Attorney General shall submit a recommendation or draft legislation to the General Assembly reflecting an appropriate balance between:

(1) providing a consumer access to funds for personal expenses while the consumer is a party to a civil action or legal claim; and

(2) protecting the consumer from any predatory practices by a person who provides consumer litigation funding.

(d) Moratorium. A person shall not offer or enter into a consumer litigation funding contract on or after July 1, 2015 unless authorized to do so by further enactment of the General Assembly.

(e) Enforcement. A person who violates subsection (d) of this section shall be subject to the powers and penalties of the Commissioner of Financial Regulation under sections 13 (subpoenas and examinations) and 2215 (licensed lender penalties) of this title.

* * * Internet Dating Services * * *

Sec. 6. 9 V.S.A. chapter 63, subchapter 8 is added to read:

Subchapter 8. Internet Dating Services

§ 2482a. DEFINITIONS

In this chapter:

(1) "Account change" means a change to the password, e-mail address, age, identified gender, gender of members seeking to meet, primary photo unless it has previously been approved by the Internet dating service, or other conspicuous change to a member's account or profile with or on an Internet dating service.

(2) "Banned member" means the member whose account or profile is the subject of a fraud ban.

(3) "Fraud ban" means barring a member's account or profile from an Internet dating service because, in the judgment of the service, the member

poses a significant risk of attempting to obtain money from other members through fraudulent means.

(4) "Internet dating service" means a person or entity that is in the business of providing dating services principally on or through the Internet.

(5) "Member" means a person who submits to an Internet dating service information required to access the service and who obtains access to the service.

(6) "Vermont member" means a member who provides a Vermont residential or billing address or zip code when registering with the Internet dating service.

§ 2482b. REQUIREMENTS FOR INTERNET DATING SERVICES

(a) An Internet dating service shall disclose to all of its Vermont members known to have previously received and responded to an on-site message from a banned member:

(1) the user name, identification number, or other profile identifier of the banned member;

(2) the fact that the banned member was banned because in the judgment of the Internet dating service the banned member may have been using a false identity or may pose a significant risk of attempting to obtain money from other members through fraudulent means;

(3) that a member should never send money or personal financial information to another member; and

(4) a hyperlink to online information that clearly and conspicuously addresses the subject of how to avoid being defrauded by another member of an Internet dating service.

(b) The notification required by subsection (a) of this section shall be:

(1) clear and conspicuous;

(2) by e-mail, text message, or other appropriate means of communication; and

(3) sent within 24 hours after the fraud ban, or at a later time if the service has determined based on an analysis of effective messaging that a different time is more effective, but in no event later than three days after the fraud ban.

(c) An Internet dating service shall disclose in an e-mail, text message, or other appropriate means of communication, in a clear and conspicuous manner,

within 24 hours after discovery of any account change to a Vermont member's account or profile:

(1) the fact that information on the member's account or personal profile has been changed;

(2) a brief description of the change; and

(3) if applicable, how the member may obtain further information on the change.

§ 2482c. IMMUNITY

(a) An Internet dating service shall not be liable to any person, other than the State of Vermont, or any agency, department, or subdivision of the State, for disclosing to any member that it has banned a member, the user name or identifying information of the banned member, or the reasons for the Internet dating service's decision to ban such member.

(b) An Internet dating service shall not be liable to any person, other than the State of Vermont, or any agency, department, or subdivision of the State, for the decisions regarding whether to ban a member, or how or when to notify a member pursuant to section 2482b of this title.

(c) This subchapter does not diminish or adversely affect the protections for Internet dating services that are afforded in 47 U.S.C. § 230 (Federal Communications Decency Act).

§ 2482d. VIOLATIONS

(a) A person who violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, and enter into assurances of discontinuance as is provided under subchapter 1 of this chapter.

* * * Discount Membership Programs * * *

Sec. 7. 9 V.S.A. § 2470hh is amended to read:

§ 2470hh. VIOLATIONS

(a) ~~A violation of this subchapter is deemed to be a violation of section 2453 of this title~~ A person who violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as is provided under subchapter 1 of this chapter.

(c) It is an unfair and deceptive act and practice in commerce for any person to provide substantial assistance to the seller of a discount membership program that has engaged or is engaging in an unfair or deceptive act or practice in commerce, when the person or the person's authorized agent:

(1) receives notice from a regulatory, law enforcement, or similar governmental authority that the seller of the discount membership program is in violation of this subchapter;

(2) knows from information received or in its possession that the seller of the discount membership program is in violation of this subchapter; or

(3) consciously avoids knowing that the seller of the discount membership program is in violation of this subchapter.

(d) Subject to section 2452 of this title, a person who provides only incidental assistance, which does not further the sale of a discount membership program, to the seller of the program, or who does not receive a benefit from providing assistance to the seller of a discount membership, shall not be liable under this section unless the person receives notice, knows, or consciously avoids knowing, pursuant to subdivision (c)(1), (2), or (3) of this section, that a discount membership program is in violation of this chapter.

* * * Security Breach Notice Act * * *

Sec. 8. 9 V.S.A. § 2435(b)(6) is amended to read:

(6) ~~For purposes of this subsection, notice to consumers may be provided~~ A data collector may provide notice of a security breach to a consumer by one or more of the following methods:

(A) Direct notice ~~to consumers~~, which may be by one of the following methods:

(i) ~~Written~~ written notice mailed to the consumer's residence;

(ii) ~~Electronic~~ electronic notice, for those consumers for whom the data collector has a valid e-mail address if:

(I) ~~the data collector does not have contact information set forth in subdivisions (i) and (iii) of this subdivision (6)(A),~~ the data collector's primary method of communication with the consumer is by electronic means, the electronic notice does not request or contain a hypertext link to a request that the consumer provide personal information, and the electronic notice conspicuously warns consumers not to provide personal information in response to electronic communications regarding security breaches; or

(II) the notice ~~provided~~ is consistent with the provisions regarding electronic records and signatures for notices ~~as set forth~~ in 15 U.S.C. § 7001; or

(iii) ~~Telephonic~~ telephonic notice, provided that telephonic contact is made directly with each affected consumer~~,~~ and ~~the telephonic contact is~~ not through a prerecorded message.

(B)(i) Substitute notice, if:

(I) the data collector demonstrates that the cost of providing written or telephonic notice~~, pursuant to subdivision (A)(i) or (iii) of this subdivision (6),~~ to affected consumers would exceed $5,000.00; ~~or that~~

(II) the ~~affected~~ class of affected consumers to be provided written or telephonic notice~~, pursuant to subdivision (A)(i) or (iii) of this subdivision (6),~~ exceeds 5,000~~,~~; or

(III) the data collector does not have sufficient contact information.

(ii) ~~Substitute notice shall consist of all of the following~~ A data collector shall provide substitute notice by:

~~(i)~~(I) ~~conspicuous~~ conspicuously posting ~~of~~ the notice on the data collector's website ~~page~~ if the data collector maintains one; and

~~(ii)~~(II) ~~notification to~~ notifying major statewide and regional media.

* * * Limitation of Liability for Advertisers * * *

Sec. 9. 9 V.S.A. § 2452 is amended to read:

§ 2452. LIMITATION

(a) Nothing in this chapter shall apply to the owner or publisher of a newspaper, magazine, publication, or printed matter, or to a provider of an interactive computer service, wherein an advertisement or offer to sell appears, or to the owner or operator of a radio or television station which disseminates an advertisement or offer to sell, when the owner, publisher ~~or~~, operator, or provider has no knowledge of the fraudulent intent, design, or purpose of the advertiser or ~~operator~~ offeror, and is not responsible, in whole or in part, for the creation or development of the advertisement or offer to sell.

(b) In this section, "interactive computer service" has the same meaning as in 47 U.S.C. § 230(f)(2).

* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

(a) This section, Secs. 2–5, and 7–9 shall take effect on July 1, 2015.

(b) Sec. 1 shall take effect on September 1, 2015.

(c) In Sec. 6:

(1) 9 V.S.A. §§ 2482a, 2482c, and 2482d shall take effect on passage.

(2) 9 V.S.A. § 2482b shall take effect on January 1, 2016.

And that after passage the title of the bill be amended to read:

An act relating to consumer protection laws.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senator Balint moved that the Senate concur in the House proposal of amendment with an amendment as follows:

First: In Sec. 1, in 9 V.S.A. § 41b(c)(2), by striking out "(A)" and by striking out subdivision (B) in its entirety.

Second: In Sec. 1, in 9 V.S.A. § 41b(e), by striking out subdivisions (1)–(2) in their entirety and inserting in lieu thereof subdivisions (1)–(3) to read as follows:

(1) whether the item is new or used;

(2) when the merchant acquired the item; and

(3) the number of times a consumer has taken possession of the item under a rent-to-own agreement.

Third In Sec. 3, in 9 V.S.A. § 6002(b), by striking out subdivision (6) in its entirety (three representatives focused on collegiate financial literacy issues) and inserting in lieu thereof a new subdivision (6) to read as follows:

(6) two representatives focused on collegiate financial literacy issues:

(A) the President of the Vermont Student Assistance Corporation or designee; and

(B) one representative appointed by the Governor from the Vermont State Colleges, the University of Vermont, or an independent college in Vermont;

Fourth: In Sec. 3, in 9 V.S.A. § 6002(b), by striking out subdivision (7) in its entirety (two representatives from non-profit entities) and inserting in lieu thereof a new subdivision (7) to read as follows:

(7) a representative from a nonprofit entity that provides financial literacy and related services to persons with low income;

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment with further proposal of amendment as proposed by Senator Balint?, Senator Campbell moved that consideration be postponed.

Which was agreed to.

Rules Suspended; House Proposal of Amendment Not Concurred In; Committee of Conference Requested

S. 138.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and House proposal of amendment to Senate bill entitled:

An act relating to promoting economic development.

Was taken up for immediate consideration.

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

A. General Commerce

* * * Facilitating Business Rapid Response to Declared State Disasters * * *

Sec. A.1. 11 V.S.A. chapter 16 is added to read:

CHAPTER 16. BUSINESS RAPID RESPONSE TO DECLARED STATE DISASTERS

§ 1701. DEFINITIONS

In this chapter:

(1) "Critical infrastructure" means property and equipment owned or used by communications networks and electric generation, transmission, and distribution systems.

(2)(A) "Declared State disaster or emergency" means:

(i) a disaster or emergency event for which a Governor's state of emergency proclamation has been issued;

(ii) a disaster or emergency event for which a Presidential declaration of a federal major disaster or emergency has been issued; or

(iii) a disaster or emergency event within the State for which a good faith response effort is required, and for which the Commissioner of Public Service is given notification from the registered business and the

Commissioner, in consultation with the Director of Emergency Management, Department of Public Safety, designates the event as a disaster or emergency, thereby invoking the provisions of this chapter.

(B) "Declared State disaster or emergency" does not include an emergency or situation arising solely from a labor dispute.

(3) "Disaster response period" means a period that begins ten days prior to the first day of the Governor's proclamation, the President's declaration, or designation by another authorized official of the State as set forth in this chapter, whichever occurs first, and that extends 60 calendar days after the declared State disaster or emergency.

(4) "Disaster- or emergency-related work" means repairing, renovating, installing, building, rendering services, or other nonretail business activities in areas of the State affected by the declared State disaster or emergency that relate to critical infrastructure that has been damaged, impaired, or destroyed by the declared State disaster or emergency.

(5) "Mutual Assistance Agreement" means an agreement to which one or more registered businesses and one or more out-of-state businesses are party and pursuant to which an electric or telephone utility may request and receive assistance from an out-of-state business for performance of disaster- or emergency-related work by the out-of-state business during the disaster response period.

(6)(A) "Out-of-state business" means a business entity that, except for disaster- or emergency-related work, has no presence in the State and conducts no business in the State whose services are requested pursuant to a Mutual Assistance Agreement by a registered business or by a State or local government for purposes of performing disaster- or emergency-related work on critical infrastructure in the State.

(B) "Out-of-state-business" also includes a business entity that is affiliated with a registered business in the State solely through common ownership.

(C) An out-of-state business has no registrations or tax filings or nexus in the State other than disaster- or emergency-related work during the tax year immediately preceding the declared State disaster or emergency.

(7) "Out-of-state employee" means an employee who does not work in the State, except for disaster- or emergency-related work during the disaster response period.

(8) "Registered business in the State" or "registered business" means a business entity that is currently registered with the Secretary of State to do business in the State prior to the declared State disaster or emergency.

§ 1702. OBLIGATIONS AFTER DISASTER RESPONSE PERIOD

(a) Business and employee status during the disaster response period.

(1)(A) An out-of-state business that conducts operations within the State for purposes of performing work or services related to a declared State disaster or emergency during the disaster response period shall not be considered to have established a level of presence that would require that business to register, file, or remit State or local taxes or that would require that business or its out-of-state employees to be subject to any State licensing or registration requirements.

(B) This includes any State or local business licensing or registration requirements or State and local taxes or fees, including unemployment insurance, State or local occupational licensing fees, ad valorem tax on equipment brought into the State temporarily for use during the disaster response period and subsequently removed from the State, and Public Service Board or Secretary of State licensing and regulatory requirements.

(C) For purposes of any State or local tax on or measured by, in whole or in part, net or gross income or receipts, all activity of the out-of-state business that is conducted in this State pursuant to this chapter shall be disregarded with respect to any filing requirements for such tax, including the filing required for a unitary or combined group of which the out-of-state business may be a part.

(D) For the purpose of apportioning income, revenue, or receipts, the performance by an out-of-state business of any work in accordance with this section shall not be sourced to or shall not otherwise impact or increase the amount of income, revenue, or receipts apportioned to this State.

(2)(A) An out-of-state employee shall not be considered to have established residency or a presence in the State that would require that person or that person's employer to file and pay income taxes or to be subjected to tax withholdings or to file and pay any other State or local tax or fee during the disaster response period.

(B) This includes any related State or local employer withholding and remittance obligations, but does not include any transaction taxes or fees as described in subsection (b) of this section.

(b) Transaction taxes and fees. An out-of-state business and an out-of-state employee shall be required to pay transaction taxes and fees, including fuel tax

and sales and use tax on materials or services consumed or used in the State subject to sales and use tax, rooms and meals tax, car rental taxes or fees that the out-of-state affiliated business or out-of-state employee purchases for use or consumption in the State during the disaster response period, unless such taxes are otherwise exempted during a disaster response period. An out-of-state business making retail sales of tangible personal property during the disaster response period shall be subject to all sales tax registration, collection, reporting, and other requirements set forth in 32 V.S.A. chapter 233.

(c) Business or employee activity after disaster response period. An out-of-state business or out-of-state employee that remains in the State after the disaster response period will become subject to the State's normal standards for establishing presence, residency, or doing business in the State and will therefore become responsible for any business or employee tax requirements that ensue.

§ 1703. ADMINISTRATION

(a) Notification of out-of-state business during the disaster response period.

(1) The out-of-state business that enters the State shall, upon request, provide to the Secretary of State a statement that it is in the State for purposes of responding to the disaster or emergency, which statement shall include the business's name, state of domicile, principal business address, federal tax identification number, date of entry, and contact information.

(2) A registered business in the State shall, upon request, provide the information required in subdivision (1) of this subsection for any affiliate that enters the State that is an out-of-state business.

(3) The notification shall also include contact information for the registered business in the State.

(b) Notification of intent to remain in State. An out-of-state business or an out-of-state employee that remains in the State after the disaster response period shall complete State and local registration, licensing, and filing requirements that ensue as a result of establishing the requisite business presence or residency in the State applicable under the existing law.

(c) Procedures. The Secretary of State may adopt necessary rules, develop and issue forms or online processes, and maintain and make available an annual record of any designations pursuant to this chapter to carry out these administrative procedures.

* * * Manufacture or Import of Gun Suppressors * * *

Sec. A.2.A. 13 V.S.A. § 4010 is amended to read:

§ 4010. GUN ~~SILENCERS~~ SUPPRESSORS

~~A person who manufactures, sells, uses, or possesses with intent to sell or use an appliance known as or used for a gun silencer shall be fined $25.00 for each offense. The provisions of this section shall not prevent the use or possession of gun silencers by:~~

~~(1) a Level III certified law enforcement officer or Department of Fish and Wildlife employee in connection with his or her duties and responsibilities and in accordance with the policies and procedures of that officer's or employee's agency or department; or~~

~~(2) the Vermont National Guard in connection with its duties and responsibilities.~~

(a) As used in this section, "gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

(b)(1) Except as provided in subsection (c) of this section, a person shall not manufacture, make, or import a gun suppressor.

(2) A person who violates subdivision (1) of this subsection shall be fined not less than $500.00.

(c) Subsection (b) of this section shall not apply to:

(1) a licensed manufacturer, as defined in 18 U.S.C. § 921, who is registered as a manufacturer pursuant to 26 U.S.C. § 5802;

(2) a licensed importer, as defined in 18 U.S.C. § 921, who is registered as an importer pursuant to 26 U.S.C. § 5802; or

(3) a person who makes a gun suppressor in compliance with the requirements of 26 U.S.C. § 5822.

Sec. A.2.B. 10 V.S.A. § 4704 is amended to read:

§ 4704. USE OF MACHINE GUNS ~~AND~~, AUTOLOADING RIFLES, AND GUN SUPPRESSORS

(a) A person engaged in hunting for wild animals shall not use, carry, or have in his or her possession:

(1) a machine gun of any kind or description ~~or~~;

(2) an autoloading rifle with a magazine capacity of over six cartridges, except a .22 caliber rifle using rim fire cartridges; or

(3) a gun suppressor.

(b) As used in this section, "gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

Sec. A.2.C. 10 V.S.A. § 4502 is amended to read:

§ 4502. UNIFORM POINT SYSTEM; REVOCATION OF LICENSE

(a) A uniform point system which assigns points to those convicted of a violation of a provision of this part is established. The conviction report from the ~~court~~ Court shall be prima facie evidence of the points assessed. In addition to other penalties assessed for violation of fish and wildlife statutes, the Commissioner shall suspend licenses issued under this part which are held by a person who has accumulated ten or more points in accordance with the provisions of subsection (c) of this section.

(b) A person violating provisions of this part shall receive points for convictions in accordance with the following schedule (all sections are in Title 10 of Vermont Statutes Annotated):

* * *

(2) Ten points shall be assessed for:

* * *

(G) § 4704. Use of machine guns ~~and~~, autoloading rifles, and gun suppressors

* * *

* * * Blockchain Technology * * *

Sec. A.3. STUDY AND REPORT; BLOCKCHAIN TECHNOLOGY

On or before January 15, 2016, the Secretary of State, the Commissioner of Financial Regulation, and the Attorney General shall consult with one or more Vermont delegates to the National Conference of Commissioners on Uniform State Laws and with the Center for Legal Innovation at Vermont Law School, and together shall submit a report to the General Assembly their finding and recommendations on the potential opportunities and risks of creating a presumption of validity for electronic facts and records that employ blockchain technology and addressing any unresolved regulatory issues.

* * * Fortified Wines * * *

Sec. A.4. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

The following words as used in this title, unless a contrary meaning is required by the context, shall have the following meaning:

* * *

(15) "Manufacturer's or rectifier's license": a license granted by the Liquor Control Board that permits the holder to manufacture or rectify ~~spirituous liquors~~ spirits or fortified wines for export and sale to the Liquor Control Board, or malt beverages and vinous beverages for export and sale to bottlers or wholesale dealers. This license permits a manufacturer of vinous beverages or fortified wines to receive from another manufacturer licensed in or outside this ~~state~~ State bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages or fortified wines produced by a Vermont manufacturer may contain no more than 25 percent imported vinous beverage. The Liquor Control Board may grant to a licensed manufacturer or rectifier a first-class restaurant or cabaret license or first- and third-class restaurant or cabaret license permitting the licensee to sell alcoholic beverages to the public only at the manufacturer's premises, which, for the purposes of a manufacturer of malt beverages, includes up to two licensed establishments that are located on the contiguous real estate of the holder of the manufacturer's license, provided the manufacturer owns or has direct control over those establishments. A manufacturer of malt beverages who also holds a first-class restaurant or cabaret license may serve to a customer malt beverage by the glass, not to exceed eight glasses at one time and not to exceed four ounces in each glass. The Liquor Control Board may grant to a licensed manufacturer or a rectifier of malt beverages a second-class license permitting the licensee to sell alcoholic beverages to the public anywhere on the manufacturer's or rectifier's premises. A licensed manufacturer or rectifier of vinous beverages may serve, with or without charge, at an event held on premises of the licensee or the vineyard property, spirits and vinous beverages and malt beverages, provided the licensee gives the Department written notice of the event, including details required by the Department, at least five days before the event. Any beverages not manufactured by the licensee and served at the event shall be purchased on invoice from a licensed manufacturer or wholesale dealer or the Liquor Control Board.

* * *

(19) "Second-class license": a license granted by the control commissioners permitting the licensee to export malt or vinous beverages and to sell malt beverages or vinous beverages to the public for consumption off the premises for which the license is granted. The Liquor Control Board may grant a second-class licensee a fortified wine permit that permits the licensee to export and to sell fortified wines to the public for consumption off the licensed premises.

(20) "Spirits" or "spirituous liquors": beverages that contain more than one percent of alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; ~~and~~ vinous beverages containing more than ~~16~~ 23 percent of alcohol; and ~~all vermouths of any alcohol content;~~ malt beverages containing more than 16 percent of alcohol or more than six percent of alcohol if the terminal specific gravity thereof is less than 1.009; in each case measured by volume at 60 degrees Fahrenheit.

* * *

(22) "Third-class license": a license granted by the Liquor Control Board permitting the licensee to sell ~~spirituous liquors~~ spirits and fortified wines for consumption only on the premises for which the license is granted.

(23) "Vinous beverages": all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits~~,~~ or other agricultural product, containing sugar, the alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60 degrees Fahrenheit~~, except that all vermouths shall be purchased and retailed by and through the Liquor Control Board as authorized in chapters 5 and 7 of this title~~.

* * *

(27) "Special events permit": a permit granted by the Liquor Control Board permitting a person holding a manufacturer's or rectifier's license to sell by the glass or by unopened bottle spirits, fortified wines, malt beverages, or vinous beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local licensing authority. For the purposes of tasting only, the permit holder may distribute, with or without charge, beverages manufactured by the permit holder by the glass no more than two ounces per product and eight ounces total of malt beverages or vinous beverages and no more than one ounce in total of spirits or fortified wines to each individual. No more than ~~36~~ 104 special events permits may be issued to a holder of a manufacturer's or rectifier's license during a year. A special event permit shall be valid for the duration of each public event or four days, whichever is shorter. Requests for a special events permit, accompanied by the fee as required by subdivision 231(13) of this title, shall be submitted to the

Department of Liquor Control at least five days prior to the date of the event. Each manufacturer or rectifier planning to attend a single special event under this permit may be listed on a single permit. However, each attendance at a special event shall count toward the manufacturer's or rectifier's ~~36~~ 104 special-event-permit limitation.

(28) "Fourth-class license" or "farmers' market license": the license granted by the Liquor Control Board permitting a manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, fortified wines, or spirits to sell by the unopened container and distribute~~,~~ by the glass, with or without charge, beverages manufactured by the licensee. No more than a combined total of ten fourth-class and farmers' market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth-class license location, a manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages, malt beverages, fortified wines, or spirits produced by no more than five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell its product to no more than five additional manufacturers or rectifiers. A fourth-class licensee may distribute by the glass no more than two ounces of malt beverages or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits or fortified wine with a total of one ounce to each retail customer for consumption on the manufacturer's premises or at a farmers' market. A fourth class licensee may distribute by the glass up to four mixed drinks containing a combined total of no more than one ounce of spirits or fortified wine to each retail customer for consumption only on the manufacturer's premises. A farmers' market license is valid for all dates of operation for a specific farmers' market location.

* * *

(38) "Fortified wines": vinous beverages, including those to which spirits have been added during manufacture, containing at least 16 percent alcohol but no more than 23 percent alcohol by volume at 60 degrees Fahrenheit, and all vermouths containing no more than 23 percent alcohol by volume at 60 degrees Fahrenheit.

(39) "Public library or museum permit": a permit granted by the Liquor Control Board permitting a public library or museum to serve malt beverages or vinous beverages, or both, by the glass to the public for a period of not more than six hours during an event held for a charitable or educational purpose, provided that the event is approved by the local licensing authority. A permit holder may purchase malt beverages or vinous beverages directly from a

licensed retailer. A permit holder shall be subject to the provisions of this title and the rules of the Board regarding the service of alcoholic beverages. A request for a permit shall be submitted to the Department in a form required by the Department at least five days prior to the event and shall be accompanied by the permit fee required by subdivision 231(a)(24) of this title. As used in this section, "public library" has the same meaning as in 22 V.S.A. § 101 and "museum" has the same meaning as in 27 V.S.A. § 1151.

Sec. A.5. 7 V.S.A. § 104 us amended to read:

§ 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

The Board shall have supervision and management of the sale of ~~spirituous liquors~~ spirits and fortified wines within the State in accordance with the provisions of this title, and through the Commissioner of Liquor Control shall:

* * *

Sec. A.6. 7 V.S.A. § 107 is amended to read:

§ 107. DUTIES OF COMMISSIONER OF LIQUOR CONTROL

The ~~commissioner of liquor control~~ Commissioner of Liquor Control shall:

* * *

(2) Make regulations subject to the approval of the ~~board~~ Board governing the hours during which such agencies shall be open for the sale of ~~spirituous liquors,~~ spirits and fortified wines and governing the qualifications ~~and~~, deportment, and salaries of the agencies' employees ~~therein and the salaries thereof~~.

(3) Make regulations subject to the approval of the ~~board~~ Board governing:

(A) the prices at which ~~spirituous liquors~~ spirits shall be sold ~~in such~~ by local agencies, ~~and~~ the method ~~of~~ for their delivery ~~thereof~~, and the quantities of ~~spirituous liquors to~~ spirits that may be sold to any one person at any one time; and

(B) the minimum prices at which fortified wines shall be sold by local agencies and second-class licensees that hold fortified wine permits, the method for their delivery, and the quantities of fortified wines that may be sold to any one person at any one time.

(4) Supervise the quantities and qualities of ~~spirituous liquor~~ spirits and fortified wines to be kept as stock in ~~such~~ local ~~agency~~ agencies and make regulations subject to the approval of the ~~board~~ Board regarding the filling of requisitions therefor on the ~~commissioner of liquor control~~ Commissioner of Liquor Control.

(5) Purchase through the ~~commissioner of buildings and general services spirituous liquors~~ Commissioner of Buildings and General Services spirits and fortified wines for and in behalf of the ~~liquor control board~~ Liquor Control Board, supervise the storage thereof and the distribution to local agencies, druggists ~~and,~~ licensees of the third class, and holders of fortified wine permits, and make regulations subject to the approval of the ~~board~~ Board regarding the sale and delivery from ~~such~~ the central storage plant.

* * *

Sec. A.7. 7 V.S.A. § 110 is amended to read:

§ 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF LIQUOR CONTROL

If any person shall desire to purchase any class, variety, or brand of ~~spirituous liquor~~ spirits or fortified wine which any local agency or fortified wine permit holder does not have in stock, the ~~commissioner of liquor control~~ Commissioner of Liquor Control shall order the same through the ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services upon the payment of a reasonable deposit by the purchaser in such proportion of the approximate cost of the order as shall be prescribed by the regulations of the ~~liquor control board~~ Liquor Control Board.

Sec. A.8. 7 V.S.A. § 112 is amended as follows:

§ 112. LIQUOR CONTROL FUND

The ~~liquor control fund~~ Liquor Control Fund is hereby established. It shall consist of all receipts from the sale of spirits, fortified wines, and other items by the ~~department of liquor control~~ Department of Liquor Control; fees paid to the ~~department of liquor control~~ Department of Liquor Control for the benefit of the ~~department~~ Department; all other amounts received by the ~~department of liquor control~~ Department of Liquor Control for its benefit; and all amounts ~~which~~ that are from time to time appropriated to the ~~department of liquor control~~ Department of Liquor Control.

Sec. A.9. 7 V.S.A. § 222 is amended to read:

§ 222. FIRST- AND SECOND-CLASS LICENSES, GRANTING OF; SALE TO MINORS; CONTRACTING FOR FOOD SERVICE

With the approval of the Liquor Control Board, the control commissioners may grant the following licenses to a retail dealer for the premises where the dealer carries on business ~~the following~~:

* * *

(2) Upon making application ~~and~~, paying the license fee provided in section 231 of this title, and upon satisfying the Board that such premises are leased, rented, or owned by the retail dealer and are a safe, sanitary, and proper place from which to sell malt and vinous beverages, a second-class license ~~for the premises where such dealer shall carry on the business~~, which shall authorize such dealer to export malt and vinous beverages, and to sell malt and vinous beverages to the public from such premises for consumption off the premises ~~and upon satisfying the Board that such premises are leased, rented, or owned by such retail dealers and are safe, sanitary, and a proper place from which to sell malt and vinous beverages~~. A retail dealer carrying on business in more than one place shall be required to acquire a second-class license for each place where ~~he or she shall so sell~~ the retail dealer sells malt and vinous beverages. No malt or vinous beverages shall be sold by a second-class licensee to a minor.

* * *

(5)(A) The holder of a first-class license may serve a sampler flight of up to 32 ounces in the aggregate of malt beverages to a single customer at one time.

(B) The holder of a first-class license may serve a sampler flight of up to 12 ounces in the aggregate of vinous beverages to a single customer at one time.

(C) The holder of a third-class license may serve a sampler flight of up to four ounces in the aggregate of ~~spirituous liquors~~ spirits or fortified wines to a single customer at one time.

(6) The Liquor Control Board may grant a fortified wine permit to a second-class licensee if the licensee files an application accompanied by the license fee as provided in section 231 of this title. The holder of a fortified wine permit may sell fortified wines to the public from the licensed premises for consumption off the premises. The Liquor Control Board shall issue no more than 150 fortified wine permits in any single year. The holder of a fortified wine permit shall purchase all fortified wines to be offered for sale to the public pursuant to the permit through the Liquor Control Board at a price equal to no more than 75 percent of the current retail price for the fortified wine established by the Commissioner pursuant to subdivision 107(3)(B) of this title.

Sec. A.10. 7 V.S.A. § 224 is amended to read:

§ 224. ~~THIRD CLASS~~ THIRD-CLASS LICENSES; OPEN CONTAINERS

(a) The ~~liquor control board~~ Liquor Control Board may grant to a person who operates a hotel, restaurant, cabaret, or club a license of the third class if

the person files an application accompanied by the license fee as provided in section 231 of this title for the premises in which the business of the hotel, restaurant, cabaret, or club is carried on. The holder of a ~~third class~~ third-class license may sell ~~spirituous liquors~~ spirits and fortified wines for consumption only on the premises covered by the license. The applicant for a ~~third class~~ third-class license shall satisfy the ~~liquor control board~~ Liquor Control Board that the applicant is the bona fide owner or lessee of the premises and that the premises are operated for the purpose covered by the license.

* * *

(c) A person who holds a ~~third class~~ third-class license shall purchase from the ~~liquor control board~~ Liquor Control Board all ~~spirituous liquors~~ spirits and fortified wines dispensed in accordance with the provisions of the ~~third class~~ third-class license and this title.

Sec. A.11. 7 V.S.A. § 225 is amended to read:

§ 225. EDUCATIONAL SAMPLING EVENT PERMIT

(a) The ~~liquor control board~~ Liquor Control Board may grant an educational sampling event permit to a person to conduct an event that is open to the public and at which malt beverages, vinous beverages, fortified wines, or ~~spirituous liquors~~ spirits, or all ~~three~~ four are served only for the purposes of marketing and educational sampling, provided the event is also approved by the local licensing authority. At least 15 days prior to the event, an applicant shall submit an application to the ~~department~~ Department in a form required by the ~~department~~ Department. The application shall include a list of the alcoholic beverages to be acquired for sampling at the event, and the application shall be accompanied by a fee in the amount required pursuant to section 231 of this title. No more than four educational sampling event permits shall be issued annually to the same person. An educational sampling event permit shall be valid for no more than four consecutive days. The permit holder shall ~~assure~~ ensure all the following:

* * *

(b) An educational sampling event permit holder:

* * *

(2) May transport malt beverages, vinous beverages, fortified wines, and ~~spirituous liquors~~ spirits to the event site, and those beverages may be served at the event by the permit holder or the holder's employees, volunteers, or representatives of a manufacturer, bottler, or importer participating in the event, provided they meet the server age and training requirements under this chapter.

(3) ~~[Deleted.]~~ [Repealed.]

* * *

(d) Taxes for the alcoholic beverages served at the event shall be paid as follows:

* * *

(3) Spirituous liquors: $19.80 per gallon served.

(4) Fortified wines: $19.80 per gallon served.

Sec. A.12. 7 V.S.A. § 231 is amended to read:

§ 231. FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

(a) The following fees shall be paid:

* * *

(23) For a fortified wine permit, $100.00.

(24) For a public library or museum permit, $20.00.

* * *

Sec. A.13. 7 V.S.A. § 422 is amended to read:

§ 422. TAX ON ~~SPIRITUOUS LIQUOR~~ SPIRITS AND FORTIFIED WINES

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

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

(2) if the gross revenue of the seller is between $500,000.00 and $750,000.00, the rate of tax is $25,000.00 plus 10 percent of the gross revenues over $500,000.00;

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

* * *

Sec. A.14. STATUTORY REVISION

The Legislative Council, in its statutory revision capacity pursuant to 2 V.S.A. § 424, is authorized to correct instances of the words "spirituous liquors" and "spirits" appearing in Title 7 of the Vermont Statutes Annotated to "spirits and fortified wines" as necessary to implement the intent of the revisions to 7 V.S.A. § 2 in this act.

* * *

Sec. A.15. STUDY; REPORT

(a) On or before January 15, 2018, the Commissioner of Liquor Control, in consultation with the holders of second-class licenses and fortified wine permits, shall evaluate whether the number of fortified wine permits issued pursuant to 7 V.S.A. § 222 is sufficient, and how the issuance of fortified wine permits has affected the sales of fortified wines in Vermont and the variety of fortified wines available to Vermont consumers.

(b) The Commissioner of Liquor Control shall report to the House Committee on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding his or her findings on or before January 15, 2018. The Commissioner's report shall include a recommendation regarding the appropriate number of fortified wine permits to be issued pursuant to 7 V.S.A. § 222.

Sec. A.16. VERMONT LIQUOR CONTROL SYSTEM MODERNIZATION STUDY COMMITTEE

(a) Creation. There is created a Vermont Liquor Control System Modernization Study Committee to evaluate Vermont's liquor control system and the Department of Liquor Control and determine whether and how the system and the Department can be made more efficient, effective, and profitable for the Vermont economy while protecting the public health and safety.

(b) Membership. The Commission shall be composed of the following seven members:

(1) two current members of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) two current members of the Senate, who shall be appointed by the Committee on Committees;

(3) the Chair of the Liquor Control Board or designee;

(4) the State Auditor or designee; and

(5) the Commissioner of Taxes or designee.

(c) Powers and duties. The Committee shall study and evaluate Vermont's liquor control system and the Department of Liquor Control and determine whether and how the system and the Department can be made more efficient, effective, and profitable for the Vermont economy while protecting the public health and safety. In particular, the Committee shall:

(1) examine and evaluate the governance and operation of the Department of Liquor Control in comparison with the governance and operation of liquor control agencies in other states, and identify various measures by which the governance and operation of the Department of Liquor Control could be made more efficient, effective, and profitable for the Vermont economy while protecting the public health and safety;

(2) examine and evaluate any changes to licensing, enforcement, education, fees, and taxes related to the production, sale, and distribution of alcoholic beverages that would be necessary to implement the various measures identified pursuant to subdivision (1) of this subsection;

(3) evaluate the impact of the various measures identified pursuant to subdivision (1) of this subsection with respect to:

(A) public health and safety;

(B) the tax revenue and income generated by the Department;

(C) any savings in the cost of the services provided by the Department;

(D) any economic impact on the businesses licensed by the Department; and

(E) the price and availability of alcoholic beverages for consumers in Vermont.

(4) examine and evaluate Vermont's regulatory system for the production, sale, and distribution of spirits and fortified wines in comparison with the systems employed by other states, including systems in which spirits and fortified wines are distributed by private entities, public entities, or a combination of private and public entities;

(5) identify various measures by which Vermont's regulatory system for the production, sale, and distribution of spirits and fortified wines could be made more efficient, effective, and profitable for the Vermont economy while protecting the public health and safety;

(6) examine and evaluate any changes to licensing, enforcement, education, fees, and taxes related to the production, sale, and distribution of alcoholic beverages that would be necessary to implement the various measures identified pursuant to subdivision (5) of this subsection; and

(7) evaluate the impact of the various measures identified pursuant to subdivision (5) of this subsection with respect to:

(A) public health and safety;

(B) the tax revenue and income generated by the Department;

(C) any savings in the cost of the services provided by the Department;

(D) any economic impact on the businesses licensed by the Department; and

(E) the price and availability of alcoholic beverages for consumers in Vermont.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before December 15, 2015, the Committee shall submit a report to the House Committees on Commerce and Economic Development; on General, Housing and Military Affairs; and on Government Operations and the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations with its findings and proposed changes to the Department of Liquor Control and Vermont's liquor control system, as well as a recommendation for any legislative action necessary to implement the changes proposed by the Committee. The report of the Committee may take the form of draft legislation.

(f) Meetings.

(1) The Co-Chairs of the Committee shall call the first meeting of the Committee to occur on or before July 30, 2015.

(2) A member from the House of Representatives designated by the Speaker of the House and a member from the Senate designated by the Senate Committee on Committees shall be the Co-Chairs of the Committee.

(3) A majority of the membership of the Committee shall constitute a quorum.

(4) The Committee shall cease to exist on January 15, 2016.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than six meetings.

B. Uniform Commercial Code

* * * Uniform Commercial Code; Article 4A * * *

Sec. B.1. 9A V.S.A. § 4A-108 is amended to read:

§ 4A-108. ~~EXCLUSION OF CONSUMER TRANSACTIONS GOVERNED BY FEDERAL LAW~~ RELATIONSHIP TO ELECTRONIC FUND TRANSFER ACT

(a) ~~This~~ Except as provided in subsection (b) of this section, this article does not apply to a funds transfer any part of which is governed by the Electronic Fund Transfer Act of 1978 (15 U.S.C. § 1693 et seq.) as amended from time to time.

(b) This article applies to a funds transfer that is a remittance transfer as defined in the Electronic Fund Transfer Act (15 U.S.C. § 1693o-1) as amended from time to time, unless the remittance transfer is an electronic fund transfer as defined in the Electronic Fund Transfer Act (15 U.S.C. § 1693a) as amended from time to time.

(c) In a funds transfer to which this article applies, in the event of an inconsistency between an applicable provision of this article and an applicable provision of the Electronic Fund Transfer Act, the provision of the Electronic Fund Transfer Act governs to the extent of the inconsistency.

* * * Uniform Commercial Code; Article 7 * * *

Sec. B.2. REPEAL

9A V.S.A. article 7 is repealed.

Sec. B.3. 9A V.S.A. article 7 is added to read:

ARTICLE 7. DOCUMENTS OF TITLE

Part 1. General

§ 7-101. SHORT TITLE

This article may be cited as Uniform Commercial Code-Documents of Title.

§ 7-102. DEFINITIONS AND INDEX OF DEFINITIONS

(a) In this article, unless the context otherwise requires:

(1) "Bailee" means a person that by a warehouse receipt, bill of lading, or other document of title acknowledges possession of goods and contracts to deliver them.

(2) "Carrier" means a person that issues a bill of lading.

(3) "Consignee" means a person named in a bill of lading to which or to whose order the bill promises delivery.

(4) "Consignor" means a person named in a bill of lading as the person from which the goods have been received for shipment.

(5) "Delivery order" means a record that contains an order to deliver goods directed to a warehouse, carrier, or other person that in the ordinary course of business issues warehouse receipts or bills of lading.

(6) "Goods" means all things that are treated as movable for the purposes of a contract for storage or transportation.

(7) "Issuer" means a bailee that issues a document of title, or, in the case of an unaccepted delivery order, the person that orders the possessor of goods to deliver. The term includes a person for which an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, even if the issuer did not receive any goods, the goods were misdescribed, or in any other respect the agent or employee violated the issuer's instructions.

(8) "Person entitled under the document" means the holder, in the case of a negotiable document of title, or the person to which delivery of the goods is to be made by the terms of, or pursuant to instructions in a record under, a nonnegotiable document of title.

(9) "Sign" means, with present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol; or

(B) to attach to or logically associate with the record an electronic sound, symbol, or process.

(10) "Shipper" means a person that enters into a contract of transportation with a carrier.

(11) "Warehouse" means a person engaged in the business of storing goods for hire.

(b) Definitions in other articles applying to this article and the sections in which they appear are:

(1) "Contract for sale," Section 2-106.

(2) "Lessee in the ordinary course of business," Section 2A-103.

(3) "Receipt" of goods, Section 2-103.

(c) In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

§ 7-103. RELATION OF ARTICLE TO TREATY OR STATUTE

(a) This article is subject to any treaty or statute of the United States or regulatory statute of this State to the extent the treaty, statute, or regulatory statute is applicable.

(b) This article does not modify or repeal any law prescribing the form or content of a document of title or the services or facilities to be afforded by a bailee, or otherwise regulating a bailee's business in respects not specifically treated in this article. However, violation of such a law does not affect the status of a document of title that otherwise is within the definition of a document of title.

(c) This article modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001, et. seq.) but does not modify, limit, or supersede Section 101(c) of that act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that act (15 U.S.C. Section 7003(b)).

(d) To the extent there is a conflict between the Uniform Electronic Transactions Act (9 V.S.A. chapter 20) and this article, this article governs.

§ 7-104. NEGOTIABLE AND NONNEGOTIABLE DOCUMENT OF TITLE

(a) Except as otherwise provided in subsection (c) of this section, a document of title is negotiable if by its terms the goods are to be delivered to bearer or to the order of a named person.

(b) A document of title other than one described in subsection (a) of this section is nonnegotiable. A bill of lading that states that the goods are consigned to a named person is not made negotiable by a provision that the goods are to be delivered only against an order in a record signed by the same or another named person.

(c) A document of title is nonnegotiable if, at the time it is issued, the document has a conspicuous legend, however expressed, that it is nonnegotiable.

§ 7-105. REISSUANCE IN ALTERNATIVE MEDIUM

(a) Upon request of a person entitled under an electronic document of title, the issuer of the electronic document may issue a tangible document of title as a substitute for the electronic document if:

(1) the person entitled under the electronic document surrenders control of the document to the issuer; and

(2) the tangible document when issued contains a statement that it is issued in substitution for the electronic document.

(b) Upon issuance of a tangible document of title in substitution for an electronic document of title in accordance with subsection (a) of this section:

(1) the electronic document ceases to have any effect or validity; and

(2) the person that procured issuance of the tangible document warrants to all subsequent persons entitled under the tangible document that the warrantor was a person entitled under the electronic document when the warrantor surrendered control of the electronic document to the issuer.

(c) Upon request of a person entitled under a tangible document of title, the issuer of the tangible document may issue an electronic document of title as a substitute for the tangible document if:

(1) the person entitled under the tangible document surrenders possession of the document to the issuer; and

(2) the electronic document when issued contains a statement that it is issued in substitution for the tangible document.

(d) Upon issuance of an electronic document of title in substitution for a tangible document of title in accordance with subsection (c) of this section:

(1) the tangible document ceases to have any effect or validity; and

(2) the person that procured issuance of the electronic document warrants to all subsequent persons entitled under the electronic document that the warrantor was a person entitled under the tangible document when the warrantor surrendered possession of the tangible document to the issuer.

§ 7-106. CONTROL OF ELECTRONIC DOCUMENT OF TITLE

(a) A person has control of an electronic document of title if a system employed for evidencing the transfer of interests in the electronic document reliably establishes that person as the person to which the electronic document was issued or transferred.

(b) A system satisfies subsection (a) of this section, and a person is deemed to have control of an electronic document of title, if the document is created, stored, and assigned in such a manner that:

(1) a single authoritative copy of the document exists which is unique, identifiable, and, except as otherwise provided in subdivisions (4), (5), and (6) of this subsection, unalterable;

(2) the authoritative copy identifies the person asserting control as:

(A) the person to which the document was issued; or

(B) if the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred;

(3) the authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

(4) copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;

(5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

Part 2. Warehouse Receipts: Special Provisions

§ 7-201. PERSON THAT MAY ISSUE A WAREHOUSE RECEIPT; STORAGE UNDER BOND

(a) A warehouse receipt may be issued by any warehouse.

(b) If goods, including distilled spirits and agricultural commodities, are stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts, a receipt issued for the goods is deemed to be a warehouse receipt even if issued by a person that is the owner of the goods and is not a warehouse.

§ 7-202. FORM OF WAREHOUSE RECEIPT; EFFECT OF OMISSION

(a) A warehouse receipt need not be in any particular form.

(b) Unless a warehouse receipt provides for each of the following, the warehouse is liable for damages caused to a person injured by its omission:

(1) a statement of the location of the warehouse facility where the goods are stored;

(2) the date of issue of the receipt;

(3) the unique identification code of the receipt;

(4) a statement whether the goods received will be delivered to the bearer, to a named person, or to a named person or its order;

(5) the rate of storage and handling charges, unless goods are stored under a field warehousing arrangement, in which case a statement of that fact is sufficient on a nonnegotiable receipt;

(6) a description of the goods or the packages containing them;

(7) the signature of the warehouse or its agent;

(8) if the receipt is issued for goods that the warehouse owns, either solely, jointly, or in common with others, a statement of the fact of that ownership; and

(9) a statement of the amount of advances made and of liabilities incurred for which the warehouse claims a lien or security interest, unless the precise amount of advances made or liabilities incurred, at the time of the issue of the receipt, is unknown to the warehouse or to its agent that issued the receipt, in which case a statement of the fact that advances have been made or liabilities incurred and the purpose of the advances or liabilities is sufficient.

(c) A warehouse may insert in its receipt any terms that are not contrary to this title and do not impair its obligation of delivery under section 7-403 of this title or its duty of care under section 7-204 of this title. Any contrary provision is ineffective.

§ 7-203. LIABILITY FOR NONRECEIPT OR MISDESCRIPTION

A party to or purchaser for value in good faith of a document of title, other than a bill of lading, that relies upon the description of the goods in the document may recover from the issuer damages caused by the nonreceipt or misdescription of the goods, except to the extent that:

(1) the document conspicuously indicates that the issuer does not know whether all or part of the goods in fact were received or conform to the description, such as a case in which the description is in terms of marks or labels or kind, quantity, or condition, or the receipt or description is qualified by "contents, condition, and quality unknown," "said to contain," or words of similar import, if the indication is true; or

(2) the party or purchaser otherwise has notice of the nonreceipt or misdescription.

§ 7-204. DUTY OF CARE; CONTRACTUAL LIMITATION OF WAREHOUSE'S LIABILITY

(a) A warehouse is liable for damages for loss of or injury to the goods caused by its failure to exercise care with regard to the goods that a reasonably careful person would exercise under similar circumstances. Unless otherwise agreed, the warehouse is not liable for damages that could not have been avoided by the exercise of that care.

(b) Damages may be limited by a term in the warehouse receipt or storage agreement limiting the amount of liability in case of loss or damage beyond which the warehouse is not liable. Such a limitation is not effective with respect to the warehouse's liability for conversion to its own use. On request

of the bailor in a record at the time of signing the storage agreement or within a reasonable time after receipt of the warehouse receipt, the warehouse's liability may be increased on part or all of the goods covered by the storage agreement or the warehouse receipt. In this event, increased rates may be charged based on an increased valuation of the goods.

(c) Reasonable provisions as to the time and manner of presenting claims and commencing actions based on the bailment may be included in the warehouse receipt or storage agreement.

§ 7-205. TITLE UNDER WAREHOUSE RECEIPT DEFEATED IN CERTAIN CASES

A buyer in ordinary course of business of fungible goods sold and delivered by a warehouse that is also in the business of buying and selling such goods takes the goods free of any claim under a warehouse receipt even if the receipt is negotiable and has been duly negotiated.

§ 7-206. TERMINATION OF STORAGE AT WAREHOUSE'S OPTION

(a) A warehouse, by giving notice to the person on whose account the goods are held and any other person known to claim an interest in the goods, may require payment of any charges and removal of the goods from the warehouse at the termination of the period of storage fixed by the document of title or, if a period is not fixed, within a stated period not less than 30 days after the warehouse gives notice. If the goods are not removed before the date specified in the notice, the warehouse may sell them pursuant to section 7-210 of this title.

(b) If a warehouse in good faith believes that goods are about to deteriorate or decline in value to less than the amount of its lien within the time provided in subsection (a) of this section and section 7-210 of this title, the warehouse may specify in the notice given under subsection (a) of this section any reasonable shorter time for removal of the goods and, if the goods are not removed, may sell them at public sale held not less than one week after a single advertisement or posting.

(c) If, as a result of a quality or condition of the goods of which the warehouse did not have notice at the time of deposit, the goods are a hazard to other property, the warehouse facilities, or other persons, the warehouse may sell the goods at public or private sale without advertisement or posting on reasonable notification to all persons known to claim an interest in the goods. If the warehouse, after a reasonable effort, is unable to sell the goods, it may dispose of them in any lawful manner and does not incur liability by reason of that disposition.

(d) A warehouse shall deliver the goods to any person entitled to them under this article upon due demand made at any time before sale or other disposition under this section.

(e) A warehouse may satisfy its lien from the proceeds of any sale or disposition under this section but shall hold the balance for delivery on the demand of any person to which the warehouse would have been bound to deliver the goods.

§ 7-207. GOODS SHALL BE KEPT SEPARATE; FUNGIBLE GOODS

(a) Unless the warehouse receipt provides otherwise, a warehouse shall keep separate the goods covered by each receipt so as to permit at all times identification and delivery of those goods. However, different lots of fungible goods may be commingled.

(b) If different lots of fungible goods are commingled, the goods are owned in common by the persons entitled thereto and the warehouse is severally liable to each owner for that owner's share. If, because of overissue, a mass of fungible goods is insufficient to meet all the receipts the warehouse has issued against it, the persons entitled include all holders to which overissued receipts have been duly negotiated.

§ 7-208. ALTERED WAREHOUSE RECEIPTS

If a blank in a negotiable tangible warehouse receipt has been filled in without authority, a good-faith purchaser for value and without notice of the lack of authority may treat the insertion as authorized. Any other unauthorized alteration leaves any tangible or electronic warehouse receipt enforceable against the issuer according to its original tenor.

§ 7-209. LIEN OF WAREHOUSE

(a) A warehouse has a lien against the bailor on the goods covered by a warehouse receipt or storage agreement or on the proceeds thereof in its possession for charges for storage or transportation, including demurrage and terminal charges, insurance, labor, or other charges, present or future, in relation to the goods, and for expenses necessary for preservation of the goods or reasonably incurred in their sale pursuant to law. If the person on whose account the goods are held is liable for similar charges or expenses in relation to other goods whenever deposited and it is stated in the warehouse receipt or storage agreement that a lien is claimed for charges and expenses in relation to other goods, the warehouse also has a lien against the goods covered by the warehouse receipt or storage agreement or on the proceeds thereof in its possession for those charges and expenses, whether or not the other goods have been delivered by the warehouse. However, as against a person to which a negotiable warehouse receipt is duly negotiated, a warehouse's lien is limited

to charges in an amount or at a rate specified in the warehouse receipt or, if no charges are so specified, to a reasonable charge for storage of the specific goods covered by the receipt subsequent to the date of the receipt.

(b) A warehouse may also reserve a security interest against the bailor for the maximum amount specified on the receipt for charges other than those specified in subsection (a) of this section, such as for money advanced and interest. The security interest is governed by article 9 of this title.

(c) A warehouse's lien for charges and expenses under subsection (a) of this section or a security interest under subsection (b) of this section is also effective against any person that so entrusted the bailor with possession of the goods that a pledge of them by the bailor to a good-faith purchaser for value would have been valid. However, the lien or security interest is not effective against a person that before issuance of a document of title had a legal interest or a perfected security interest in the goods and that did not:

(1) deliver or entrust the goods or any document of title covering the goods to the bailor or the bailor's nominee with:

(A) actual or apparent authority to ship, store, or sell;

(B) power to obtain delivery under section 7-403 of this title; or

(C) power of disposition under sections 2-403, 2A-304(2), 2A-305(2), 9-320, or 9-321(c) of this title, or other statute or rule of law; or

(2) acquiesce in the procurement by the bailor or its nominee of any document.

(d) A warehouse's lien on household goods for charges and expenses in relation to the goods under subsection (a) of this section is also effective against all persons if the depositor was the legal possessor of the goods at the time of deposit. In this subsection, "household goods" means furniture, furnishings, or personal effects used by the depositor in a dwelling.

(e) A warehouse loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

§ 7-210. ENFORCEMENT OF WAREHOUSE'S LIEN

(a) Except as otherwise provided in subsection (b) of this section, a warehouse's lien may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification shall include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a

method different from that selected by the warehouse is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. The warehouse sells in a commercially reasonable manner if the warehouse sells the goods in the usual manner in any recognized market therefore, sells at the price current in that market at the time of the sale, or otherwise sells in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

(b) A warehouse may enforce its lien on goods, other than goods stored by a merchant in the course of its business, only if the following requirements are satisfied:

(1) All persons known to claim an interest in the goods shall be notified.

(2) The notification shall include an itemized statement of the claim, a description of the goods subject to the lien, a demand for payment within a specified time not less than 10 days after receipt of the notification, and a conspicuous statement that unless the claim is paid within that time the goods will be advertised for sale and sold by auction at a specified time and place.

(3) The sale shall conform to the terms of the notification.

(4) The sale shall be held at the nearest suitable place to where the goods are held or stored.

(5) After the expiration of the time given in the notification, an advertisement of the sale shall be published once a week for two weeks consecutively in a newspaper of general circulation where the sale is to be held. The advertisement shall include a description of the goods, the name of the person on whose account the goods are being held, and the time and place of the sale. The sale shall take place at least 15 days after the first publication. If there is no newspaper of general circulation where the sale is to be held, the advertisement shall be posted at least 10 days before the sale in not fewer than six conspicuous places in the neighborhood of the proposed sale.

(c) Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in complying with this section. In that event, the goods may not be sold but shall be retained by the warehouse subject to the terms of the receipt and this article.

(d) A warehouse may buy at any public sale held pursuant to this section.

(e) A purchaser in good faith of goods sold to enforce a warehouse's lien takes the goods free of any rights of persons against which the lien was valid, despite the warehouse's noncompliance with this section.

(f) A warehouse may satisfy its lien from the proceeds of any sale pursuant to this section but shall hold the balance, if any, for delivery on demand to any person to which the warehouse would have been bound to deliver the goods.

(g) The rights provided by this section are in addition to all other rights allowed by law to a creditor against a debtor.

(h) If a lien is on goods stored by a merchant in the course of its business, the lien may be enforced in accordance with subsection (a) or (b) of this section.

(i) A warehouse is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

Part 3. Bills Of Lading: Special Provisions

§ 7-301. LIABILITY FOR NONRECEIPT OR MISDESCRIPTION; "SAID TO CONTAIN"; "SHIPPER'S WEIGHT, LOAD, AND COUNT"; IMPROPER HANDLING

(a) A consignee of a nonnegotiable bill of lading which has given value in good faith, or a holder to which a negotiable bill has been duly negotiated, relying upon the description of the goods in the bill or upon the date shown in the bill, may recover from the issuer damages caused by the misdating of the bill or the nonreceipt or misdescription of the goods, except to the extent that the bill indicates that the issuer does not know whether any part or all of the goods in fact were received or conform to the description, such as in a case in which the description is in terms of marks or labels or kind, quantity, or condition or the receipt or description is qualified by "contents or condition of contents of packages unknown," "said to contain," "shipper's weight, load, and count," or words of similar import, if that indication is true.

(b) If goods are loaded by the issuer of a bill of lading;

(1) the issuer shall count the packages of goods if shipped in packages and ascertain the kind and quantity if shipped in bulk; and

(2) words such as "shipper's weight, load, and count," or words of similar import indicating that the description was made by the shipper are ineffective except as to goods concealed in packages.

(c) If bulk goods are loaded by a shipper that makes available to the issuer of a bill of lading adequate facilities for weighing those goods, the issuer shall

ascertain the kind and quantity within a reasonable time after receiving the shipper's request in a record to do so. In that case, "shipper's weight" or words of similar import are ineffective.

(d) The issuer of a bill of lading, by including in the bill the words "shipper's weight, load, and count," or words of similar import, may indicate that the goods were loaded by the shipper, and, if that statement is true, the issuer is not liable for damages caused by the improper loading. However, omission of such words does not imply liability for damages caused by improper loading.

(e) A shipper guarantees to an issuer the accuracy at the time of shipment of the description, marks, labels, number, kind, quantity, condition, and weight, as furnished by the shipper, and the shipper shall indemnify the issuer against damage caused by inaccuracies in those particulars. This right of indemnity does not limit the issuer's responsibility or liability under the contract of carriage to any person other than the shipper.

§ 7-302. THROUGH BILLS OF LADING AND SIMILAR DOCUMENTS OF TITLE

(a) The issuer of a through bill of lading, or other document of title embodying an undertaking to be performed in part by a person acting as its agent or by a performing carrier, is liable to any person entitled to recover on the bill or other document for any breach by the other person or the performing carrier of its obligation under the bill or other document. However, to the extent that the bill or other document covers an undertaking to be performed overseas or in territory not contiguous to the continental United States or an undertaking including matters other than transportation, this liability for breach by the other person or the performing carrier may be varied by agreement of the parties.

(b) If goods covered by a through bill of lading or other document of title embodying an undertaking to be performed in part by a person other than the issuer are received by that person, the person is subject, with respect to its own performance while the goods are in its possession, to the obligation of the issuer. The person's obligation is discharged by delivery of the goods to another person pursuant to the bill or other document and does not include liability for breach by any other person or by the issuer.

(c) The issuer of a through bill of lading or other document of title described in subsection (a) of this section is entitled to recover from the performing carrier, or other person in possession of the goods when the breach of the obligation under the bill or other document occurred:

(1) the amount it may be required to pay to any person entitled to recover on the bill or other document for the breach, as may be evidenced by any receipt, judgment, or transcript of judgment; and

(2) the amount of any expense reasonably incurred by the issuer in defending any action commenced by any person entitled to recover on the bill or other document for the breach.

§ 7-303. DIVERSION; RECONSIGNMENT; CHANGE OF INSTRUCTIONS

(a) Unless the bill of lading otherwise provides, a carrier may deliver the goods to a person or destination other than that stated in the bill or may otherwise dispose of the goods, without liability for misdelivery, on instructions from:

(1) the holder of a negotiable bill;

(2) the consignor on a nonnegotiable bill, even if the consignee has given contrary instructions;

(3) the consignee on a nonnegotiable bill in the absence of contrary instructions from the consignor, if the goods have arrived at the billed destination or if the consignee is in possession of the tangible bill or in control of the electronic bill; or

(4) the consignee on a nonnegotiable bill, if the consignee is entitled as against the consignor to dispose of the goods.

(b) Unless instructions described in subsection (a) of this section are included in a negotiable bill of lading, a person to which the bill is duly negotiated may hold the bailee according to the original terms.

§ 7-304. TANGIBLE BILLS OF LADING IN A SET

(a) Except as customary in international transportation, a tangible bill of lading may not be issued in a set of parts. The issuer is liable for damages caused by violation of this subsection.

(b) If a tangible bill of lading is lawfully issued in a set of parts, each of which contains an identification code and is expressed to be valid only if the goods have not been delivered against any other part, the whole of the parts constitutes one bill.

(c) If a tangible negotiable bill of lading is lawfully issued in a set of parts and different parts are negotiated to different persons, the title of the holder to which the first due negotiation is made prevails as to both the document of title and the goods even if any later holder may have received the goods from the carrier in good faith and discharged the carrier's obligation by surrendering its part.

(d) A person that negotiates or transfers a single part of a tangible bill of lading issued in a set is liable to holders of that part as if it were the whole set.

(e) The bailee shall deliver in accordance with part 4 of this article against the first presented part of a tangible bill of lading lawfully issued in a set. Delivery in this manner discharges the bailee's obligation on the whole bill.

§ 7-305. DESTINATION BILLS

(a) Instead of issuing a bill of lading to the consignor at the place of shipment, a carrier, at the request of the consignor, may procure the bill to be issued at destination or at any other place designated in the request.

(b) Upon request of any person entitled as against a carrier to control the goods while in transit and on surrender of possession or control of any outstanding bill of lading or other receipt covering the goods, the issuer, subject to section 7-105 of this title, may procure a substitute bill to be issued at any place designated in the request.

§ 7-306. ALTERED BILLS OF LADING

An unauthorized alteration or filling in of a blank in a bill of lading leaves the bill enforceable according to its original tenor.

§ 7-307. LIEN OF CARRIER

(a) A carrier has a lien on the goods covered by a bill of lading or on the proceeds thereof in its possession for charges after the date of the carrier's receipt of the goods for storage or transportation, including demurrage and terminal charges, and for expenses necessary for preservation of the goods incident to their transportation or reasonably incurred in their sale pursuant to law. However, against a purchaser for value of a negotiable bill of lading, a carrier's lien is limited to charges stated in the bill or the applicable tariffs or, if no charges are stated, a reasonable charge.

(b) A lien for charges and expenses under subsection (a) of this section on goods that the carrier was required by law to receive for transportation is effective against the consignor or any person entitled to the goods unless the carrier had notice that the consignor lacked authority to subject the goods to those charges and expenses. Any other lien under subsection (a) of this section is effective against the consignor and any person that permitted the bailor to have control or possession of the goods unless the carrier had notice that the bailor lacked authority.

(c) A carrier loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

§ 7-308. ENFORCEMENT OF CARRIER'S LIEN

(a) A carrier's lien on goods may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification shall include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a method different from that selected by the carrier is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. The carrier sells goods in a commercially reasonable manner if the carrier sells the goods in the usual manner in any recognized market therefor, sells at the price current in that market at the time of the sale, or otherwise sells in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

(b) Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in complying with this section. In that event, the goods may not be sold but shall be retained by the carrier, subject to the terms of the bill of lading and this article.

(c) A carrier may buy at any public sale pursuant to this section.

(d) A purchaser in good faith of goods sold to enforce a carrier's lien takes the goods free of any rights of persons against which the lien was valid, despite the carrier's noncompliance with this section.

(e) A carrier may satisfy its lien from the proceeds of any sale pursuant to this section but shall hold the balance, if any, for delivery on demand to any person to which the carrier would have been bound to deliver the goods.

(f) The rights provided by this section are in addition to all other rights allowed by law to a creditor against a debtor.

(g) A carrier's lien may be enforced pursuant to either subsection (a) of this section or the procedure set forth in subsection 7-210(b) of this title.

(h) A carrier is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

§ 7-309. DUTY OF CARE; CONTRACTUAL LIMITATION OF CARRIER'S LIABILITY

(a) A carrier that issues a bill of lading, whether negotiable or nonnegotiable, shall exercise the degree of care in relation to the goods which

a reasonably careful person would exercise under similar circumstances. This subsection does not affect any statute, regulation, or rule of law that imposes liability upon a common carrier for damages not caused by its negligence.

(b) Damages may be limited by a term in the bill of lading or in a transportation agreement that the carrier's liability may not exceed a value stated in the bill or transportation agreement if the carrier's rates are dependent upon value and the consignor is afforded an opportunity to declare a higher value and the consignor is advised of the opportunity. However, such a limitation is not effective with respect to the carrier's liability for conversion to its own use.

(c) Reasonable provisions as to the time and manner of presenting claims and commencing actions based on the shipment may be included in a bill of lading or a transportation agreement.

Part 4. Warehouse Receipts and Bills of Lading:

General Obligations

§ 7-401. IRREGULARITIES IN ISSUE OF RECEIPT OR BILL OR CONDUCT OF ISSUER

The obligations imposed by this article on an issuer apply to a document of title even if:

(1) the document does not comply with the requirements of this article or of any other statute, rule, or regulation regarding its issuance, form, or content;

(2) the issuer violated laws regulating the conduct of its business;

(3) the goods covered by the document were owned by the bailee when the document was issued; or

(4) the person issuing the document is not a warehouse but the document purports to be a warehouse receipt.

§ 7-402. DUPLICATE DOCUMENT OF TITLE; OVERISSUE

A duplicate or any other document of title purporting to cover goods already represented by an outstanding document of the same issuer does not confer any right in the goods, except as provided in the case of tangible bills of lading in a set of parts, overissue of documents for fungible goods, substitutes for lost, stolen, or destroyed documents, or substitute documents issued pursuant to section 7-105 of this title. The issuer is liable for damages caused by its overissue or failure to identify a duplicate document by a conspicuous notation.

§ 7-403. OBLIGATION OF BAILEE TO DELIVER; EXCUSE

(a) A bailee shall deliver the goods to a person entitled under a document of title if the person complies with subsections (b) and (c) of this section, unless and to the extent that the bailee establishes any of the following:

(1) delivery of the goods to a person whose receipt was rightful as against the claimant;

(2) damage to or delay, loss, or destruction of the goods for which the bailee is not liable;

(3) previous sale or other disposition of the goods in lawful enforcement of a lien or on a warehouse's lawful termination of storage;

(4) the exercise by a seller of its right to stop delivery pursuant to section 2-705 of this title or by a lessor of its right to stop delivery pursuant to section 2A-526 of this title;

(5) a diversion, reconsignment, or other disposition pursuant to section 7-303 of this title;

(6) release, satisfaction, or any other personal defense against the claimant; or

(7) any other lawful excuse.

(b) A person claiming goods covered by a document of title shall satisfy the bailee's lien if the bailee so requests or if the bailee is prohibited by law from delivering the goods until the charges are paid.

(c) Unless a person claiming the goods is a person against which the document of title does not confer a right under subsection 7-503(a) of this title:

(1) the person claiming under a document shall surrender possession or control of any outstanding negotiable document covering the goods for cancellation or indication of partial deliveries; and

(2) the bailee shall cancel the document or conspicuously indicate in the document the partial delivery or the bailee is liable to any person to which the document is duly negotiated.

§ 7-404. NO LIABILITY FOR GOOD-FAITH DELIVERY PURSUANT TO DOCUMENT OF TITLE

A bailee that in good faith has received goods and delivered or otherwise disposed of the goods according to the terms of a document of title or pursuant to this article is not liable for the goods even if:

(1) the person from which the bailee received the goods did not have authority to procure the document or to dispose of the goods; or

(2) the person to which the bailee delivered the goods did not have authority to receive the goods.

Part 5. Warehouse Receipts And Bills Of Lading:
Negotiation And Transfer

§ 7-501. FORM OF NEGOTIATION AND REQUIREMENTS OF DUE NEGOTIATION

(a) The following rules apply to a negotiable tangible document of title:

(1) If the document's original terms run to the order of a named person, the document is negotiated by the named person's indorsement and delivery. After the named person's indorsement in blank or to bearer, any person may negotiate the document by delivery alone.

(2) If the document's original terms run to bearer, it is negotiated by delivery alone.

(3) If the document's original terms run to the order of a named person and it is delivered to the named person, the effect is the same as if the document had been negotiated.

(4) Negotiation of the document after it has been indorsed to a named person requires indorsement by the named person and delivery.

(5) A document is duly negotiated if it is negotiated in the manner stated in this subsection to a holder that purchases it in good faith, without notice of any defense against or claim to it on the part of any person, and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves receiving the document in settlement or payment of a monetary obligation.

(b) The following rules apply to a negotiable electronic document of title:

(1) If the document's original terms run to the order of a named person or to bearer, the document is negotiated by delivery of the document to another person. Indorsement by the named person is not required to negotiate the document.

(2) If the document's original terms run to the order of a named person and the named person has control of the document, the effect is the same as if the document had been negotiated.

(3) A document is duly negotiated if it is negotiated in the manner stated in this subsection to a holder that purchases it in good faith, without notice of any defense against or claim to it on the part of any person, and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves taking delivery of the document in settlement or payment of a monetary obligation.

(c) Indorsement of a nonnegotiable document of title neither makes it negotiable nor adds to the transferee's rights.

(d) The naming in a negotiable bill of lading of a person to be notified of the arrival of the goods does not limit the negotiability of the bill or constitute notice to a purchaser of the bill of any interest of that person in the goods.

§ 7-502. RIGHTS ACQUIRED BY DUE NEGOTIATION

(a) Subject to sections 7-205 and 7-503 of this title, a holder to which a negotiable document of title has been duly negotiated acquires thereby:

(1) title to the document;

(2) title to the goods;

(3) all rights accruing under the law of agency or estoppel, including rights to goods delivered to the bailee after the document was issued; and

(4) the direct obligation of the issuer to hold or deliver the goods according to the terms of the document free of any defense or claim by the issuer except those arising under the terms of the document or under this article, but in the case of a delivery order, the bailee's obligation accrues only upon the bailee's acceptance of the delivery order and the obligation acquired by the holder is that the issuer and any indorser will procure the acceptance of the bailee.

(b) Subject to section 7-503 of this title, title and rights acquired by due negotiation are not defeated by any stoppage of the goods represented by the document of title or by surrender of the goods by the bailee and are not impaired even if:

(1) the due negotiation or any prior due negotiation constituted a breach of duty;

(2) any person has been deprived of possession of a negotiable tangible document or control of a negotiable electronic document by misrepresentation, fraud, accident, mistake, duress, loss, theft, or conversion; or

(3) a previous sale or other transfer of the goods or document has been made to a third person.

§ 7-503. DOCUMENT OF TITLE TO GOODS DEFEATED IN CERTAIN CASES

(a) A document of title confers no right in goods against a person that before issuance of the document had a legal interest or a perfected security interest in the goods and that did not:

(1) deliver or entrust the goods or any document of title covering the goods to the bailor or the bailor's nominee with:

(A) actual or apparent authority to ship, store, or sell;

(B) power to obtain delivery under section 7-403 of this title; or

(C) power of disposition under section 2-403, subdivisions 2A-304(2) or 2A-305(2), section 9-320, or subsection 9-321(c) of this title or other statute or rule of law; or

(2) acquiesce in the procurement by the bailor or its nominee of any document.

(b) Title to goods based upon an unaccepted delivery order is subject to the rights of any person to which a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. That title may be defeated under section 7-504 of this title to the same extent as the rights of the issuer or a transferee from the issuer.

(c) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of any person to which a bill issued by the freight forwarder is duly negotiated. However, delivery by the carrier in accordance with part 4 of this article pursuant to its own bill of lading discharges the carrier's obligation to deliver.

§ 7-504. RIGHTS ACQUIRED IN ABSENCE OF DUE NEGOTIATION; EFFECT OF DIVERSION; STOPPAGE OF DELIVERY

(a) A transferee of a document of title, whether negotiable or nonnegotiable, to which the document has been delivered but not duly negotiated, acquires the title and rights that its transferor had or had actual authority to convey.

(b) In the case of a transfer of a nonnegotiable document of title, until but not after the bailee receives notice of the transfer, the rights of the transferee may be defeated:

(1) by those creditors of the transferor which could treat the transfer as void under section 2-402 or 2A-308 of this title;

(2) by a buyer from the transferor in ordinary course of business if the bailee has delivered the goods to the buyer or received notification of the buyer's rights;

(3) by a lessee from the transferor in ordinary course of business if the bailee has delivered the goods to the lessee or received notification of the lessee's rights; or

(4) as against the bailee, by good-faith dealings of the bailee with the transferor.

(c) A diversion or other change of shipping instructions by the consignor in a nonnegotiable bill of lading which causes the bailee not to deliver the goods to the consignee defeats the consignee's title to the goods if the goods have been delivered to a buyer in ordinary course of business or a lessee in ordinary course of business and, in any event, defeats the consignee's rights against the bailee.

(d) Delivery of the goods pursuant to a nonnegotiable document of title may be stopped by a seller under section 2-705 of this title or a lessor under section 2A-526 of this title, subject to the requirements of due notification in those sections. A bailee that honors the seller's or lessor's instructions is entitled to be indemnified by the seller or lessor against any resulting loss or expense.

§ 7-505. INDORSER NOT GUARANTOR FOR OTHER PARTIES

The indorsement of a tangible document of title issued by a bailee does not make the indorser liable for any default by the bailee or previous indorsers.

§ 7-506. DELIVERY WITHOUT INDORSEMENT: RIGHT TO COMPEL INDORSEMENT

The transferee of a negotiable tangible document of title has a specifically enforceable right to have its transferor supply any necessary indorsement, but the transfer becomes a negotiation only as of the time the indorsement is supplied.

§ 7-507. WARRANTIES ON NEGOTIATION OR DELIVERY OF DOCUMENT OF TITLE

If a person negotiates or delivers a document of title for value, otherwise than as a mere intermediary under section 7-508 of this title, unless otherwise agreed, the transferor, in addition to any warranty made in selling or leasing the goods, warrants to its immediate purchaser only that:

(1) the document is genuine;

(2) the transferor does not have knowledge of any fact that would impair the document's validity or worth; and

(3) the negotiation or delivery is rightful and fully effective with respect to the title to the document and the goods it represents.

§ 7-508. WARRANTIES OF COLLECTING BANK AS TO DOCUMENTS OF TITLE

A collecting bank or other intermediary known to be entrusted with documents of title on behalf of another or with collection of a draft or other

claim against delivery of documents warrants by the delivery of the documents only its own good faith and authority even if the collecting bank or other intermediary has purchased or made advances against the claim or draft to be collected.

§ 7-509. ADEQUATE COMPLIANCE WITH COMMERCIAL CONTRACT

Whether a document of title is adequate to fulfill the obligations of a contract for sale, a contract for lease, or the conditions of a letter of credit is determined by article 2, 2A, or 5 of this title.

Part 6. Warehouse Receipts and Bills of Lading:
Miscellaneous Provisions

§ 7-601. LOST, STOLEN, OR DESTROYED DOCUMENTS OF TITLE

(a) If a document of title is lost, stolen, or destroyed, a court may order delivery of the goods or issuance of a substitute document and the bailee may without liability to any person comply with the order. If the document was negotiable, a court may not order delivery of the goods or issuance of a substitute document without the claimant's posting security unless it finds that any person that may suffer loss as a result of nonsurrender of possession or control of the document is adequately protected against the loss. If the document was nonnegotiable, the court may require security. The court may also order payment of the bailee's reasonable costs and attorney's fees in any action under this subsection.

(b) A bailee that, without a court order, delivers goods to a person claiming under a missing negotiable document of title is liable to any person injured thereby. If the delivery is not in good faith, the bailee is liable for conversion. Delivery in good faith is not conversion if the claimant posts security with the bailee in an amount at least double the value of the goods at the time of posting to indemnify any person injured by the delivery which files a notice of claim within one year after the delivery.

§ 7-602. JUDICIAL PROCESS AGAINST GOODS COVERED BY NEGOTIABLE DOCUMENT OF TITLE

Unless a document of title was originally issued upon delivery of the goods by a person that did not have power to dispose of them, a lien does not attach by virtue of any judicial process to goods in the possession of a bailee for which a negotiable document of title is outstanding unless possession or control of the document is first surrendered to the bailee or the document's negotiation is enjoined. The bailee may not be compelled to deliver the goods pursuant to process until possession or control of the document is surrendered to the bailee or to the court. A purchaser of the document for value without

notice of the process or injunction takes free of the lien imposed by judicial process.

§ 7-603. CONFLICTING CLAIMS; INTERPLEADER

If more than one person claims title to or possession of the goods, the bailee is excused from delivery until the bailee has a reasonable time to ascertain the validity of the adverse claims or to commence an action for interpleader. The bailee may assert an interpleader either in defending an action for nondelivery of the goods or by original action.

Sec. B.4. 9A V.S.A. article 1 is amended to read:

ARTICLE 1. GENERAL PROVISIONS

* * *

§ 1-201. GENERAL DEFINITIONS

* * *

(b) Subject to definitions contained in other articles of this title that apply to particular articles or parts thereof:

* * *

(5) "Bearer" means a person in control of a negotiable electronic document of title or a person in possession of a negotiable instrument, negotiable tangible document of title, or certificated security that is payable to bearer or indorsed in blank.

(6) "Bill of lading" means a document of title evidencing the receipt of goods for shipment issued by a person engaged in the business of directly or indirectly transporting or forwarding goods. The term does not include a warehouse receipt.

* * *

(15) "Delivery," with respect to an electronic document of title means voluntary transfer of control and with respect to an instrument, a tangible document of title, or chattel paper, means voluntary transfer of possession.

(16) "Document of title" ~~includes bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other document which~~ means a record (i) that in the regular course of business or financing is treated as adequately evidencing that the person in possession or control of the record ~~it~~ is entitled to receive, control, hold, and dispose of the ~~document~~ record and the goods ~~it~~ the record covers and (ii) that purports to be issued by or addressed to a bailee and to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass The

term includes a bill of lading, transport document, dock warrant, dock receipt, warehouse receipt, and order for delivery of goods. ~~To be a document of title, a document must purport to be issued by or addressed to a bailee and purport to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass~~ An electronic document of title means a document of title evidenced by a record consisting of information stored in an electronic medium. A tangible document of title means a document of title evidenced by a record consisting of information that is inscribed on a tangible medium.

* * *

(21) "Holder" means:

(A) the person in possession of a negotiable instrument that is payable either to bearer or to an identified person that is the person in possession; ~~or~~

(B) the person in possession of a negotiable tangible document of title if the goods are deliverable either to bearer or to the order of the person in possession; or

(C) the person in control of a negotiable electronic document of title.

* * *

(42) "Warehouse receipt" means a ~~receipt~~ document of title issued by a person engaged in the business of storing goods for hire.

* * *

Sec. B.5. 9A V.S.A. article 2 is amended to read:

ARTICLE 2. SALES

* * *

§ 2-103. DEFINITIONS AND INDEX OF DEFINITIONS

* * *

(3) ~~The~~ "Control" as provided in section 7-106 of this title and the following definitions in other articles apply to this article:

"Check". Section 3-104.

"Consignee". Section 7-102.

"Consignor". Section 7-102.

"Consumer goods". Section 9-102.

"Dishonor". Section 3-502.

"Draft". Section 3-104.

* * *

§ 2-104. DEFINITIONS: "MERCHANT"; "BETWEEN MERCHANTS"; "FINANCING AGENCY"

* * *

(2) "Financing agency" means a bank, finance company or other person who in the ordinary course of business makes advances against goods or documents of title or who by arrangement with either the seller or the buyer intervenes in ordinary course to make or collect payment due or claimed under the contract for sale, as by purchasing or paying the seller's draft or making advances against it or by merely taking it for collection whether or not documents of title accompany or are associated with the draft. "Financing agency" includes also a bank or other person who similarly intervenes between persons who are in the position of seller and buyer in respect to the goods (§ 2-707).

* * *

§ 2-310. OPEN TIME FOR PAYMENT OR RUNNING OF CREDIT; AUTHORITY TO SHIP UNDER RESERVATION

Unless otherwise agreed:

(a) payment is due at the time and place at which the buyer is to receive the goods even though the place of shipment is the place of delivery; and

(b) if the seller is authorized to send the goods he or she may ship them under reservation, and may tender the documents of title, but the buyer may inspect the goods after their arrival before payment is due unless such inspection is inconsistent with the terms of the contract (§ 2-513); and

(c) if delivery is authorized and made by way of documents of title otherwise than by subsection (b) of this section then payment is due regardless of where the goods are to be received (i) at the time and place at which the buyer is to receive delivery of the tangible documents or ~~regardless of where the goods are to be received~~ (ii) at the time the buyer is to receive delivery of the electronic documents and at the seller's place of business, or if none, the seller's residence; and

(d) where the seller is required or authorized to ship the goods on credit the credit period runs from the time of shipment but post-dating the invoice or delaying its dispatch will correspondingly delay the starting of the credit period.

* * *

§ 2-323. FORM OF BILL OF LADING REQUIRED IN OVERSEAS SHIPMENT; "OVERSEAS"

* * *

(2) Where in a case within subsection (1) of this section a tangible bill of lading has been issued in a set of parts, unless otherwise agreed if the documents are not to be sent from abroad the buyer may demand tender of the full set; otherwise only one part of the bill of lading need be tendered. Even if the agreement expressly requires a full set:

* * *

§ 2-401. PASSING OF TITLE; RESERVATION FOR SECURITY; LIMITED APPLICATION OF THIS SECTION

* * *

(3) Unless otherwise explicitly agreed where delivery is to be made without moving the goods:

(a) if the seller is to deliver a tangible document of title, title passes at the time when and the place where he or she delivers such documents and if the seller is to deliver an electronic document of title, title passes when the seller delivers the document; or

(b) if the goods are at the time of contracting already identified and no documents of title are to be delivered, title passes at the time and place of contracting.

* * *

§ 2-503. MANNER OF SELLER'S TENDER OF DELIVERY

* * *

(4) Where goods are in the possession of a bailee and are to be delivered without being moved:

(a) tender requires that the seller either tender a negotiable document of title covering such goods or procure acknowledgment by the bailee of the buyer's right to possession of the goods; but

(b) tender to the buyer of a ~~non-negotiable~~ nonnegotiable document of title or of a ~~written direction to~~ record directing the bailee to deliver is sufficient tender unless the buyer seasonably objects, and except as otherwise provided in article 9 of this title receipt by the bailee of notification of the buyer's rights fixes those rights as against the bailee and all third persons; but risk of loss of the goods and of any failure by the bailee to honor the

~~non-negotiable~~ nonnegotiable document of title or to obey the direction remains on the seller until the buyer has had a reasonable time to present the document or direction, and a refusal by the bailee to honor the document or to obey the direction defeats the tender.

(5) Where the contract requires the seller to deliver documents:

(a) he or she must tender all such documents in correct form, except as provided in this article with respect to bills of lading in a set (§ 2-323(2)); and

(b) tender through customary banking channels is sufficient and dishonor of a draft accompanying or associated with the documents constitutes ~~non-acceptance~~ nonacceptance or rejection.

§ 2-505. SELLER'S SHIPMENT UNDER RESERVATION

(1) Where the seller has identified goods to the contract by or before shipment:

(a) his or her procurement of a negotiable bill of lading to his or her own order or otherwise reserves in him a security interest in the goods. His or her procurement of the bill to the order of a financing agency or of the buyer indicates in addition only the seller's expectation of transferring that interest to the person named.

(b) a non-negotiable bill of lading to himself or herself or his or her nominee reserves possession of the goods as security but except in a case of conditional delivery (§ 2-507(2)) a ~~non-negotiable~~ nonnegotiable bill of lading naming the buyer as consignee reserves no security interest even though the seller retains possession or control of the bill of lading.

(2) When shipment by the seller with reservation of a security interest is in violation of the contract for sale it constitutes an improper contract for transportation within the preceding section but impairs neither the rights given to the buyer by shipment and identification of the goods to the contract nor the seller's powers as a holder of a negotiable document of title.

§ 2-506. RIGHTS OF FINANCING AGENCY

* * *

(2) The right to reimbursement of a financing agency which has in good faith honored or purchased the draft under commitment to or authority from the buyer is not impaired by subsequent discovery of defects with reference to any relevant document which was apparently regular ~~on its face~~.

* * *

§ 2-509. RISK OF LOSS IN THE ABSENCE OF BREACH

* * *

(2) Where the goods are held by a bailee to be delivered without being moved, the risk of loss passes to the buyer:

(a) on his or her receipt of possession or control of a negotiable document of title covering the goods; or

(b) on acknowledgment by the bailee of the buyer's right to possession of the goods; or

(c) after his or her receipt of possession or control of a ~~non-negotiable~~ nonnegotiable document of title or other ~~written~~ direction to deliver in a record, as provided in ~~§~~ subdivision 2-503(4)(b) of this title.

* * *

§ 2-605. WAIVER OF BUYER'S OBJECTIONS BY FAILURE TO PARTICULARIZE

* * *

(2) Payment against documents made without reservation of rights precludes recovery of the payment for defects apparent ~~on the face of~~ in the documents.

* * *

§ 2-705. SELLER'S STOPPAGE OF DELIVERY IN TRANSIT OR OTHERWISE

* * *

(2) As against such buyer the seller may stop delivery until:

(a) receipt of the goods by the buyer; or

(b) acknowledgment to the buyer by any bailee of the goods except a carrier that the bailee holds the goods for the buyer; or

(c) such acknowledgment to the buyer by a carrier by reshipment or as ~~warehouseman~~ a warehouse; or

(d) negotiation to the buyer of any negotiable document of title covering the goods.

(3)(a) To stop delivery the seller must so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.

(b) After such notification the bailee must hold and deliver the goods according to the directions of the seller but the seller is liable to the bailee for any ensuing charges or damages.

(c) If a negotiable document of title has been issued for goods the bailee is not obliged to obey a notification to stop until surrender of possession or control of the document.

* * *

Sec. B.6. 9A V.S.A. article 2A is amended to read:

ARTICLE 2A. LEASES

* * *

§ 2A-103. DEFINITIONS AND INDEX OF DEFINITIONS

(1) In this article unless the context otherwise requires:

(a) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale to him or her is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for cash or by exchange of other property or on secured or unsecured credit and includes ~~receiving~~ acquiring goods or documents of title under a ~~pre-existing~~ preexisting contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

* * *

(o) "Lessee in ordinary course of business" means a person who in good faith and without knowledge that the lease to him ~~(or her)~~ or her is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, leases in ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and includes ~~receiving~~ acquiring goods or documents of title under a ~~pre-existing~~ preexisting lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

* * *

§ 2A-514. WAIVER OF LESSEE'S OBJECTIONS

* * *

(2) A lessee's failure to reserve rights when paying rent or other consideration against documents precludes recovery of the payment for defects apparent ~~on the face of~~ in the documents.

* * *

§ 2A-526. LESSOR'S STOPPAGE OF DELIVERY IN TRANSIT OR OTHERWISE

* * *

(2) In pursuing its remedies under subsection (1) of this section, the lessor may stop delivery until:

(a) receipt of the goods by the lessee;

(b) acknowledgment to the lessee by any bailee of the goods, except a carrier, that the bailee holds the goods for the lessee; or

(c) such an acknowledgment to the lessee by a carrier via reshipment or as ~~warehouseman~~ a warehouse.

* * *

Sec. B.7. 9A V.S.A. article 4 is amended to read:

ARTICLE 4. BANK DEPOSITS AND COLLECTIONS

* * *

§ 4-104. DEFINITIONS AND INDEX OF DEFINITIONS

* * *

(c) ~~The~~ "Control" as provided in section 7-106 of this title and the following definitions in other articles apply to this article:

"Acceptance" § 3-409

"Alteration" § 3-407

"Cashier's check" § 3-104

"Certificate of deposit" § 3-104

"Certified check" § 3-409

"Check" § 3-104

"Demand draft" § 3-104

"Holder in due course" § 3-302

"Instrument" § 3-104

"Notice of dishonor" § 3-503

"Order" § 3-103

"Ordinary care" § 3-103

"Person entitled to enforce" § 3-301

"Presentment" § 3-501

"Promise" § 3-103

"Prove" § 3-103

"Teller's check" § 3-104

"Unauthorized signature" § 3-403

* * *

§ 4-210. SECURITY INTEREST OF COLLECTING BANK IN ITEMS, ACCOMPANYING DOCUMENTS AND PROCEEDS

* * *

(c) Receipt by a collecting bank of a final settlement for an item is a realization on its security interest in the item, accompanying documents, and proceeds. So long as the bank does not receive final settlement for the item or give up possession of the item or possession or control of the accompanying documents for purposes other than collection, the security interest continues to that extent and is subject to ~~Article~~ article 9 of this title, but:

(1) no security agreement is necessary to make the security interest enforceable (§ 9-203(b)(3)(A));

(2) no filing is required to perfect the security interest; and

(3) the security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

* * *

Sec. B.8. 9A V.S.A. article 8 is amended to read:

ARTICLE 8. INVESTMENT SECURITIES

* * *

§ 8-102. DEFINITIONS

(a) In this article:

* * *

(9) "Financial asset," except as otherwise provided in section 8-103 of this title, means:

(i) a security;

(ii) an obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or

(iii) any property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this article.

As the context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.

* * *

§ 8-103. RULES FOR DETERMINING WHETHER CERTAIN OBLIGATIONS AND INTERESTS ARE SECURITIES OR FINANCIAL ASSETS

* * *

(g) A document of title is not a financial asset unless subdivision 8-102(a)(9)(iii) of this title applies.

* * *

Sec. B.9. 9A V.S.A. article 9 is amended to read:

ARTICLE 9. SECURED TRANSACTIONS

* * *

§ 9-102. DEFINITIONS AND INDEX OF DEFINITIONS

(a) In this article:

* * *

(30) "Document" means a document of title or a receipt of the type described in ~~subdivision 7-201(2)~~ subsection 7-201(b) of this title.

* * *

(b) ~~The~~ "Control" as provided in section 7-106 of this title and the following definitions in other articles apply to this article:

"Applicant" Section 5-102.

"Beneficiary" Section 5-102.

"Broker" Section 8-102.

"Certificated security" Section 8-102.

"Check" Section 3-104.

"Clearing corporation" Section 8-102.

"Contract for sale" Section 2-106.

"Customer" Section 4-104.

"Entitlement holder" Section 8-102.

"Financial asset" Section 8-102.

"Holder in due course" Section 3-302.

"Issuer" (with respect to a letter of
credit or letter-of-credit right) Section 5-102.

"Issuer" (with respect to documents of title) Section 7-102.

"Issuer" (with respect to a security) Section 8-201.

"Lease" Section 2A-103.

"Lease agreement" Section 2A-103.

"Lease contract" Section 2A-103.

"Leasehold interest" Section 2A-103.

"Lessee" Section 2A-103.

"Lessee in ordinary course of business" Section 2A-103.

"Lessor" Section 2A-103.

"Lessor's residual interest" Section 2A-103.

"Letter of credit" Section 5-102.

"Merchant" Section 2-104.

"Negotiable instrument" Section 3-104.

"Nominated person" Section 5-102.

"Note" Section 3-104.

"Proceeds of a letter of credit" Section 5-114.

"Prove" Section 3-103.

"Sale" Section 2-106.

"Securities account" Section 8-501.

"Securities intermediary" Section 8-102.

"Security" Section 8-102.

"Security certificate" Section 8-102.

"Security entitlement" Section 8-102.

"Uncertificated security" Section 8-102.

(c) Article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

* * *

§ 9-203. ATTACHMENT AND ENFORCEABILITY OF SECURITY INTEREST; PROCEEDS; SUPPORTING OBLIGATIONS; FORMAL REQUISITES

* * *

(b) Except as otherwise provided in subsections (c) through (i) of this section, a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(1) value has been given;

(2) the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) one of the following conditions is met:

(A) the debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(B) the collateral is not a certificated security and is in the possession of the secured party under section 9-313 of this title pursuant to the debtor's security agreement;

(C) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under section 8-301 pursuant to the debtor's security agreement; or

(D) the collateral is deposit accounts, electronic chattel paper, investment property, ~~or~~ letter-of-credit rights, or electronic documents, and the secured party has control under section 7-106, 9-104, 9-105, 9-106, or 9-107 of this title pursuant to the debtor's security agreement.

* * *

§ 9-207. RIGHTS AND DUTIES OF SECURED PARTY HAVING POSSESSION OR CONTROL OF COLLATERAL

* * *

(c) Except as otherwise provided in subsection (d) of this section, a secured party having possession of collateral or control of collateral under section 7-106, 9-104, 9-105, 9-106, or 9-107 of this title:

(1) may hold as additional security any proceeds, except money or funds, received from the collateral;

(2) shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

(3) may create a security interest in the collateral.

* * *

§ 9-208. ADDITIONAL DUTIES OF SECURED PARTY HAVING CONTROL OF COLLATERAL

* * *

(b) Within 10 days after receiving an authenticated demand by the debtor:

* * *

(4) a secured party having control of investment property under section 8-106(d)(2) or 9-106(b) shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained an authenticated record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party; ~~and~~

(5) a secured party having control of a letter-of-credit right under section 9-107 shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party an authenticated release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party; and

(6) a secured party having control of an electronic document shall:

(A) give control of the electronic document to the debtor or its designated custodian;

(B) if the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic document is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(C) take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent of the secured party.

* * *

§ 9-301. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS

Except as otherwise provided in sections 9-303 through 9-306 of this title, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

* * *

(3) Except as otherwise provided in subdivision (4) of this section, while tangible negotiable documents, goods, instruments, money, or tangible chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

* * *

§ 9-310. WHEN FILING REQUIRED TO PERFECT SECURITY INTEREST OR AGRICULTURAL LIEN; SECURITY INTERESTS AND AGRICULTURAL LIENS TO WHICH FILING PROVISIONS DO NOT APPLY

* * *

(b) The filing of a financing statement is not necessary to perfect a security interest:

* * *

(5) in certificated securities, documents, goods, or instruments which is perfected without filing, control, or possession under section 9-312(e), (f), or (g);

(6) in collateral in the secured party's possession under section 9-313;

(7) in a certificated security which is perfected by delivery of the security certificate to the secured party under section 9-313;

(8) in deposit accounts, electronic chattel paper, electronic documents, investment property, or letter-of-credit rights which is perfected by control under section 9-314;

* * *

§ 9-312. PERFECTION OF SECURITY INTERESTS IN CHATTEL PAPER, DEPOSIT ACCOUNTS, DOCUMENTS, GOODS COVERED BY DOCUMENTS, INSTRUMENTS, INVESTMENT PROPERTY, LETTER-OF-CREDIT RIGHTS, AND MONEY; PERFECTION BY PERMISSIVE FILING; TEMPORARY PERFECTION WITHOUT FILING OR TRANSFER OF POSSESSION

* * *

(e) A security interest in certificated securities, negotiable documents, or instruments is perfected without filing or the taking of possession or control for a period of 20 days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement.

* * *

§ 9-313. WHEN POSSESSION BY OR DELIVERY TO SECURED PARTY PERFECTS SECURITY INTEREST WITHOUT FILING

(a) Perfection by possession or delivery. Except as otherwise provided in subsection (b), a secured party may perfect a security interest in tangible negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under section 8-301.

* * *

§ 9-314. PERFECTION BY CONTROL

(a) A security interest in investment property, deposit accounts, letter-of-credit rights, ~~or~~ electronic chattel paper, or electronic documents may be perfected by control of the collateral under section 7-106, 9-104, 9-105, 9-106, or 9-107.

(b) A security interest in deposit accounts, electronic chattel paper, ~~or~~ letter-of-credit rights, or electronic documents is perfected by control under section 7-106, 9-104, 9-105, or 9-107 when the secured party obtains control and remains perfected by control only while the secured party retains control.

* * *

§ 9-317. INTERESTS THAT TAKE PRIORITY OVER OR TAKE FREE OF SECURITY INTEREST OR AGRICULTURAL LIEN

* * *

(b) Except as otherwise provided in subsection (e) of this section, a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a certificated security takes free of a security interest or

agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(c) Except as otherwise provided in subsection (e) of this section, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(d) A licensee of a general intangible or a buyer, other than a secured party, of ~~collateral other than tangible chattel paper, tangible documents, goods, instruments, or~~ accounts, electronic chattel paper, electronic documents, general intangibles, or investment property other than a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

* * *

§ 9-338. PRIORITY OF SECURITY INTEREST OR AGRICULTURAL LIEN PERFECTED BY FILED FINANCING STATEMENT PROVIDING CERTAIN INCORRECT INFORMATION

If a security interest or agricultural lien is perfected by a filed financing statement providing information described in subdivision 9-516(b)(5) of this title which is incorrect at the time the financing statement is filed:

(1) the security interest or agricultural lien is subordinate to a conflicting perfected security interest in the collateral to the extent that the holder of the conflicting security interest gives value in reasonable reliance upon the incorrect information; and

(2) a purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of tangible chattel paper, tangible documents, goods, instruments, or a security certificate, receives delivery of the collateral.

* * *

§ 9-601. RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES

* * *

(b) A secured party in possession of collateral or control of collateral under section 7-106, 9-104, 9-105, 9-106, or 9-107 has the rights and duties provided in section 9-207.

* * *

C. Workforce Education, Training, and Development

* * * Vermont Strong Scholars and Internship Initiative * * *

Sec. C.1. VERMONT STRONG SCHOLARS LOAN FORGIVENESS FINDINGS; INTENT

The General Assembly finds that the fundamental fairness, integrity, and success of the Vermont Strong Scholars loan forgiveness program under Sec. C.2 of this act, whereby graduating high school students will be counseled and encouraged to apply to Vermont schools, take certain courses, graduate and then take certain Vermont jobs, in exchange for student loan forgiveness, is critically dependent on the State providing reliable, sustainable, and adequate funding for the loan forgiveness that does not diminish resources for other State workforce education and training programs.

Sec. C.2. 16 V.S.A. § 2888 is amended to read:

§ 2888. VERMONT STRONG SCHOLARS AND INTERNSHIP INITIATIVE

(a) Creation.

(1) There is created a postsecondary loan forgiveness and internship initiative designed to forgive a portion of Vermont Student Assistance Corporation loans of students employed in ~~economic sectors~~ occupations identified as important to Vermont's economy and to build internship opportunities for students to gain work experience with Vermont employers.

(2) The initiative shall be known as the Vermont Strong Scholars and Internship Initiative and is designed to:

(A) encourage students to:

(i) consider ~~jobs in economic sectors~~ occupations that are critical to the Vermont economy;

(ii) enroll and remain enrolled in a Vermont postsecondary institution; and

(iii) live and work in Vermont upon graduation;

(B) reduce student loan debt for postsecondary ~~education in targeted fields~~ degrees involving a course of study related to, and resulting in, employment in target occupations;

(C) provide experiential learning through internship opportunities with Vermont employers; and

(D) support a ~~pipeline~~ steady stream of qualified talent for ~~employment with~~ Vermont's employers.

(b) Vermont Strong Loan Forgiveness Program.

(1) ~~Economic sectors~~ Occupations; projections.

(A) Annually, on or before November 15, the Secretary of Commerce and Community Development and the Commissioner of Labor, in consultation with the Vermont State Colleges, the University of Vermont, the Association of Vermont Independent Colleges, the Vermont Student Assistance Corporation, the Secretary of Human Services, and the Secretary of Education, shall identify ~~economic sectors~~ occupations, projecting at least four years into the future, that are or will be critical to the Vermont economy.

(B) Based upon the identified ~~economic sectors~~ occupations and the number of students anticipated to qualify for loan forgiveness under this section, the Secretary of Commerce and Community Development shall annually provide the General Assembly with the estimated cost of the Vermont Student Assistance Corporation's loan forgiveness awards under the Loan Forgiveness Program during the then-current fiscal year and each of the four following fiscal years.

(2) Eligibility. A graduate of a public or private Vermont postsecondary institution shall be eligible for forgiveness of a portion of his or her Vermont Student Assistance Corporation postsecondary education loans under this section if he or she:

(A) was a Vermont resident, as defined in subdivision 2822(7) of this title, at the time he or she was graduated;

(B) enrolled in his or her first year of study at a postsecondary institution on or after July 1, 2015 and completed an associate's degree within three years, or a bachelor's degree within six years of his or her enrollment date;

(C) becomes employed on a full-time basis in Vermont within 12 months of graduation in an ~~economic sector~~ occupation identified by the Secretary and Commissioner under subdivision (1) of this subsection;

(D) remains employed on a full-time basis in Vermont throughout the period of loan forgiveness in an ~~economic sector~~ occupation identified by the Secretary and Commissioner under subdivision (1) of this subsection; and

(E) remains a Vermont resident throughout the period of loan forgiveness.

(3) Loan forgiveness. An eligible individual shall have a portion of his or her Vermont Student Assistance Corporation loan forgiven as follows:

(A) ~~For~~ for an individual awarded an associate's degree, in an amount equal to the comprehensive in-state tuition rate for 15 credits at the Vermont State Colleges during the individual's final semester of enrollment, to be prorated over the three years following graduation~~.~~;

(B) ~~For~~ for an individual awarded a bachelor's degree, in an amount equal to the comprehensive in-state tuition rate for 30 credits at the Vermont State Colleges during the individual's final year of enrollment, to be prorated over the five years following graduation~~.~~;

(C) ~~Loan~~ loan forgiveness may be awarded on a prorated basis to an otherwise eligible Vermont resident who transfers to ~~and is graduated from~~ a Vermont postsecondary institution and graduates after July 1, 2017, with an associate's degree or after July 1, 2019, with a bachelor's degree.

(4) Management.

(A) The Secretary of Commerce and Community Development shall develop all organizational details of the Loan Forgiveness Program consistent with the purposes and requirements of this section.

(B) The Secretary shall enter into a memorandum of understanding with the Vermont Student Assistance Corporation for management of the Loan Forgiveness Program.

(C) The Secretary may adopt rules pursuant to 3 V.S.A. chapter 25 necessary to implement the Program.

(c) Vermont Strong Internship Program.

(1) ~~Internship Program management.~~

~~(A)~~ The Commissioner of Labor and the Secretary of Commerce and Community Development shall jointly develop ~~and implement~~ the organizational details of the Internship Program consistent with the purposes and requirements of this section ~~and may adopt rules pursuant to 3 V.S.A. chapter 25 necessary to~~. The Commissioner shall implement the Internship Program and shall have the authority to adopt rules pursuant to 3 V.S.A. chapter 25 necessary to implement the Program pursuant to this section.

~~(B) The Commissioner, in consultation with the Secretary, shall issue a request for proposals for a person to serve as an Internship Program Intermediary, who shall perform the duties and responsibilities pursuant to the terms of a performance contract negotiated by the Commissioner and the Intermediary~~

(2) The Commissioner and the Secretary shall design the Vermont Strong Internship Program to complement and coordinate with the Vermont Career Internship Program in 10 V.S.A. § 544.

(C) The Department of Labor, the Agency of Commerce and Community Development, and the regional development corporations, ~~and the Intermediary,~~ shall have responsibility for building connections within the business community to ensure broad private sector participation in the Internship Program.

(D) The ~~Program Intermediary~~ Commissioner of Labor shall:

(i) ~~identify and~~ foster postsecondary internships ~~that are rigorous, productive, well-managed, and mentored~~;

(ii) ~~cultivate~~ coordinate relationships ~~with~~ between and among employers, employer-focused organizations, and State and regional government bodies;

(iii) build relationships with Vermont postsecondary institutions and facilitate recruitment of students to apply for available internships;

(iv) ~~create and maintain a registry of participating employers and associated internship opportunities~~ develop a clearinghouse of information and opportunities for internships; and

~~(v) coordinate and provide support to the participating student, the employer, and the student's postsecondary institution;~~

~~(vi) develop and oversee a participation contract between each student and employer, including terms governing the expectations for the internship, a work plan, mentoring and supervision of the student, reporting by the employer and student, and compensation terms; and~~

(vii) carry out any additional activities and duties as directed by the Commissioner.

~~(2) Qualifying internships.~~

~~(A) Criteria. To qualify for participation in the Internship Program an internship shall at minimum:~~

~~(i) be with a Vermont employer as approved by the Intermediary in consultation with the Commissioner and Secretary;~~

~~(ii) pay compensation to an intern of at least the prevailing minimum wage; and~~

~~(iii) meet the quality standards and expectations as established by the Intermediary.~~

~~(B) Employment of interns. Interns shall be employed by the sponsoring employer except, with the approval of the Commissioner on a case-by-case basis, interns may be employed by the Intermediary and assigned to work with a participating Vermont employer, in which case the sponsoring employer shall contribute funds as determined by the Commissioner.~~

~~(3) Student eligibility. To participate in the Internship Program, an individual shall be:~~

~~(A) a Vermont resident enrolled in a postsecondary institution in or outside Vermont;~~

~~(B) a student who graduated from a postsecondary institution within 24 months of entering the program who was classified as a Vermont resident during that schooling or who is a student who attended a postsecondary institution in Vermont; or~~

~~(C) a student enrolled in a Vermont postsecondary institution.~~

(d) Funding.

(1) Loan Forgiveness Program.

(A) Loan forgiveness; State funding.

(i) There is created a special fund to be known as the Vermont Strong Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, which shall be used and administered by the Secretary of Commerce and Community Development solely for the purposes of loan forgiveness pursuant to this section.

(ii) The Fund shall consist of sums to be identified by the Secretary from any source accepted for the benefit of the Fund and interest earned from the investment of Fund balances.

(iii) Any interest earned and any remaining balance at the end of the fiscal year shall be carried forward in the Fund.

(iv) The availability and payment of loan forgiveness awards under this ~~subdivision~~ chapter is subject to State funding available for the awards.

(B) Loan forgiveness; Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall have the authority to grant loan forgiveness pursuant to this section by using the private loan forgiveness capacity associated with bonds issued by the Corporation to raise funds for private loans that are eligible for forgiveness under this section, if available.

(2) Internship Program. Notwithstanding any provision of law to the contrary, the Commissioner of Labor shall have the authority to use funds

allocated to the Workforce Education and Training Fund established in 10 V.S.A. § 543 to implement the Internship Program created in this section.

* * * Workforce Education and Training Fund * * *

Sec. C.3. 10 V.S.A. chapter 22A is amended to read:

CHAPTER 22A. WORKFORCE EDUCATION AND TRAINING

* * *

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

(a) Creation. There is created a Workforce Education and Training Fund in the Department of Labor to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) Purposes. The ~~Fund shall be used exclusively~~ Department shall use the Fund for the following purposes:

(1) training for Vermont workers, including those who are unemployed, underemployed, or in transition from one job or career to another; and

(2) internships to provide students with work-based learning opportunities with Vermont employers; ~~and~~

(3) ~~apprenticeship-related instruction~~ apprenticeship, preapprenticeship, and industry-recognized credential training; and

(4) other workforce development initiatives related to current and future job opportunities in Vermont as determined by the Commissioner of Labor.

(c) Administrative ~~Support~~ and other support. ~~Administrative~~ The Department of Labor shall provide administrative support for the grant award process ~~shall be provided by the Department of Labor. Technical support shall be provided whenever~~. When appropriate and reasonable ~~by~~ the State Workforce Investment Board and all other public entities involved in economic development and workforce education and training shall provide other support in the process.

(d) Eligible ~~Activities. Awards~~ activities.

(1) The Department shall grant awards from the Fund ~~shall be made~~ to employers and entities ~~that offer programs that require collaboration between employees and businesses~~, including private, public, and nonprofit entities, institutions of higher education, high schools, technical centers, and workforce education and training programs~~. Funding shall be for training programs and student internship programs~~ that:

(A) create jobs, offer education, training, apprenticeship, pre-apprenticeship and industry-recognized credentials, mentoring, or work-based learning activities, or any combination;

(B) that employ ~~innovative intensive~~ student-oriented ~~competency-based or collaborative~~ approaches to workforce education and training; and

(C) that link workforce education and economic development strategies. ~~Training~~

(2) The Department may fund programs or projects that demonstrate actual increased income and economic opportunity for employees and employers ~~may be funded~~ for more than one year.

(3) ~~Student~~ The Department may fund student internships and training programs that involve the same employer ~~may be funded multiple times, provided that new students participate~~ in multiple years with approval of the Commissioner.

(e) [Repealed].

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce Investment Board, shall develop award criteria and may ~~make~~ grant awards to the following:

(1) Training Programs.

(A) Public, private, and nonprofit entities, including employers and education and training providers, for existing or new ~~innovative~~ training programs that enhance the skills of Vermont workers and:

(i) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;

(ii) do not duplicate, supplant, or replace other available ~~programs~~ training funded with public money;

(iii) ~~articulate clear goals and demonstrate readily accountable, reportable, and measurable results~~ provide a project timeline, including performance goals, and identify how the effectiveness and outcomes of the program will be measured, including for the individual participants, the employers, and the program as a whole; and

(iv) ~~demonstrate an integrated connection between training and specific new or continuing employment opportunities~~ articulate the need for the training and the direct connection between the training and the job.

(B) ~~Awards~~ The Department shall grant awards under this subdivision ~~shall be made~~ (1) to programs or projects that:

(i) offer innovative programs of intensive, student-centric, competency-based education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, or any combination of these;

(ii) address the needs of workers who are unemployed, underemployed, or are at risk of becoming unemployed ~~due to changing workplace demands by increasing productivity and developing new skills for incumbent workers~~, and workers who are in transition from one job or career to another; ~~or~~

(iii) address the needs of employers to hire new employees, or retrain incumbent workers, when the employer has demonstrated a need not within the normal course of business, with priority to training that results in new or existing job openings for which the employer intends to hire; or

(iv) in the discretion of the Commissioner, otherwise serve the purposes of this chapter.

(2) Vermont Career Internship Program. Funding for eligible internship programs and activities under the Vermont Career Internship Program established in section 544 of this title.

(3) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the Department of Labor.

(g) [Repealed.]

§ 544. VERMONT CAREER INTERNSHIP PROGRAM

(a)(1) The Department of Labor, in consultation with the Agency of Education, shall develop, and the Department shall implement, a statewide Vermont Career Internship Program for ~~Vermonters~~ students who are in high school or in college and for those who are recent graduates of 24 months or less.

(2) The Department of Labor shall coordinate and provide funding to public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, colleges, and recent graduates of 24 months or less.

(3) Funding awarded through the Vermont Career Internship Program may be used to build and administer an internship program and to provide

participants with a stipend during the internship, based on need. Funds may be made only to programs or projects that ~~do all the following~~:

(A) do not replace or supplant existing positions;

(B) expose students to the workplace or create real workplace expectations and consequences;

(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;

(D) are designed to motivate and educate ~~secondary and postsecondary students and recent graduates~~ participants through work-based learning opportunities with Vermont employers ~~that are likely to lead to real employment~~;

(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools; ~~and~~ or

(F) offer participants a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont.

(4) As used in this section, "internship" means a learning experience working with an employer where the intern may, but does not necessarily, receive academic credit, financial remuneration, a stipend, or any combination of these.

(b) The Department of Labor, in collaboration with the Agencies of Agriculture, Food and Markets and of Education, State-funded postsecondary educational institutions, the State Workforce Investment Board, and other State agencies and departments that have workforce education and training and training monies, shall:

(1) identify new and existing funding sources that may be allocated to the Vermont Career Internship Program;

(2) collect data and establish program goals and ~~quantifiable~~ performance measures that demonstrate program results for internship programs funded through the Vermont Career Internship Program;

(3) develop or enhance a website that will connect students and graduates with internship opportunities with Vermont employers;

(4) engage appropriate agencies and departments of the State in the Internship Program to expand internship opportunities with State government and with entities awarded State contracts; and

(5) work with other public and private entities to develop and enhance internship programs, opportunities, and activities throughout the State.

* * * Youth Employment Working Group * * *

Sec. C.4. YOUTH EMPLOYMENT WORKING GROUP

(a) There is created a youth employment working group to recommend measures to increase work-experience opportunities for 16 and 17 year olds in Vermont.

(b) The group shall be composed of the following members:

(1) the Commissioner of Labor or designee;

(2) the Department of Labor Workforce Education and Training Coordinator;

(3) the Secretary of Education or designee;

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

(5) one member from a regional technical center to be appointed by the Secretary of Education;

(6) one member from the House of Representatives to be appointed by the Speaker;

(7) one member of the Senate to be appointed by the Committee on Committees;

(8) one member of the Associated General Contractors of Vermont;

(9) one member of the labor community to be appointed by the Governor; and

(10) one member appointed by the Vermont Insurance Agents Association.

(c) The group shall:

(1) study how to increase work-experience opportunities for 16 and 17 year olds, including issues of financing, insurance requirements, workplace safety, and educational requirements;

(2) make recommendations to increase work-experience opportunities; and

(3) develop the metrics to assess the progress to increase work-experience opportunities.

(d) The Commissioner of Labor shall convene the first meeting of the group, at which meeting the members of the group shall elect a chair.

(e) Legislative members of the group shall be entitled to compensation and expenses as provided in 2 V.S.A. § 406 for not more than four meetings.

(f) The Department of Labor shall provide administrative support to the group.

(g) On or before January 15, 2016, the group shall report its findings and recommended draft legislation to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Vermont Governor's Committee on Employment of People with Disabilities * * *

Sec. C.5. 21 V.S.A. § 497a is amended to read:

§ 497a. COMMITTEE ESTABLISHED

There is hereby established a permanent committee to be known as the Vermont ~~governor's committee on employment of people with disabilities~~ Governor's Committee on Employment of People with Disabilities, to consist of ~~21~~ 23 members, including ~~a~~ one representative ~~of~~ each from the Vermont ~~employment service division~~ Department of Labor's Workforce Development Division and the Jobs for Veterans State Grant, one representative ~~of~~ from the ~~vocational rehabilitation division of the department of disabilities, aging, and independent living~~ Department of Disabilities, Aging, and Independent Living, Vocational Rehabilitation Division and one from the Division for the Blind and Visually Impaired, one representative of the ~~veterans' administration, one representative of the veterans' employment service~~ U.S. Department of Veterans Affairs, one representative of the State of Vermont Office of Veterans Affairs, and 17 members to be appointed by the ~~governor~~ Governor. The appointive members shall hold office for the term specified or until their successors are named by the ~~governor~~ Governor. The members shall receive no salary for their services as such, but the necessary expenses of the ~~committee~~ Committee shall be paid by the ~~state~~ State. ~~Those persons acting as said committee on June 29, 1963 shall continue as such until their successors are appointed as herein provided.~~

* * * Vermont ABLE Savings Program * * *

Sec. C.6. PURPOSE

The purpose of this act is:

(1) to encourage and assist individuals and families in saving private funds for the purpose of supporting individuals with disabilities in maintaining health, independence, and quality of life.

(2) to provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, the Medicaid program under Title XIX of the Social Security Act, the supplemental security income program under Title XVI of such Act, the beneficiary's employment, and other sources.

Sec. C.7. 33 V.S.A. chapter 80 is added to read:

CHAPTER 80. VERMONT ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) SAVINGS PROGRAM

§ 8001. PROGRAM ESTABLISHED

(a) The State Treasurer or designee shall have the authority to establish the Vermont Achieving A Better Life Experience (ABLE) Savings Program consistent with the provisions of this chapter under which a person may make contributions for a taxable year, for the benefit of an individual who is an eligible individual for such taxable year, to an ABLE account which is established for the purpose of meeting the qualified disability expenses of the designated beneficiary of the account; and which:

(1) limits a designated beneficiary to one ABLE account for purposes of this section;

(2) allows for the establishment of an ABLE account only for a designated beneficiary who is a resident of Vermont or a resident of a contracting State; and

(3) meets the other requirements of this chapter.

(b)(1) The Treasurer or designee may solicit proposals from financial organizations to implement the Program as account depositories and managers.

(2) A financial organization that submits a proposal shall describe the investment instruments which will be held in accounts.

(3) The Treasurer shall select from among the applicants one or more financial organizations that demonstrate the most advantageous combination, both to potential program participants and this State, of the following criteria:

(A) the financial stability and integrity of the financial organization;

(B) the safety of the investment instrument offered;

(C) the ability of the financial organization to satisfy recordkeeping and reporting requirements;

(D) the financial organization's plan for promoting the program and the investment the organization is willing to make to promote the program;

(E) the fees, if any, proposed to be charged to the account owners;

(F) the minimum initial deposit and minimum contributions that the financial organization will require;

(G) the ability of the financial organization to accept electronic withdrawals, including payroll deduction plans; and

(H) other benefits to the State or its residents included in the proposal, including fees payable to the State to cover expenses of operation of the Program.

(c) The Treasurer or designee shall have the authority to adopt rules, policies, and procedures necessary to implement the provisions of this chapter and comply with applicable federal law.

§ 8002. DEFINITIONS

In this chapter:

(1) "ABLE account" means an account established by an eligible individual, owned by the eligible individual, and maintained under the Vermont ABLE Savings Program.

(2) "Designated beneficiary" means the eligible individual who establishes an ABLE account under this chapter and is the owner of the account.

(3) "Disability certification" means a certification to the satisfaction of the Secretary by the individual or the parent or guardian of the individual that:

(A) certifies that:

(i) the individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, or the individual is blind within the meaning of Section 1614(a)(2) of the Social Security Act, and

(ii) such blindness or disability occurred before the individual attained 26 years of age; and

(B) includes a copy of the individual's diagnosis relating to the individual's relevant impairment or impairments, signed by a physician meeting the criteria of Section 1861(r)(1) of the Social Security Act.

(4) "Eligible individual" means:

(A) a person who during a taxable year is entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act, and such blindness or disability occurred before the date on which the individual attained 26 years of age; or

(B) a person for whom a disability certification is filed with the Secretary for the taxable year.

(5) "Financial organization" means an organization authorized to do business in this State and that is:

(A) licensed or chartered by the Department of Financial Regulation;

(B) chartered by an agency of the federal government; or

(C) subject to the jurisdiction and regulation of the federal Securities and Exchange Commission.

(6) "Member of family" means a brother, sister, stepbrother, or stepsister of a designated beneficiary.

(7) "Qualified disability expense" means an expense related to the eligible individual's blindness or disability which is made for the benefit of an eligible individual who is the designated beneficiary, including the following expenses: education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses, which are approved by the Secretary under regulations and consistent with the purposes of this section.

(8) "Secretary" means the Secretary of the U.S. Department of the Treasury.

§ 8003. PROGRAM LIMITATIONS

(a) Cash contributions. The Treasurer or designee shall not accept a contribution:

(1) unless it is in cash; or

(2) except in the case of a contribution under 26 U.S.C. § 529A(c)(1)(C) (relating to a change in a designated beneficiary or program), if such contribution to an ABLE account would result in aggregate contributions from

all contributors to the ABLE account for the taxable year exceeding the amount in effect under subsection 2503(b) of this title for the calendar year in which the taxable year begins.

(b) Separate accounting. The Treasurer or designee shall provide separate accounting for each designated beneficiary.

(c) Limited investment direction. A designated beneficiary may, directly or indirectly, direct the investment of any contributions to the Vermont ABLE Savings Program, or any earnings thereon, no more than two times in any calendar year.

(d) No pledging of interest as security. A person shall not use an interest in the Vermont ABLE Savings Program, or any portion thereof, as security for a loan.

(e) Prohibition on excess contributions. The Treasurer or designee shall adopt adequate safeguards under the Vermont ABLE Savings Program to prevent aggregate contributions on behalf of a designated beneficiary in excess of the limit established by the State pursuant to 26 U.S.C. § 529(b)(6).

§ 8004. REPORTS

(a) In general. The Treasurer or designee shall make such reports regarding the Program to the Secretary and to designated beneficiaries with respect to contributions, distributions, the return of excess contributions, and such other matters as the Secretary may require.

(b) Notice of establishment of account. The Treasurer or designee shall submit a notice to the Secretary upon the establishment of an ABLE account that includes the name and state of residence of the designated beneficiary and such other information as the Secretary may require.

(c) Electronic distribution statements. The Treasurer or designee shall submit electronically on a monthly basis to the Commissioner of Social Security, in the manner specified by the Commissioner, statements on relevant distributions and account balances from all ABLE accounts created under the Vermont ABLE Savings Program.

(d) Requirements. The Treasurer or designee shall file the reports and notices required under this section at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by the Secretary.

Sec. C.8. VERMONT ABLE TASK FORCE; REPORTS

The State Treasurer shall convene a Vermont ABLE Task Force to include representatives of the Department of Disabilities, Aging. and Independent

Living, the Vermont Developmental Disabilities Council, Vermont Center for Independent Living; Green Mountain Self-Advocates, and other stakeholders with relevant expertise, to provide recommendations on or before January 15, 2016 to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs on planning and delivery of the ABLE Savings Program, including:

(1) promotion and marketing of the Program;

(2) rules governing operation of ABLE accounts, including mechanisms for consumer convenience;

(3) fees charged to account owners;

(4) future enhancements to protect from the loss of State benefits as may be necessary to fulfill the intent of the ABLE Act;

(5) the composition and charge of an ABLE Advisory Board; and

(6) a progress update on implementation of the Program consistent with U.S. Treasury Department Rules, the Internal Revenue Code, and the federal ABLE Act (P.L. 113-295 of 2014).

* * * Enhancing Eligibility and Work Incentives for the Medicaid for Working Persons with Disabilities Program * * *

Sec. C.9. MEDICAID FOR WORKING PEOPLE WITH DISABILITIES; RULEMAKING

(a) On or before October 1, 2015, the Agency of Human Services shall request permission from the Centers for Medicare and Medicaid Services (CMS) in order to increase to $10,000.00 per individual and $15,000.00 per couple the asset limit for eligibility for the Medicaid for Working People with Disabilities program. Within 30 days following CMS approval of the increased asset limit, the Agency of Human Services shall commence the rulemaking process pursuant to 3 V.S.A. chapter 25 to amend its rules accordingly.

(b) On or before October 1, 2015, the Agency of Human Services shall request permission from CMS to disregard the income of a spouse who is a Medicaid for Working People with Disabilities beneficiary when calculating the eligibility of the other spouse to receive traditional Medicaid benefits. Within 30 days following CMS approval of the income disregard, the Agency of Human Services shall commence the rulemaking process pursuant to 3 V.S.A. chapter 25 to amend its rules accordingly.

(c) On or before October 1, 2015, the Agency of Human Services shall request permission from CMS to disregard the income of an applicant's or

beneficiary's spouse when determining the applicant's or beneficiary's eligibility for the Medicaid for Working People with Disabilities program, after a determination has been made that the applicant's or beneficiary's net family income is below 250 percent of the federal poverty level for a family of the applicable size. Within 30 days following CMS approval of the income disregard, the Agency of Human Services shall commence the rulemaking process pursuant to 3 V.S.A. chapter 25 to amend its rules accordingly.

(d) On or before October 1, 2015, the Agency of Human Services shall request permission from CMS to disregard Social Security retirement income for the purpose of calculating eligibility for the Medicaid for Working People with Disabilities program for beneficiaries who have reached the Social Security retirement age and whose Social Security Disability Insurance benefits have automatically converted to Social Security retirement benefits. Within 30 days following CMS approval of the income disregard, the Agency of Human Services shall commence the rulemaking process pursuant to 3 V.S.A. chapter 25 to amend its rules accordingly.

(e) The Agency of Human Services shall engage the assistance of benefits counselors at public and nonprofit organizations to increase public awareness of the Medicaid for Working People with Disabilities program and of other work incentives for individuals with disabilities.

(f) On or before January 15, 2016, the Agency of Human Services shall provide a report on the implementation of this section to the House Committees on Commerce and Economic Development and on Human Services and to the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare.

* * * Vermont Career Technical Education * * *

Sec. C.10. VERMONT CAREER TECHNICAL EDUCATION

(a). Findings and intent.

(1) The "on time" graduation rate for high school students in Vermont is 86.6 percent (2013).

(2) The postsecondary continuation rate for 12th grade graduates is approximately 60 percent. Many states have set a target of 80 percent for students graduating from high school and transitioning to further education or training, or both.

(3) According to the Vermont Department of Labor, in 2014 the total number of people considered as "underutilized" labor in Vermont was 31,700.

(4) Vermont's workforce is aging, with 27.7 percent of all workers over 55 years of age.

(5) According to a report issued by the McClure Foundation, with assistance from the Vermont Department of Labor, Labor Market Information Division, there are currently, and will be, many high-wage, high-skill job openings in Vermont between now and 2020.

(6) In order to support the creation and growth of high paid jobs in Vermont, we must provide our students with the needed education, skills, and competencies for these positions.

(7) Vermont's Career and Technical Education Centers (CTEs) are a key resource in preparing Vermonters for careers and meeting the workforce needs of Vermont employers.

(8) CTE learning is designed to prepare students to be ready for their next step, including further training, college, jobs, and careers.

(9) Vermont's CTEs do not currently offer enough programs of study of the size, scope, and quality necessary to prepare high school students for these current and anticipated high-skill, high-wage, high-demand job openings.

(10) Due to the demands and complexity of these jobs, CTE programming should provide new courses in a sequence from grades 9-12, including dual enrollment, with smooth transitions to postsecondary training or further education, or both.

(11) There is an approved project within the Vermont Comprehensive Economic Development Strategies (CEDS) that identifies six high-priority cluster programs of study which the Agency of Education is currently implementing: Travel/Tourism and Business Systems (Culinary, Hospitality, Accounting, Management, Entrepreneurship); Manufacturing/Engineering (STEM); Construction/Green Building and Design; Agriculture, Local Food Systems, Natural Resources; Information Technology (Networking, Software Development, Website Design); Health/Medical.

(12) The CEDS project for high-priority CTE programs of study will provide uniform high-quality programs at the centers throughout the State.

(13) The Vermont Department of Labor, the Agency of Commerce and Community Development, the Agency of Education, and the Vermont State Colleges should collaborate more closely to develop high school CTE programs of study, including adult technical education programs, aligned with the needs of Vermont's employers.

(14) In some cases, the funding models for the CTEs act as a disincentive for school districts to send their students to regional technical centers.

(15) The purpose of this section is to direct the Department of Labor, the Agency of Commerce and Community Development, the Agency of Education, and the Vermont State Colleges to collaborate on how to better utilize Vermont's CTEs.

(b) Study and report. The Agency of Education, the Department of Labor, the Agency of Commerce and Community Development, and the Vermont State Colleges shall convene, develop suggestions, and report on or before December 1, 2015 to the House Committees on Commerce and Economic Development and on Education and the Senate Committees on Economic Development, Housing and General Affairs and on Education on how Vermont's CTEs can be better utilized to provide training aligned with high-wage, high-skills, high-demand employment opportunities in Vermont, including:

(1) how the Agency of Education will develop priority pathway programs of study with regional CTEs in collaboration with the Department of Labor, the Agency of Commerce and Community Development, and the Vermont State Colleges;

(2) how these programs can include opportunities for post-secondary enrollment in apprenticeships, internships, approved training programs, sub-baccalaureate programs, and adult technical education programs;

(3) how to ensure equitable and appropriate access to CTE programs of study developed and implemented in grades 9 through 12;

(4) what barriers or challenges exist to the development and implementation of high-quality priority pathways as described in the CEDS approved project; and

(5) one or more recommendations to address the financial disincentive for school districts to send students to the CTEs created by the CTE funding model.

D. Tourism and Economic Development Marketing

D.1. FINDINGS AND PURPOSE

(a) The General Assembly finds:

(1) The State of Vermont is a worldwide leader in the global tourism market. Visitors from around the world come to Vermont to recreate and the Vermont brand is now recognized and admired throughout the world.

(2) Vermont is rapidly developing a reputation as a place where entrepreneurs and innovators can succeed, and where they can come to start and grow great businesses.

(3) The Department of Tourism and Marketing should continue its very successful tourism marketing efforts in order to maintain our standing in the global tourism market.

(4) The Department should also develop an economic development marketing program, highlighting the many positive features that make Vermont a great place to live, work, and do business, including:

(A) Vermont's long history of innovation, including agricultural, business, and technical innovation; product design; and entrepreneurship;

(B) the multitude and diversity of successful start-up businesses in environmental technology, health technology, advanced manufacturing, services technology, biotechnology, recreation technology, and social technology;

(C) the benefits of Vermont's size, scale, and accessibility to government officials and resources, which make Vermont a state where business can start, grow, and prosper; and

(D) the benefits of Vermont's educational and workforce development resources, and its highly skilled and highly educated population.

(b) The purpose of Secs. D.2 and D.3 of this act is to expand the mission of the Department of Tourism and Marketing to ensure a focus on economic development marketing.

Sec. D.2. 3 V.S.A. chapter 47 is amended to read:

Chapter 47: Commerce and Community Development

* * *

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY ~~AFFAIRS~~ DEVELOPMENT

(a) The ~~department of housing and community affairs is created within the agency of commerce and community development~~ Department of Housing and Community Development is created within the Agency of Commerce and Community Development. The ~~department~~ Department shall:

(1) Be the central ~~state~~ State agency to coordinate, consolidate, and operate, to the extent possible, all housing programs enacted hereafter by the ~~general assembly~~ General Assembly or created by executive order of the ~~governor~~ Governor.

(2) Be the central ~~state~~ State agency for local and regional planning and coordination.

(3) Administer the community development block grant program pursuant to 10 V.S.A. chapter 29. When awarding municipal planning grants prior to fiscal year 2012, the ~~department~~ Department shall give priority to grants for downtowns, new town centers, growth centers, and Vermont neighborhoods.

(4) In partnership with the ~~division for historic preservation~~ Division of Historic Preservation, direct, supervise, and administer the Vermont downtown program, and any other program designed to preserve the continued economic vitality of the ~~state's~~ State's traditional commercial districts.

(b) Neither the Vermont ~~state housing authority~~ State Housing Authority or the Vermont ~~home mortgage guarantee board agency~~ Housing Finance Agency shall be considered part of the ~~department of housing and community affairs~~ Department, but shall keep the ~~department~~ Department advised of programs and activities being conducted.

* * *

§ 2473. DIVISION FOR HISTORIC PRESERVATION

The ~~division for historic preservation~~ Division of Historic Preservation is created within the ~~department of housing and community affairs~~ Department of Housing and Community Development as the successor to and the continuation of the ~~board of historic sites~~ Board of Historic Sites and the ~~division of historic sites~~ Division of Historic Sites.

* * *

§ 2476. DEPARTMENT OF TOURISM AND MARKETING

(a) ~~The department of tourism and marketing of the agency is created, as successor to the department of travel~~ The Department of Tourism and Marketing is created within the Agency of Commerce and Community Development. The ~~department~~ Department shall be administered by a ~~commissioner~~ Commissioner.

(b) Tourism marketing. The ~~department of tourism and marketing~~ Department shall be responsible for ~~the promotion of Vermont goods and services as well as~~ the promotion of Vermont's travel, recreation, and cultural attractions through advertising and other informational programs, and for provision of travel and recreation information and services to visitors to the ~~state~~ State, in coordination with other agencies of ~~state~~ State government, chambers of commerce and travel associations, and the private sector in order to increase the benefits of tourism marketing, including:

(1) enhancing Vermont's image as a tourist destination in the regional, national, and global marketplace;

(2) increasing occupancy rates;

(3) increasing visitor spending throughout the State; and

(4) increasing State revenues generated through the rooms and meals tax.

(c) Economic development marketing. The Department shall be responsible for the promotion of Vermont as great place to live, work, and do business in order to increase the benefits of economic development marketing, including:

(1) attracting additional private investment in Vermont businesses;

(2) recruiting new businesses;

(3) attracting more innovators and entrepreneurs to locate in Vermont;

(4) attracting, recruiting, and growing the workforce to fill existing vacancies in growing businesses; and

(5) promoting and supporting Vermont businesses, goods, and services.

(d) On and after July 1, 1997, all departments engaging in marketing activities shall submit to and coordinate marketing plans with the ~~commissioner of the department of tourism and marketing~~ Commissioner.

~~(d) [Repealed.]~~

(e) The ~~department of tourism and marketing~~ Department may conduct direct marketing activities pursuant to this chapter or ~~chapter 27 of Title~~ 10 V.S.A. chapter 27, ~~but~~ and shall ~~make best reasonable efforts~~ work to increase marketing activities conducted in partnership with one or more private sector partners to maximize State marketing resources and to enable Vermont businesses to align their own brand identities with the Vermont brand, enhancing the reputations of both the business and the State.

(f) Building on established, successful collaboration with private partners in travel and tourism, agriculture, and other industry sectors, the ~~department should~~ Department shall have the authority ~~undertake reasonable efforts~~ to extend its marketing and promotional resources to include partners in the arts and humanities, as well as other partners that depend on tourism for a significant part of their annual revenue.

(g) The Department shall expand its outreach and information-gathering procedures to allow Vermont businesses and other interested stakeholders to comment on the design and implementation of its tourism marketing and economic development marketing initiatives and also to provide ongoing feedback to the Department on the effectiveness of its initiatives.

Sec. D.3. DEPARTMENT OF TOURISM AND MARKETING; ECONOMIC DEVELOPMENT MARKETING; LEGISLATIVE PROPOSAL AND REPORT TO DEFINE PROGRAM GOALS, TARGETS, PERFORMANCE MEASURES, AND RESULTS

(a) On or before January 15, 2016, the Department of Tourism and Marketing shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs to identify the goals, targets, performance measures, and results of its economic development marketing programs, including testimony or a written report addressing:

(1) Department functions, including:

(A) the mission and objectives of the Department and its programs;

(B) measurable goals for success;

(C) a profile of specific target audiences;

(D) research necessary to engage those audiences;

(E) strategies to identify and document Vermont's unique offerings and benefits to those audiences; and

(F) tactics to accomplish each strategy.

(2) Desired goals, including:

(A) new people, employees, and businesses relocate and invest in Vermont; and

(B) current Vermonters and businesses stay and prosper here.

(3) Measurable targets, including an increase in:

(A) student applications to Vermont schools;

(B) workforce participants;

(C) employment opportunities and jobs;

(D) number of businesses;

(E) investment in Vermont businesses; and

(F) the number of homeowners.

(4) Methods for identifying and collecting data indicators, and analyzing results.

D.4. APPROPRIATION

In fiscal year 2016 there is appropriated from the General Fund to the Department of Tourism and Marketing the amount of $500,000.00 for the purpose of preparing and implementing an economic development marketing proposal pursuant to Sec. D.3 of this act.

* * * Domestic Export Program * * *

Sec. D.5. 6 V.S.A. chapter 207 is amended to read:

CHAPTER 207. PROMOTION AND MARKETING OF VERMONT FOODS AND PRODUCTS

* * *

Subchapter 3. Agricultural Exports

§ 4621. DOMESTIC EXPORT PROGRAM

(a) The Secretary of Agriculture, Food and Markets, in collaboration with the Agency of Commerce and Community Development and the Chief Marketing Officer, shall have the authority to create a Domestic Export Program, the purpose of which may include:

(1) connecting Vermont producers with brokers, buyers, and distributors in other U.S. state and regional markets;

(2) providing technical and marketing assistance to Vermont producers to convert these connections into increased sales and sustainable commercial relationships; and

(3) providing one-time matching grants to attend trade shows and similar events to expand producers' market presence in other U.S. states, subject to available funding.

(b) The Secretary shall collect data on the activities and outcomes of the program authorized under this section and submit his or her findings and recommendations in a report on or before January 15 of each year to the House Committees on Agriculture and Forest Products and on Commerce and Economic Development and to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs.

Sec. D.6. IMPLEMENTATION; DOMESTIC EXPORT PROGRAM

The Secretary of Agriculture, Food and Markets shall pursue grants, funding, and other resources, and shall continue to identify operational efficiencies within the Agency, in order to sustain adequately the creation and implementation of activities under the domestic export program authorized in 6 V.S.A. § 4621.

E. Access to Capital

* * * Vermont Economic Development Authority (VEDA); Lending; Green Manufacture of Microbead Alternatives * * *

Sec. E.1. 10 V.S.A. § 280bb is amended to read:

§ 280bb. VERMONT ENTREPRENEURIAL LENDING PROGRAM

(a) There is created the Vermont Entrepreneurial Lending Program to be administered by the Vermont Economic Development Authority. The Program shall seek to meet the working capital and capital-asset financing needs of Vermont-based businesses in seed, start-up, and growth stages. The Program shall specifically seek to fulfill capital requirement needs that are unmet in Vermont, including:

(1) loans ~~up to $100,000.00~~ to manufacturing businesses and software developers with innovative products that typically reflect long-term, organic growth;

(2) loans up to $1,000,000.00 in growth-stage companies that do not meet the underwriting criteria of other public and private entrepreneurial financing sources; ~~and~~

(3) loans to businesses that are unable to access adequate capital resources because the primary assets of these businesses are typically intellectual property or similar nontangible assets; and

(4) loans to advanced manufacturers and other Vermont businesses for product development and intellectual property design.

(b) The Authority shall adopt regulations, policies, and procedures for the Program as are necessary to increase the amount of investment funds available to Vermont businesses whose capital requirements are not being met by conventional lending sources.

(c) When considering entrepreneurial lending through the Program, the Authority shall give additional consideration and weight to an application of a business whose business model and practices will have a demonstrable effect in achieving other public policy goals of the State, including:

(1) The business will create jobs in strategic sectors such as the knowledge-based economy, renewable energy, advanced manufacturing, wood products manufacturing, and value-added agricultural processing.

(2) The business is located in a designated downtown, village center, growth center, industrial park, or other significant geographic location recognized by the State.

(3) The business adopts energy and thermal efficiency practices in its operations or otherwise operates in a way that reflects a commitment to green energy principles.

(4) The business will create jobs that pay a livable wage and significant benefits to Vermont employees.

(5) The business will create environmental benefits or will manufacture environmentally responsible products.

(d) The Authority shall include provisions in the terms of a loan made under the Program to ensure that a loan recipient shall maintain operations within the State for a minimum of five years from the date on which the recipient receives the loan funds from the Authority or shall otherwise be required to repay the outstanding funds in full.

Sec. E.2. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter:

* * *

(6) "Eligible facility" or "eligible project" means any industrial, commercial, or agricultural enterprise or endeavor approved by the authority that meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under section 280b of this title, including land and rights in land, air, or water, buildings, structures, machinery, and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of state, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to housing. Such enterprises or endeavors may include:

(A) quarrying, mining, manufacturing, processing, including the further processing of agricultural products, assembling, or warehousing of goods or materials for sale or distribution or the maintenance of safety standards in connection therewith, and including Vermont-based manufacturers that are adversely impacted by the State's regulation or ban of products as they transition from the manufacture of the regulated or banned products to the design and manufacture of environmentally sound substitutes.

* * *

* * * Vermont State Treasurer; Local Investments * * *

Sec. E.3. Sec. 25 of Act 199 of 2014 (sunset of Treasurer's credit facility for local investments and Treasurer's local investment advisory committee) is amended to read:

Sec. 25. SUNSET

Secs. 23–24 of this act shall be repealed on July 1, ~~2015~~ 2016.

* * * Licensed Lender Exemption for Commercial Loans * * *

Sec. E.4. 8 V.S.A. § 2201 is amended to read:

§ 2201. LICENSES REQUIRED

* * *

(d) No lender license, mortgage broker license, or sales finance company license shall be required of:

* * *

(10) Persons who lend, other than residential mortgage loans, an aggregate of less than ~~$75,000.00~~ $250,000.00 in any one year at rates of interest of no more than 12 percent per annum.

* * *

F. Natural Resources, Land Use, and Planning

* * * Giving Deference to Regional Planning and Planners in Mitigating Adverse Economic Impacts of Major Employers * * *

Sec. F.1. 24 V.S.A. § 2787 is added to read:

§ 2787. ECONOMIC DEVELOPMENT STRATEGY; DEFERENCE TO REGIONAL PLANS; CEDS

In the event a major employer in an economic region announces a closure, relocation, or other significant action that will impact directly and indirectly jobs or wages in the region, and a regional planning commission has adopted a regional plan pursuant to section 4348 of this title or a Comprehensive Economic Development Strategy (CEDS) approved by the U.S. Economic Development Administration, or both, and the plan or CEDS, or both, includes mitigation strategies to address substantial local and regional economic and fiscal challenges related to that employer, including closure, relocation, or reduction in workforce, then:

(1) the Executive Branch shall defer to the regional plan and CEDS when using or distributing funds or other resources meant to mitigate anticipated local and regional economic and fiscal challenges, or shall provide

the regional planning commission for the region with its basis for not deferring to the plan and the CEDS; and

(2) the Executive Branch shall involve the regional planning commission and regional development corporation for the region in decisions regarding the use or distribution of those funds or resources;

* * * Southern Vermont Economic Development Zone * * *

Sec. F.2. FINDINGS AND PURPOSE

(a) The General Assembly finds:

(1) the Agency of Commerce and Community Development projects that the forty-four Vermont towns served by the two most Southern regional development corporations and regional planning commissions in Vermont will lose 3.5 percent of their population by 2030 and that the total population of individuals over 65 years of age in this combined region will increase from 17 percent in 2010 to 30 percent in 2030;

(2) the number of visitors to the Southern Vermont visitor center has decreased 25 percent since 2006;

(3) since 2006, growth in the region's rooms and meals tax is 10 percent, as compared to 25 percent in the Chittenden County region;

(4) the rate of residential construction in the region is currently half of the prerecession level;

(5) the two Southern Vermont regions have collaborated on business recovery programming after Tropical Storm Irene, including development of individualized downtown and village revitalization plans and development of the Southern Vermont Sustainable Marketing program; and

(6) the two regions, having also worked together on some workforce development and internship initiatives, are seeking to establish a more formal structure for their workforce and recruitment efforts.

(b) The purposes of Secs. F.3 and F.4 of this act are:

(1) to establish officially a Southern Vermont Economic Development Zone comprising of the geographic areas served by the Brattleboro Development Credit Corporation and the Bennington County Industrial Corporation; and

(2) to establish a study committee that will assist the General Assembly, the Governor, and partners within the Zone in establishing a replicable framework for regional cooperation by and between public sector and private sector partners concerning economic development initiatives; workforce training, retention, and recruitment; and sustainable business investment.

(c) The General Assembly acknowledges the challenges in Southern Vermont and intends for this formal designation to accelerate economic development initiatives that are underway or are needed in the future.

Sec. F.3. 10 V.S.A. chapter 1 is amended to read:

CHAPTER 1: ~~THE FUTURE OF~~ ECONOMIC DEVELOPMENT

* * *

~~SUBCHAPTER 1: THE VERMONT BUSINESS RECRUITMENT PARTNERSHIP~~

§ 8. SOUTHERN VERMONT ECONOMIC DEVELOPMENT ZONE

There is created the Southern Vermont Economic Development Zone, comprising of the geographic areas served by the Brattleboro Development Credit Corporation and the Bennington County Industrial Corporation.

* * *

Sec. F.4. SOUTHERN VERMONT ECONOMIC DEVELOPMENT ZONE; STUDY COMMITTEE; REPORT

(a) There is created the Southern Vermont Economic Development Zone Study Committee the purpose of which shall be to reverse the decline in the workforce from 2000–2014 and to revitalize economic growth within the Southern Vermont Economic Development Zone created in 10 V.S.A. § 8.

(b) The Study Committee shall consist of the following members:

(A) five members who represent the interests of the private sector and represent a balance of geographic interests within the Zone:

(i) one member appointed by the Governor;

(ii) two members appointed by the Speaker of the House of Representatives; and

(iii) two members appointed by the Senate Committee on Committees;

(B) one member each from the Brattleboro Development Credit Corporation and the Bennington County Industrial Corporation; and

(C) one member each from the Windham Regional Commission and the Bennington County Regional Commission.

(c) On or before December 1, 2015, the Committee shall submit a report to the Secretary of the Agency of Commerce and Community Development, the House Committee on Commerce and Community Development, and the Senate Committee on Economic Development, Housing and General Affairs that includes proposals:

(1) to establish an integrated investment strategy for retaining businesses within and recruiting business to the Zone;

(2) to establish an implementation plan for the Southern Vermont Sustainable Recruitment and Marketing Project created in 2014 and contained in the Windham Region's federally recognized Comprehensive Economic Development Strategy;

(3) to outline the benefits and obstacles within the Zone involved in integrating internship and career exposure programs, workforce development programs, and young professional activities;

(4) to propose an organizational and operational structure of a public-private partnership with the mission of aggregating capital and coordinating investment in small- and medium-size businesses located within the Zone; and

(5) to recommend whether and in what configuration the Study Committee or other group should continue and its mission.

(d) Meetings.

(1) The members of the Committee who represent the regional development corporations shall jointly call the first meeting, to occur on or before August 1, 2015.

(2) The Committee shall select a chair from among the private sector members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on July 1, 2016.

* * *

* * * Act 250; Criterion 9(L) * * *

Sec. F.5. ACT 250; IMPLEMENTATION OF SETTLEMENT PATTERNS CRITERION

(a) The General Assembly finds that:

(1) 2014 Acts and Resolves No. 147, Sec. 2 amended 10 V.S.A. § 6086(a)(9)(L) (Criterion 9L) to become a settlement patterns criterion. The purpose of the amendment was to guide and accomplish coordinated, efficient, and economic development in the State that is consistent with Vermont's historic settlement pattern of compact centers separated by rural countryside.

(2) Effective on October 17, 2014, the Natural Resources Board (NRB) adopted a procedure to implement Criterion 9L (the Criterion 9L Procedure).

(b) The General Assembly determines that additional opportunity for public comment on the Criterion 9L Procedure, as well as additional education and improved guidance, would be beneficial in implementing the criterion.

(1) The NRB shall review the Criterion 9L Procedure in full collaboration with the Agency of Commerce and Community Development (ACCD) and the Agency of Natural Resources (ANR).

(A) As part of this review, the NRB shall solicit input from affected parties and the public, including planners, developers, municipalities, environmental advocacy organizations, regional planning commissions, regional development corporations, and business advocacy organizations such as State and regional chambers of commerce.

(B) Based on this review, the NRB shall adopt revisions in the form of a procedure under 3 V.S.A. chapter 25.

(2) ACCD shall work with the NRB and ANR to develop outreach material on Criterion 9L, including illustrative examples of appropriate development design, and implement a training plan on the criterion for local elected officials, municipal boards, State and regional organizations and associations, environmental groups, consultants, and developers.

* * * Municipal Land Use; Neighborhood Development Area * * *

Sec. F.6. 24 V.S.A. § 4471(e) is amended to read:

(e) ~~Vermont neighborhood~~ Neighborhood development area. Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel shall not be subject to appeal if the determination is that a proposed residential development within a designated downtown development district, designated growth center, ~~or~~ designated Vermont neighborhood, or designated neighborhood development area seeking conditional use approval will not result in an undue adverse effect on the character of the area affected~~, as provided in~~ under subdivision 4414(3)~~(A)(ii)~~ of this title.

* * * Act 250; Primary Agricultural Soils * * *

Sec. F.7. 10 V.S.A. § 6086(a)(9)(B) is amended to read:

(B) Primary agricultural soils. A permit will be granted for the development or subdivision of primary agricultural soils only when it is demonstrated by the applicant that, in addition to all other applicable criteria, either, the subdivision or development will not result in any reduction in the agricultural potential of the primary agricultural soils; or:

(i) the development or subdivision will not significantly interfere with or jeopardize the continuation of agriculture or forestry on adjoining lands or reduce their agricultural or forestry potential; ~~and~~

(ii) except in the case of an application for a project located in a designated ~~growth center~~ area listed in subdivision 6093(a)(1) of this title, there are no lands other than primary agricultural soils owned or controlled by the applicant which are reasonably suited to the purpose of the development or subdivision; ~~and~~

(iii) except in the case of an application for a project located in a designated ~~growth center~~ area listed in subdivision 6093(a)(1) of this title, the subdivision or development has been planned to minimize the reduction of agricultural potential of the primary agricultural soils through innovative land use design resulting in compact development patterns, so that the remaining primary agricultural soils on the project tract are capable of supporting or contributing to an economic or commercial agricultural operation; and

(iv) suitable mitigation will be provided for any reduction in the agricultural potential of the primary agricultural soils caused by the development or subdivision, in accordance with section 6093 of this title and rules adopted by the Natural Resources Board.

* * * Acquisition of Land by Public Agencies; Conservation Easements * * *

Sec. F.8. 10 V.S.A. § 6310 is added to read:

§ 6310. CONSERVATION EASEMENT HOLDER; NONMERGER

If a holder of a conservation easement is or becomes the owner in fee simple of property subject to the easement, the easement shall continue in effect and shall not be extinguished.

Sec. F.9. 30 V.S.A. § 248(q) is amended to read:

(q)(1) A certificate under this section shall be required for a plant using methane derived from an agricultural operation ~~shall be required~~ as follows:

(A) With respect to a plant that constitutes farming pursuant to 10 V.S.A. § 6001(22)(F), only for the equipment used to generate electricity from biogas, the equipment used to refine biogas into natural gas, the structures housing such equipment used to generate electricity or refine biogas, and the interconnection to electric and natural gas distribution and transmission systems. The certificate shall not be required for the methane digester, the digester influents and non-gas effluents, the buildings and equipment used to handle such influents and non-gas effluents, or the on-farm use of heat and exhaust produced by the generation of electricity, and these components shall not be subject to jurisdiction under this section.

(B) With respect to a plant that does not constitute farming pursuant to 10 V.S.A. § 6001(22)(F) but which receives feedstock from off-site farms, for all on-site components of the plant, for the transportation of feedstock to the plant from off-site contributing farms, and the transportation of effluent or digestate back to those farms. The certificate shall not regulate any farming activities conducted on the contributing farms that provide feedstock to a plant or use of effluent or digestate returned to the contributing farms from the plant.

* * *

G. Tax Credits and Business Incentives

* * * Vermont Employment Growth Incentive (VEGI) * * *

Sec. G.1. 32 V.S.A. § 5930a(c)(2) is amended to read:

(2) The new jobs should make a net positive contribution to employment ~~in the area, and meet or exceed the prevailing compensation level including wages and benefits, for the particular employment sector~~ consistent with the applicable wage threshold for the labor market area. The new jobs should offer benefits and opportunities for advancement and professional growth consistent with the employment sector.

Sec. G.2. 32 V.S.A. § 5930b is amended to read:

§ 5930b. VERMONT EMPLOYMENT GROWTH INCENTIVE

(a) Definitions. As used in this section:

* * *

~~(20) "Qualifying jobs" means new, full-time Vermont jobs held by nonowners that meet the wage threshold~~

(20) "Qualifying job" means a new, full-time Vermont job held by a nonowner that meets the wage threshold and for which the employer provides at least three of the following:

(A) health care benefits with 50 percent or more of the premium paid by the employer;

(B) dental assistance;

(C) paid vacation;

(D) paid holidays;

(E) child care;

(F) other extraordinary employee benefits;

(G) retirement benefits;

(H) other paid time off, including paid sick days;

* * *

(24) "Wage threshold" means the minimum annualized Vermont gross wages and salaries paid, as determined by the Council, but not less than:

(A) 60 percent above the minimum wage at the time of application~~, in order for a new job to be a qualifying job under this section~~; or

(B) for a business located in a labor market area in which the unemployment rate is at least 0.5 percentage points higher than the average unemployment rate for the State, the greater of:

(i) 40 percent above the State minimum wage at the time of application; or

(ii) $13.00 per hour.

(25) "Labor market area" means a labor market area as designated by the Vermont Department of Labor.

(b) Authorization process.

(1) A business may apply to the Vermont Economic Progress Council for approval of a performance-based employment growth incentive to be paid out of the business's withholding account upon approval by the Department of Taxes pursuant to the conditions set forth in this section. Businesses shall not be permitted to deduct approved incentives from withholding liability payments otherwise due. In addition to any other information that the Council may require in order to fulfill its obligations under section 5930a of this title, an employment growth incentive application shall include all the following information:

(A) application base number of jobs;

(B) total jobs at time of application;

(C) application base payroll;

(D) total payroll at time of application;

(E) jobs target for each year in the award period;

(F) payroll target for each year in the award period;

(G) capital investment target for each year in the award period; and

(H) a statement signed by the president or chief executive officer or equivalent acknowledging that to the extent the applicant fails to meet the minimum capital investment by the end of the award period, any incentives remaining to be earned shall be limited, and any incentives taken shall be

subject to complete or partial reversal, pursuant to subdivisions (c)(10) and (11) of this section.

(2) The Council shall review each application in accordance with section 5930a of this title, except that the Council may provide for an initial approval pursuant to the conditions set forth in subsection 5930a(c), followed by a final approval at a later date, before December 31 of the calendar year in which the economic activity commences.

(3) Except as provided in subdivision (5) of this subsection, the value of the incentives will be dependent upon the net fiscal benefit resulting from projected qualifying payroll and qualifying capital investment. An incentive ratio shall be applied to the net fiscal benefit generated by the cost-benefit model in order to determine the maximum award the Council may authorize for each application it approves. The Council may establish a threshold for wages in excess of, but not less than, the wage threshold, as defined in subsection (a) of this section for individual applications the Council wishes to approve. The Council shall calculate an incentive percentage for each approved application as follows:

Authorized award amount ÷ the five-year sum of all payroll targets

(4) An approval shall specify: the application base jobs at the time of the application; total jobs at time of application; the application base payroll; total payroll at time of application; the incentive percentage; the wage threshold; the payroll thresholds; a job target for each year of the award period; a payroll target for each year of the award period; a capital investment target for each year of the award period and description sufficient for application of subdivisions (c)(10) and (11) of this section of the nature of qualifying capital investment over the award period upon which approval shall be conditioned; and the amount of the total award. The Council shall provide a copy of each approval to the Department of Taxes along with a copy of the application submitted by that applicant.

(5)(A) Notwithstanding subdivision (3) of this subsection, the Council may authorize incentives in excess of net fiscal benefit multiplied by the incentive ratio ~~not to exceed an annual authorization established by law~~ for awards to businesses located in a labor market area in which the unemployment rate is greater than the average unemployment rate for the State or in which the average annual wage is below the average annual wage for the State.

(B)(i) Except as provided in subdivision (B)(ii) of this subdivision (5), the total amount of employment growth incentives the Vermont Economic Progress Council is authorized to approve under subdivision (A) of this subdivision (5) shall not exceed $1,000,000.00 from the General Fund.

(ii) The Council shall have the authority to exceed the cap imposed in subdivision (B)(i) of this subdivision (5) upon application to and approval by the Emergency Board.

(c) Claiming an employment growth incentive.

* * *

(6)(A) A business whose application is approved and, in the first, second, or third year of the award period, fails to meet or exceed its payroll target and one out of two of its jobs and capital investment targets may not claim incentives in that year. To the extent such business reaches its first, second, or third year award period targets within the succeeding two calendar year reporting periods immediately succeeding year one, two, or three of the award period, or within the extended period if an extension is granted under subdivision (B) of this subdivision (6), whichever is applicable, such business may claim incentives in five-year installments as provided in subdivisions (1) through (4) of this subsection. A business which fails to meet or exceed its payroll target and one of its two jobs and capital investment targets within this time frame shall forfeit all authority under this section to earn and claim incentives for award period year one, two, or three, as applicable, and any future award period years. The Department of Taxes shall notify the Vermont Economic Progress Council that the first, second, or third year award period targets have not been met within the prescribed period, and the Council shall rescind authority for the business to earn incentives for the activity in year one, two, or three, as applicable, and any future award period years.

(B)(i) Notwithstanding subdivision (6)(A) of this subsection, if a business determines that it may not reach its first or second year award period targets within the succeeding two calendar year reporting periods due to facts or circumstances beyond its control, the business may request that the Council extend the period to meet the targets for another two reporting periods, reviewed annually, for award year one, and one reporting period for award year two.

(ii) The Council may grant an extension pursuant to this subdivision (B) if it determines that the business failed to meets its targets due to facts or circumstances beyond the control of the business and that there is a reasonable likelihood the business will meet the award period targets within the extension period.

(iii) If the Council grants an extension pursuant to this subdivision (B), the Council shall recalculate the value of the incentive using the cost-benefit model and the wage threshold applicable at the time the extension is granted and shall adjust the amount of the award as is necessary to account for the extension of the award period and the updated wage threshold.

* * *

(h) Enhanced training incentive. Notwithstanding any provision of law to the contrary, the Council may award an enhanced training incentive as follows:

(1) A business whose incentive application is approved may elect to claim an enhanced training incentive at any time during the award period by:

(A) notifying the Council of its intent to pursue an enhanced training incentive and dedicate its incentive funds to training through the Vermont Training Program or a Workforce Education and Training Fund program; and

(B) applying for a grant from the Vermont Training Program or the Workforce Education and Training Fund to perform training for new employees who hold qualifying jobs.

(2) If a business is awarded a grant for training pursuant to subdivision (1) of this subsection, the Agency of Commerce and Community Development, or the Department of Labor, as applicable, shall disburse grant funds for on-the-job training of not more than 75 percent of wages for each employee in training, or not more than 75 percent of trainer expense, and the business shall be responsible for the remaining 25 percent of the applicable training costs.

(3) If the business successfully completes its training and meets or exceeds its payroll target and either its jobs target or capital investment target, the Council shall approve the enhanced training incentive and notify the Department of Taxes.

(4) Upon notification by the Council, the Department of Taxes:

(A) shall disburse to the business a payment in an amount equal to 25 percent of the cost for training expenses pursuant to subdivision (3) of this subsection (h);

(B) shall disburse to the Agency of Commerce and Community Development, or the Department of Labor, as applicable, a payment in an amount equal to 25 percent of the cost for training expenses pursuant to subdivision (3) of this subsection (h); and

(C) shall disburse the remaining value of the incentive award in annual installments pursuant to subdivision (c)(2) of this section.

(5)(A) If, during the utilization period for the incentive paid pursuant to this subsection (h), the business fails to maintain the qualifying jobs or qualifying payroll established in the award year, or does not reestablish qualifying jobs or qualifying payroll to 100 percent of the award year level, the Department of Taxes shall recapture the enhanced incentive pursuant to subsection (d) of this section.

(B) The amount of recapture shall equal the sum of the installments that the Department would have disbursed if it had paid the incentive in five-year installments pursuant to subdivision (c)(2) of this section for the years during the utilization period that the qualifying jobs or qualifying payroll were not maintained.

(i) Employment growth incentive for value-added business.

(1) In this subsection:

(A) "Advanced manufacturing" means:

(i) an activity that depends on the use and coordination of information, automation, computation, software, sensing, and networking, or

(ii) an activity that uses cutting edge materials and emerging capabilities enabled by the physical and biological sciences, including nanotechnology, chemistry, and biology, that includes both new ways to manufacture existing products and the manufacture of new products emerging from new advanced technologies.

(B) "Value-added business" means a person that is subject to income taxation in Vermont and whose current or prospective economic activity in Vermont for which incentives are sought under this section is certified by the Secretary of Commerce and Community Development to be primarily in one or more of the following sectors:

(i) advanced manufacturing; or

(ii) information processing or information management services, including:

(I) computer hardware or software, and information and communication technologies, such as high-level software languages, graphics hardware and software, speech and optical character recognition, high-volume information storage and retrieval, and data compression;

(II) technological applications that use biological systems, living organisms or derivatives thereof, to make or modify products or processes for specific use;

(III) custom computer programming services, such as writing, modifying, testing, and supporting software to meet the needs of a particular customer;

(IV) computer systems design services such as planning and designing computer systems that integrate computer hardware, software, and communication technologies; and

(V) computer facilities management services, such as providing on-site management and operation of clients' computer systems or data processing facilities, or both.

(2) A value-added business located in a labor market area in which the unemployment rate is at least 0.5 percentage points higher than the average unemployment rate for the State may submit an application for an enhanced incentive pursuant to this subsection.

(3) The Council shall consider and administer an application and award for an enhanced incentive under this subsection pursuant to the provisions of this section, except that:

(A) the "incentive ratio" pursuant to subdivision (a)(11) of this section shall be set at 90 percent; and

(B) the "payroll threshold" pursuant to subdivision (a)(17) of this section shall be deemed to be 20 percent of the expected average industry payroll growth as determined by the cost-benefit model.

(j) Overall gross cap on total employment growth incentive and education tax incentive authorizations.

(1) For any calendar year, the total amount of employment growth incentives the Vermont Economic Progress Council is authorized to approve under this section and property tax stabilizations under 32 V.S.A. § 5404a(a) shall not exceed $10,000,000.00 from the General Fund and Education Fund combined each year.

(2) The Council shall have the authority to exceed the cap imposed in subdivision (1) of this subsection upon application to and approval by the Emergency Board.

Sec. G.3. 2006 Acts and Resolves No. 184, Sec. 11 is amended to read:

Sec. 11. ~~VEGI; ANNUAL CALENDAR YEAR CAPS~~

~~(a) Net negative awards cap. Notwithstanding any other provision of law, in any calendar year, the annual authorization for the total net fiscal cost of Vermont employment growth incentives that the Vermont economic progress council or the economic incentive review board may approve under 32 V.S.A. § 5930b(b)(5) shall not exceed $1,000,000.00 from the general fund.~~

~~(b) Restrictions to labor market area. Employment growth incentives within the annual authorization amount in subsection (a) of this section shall be granted solely for awards to businesses located in a labor market area of this state in which the rate of unemployment is greater than the average for the state or in which the average annual wage is below the average annual wage~~

~~for the state. For the purposes of this section, a "labor market area" shall be as determined by the department of labor.~~

~~(c) Overall gross cap on total employment growth incentive and education tax incentive authorizations. For any calendar year, the total amount of employment growth incentives the Vermont economic progress council or the economic incentive review board is authorized to approve under 32 V.S.A. § 5930b and property tax stabilizations and allocations under 32 V.S.A. § 5404a(a) and (e) shall not exceed $10,000,000.00 from the general fund and education fund combined each year. This maximum annual amount may be exceeded by the Vermont economic progress council upon application to and approval by the Emergency Board.~~ [Repealed.]

Sec. G.4. 10 V.S.A. § 531(d) is amended to read:

(d) In order to avoid duplication of programs or services and to provide the greatest return on investment from training provided under this section, the Secretary of Commerce and Community Development shall:

(1) consult with the Commissioner of Labor regarding whether the grantee has accessed, or is eligible to access, other workforce education and training resources;

(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that, except for an award under an enhanced training incentive as provided in 32 V.S.A. § 5930b(h), a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training, or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

(3) use funds under this section only to supplement training efforts of employers and not to replace or supplant training efforts of employers.

* * * Employee Relocation Tax Credit Study * * *

Sec. G.5. EMPLOYEE RELOCATION TAX CREDIT; STUDY COMMITTEE; REPORT

(a) Creation. There is created an Employee Relocation Study Committee to research and develop one or more incentive programs to encourage employees who are qualified for high-demand, unfilled positions within Vermont businesses, to relocate to Vermont.

(b) Membership. The Committee shall be composed of the following members:

(1) one current member of the House of Representatives appointed by the Speaker of the House;

(2) one current member of the Senate appointed by the Committee on Committees;

(3) one member who represents the interests of the regional development corporations, appointed by the Governor;

(4) one member who represents the interests of private business appointed by the Speaker of the House; and

(5) one member who represents the interests of private business appointed by the Committee on Committees.

(c) Powers and duties. The Committee shall study potential incentive programs, tax credits, or other mechanisms, to encourage employee relocation including the following issues:

(1) eligibility criteria for employees, employers, and employment positions;

(2) amount and conditions for incentives or credits;

(3) distribution of incentives or credits by region, employer, and by State-level or regional-level grantors; and

(4) data, and a mechanism for collecting data, to measure the effectiveness of any proposed program.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Agency of Commerce and Community Development.

(e) Report. On or before January 15, 2016, the Committee shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Agency of Commerce and Community Development shall call the first meeting of the Committee, to occur on or before September 1, 2015.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on January 16, 2016.

(g) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than four meetings.

(2) Other members of the Committee who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for no more than four meetings.

* * * VHFA; Down Payment Assistance Program * * *

Sec. G.6. DOWN PAYMENT ASSISTANCE PROGRAM; FINDINGS

The General Assembly finds:

(1) The Federal Bipartisan Policy Center's Housing Commission notes that homeownership can produce powerful economic, social, and civic benefits that serve the individual homeowner, the larger community, and the nation.

(2) Supporting more Vermonters to become homeowners allows them an opportunity to improve and invest in their neighborhoods and become a stable member of their community's life and workforce.

(3) Homeownership, even with the recent decline in housing values, has continued to be the most reliable source of individual wealth accumulation and equity for the future.

(4) First-time homebuyers often delay purchasing a home due to the fees and down payment costs required at closing and need support to achieve their homeownership opportunity.

Sec. G.7. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) As used in this section:

(1) "Affordable housing project" or "project" means:

(A) a rental housing project identified in 26 U.S.C. § 42(g); or

(B) owner-occupied housing identified in 26 U.S.C. § 143~~(e) and (f) and eligible~~ (c)(1) or that qualifies under ~~the~~ Vermont Housing Finance Agency ~~allocation plan~~ criteria governing owner-occupied housing.

(2) "Affordable housing tax credits" means the tax credit provided by this subchapter.

(3) "Allocating agency" means the Vermont Housing Finance Agency.

(4) "Committee" means the Joint Committee on Tax Credits consisting of five members~~;~~: a representative from the Department of Housing and Community Affairs, the Vermont Housing and Conservation Board, the Vermont Housing Finance Agency, the Vermont State Housing Authority, and the Office of the Governor.

(5) "Credit certificate" means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax credits that can be applied against the taxpayer's individual or corporate income tax or franchise or insurance premium tax liability as provided in this subchapter.

(6) "Eligible applicant" means any municipality, private sector developer, ~~department of state government as defined in 10 V.S.A. § 6302(a),~~ State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing Finance Agency, or a nonprofit organization qualifying under 26 U.S.C. § 501(c)(3)~~,~~ or cooperative housing organization, the purpose of which is ~~the creation and retention of~~ to create and retain affordable housing for ~~lower income~~ Vermonters~~,~~ with lower income and ~~the~~ which has in its bylaws ~~that require~~ a requirement that ~~housing to~~ the housing the organization creates be maintained as affordable housing for ~~lower income~~ Vermonters with lower income on a perpetual basis.

(7) "Eligible cash contribution" means an amount of cash contributed to the owner, developer, or sponsor of an affordable housing project and determined by the allocating agency as eligible for affordable housing tax credits.

(8) "Section 42 credits" means tax credit provided by 26 U.S.C. §§ 38 and 42.

(9) "Allocation plan" means the plan recommended by the Committee and approved by the Vermont Housing Finance Agency, which sets forth the eligibility requirements and process for selection of eligible housing projects to receive affordable housing tax credits under this section. The allocation plan shall include:

(A) requirements for creation and retention of affordable housing for ~~low income~~ persons~~,~~ with low income; and

(B) requirements to ensure that eligible housing is maintained as affordable by subsidy covenant, as defined in 27 V.S.A. § 610 on a perpetual basis, and meets all other requirements of the Vermont Housing Finance Agency related to affordable housing.

(b) Eligible tax credit allocations.

(1) Affordable housing credit allocation.

(A) An eligible applicant may apply to the allocating agency for an allocation of affordable housing tax credits under this section related to an affordable housing project authorized by the allocating agency under the allocation plan. In the case of a specific affordable rental housing project, the eligible applicant ~~must~~ shall also be the owner or a person having the right to acquire ownership of the building and ~~must~~ shall apply prior to placement of the affordable housing project in service. In the case of owner-occupied housing units, the applicant ~~must apply prior to purchase of the unit and must~~ shall ensure that the allocated ~~funds will be used to ensure that the~~ housing ~~qualifies~~ or program funds remain as an affordable housing resource for ~~all~~ future owners ~~of the housing~~. The allocating agency shall issue a letter of approval if it finds that the applicant meets the priorities, criteria, and other provisions of subdivision ~~(2)~~(B) of this ~~subsection~~ subdivision (1). The burden of proof shall be on the applicant.

~~(2)~~(B) Upon receipt of a completed application, the allocating agency shall award an allocation of affordable housing tax credits with respect to a project ~~under this section shall be granted~~ to an applicant, provided the applicant demonstrates to the satisfaction of the ~~committee~~ allocating agency all of the following:

~~(A)~~(i) The owner of the project has received from the allocating agency a binding commitment for, a reservation or allocation of, or an out-of-cap determination letter for, Section 42 credits, or meets the requirements of the allocation plan for development or financing of units to be owner-occupied~~;~~.

~~(B)~~(ii) The project has received community support.

(2) Down payment assistance program.

(A) The Vermont Housing Finance Agency shall have the authority to allocate affordable housing tax credits to finance down payment assistance loans that meet the following requirements:

(i) the loan is made in connection with a mortgage through an Agency program;

(ii) the borrower is a first-time homebuyer of an owner-occupied primary residence; and

(iii) the borrower uses the loan for the borrower's down payment, or closing costs, or both.

(B) The Agency shall require the borrower to repay the loan upon the transfer or refinance of the residence.

(C) The Agency shall use the proceeds of loans made under the program for future down payment assistance.

(c) Amount of credit. A taxpayer who makes an eligible cash contribution shall be entitled to claim against the taxpayer's individual income, corporate, franchise, or insurance premium tax liability a credit in an amount specified on the taxpayer's credit certificate. The first-year allocation of a credit amount to a taxpayer shall also be deemed an allocation of the same amount in each of the following four years.

(d) Availability of credit. The amount of affordable housing tax credit allocated with respect to a project shall be available to the taxpayer every year for five consecutive tax years, beginning with the tax year in which the eligible cash contribution is made. Total tax credits available to the taxpayer shall be the amount of the first-year allocation plus the succeeding four years' deemed allocations.

(e) Claim for credit. A taxpayer claiming affordable housing tax credits shall submit with each return on which such credit is claimed a copy of the allocating agency's credit allocation to the affordable housing project and the taxpayer's credit certificate. Any unused affordable housing tax credit may be carried forward to reduce the taxpayer's tax liability for no more than 14 succeeding tax years, following the first year the affordable housing tax credit is allowed.

(f) ~~[Deleted.]~~ [Repealed.]

(g)(1) In any fiscal year, the allocating agency may award up to:

(A) $400,000.00 in total first-year credit allocations to all applicants for rental housing projects, for a total aggregate limit of $2,000,000.00 over any given five-year period that credits are available under this subdivision; ~~and may award up to~~

(B) $300,000.00 ~~per year~~ in total first-year credit allocations for owner-occupied unit ~~applicants~~ financing or down payment loans consistent with the allocation plan, including for new construction and manufactured housing, for a total aggregate limit of $1,500,000.00 over any given five-year period that credits are available under this subdivision.

(2) In fiscal years 2016 through 2020, the allocating agency may award up to $125,000.00 in total first-year credit allocations for loans through the down payment assistance program created in subdivision (b)(2) of this section for a total aggregate limit of $625,000.00 over the five-year period that credits are available under this subdivision.

(h) ~~In any fiscal year, total first-year allocations plus succeeding-year deemed allocations shall not exceed $3,500,000.00~~ The aggregate limit for all credit allocations available under this section in any fiscal year is $4,125,000.00.

* * * "Cloud Tax" * * *

Sec. G.8. [Reserved]

* * * Wood Products Manufacturer Incentive * * *

Sec. G.9. 2014 Acts and Resolves No. 179, Sec. G.100(b) is amended to read:

(b) Sec. E.100.6 (wood products manufacture incentive) shall take effect retroactively on January 1, 2014 and apply to tax ~~year~~ years 2014 and 2015.

Sec. G.10. [Reserved]

Sec. G.11. [Reserved.]

Sec. G.12. [Reserved.]

Sec. G.13. FUNDS TRANSFER

The amount of $725,000.00 is transferred from the Vermont Enterprise Fund created in 2014 Acts and Resolves No. 179, Sec. E.100.5 to the General Fund for the purpose of providing funding for costs incurred in fiscal year 2016 pursuant to this act.

H. Effective Dates

Sec. H.1. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. A.3 (blockchain technology study);

(2) Sec. B.1 (Uniform Commercial Code, Article 4A);

(3) Secs. C.1–C.2 (Vermont Strong Scholars and Internship Initiative);

(4) Sec. C.4 (youth employment working group);

(5) Sec. C.5 (Vermont Governor's Committee on Employment of People with Disabilities);

(6) Secs. C.6–C.8 (Vermont ABLE Savings Program);

(7) Sec. C.9 (Medicaid for working people with disabilities);

(8) Sec. C.10 (Vermont career technical education report);

(9) Secs. D.5–D.6 (Domestic Export Program);

(10) Secs. E.1–E.2 (Vermont Economic Development Authority; green manufacture of microbeads);

(11) Sec. E.3 (extending sunset of Treasurer's credit facility for local investments and Treasurer's local investment advisory committee);

(12) Sec. F.1 (deference to regional planning);

(13) Secs. F.2–F.4 (Southern Vermont Economic Development Zone);

(14) Sec. F.5 (Act 250; implementation of settlement patterns criteria; criterion 9(L));

(15) Sec. F.9 (certificate of public good; methane digesters); and

(16) Secs. G.11–G.12 (tax amnesty).

(b) The following sections shall take effect on July 1, 2015:

(1) Sec. A.1 (business rapid response to declared State disasters);

(2) [Reserved.];

(3) Sec. C.3 (Workforce Education and Training Fund revisions);

(4) Secs. D.1–D.4 (Tourism and marketing initiative; appropriation);

(5) Sec. E.4 (increase in license exemption for commercial lending);

(6) Sec. F.6 (municipal land use; neighborhood development area);

(7) Sec. F.7 (Act 250; primary agricultural soils);

(8) Sec. F.8 (conservation easements);

(9) Sec. G.5 (employee relocation tax credit study);

(10) Secs. G.6–G.7 (downpayment assistance program); and

(11) Sec. G.9 (wood products manufacturer incentive).

(c)(1) In Sec. A.4, in 7 V.S.A. § 2, subdivisions (27) (definition; "special events permit"), (28) (definition; "fourth-class license"), and (39) (definition, "public library or museum permit") shall take effect on July 1, 2015. The remaining provisions of Sec. A.4 (alcoholic beverages; definitions) shall take effect on January 1, 2016.

(d) Secs. A.5–A.15 (fortified wines) shall take effect on January 1, 2016.

(e) Secs. B.2–B.9 (Uniform Commercial Code; Article 7) shall take effect on passage and shall apply as follows:

(1) This act shall apply to a document of title that is issued or a bailment that arises on or after the effective date of this act.

(2) This act does not apply to a document of title that is issued or a bailment that arises before the effective date of this act even if the document of title or bailment would be subject to this act if the document of title had been issued or bailment had arisen on or after the effective date of this act.

(3) This act does not apply to a right of action that has accrued before the effective date of this act.

(4) A document of title issued or a bailment that arises before the effective date of this act and the rights, obligations, and interests flowing from that document or bailment are governed by any statute or other rule amended or repealed by this act as if amendment or repeal had not occurred and may be terminated, completed, consummated, or enforced under that statute or other rule.

(f)(1) Notwithstanding 1 V.S.A. § 214, other than 32 V.S.A. § 5930b(c) (extension of time to meet first or second year award targets), Secs. G.1–G.4 (Vermont Employment Growth Incentive) shall take effect retroactively as of January 1, 2015;

(2) In Sec. G.2, 32 V.S.A. § 5930b(c)(extension of time to meet first or second year award targets) shall take effect on July 1, 2015.

(g) Sec. G.13 (appropriation from Enterprise Fund to General Fund) shall take effect on July 1, 2015.

(h) Secs. A.2.A, A.2.B, and A.2.C (gun suppressors) shall take effect on July 2, 2015.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Mullin, the Senate refused to concur in the House proposal of amendment and requested a Committee of Conference.

Rules Suspended; Bills Messaged

On motion of Senator Campbell, the rules were suspended, and the following bills were ordered messaged to the House forthwith:

H. 11, H. 35.

Rules Suspended; Proposal of Amendment; Third Reading Ordered; Rules Suspended; Joint Resolution Adopted in Concurrence with Proposal of Amendment; Rule Suspended; Joint Resolution Messaged

J.R.H. 16.

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and joint House resolution entitled:

Joint resolution relating to the approval of State land transactions.

Was taken up for immediate consideration.

Senator Rodgers, for the Committee on Institutions, to which the joint resolution was referred, reported recommending that the Senate propose to the House to amend the joint resolution by striking out the resolution in its entirety and inserting in lieu thereof the following:

Whereas, 10 V.S.A. § 2606(b) authorizes the Commissioner of Forests, Parks and Recreation to exchange or lease certain lands with the approval of the General Assembly, and

Whereas, the General Assembly considers the following actions to be in the best interest of the State, now therefore be it

Resolved by the Senate and House of Representatives:

That the Commissioner of Forests, Parks and Recreation is authorized to convey a nonexclusive easement along a road known locally as the "Swift Road" in the Proctor-Piper State Forest in Cavendish to the owners of lots designated as lots 16, 17, 18, 19, and 20 on the 2009 town of Cavendish tax map. The easement granted to these five lots shall be limited to forestry uses and to access not more than one seasonal recreational camp on each lot. All costs related to repairing, maintaining, and reconstructing the segment of Swift Road within the easement, and any associated structures within the easement, shall be the sole responsibility of the five lot owners; provided, however, that the five lot owners shall not construct any utilities within the easement. In consideration of the public benefits associated with this action, the easement conveyed to the five lot owners shall be at no cost. The Commissioner's conveying of this easement is conditioned on the owners of lots 16, 17, 18, 19, and 20 each respectively conveying an easement allowing permanent vehicular access across the conveying lot to other lot owners, as may be necessary to effectuate the purpose of the easement that the Commissioner of Forests, Parks and Recreation is authorized to convey, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Commissioner of Forests, Parks and Recreation.

Thereupon, the joint resolution was read the second time by title only pursuant to Rule 43, the recommendation of amendment of the Committee on Institutions was agreed to, and third reading of the joint resolution was ordered.

Thereupon, on motion of Senator Campbell, the rules were suspended and the joint resolution was placed on all remaining stages of its adoption in concurrence with proposal of amendment.

Thereupon, the joint resolution was read the third time and adopted in concurrence with proposal of amendment.

Thereupon, on motion of Senator Campbell, the rules were suspended, and the joint resolution was ordered messaged to the House forthwith.

Adjournment

On motion of Senator Campbell, the Senate adjourned until nine o'clock in the morning.

WEDNESDAY, MAY 13, 2015

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 67

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

S. 18. An act relating to privacy protection.

And has passed the same in concurrence.

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

H. 18. An act relating to Public Records Act exemptions.

And has severally concurred therein.

Proposals of Amendment; Bill Passed in Concurrence with Proposal of Amendment

H. 117.

House bill entitled:

An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service.

Was taken up.

Thereupon, pending third reading of the bill, Senator MacDonald moved to amend the Senate proposal of amendment as follows:

First: In Sec. 20, 30 V.S.A. § 3051(d)(3) (concerning the definition of "district member"), after the words "to form" by adding the words or join

Second: In Sec. 20, 30 V.S.A. § 3054(a) (concerning the powers of a communications union district), by striking out subdivision (8) in its entirety and inserting in lieu thereof a new subdivision (8) to read as follows:

(8) provide communications services for its district members, including the residential and business locations located therein; and also provide communications services for such other residential and business locations as its facilities and obligations may allow, provided such other locations are in a municipality that is contiguous with the town limits of a district member, and further provided such other locations do not have access to Internet service capable of speeds that meet or exceed the current speed requirements for funding eligibility under the Connectivity Initiative, 30 V.S.A. § 7515b.

Third: In Sec. 20, 30 V.S.A. § 3056(c) (concerning the bonding authority of a communications union district), by striking out the words "general obligations of the district"

Which was agreed to.

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

Bill Passed in Concurrence with Proposal of Amendment

H. 269.

House bill of the following title was read the third time and passed in concurrence with proposal of amendment:

An act relating to the transportation and disposal of excavated development soils legally categorized as solid waste.

Proposal of Amendment; Consideration Postponed

H. 484.

House bill entitled:

An act relating to miscellaneous agricultural subjects.

Was taken up.

Thereupon, pending third reading of the bill, Senator Rodgers moved to amend the Senate proposal of amendment as follows:

By adding a new section to be numbered Sec. 26a to read as follows:

Sec. 26a. 32 V.S.A. § 9741(25) is amended to read:

(25)(A) Sales of agricultural machinery and equipment for use and consumption directly and exclusively, except for isolated or occasional uses, in:

(i) 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;

(ii) the transportation of farm equipment and farm products; or

(iii) the maintenance of farm roads and farm infrastructure.

(B) It shall be rebuttably presumed that uses are not isolated or occasional if they total more than ~~four~~ 25 percent of the time the machinery or equipment is operated.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senator Rodgers?, Senator Campbell moved that consideration be postponed until later in the day.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the seventh day of May, 2015 he approved and signed bills originating in the Senate of the following titles:

S. 71. An act relating to governance of the Vermont State Colleges.

S. 98. An act relating to captive insurance companies and risk retention groups.

Adjournment

On motion of Senator Campbell, the Senate adjourned until one o'clock and thirty minutes in the afternoon.

Afternoon

The Senate was called to order by the President.

Committee of Conference Appointed

S. 138.

An act relating to promoting economic development.

Was taken up. Pursuant to the request of the Senate, the President announced the appointment of

Senator Mullin
Senator Balint
Senator Campbell

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Rules Suspended; Bills Messaged

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

S. 138, H. 117, H. 269.

Consideration Resumed; Proposal of Amendment; Third Reading Ordered

H. 484.

Consideration was resumed on House bill entitled:

An act relating to miscellaneous agricultural subjects.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senator Rodgers?, Senator Rodgers requested and was granted leave to withdraw his proposal of amendment.

Thereupon, pending third reading of the bill, Senator Starr moved to amend the Senate proposal of amendment as follows:

By adding a new section to be Sec. 26a to read:

* * *Animal Shelter Working Group* * *

Sec. 26a. ANIMAL SHELTER WORKING GROUP

(a) Creation. There is created an Animal Shelter Working Group for the purpose of making recommendations to the General Assembly related to standards and requirement for the adequate shelter of animals.

(b) Membership. The Animal Shelter Working Group shall be composed of:

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

(2) a representative of the Vermont Humane Federation, appointed by the Governor;

(3) a representative of the Vermont Veterinary Medical Association, appointed by the Speaker of the House;

(4) a representative of the Vermont Federation of Dog Clubs, appointed by the Committee on Committees; and

(5) a representative of the Vermont Animal Control Association, appointed by the Governor.

(c) Powers and duties. The Animal Shelter Working Group shall:

(1) review current State requirements for adequate shelter of animals; and

(2) analyze the sufficiency of the State requirements for adequate shelter of animals should be amended.

(d) Assistance. The Animal Shelter Working Group shall have the administrative, technical, and legal assistance of the Agency of Agriculture, Food and Markets.

(e) Report. On or before January 15, 2016, the Secretary of Agriculture, Food and Markets shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forest Products a written report containing the findings of the Animal Shelter Working Group. The report shall include:

(1) the recommendation of the Working Group as to whether and how the existing State requirements for the shelter of animals should be amended; and

(2) recommended draft legislation to implement any recommendations of the Working Group.

(f) Meetings.

(1) The Secretary of Agriculture, Food and Markets shall call the first meeting of the Animal Shelter Working Group to occur on or before September 1, 2015.

(2) The members of the Working Group shall select a chair from among its members at the first meeting.

(3) A majority of the membership of the Working Group shall constitute a quorum.

(4) The Animal Shelter Working Group shall cease to exist on January 16, 2016.

(g) Reimbursement. Members of the Animal Shelter Working Group shall not be entitled to compensation or reimbursement for participation in the Working Group.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senator Starr, Senator Benning moved to amend the proposal of amendment in Sec. 26a(c)(2) after the words "of animals" by inserting the word and whether the which was agreed to.

Thereupon, the Senate proposal of amendment was amended as recommended by Senator Starr, as amended.

Thereupon, pending third reading of the bill, Senator Starr, Sirotkin and Zuckerman moved to amend the Senate proposal of amendment by striking out Sec. 17 in its entirety, including the reader assistance preceding the section, and inserting in lieu thereof the following:

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

Sec. 17. 6 V.S.A. § 1 is amended to read:

§ 1. GENERAL POWERS OF AGENCY; SECRETARY OF AGRICULTURE, FOOD AND MARKETS

(a) The ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets shall be administered by a ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and Markets. The ~~secretary~~ Secretary shall supervise and be responsible for the execution and enforcement of all laws relating to agriculture and standards of weight and measure. The ~~secretary~~ Secretary may:

* * *

(13) notwithstanding any law to the contrary in this title or Title 9 or 20, issue all licenses, permits, registrations, or certificates under a program administered by the ~~secretary~~ Secretary for a term of up to three years; renew and issue such licenses, permits, registrations, and certificates on any calendar cycle; collect any annual fee set by law for such multiyear licensure, permit, registration, or certificate on a pro-rated basis which shall not exceed 150 percent of the annual fee for an 18-month cycle, 200 percent of the annual fee for a two-year cycle, or 300 percent of the annual fee for a three-year cycle; and conduct inspections at regulated premises at least once every three years when inspection is required by law. The authority to mandate licenses, permits, registrations, or certificates for more than one year shall not extend to any program administered by the ~~secretary~~ Secretary where the annual fee is more than $125.00. The Secretary shall only provide refunds for overpayments of $25.00 or more on a license, permit, registration, or certificate issued by the Secretary;

* * *

(15) investigate policies, programs, projects, activities, or other events that influence agricultural commerce and the economics of operating agricultural enterprises.

Sec. 17a. MOTOR FUEL OIL PRICES; STUDY

(a) Findings. The General Assembly finds as follows:

(1) The price of motor fuel has a major effect on Vermonters and our economy as a whole, particularly the agricultural sector of our economy.

(2) In recent years, it has become apparent that, although fuel prices have decreased nationally and across Vermont, this cost reduction has not kept pace in the State's northwestern communities.

(3) Based on the most recent census data collected by the U.S. Department of Agriculture, in the year 2012 there were 1,444 farms spanning 278,897 acres in Chittenden, Franklin, and Grand Isle Counties.

(4) Combined, the gasoline, fuel, and oil expenses for the farms in those three counties were $14.712 million.

(5) It is incumbent upon the proper authorities to ensure to the greatest extent possible that farm production expenses reflect fair pricing so that the many agricultural products placed into the greater stream of commerce are competitively priced.

(b) Definitions. As used in this section:

(1) "Control" means the power, whether or not exercised, to establish, fix, or direct the retail price of motor fuel sold by a dealer, through ownership of stock or assets used by the dealer or through contract, agency, consignment, or otherwise, whether that power can be exercised directly or indirectly or through parent corporations, subsidiaries, related persons and entities, or affiliates.

(2) "Dealer" means a person located in Vermont that sells motor fuel oil to an end user at a service station, filling station, or otherwise.

(3) "Distributor" means a person that sells motor fuel oil to a dealer or directly to an end user.

(4) "Motor fuel oil" means internal combustion fuel sold for use in a motor vehicle, as that term is defined in 23 V.S.A. § 4(21), or in a farm tractor, as that term is defined in 23 V.S.A. § 4(68).

(5) "Motor fuel oil sales" means the wholesale or retail sale of motor fuel oil.

(c) Report. The Secretary of Agriculture, Food and Markets and the Attorney General jointly shall study any data deemed relevant to the retail price of motor fuel oil in Vermont, including the data collected under subsection (d) of this section, and, on or before December 15, 2015, shall submit a joint report to the General Assembly with recommendations, if any, regarding market conduct, including pricing, in the motor fuel oil industry in Vermont, especially in respect to the agricultural sector of the Vermont economy.

(d) Data collection. On or before December 15, 2015, the Attorney General, in order to inform the report required by subsection (c) of this section, may require distributors and dealers to provide information about the ownership or control of dealers or of assets related to motor fuel oil sales, volume of motor fuel oil sold or supplied, and wholesale and retail motor fuel oil prices.

(e) Confidentiality. Information received by the Attorney General under this section is confidential and shall be treated in the same manner as provided in 9 V.S.A. § 2460(a)(4), provided that the Attorney General may share information received under this section with the Secretary of Agriculture, Food and Markets for the purpose of completing the report required under subsection (c) of this section.

(f) Exercise of authority. The authority of the Attorney General under subsection (d) of this section to require reporting of distributors and dealers shall be exercised only with respect to the requirements of this section and shall not be exercised after December 15, 2015.

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as moved by Senators Starr, Sirotkin and Zuckerman? Senator Flory raised a *point of order* under Sec. 402 of Mason's Manual of Legislative Procedure on the grounds that the proposal of amendment offered by Senators Starr, Sirotkin and Zuckerman was *not germane* to the bill and therefore could not be considered by the Senate.

Thereupon, the President *sustained* the point of order declared that the proposal of amendment offered by Senators Starr, Sirotkin and Zuckerman could *not* be considered by the Senate and the proposal of amendment was ordered stricken.

Thereupon, pending third reading of the bill, Senator Zuckerman, Starr, Campbell and Sirotkin moved to amend the Senate proposal of amendment by striking out Sec. 29 in its entirety and inserting in lieu thereof the following:

Sec. 29. 6 V.S.A. chapter 152 is amended to read:

CHAPTER 152. SALE OF UNPASTEURIZED (RAW) MILK

* * *

§ 2777. STANDARDS FOR THE SALE OF UNPASTEURIZED (RAW) MILK

* * *

(c) Unpasteurized milk operations shall conform to reasonable sanitary standards, including:

(1)(A) Unpasteurized milk shall be derived from healthy animals which are subject to appropriate veterinary care, including ~~tuberculosis and brucellosis testing and~~ rabies vaccination~~,~~ according to accepted ~~testing and vaccinations~~ vaccination standards ~~as~~ established by the Agency.

(B) A producer shall ensure that all ruminant animals are tested for brucellosis and tuberculosis, according to accepted testing standards established by the Agency, prior to the sale of unpasteurized milk.

(C) A producer shall ensure that dairy animals entering the producer's milking herd, including those born on the farm, are tested for brucellosis and tuberculosis, according to accepted testing standards established by the Agency, prior to the animals milk being sold to consumers, unless:

(i) The dairy animal has a negative U.S. Department of Agriculture approved test for brucellosis within 30 days prior to importation into the State, in which case a brucellosis test shall not be required;

(ii) The dairy animal has a negative U.S. Department of Agriculture approved tuberculosis test within 60 days prior to importation into the State, in which case a tuberculosis test shall not be required;

(iii) The dairy animal leaves and subsequently reenters the producer's herd from a state or Canadian province that is classified as "certified free" of brucellosis and "accredited free" of tuberculosis or an equivalent classification, in which case a brucellosis or tuberculosis test shall not be required.

(D) ~~Test~~ A producer shall post test results and verification of vaccinations ~~shall be posted~~ on the farm in a prominent place and ~~be easily visible~~ make results available to customers and the Agency.

* * *

(d) Unpasteurized milk shall conform to the following production and marketing standards:

* * *

(6) Customer inspection and notification.

(A) ~~Prior to selling milk to a new customer, the new customer shall visit the farm and the~~ The producer shall provide the customer with the opportunity to tour the farm and any area associated with the milking operation. The producer shall permit the customer to return to the farm at a reasonable time and at reasonable intervals to reinspect any areas associated with the milking operation.

* * *

(e) ~~Producers~~ A producer selling 87.5 or fewer gallons (350 quarts) of unpasteurized milk per week shall meet the requirements of subsections (a) through (d) of this section and shall sell unpasteurized milk only from the farm on which it was produced. A producer selling 87.5 or fewer gallons of unpasteurized milk may choose to meet the requirements of subsection (f) of this section, in which case the producer may deliver in accordance with section 2778 of this title.

(f) ~~Producers~~ A producer selling ~~6~~ more than 87.5 gallons to ~~280~~ 350 gallons (more than 350 to ~~1,120~~ 1,400 quarts) of unpasteurized milk per week shall meet the requirements of subsections (a) through (d) of this section as well as the following standards:

* * *

(3) Testing.

(A) A producer shall have unpasteurized milk tested twice per month by a U.S. Food and Drug Administration accredited laboratory using accredited lab approved testing containers. Milk shall be tested for the following and the results shall be below these limits:

(i) total bacterial (aerobic) count: 15,000 cfu/ml (cattle and goats);

(ii) total coliform count: 10 cfu/ml (cattle and goats);

(iii) somatic cell count: 225,000/ml (cattle); 500,000/ml (goats).

(B) The producer shall ~~assure~~ ensure that all test results are forwarded to the Agency, by the laboratory, upon completion of testing or within five days of receipt of the results by the producer.

* * *

(D) The Secretary shall issue a warning to a producer when any two out of four consecutive, monthly tests exceed the limits. The Secretary shall have the authority to suspend unpasteurized milk sales if any three out of five consecutive, monthly tests exceed the limits until an acceptable sample result is achieved. The Secretary shall not require a warning to the consumer based on a high test result.

* * *

(6) ~~Prearranged~~ Off-farm delivery. ~~Prearranged~~ The delivery of unpasteurized milk is permitted and shall be in compliance with section 2778 of this title.

(g) The sale of more than ~~280~~ 350 gallons (~~1,120~~ 1,400 quarts) of unpasteurized milk in any one week is prohibited.

§ 2778. DELIVERY OF UNPASTEURIZED (RAW) MILK

(a) Delivery of unpasteurized milk off the farm is permitted only within the State of Vermont and only of milk produced by ~~those producers~~ a producer meeting the requirements of subsection 2777(f) of this chapter.

(b) Delivery shall conform to the following requirements:

(1) Delivery shall be to ~~customers who have~~ a customer who has:

~~(A) visited the farm as required under subdivision 2777(d)(4) of this title; and~~

~~(B)~~ purchased milk in advance either by a one-time payment or through a subscription. Milk is purchased in advance of delivery when payment is provided prior to delivery at the customer's home or prior to commencement of the farmers' market where the customer receives delivery.

(2) ~~Delivery shall be~~ A producer may deliver directly to the customer:

(A) at the customer's home or into a refrigerated unit at the customer's home if such unit is capable of maintaining the unpasteurized milk at 40 degrees Fahrenheit or lower until obtained by the customer;

(B) at a farmers' market, as that term is defined in section 5001 of this title, where the producer is a vendor.~~.~~;

(3) During delivery, unpasteurized milk shall be protected from exposure to direct sunlight.

(4) During delivery, unpasteurized milk shall be kept at 40 degrees Fahrenheit or lower at all times.

(c) A producer may contract with another individual to deliver the unpasteurized milk in accordance with this section. The producer shall be

jointly and severally liable for the delivery of the unpasteurized milk in accordance with this section.

(d) Prior to delivery at a farmers' market under this section, a producer shall submit to the Agency of Agriculture, Food and Markets~~, on a form provided by the Agency,~~ written or electronic notice of intent to deliver unpasteurized milk at a farmers' market. The notice shall:

(1) include the producer's name and proof of registration;

(2) identify the farmers' market or markets where the producer will deliver milk; and

(3) specify the day or days of the week on which delivery will be made at a farmers' market.

(e) A producer delivering unpasteurized milk at a farmers' market under this section shall display the registration required under subdivision 2777(f)(4) of this title and the sign required under subdivision 2777(d)(6) on the farmers' market stall or stand in a prominent manner that is clearly visible to consumers.

Which was agreed to.

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

Proposals of Amendment; Third Reading Ordered

H. 282.

Senator White, for the Committee on Government Operations, to which was referred House bill entitled:

An act relating to professions and occupations regulated by the Office of Professional Regulation.

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: By striking out Sec. 30 (amending 26 V.S.A. § 3006 (Board; establishment)) in its entirety and inserting in lieu thereof [Deleted.]

Second: By striking out Sec. 44 (effective dates) in its entirety and its accompanying reader assistance heading and inserting in lieu thereof the following:

* * * Applied Behavior Analysis * * *

Sec. 44. FINDINGS

(a) Licensure of applied behavior analysts and their assistants allows consumers to identify behavior analysts and assistants with defined competencies. It promotes credibility in the field of applied behavior analysis and defines scope of practice within State law.

(b) Licensure protects the public from harm and the misuse of behavioral technologies by untrained or undertrained practitioners and ensures that individuals holding themselves out as "behavior analysts" are appropriately trained and otherwise qualified.

(c) Licensure provides the State with the authority to respond to complaints of unprofessional conduct and to enforce appropriate practice standards within the field of applied behavior analysis.

Sec. 45. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

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

* * *

(43) Property Inspectors

(44) Applied Behavior Analysts.

Sec. 46. 26 V.S.A. chapter 95 is added to read:

CHAPTER 95. APPLIED BEHAVIOR ANALYSIS

Subchapter 1. General Provisions

§ 4901. PURPOSE AND EFFECT

In order to safeguard the life and health of the people of this State, a person shall not hold himself or herself out as practicing, practice, or offer to practice, as an applied behavior analyst or an assistant behavior analyst unless currently licensed under this chapter.

§ 4902. DEFINITIONS

As used in this chapter:

(1) "Applied behavior analyst" means a person who is licensed under this chapter to engage in the practice of applied behavior analysis.

(2) "Assistant behavior analyst" means a person who is licensed under this chapter to engage in the practice of applied behavior analysis under the supervision of an applied behavior analyst.

(3) "Director" means the Director of Professional Regulation.

(4) "License" means a current authorization granted by the Director permitting the practice of applied behavior analysis.

(5) "Practice of applied behavior analysis" means the design, implementation, and evaluation of systematic instructional and environmental modifications for the purpose of producing socially significant improvements in and understanding of behavior based on the principles of behavior identified through the experimental analysis of behavior.

(A) It includes the identification of functional relationships between behavior and environments.

(B) It uses direct observation and measurement of behavior and environment. Contextual factors, establishing operations, antecedent stimuli, positive reinforcers, and other consequences are used, based on identified functional relationships with the environment, in order to produce practical behavior change.

§ 4903. PROHIBITIONS; OFFENSES

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

(1) sell or fraudulently obtain or furnish any applied behavior analysis degree, diploma, certificate of registration, license, or any other related document or record or to aid or abet another person to do so;

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

(3) practice applied behavior analysis unless currently licensed or otherwise authorized to do so under the provisions of this chapter;

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

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

(6) employ an unlicensed or unauthorized person to practice as an applied behavior analyst or assistant behavior analyst.

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

§ 4904. EXCEPTIONS

This chapter does not prohibit:

(1) The practice of a person who is not licensed under this chapter, who does not use the term "behavior analysis" or similar descriptors suggesting licensure under this chapter, and who is engaged in the course of his or her customary duties:

(A) in the practice of a religious ministry;

(B) in employment or rehabilitation counseling;

(C) as an employee of or under contract with the Agency of Human Services;

(D) as a mediator;

(E) in an official evaluation for court purposes;

(F) as a member of a self-help group, such as Alcoholics Anonymous, peer counseling, or domestic violence groups, whether or not for consideration;

(G) as a respite caregiver, foster care worker, or hospice worker; or

(H) incident to the practice of any other legally recognized profession or occupation.

(2) A person engaged or acting in the discharge of his or her duties as a student of applied behavior analysis or preparing for the practice of applied behavior analysis, provided that the person's title indicates his or her training status and that the preparation occurs under the supervision of an applied behavior analyst in a recognized training institution or facility.

(3) A behavior interventionist or paraprofessional, employed by a school, from working under the close direction of a supervisor licensed under this chapter, in relation to the direct implementation of skill-acquisition and behavior-modification plans developed by the supervisor or in relation to data collection or assessment designed by the supervisor, provided the supervisor retains ultimate responsibility for delegating professional responsibilities in a manner consistent with 3 V.S.A. § 129a(a)(6).

Subchapter 2. Administration

§ 4911. DUTIES OF THE DIRECTOR

(a) The Director shall:

(1) provide general information to applicants for licensure under this chapter;

(2) receive applications for licensure and provide licenses to applicants qualified under this chapter;

(3) administer fees as established by law;

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

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

(6) explain appeal procedures to persons licensed under this chapter and to applicants and complaint procedures to the public.

(b) The Director may adopt rules necessary to perform his or her duties under this section.

§ 4912. ADVISOR APPOINTEES

(a) The Secretary of State shall appoint three persons in accordance with 3 V.S.A. § 129b for three-year staggered terms to serve at the Secretary's pleasure as advisors in matters relating to applied behavior analysis. One of the initial appointments shall be for less than a three-year term.

(1) Two of these appointees shall be applied behavior analysts.

(A) An applied behavior analyst advisor appointee shall have not less than three years' experience as an applied behavior analyst immediately preceding appointment, shall be licensed as an applied behavior analyst in Vermont, and shall be actively engaged in the practice of applied behavior analysis in this State during incumbency.

(B) Not more than one of these appointees may be employed by a designated agency. As used in this subdivision, "designated agency" shall have the same meaning as in 18 V.S.A. § 7252.

(2) One of these appointees shall be the parent of an individual with autism or a developmental disorder who is a recipient of applied behavior analysis services. This appointee shall not have a child or other family member who is receiving applied behavior analysis services from one of the advisor appointees appointed under subdivision (1) of this subsection.

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

Subchapter 3. Licenses

§ 4921. ELIGIBILITY FOR LICENSURE BY EXAMINATION AS AN APPLIED BEHAVIOR ANALYST

To be eligible for licensure as an applied behavior analyst, an applicant shall:

(1) Obtain a doctoral or master's degree from a recognized educational program accredited by the Association for Behavior Analysis International Accreditation Board, or from a program at a recognized educational institution that is approved by the Director and that substantially meets the educational standards of the Association for Behavior Analysis International Accreditation Board or the Behavior Analysis Certification Board. Any program shall include an approved course sequence of the Behavior Analyst Certification Board.

(2) Successfully complete an approved practicum or supervised experience in the practice of applied behavior analysis, totaling at least 1,500 hours over a period of not less than one calendar year, of which at least 75 hours are in direct one-to-one contact with a supervisor.

(3) Successfully complete, as defined by the Director, a nationally recognized examination adopted from the Behavior Analyst Certification Board and approved by the Director, related to the principles and practice of applied behavior analysis. This subdivision (3) shall not be construed to require the Director to develop or administer any examination.

§ 4922. ELIGIBILITY FOR LICENSURE BY EXAMINATION AS AN ASSISTANT BEHAVIOR ANALYST

To be eligible for licensure as an assistant behavior analyst, an applicant shall:

(1) Obtain a bachelor's degree from a program at a recognized educational institution that is approved by the Director and that substantially meets the educational standards of the Association for Behavior Analysis International Accreditation Board or the Behavior Analysis Certification Board. Any program shall include an approved course sequence of the Behavior Analyst Certification Board.

(2) Successfully complete an approved practicum or supervised experience in the practice of applied behavior analysis, totaling at least 1,000 hours over a period of not less than one calendar year, of which at least 50 hours are in direct one-to-one contact with a supervisor.

(3) Successfully complete, as defined by the Director, a nationally recognized examination adopted from the Behavior Analyst Certification Board and approved by the Director, related to the principles and practice of applied behavior analysis. This subdivision (3) shall not be construed to require the Director to develop or administer any examination.

§ 4923. LICENSURE BY ENDORSEMENT

A person may be licensed under this chapter if he or she:

(1)(A) possesses a valid registration or license to engage in the practice of applied behavior analysis issued by the appropriate regulatory authority of a state, territory, or possession of the United States, or the District of Columbia, based on requirements and qualifications shown by the application to be equal to or greater than the requirements of this chapter; or

(B) is certified as a board certified behavior analyst by the Behavior Analyst Certification Board; and

(2) meets any active practice requirements established by the Director by rule.

§ 4924. ISSUANCE OF LICENSES

The Director shall issue a license, upon payment of the fees prescribed in this chapter, to any applicant who has satisfactorily met all the requirements of this chapter.

§ 4925. RENEWALS

(a) Licenses shall be renewed every two years, on a schedule determined by the Director, upon payment of the renewal fee.

(b) Biennially, the Director shall provide notice to each licensee of license expiration and renewal requirements. Upon receipt of the completed form and the renewal fee, the Director shall issue a new license.

(c) As a condition of renewal, the Director may by rule require that a licensee establish that he or she has completed continuing education. The Director may accept proof of current certification from the Behavior Analyst Certification Board as evidence of continuing competency if the Director finds that the maintenance of such certification implies appropriate continuing education.

(d)(1) The Director may reinstate the license of an individual whose license has expired upon payment of the required fee and reinstatement penalty, provided the individual has satisfied all the requirements for renewal, including continuing education.

(2) The Director may adopt rules necessary for the protection of the public to assure the Director that an applicant whose license has expired or who has not worked for more than three years as an applied behavior analyst or an assistant behavior analyst is professionally qualified for license renewal. Conditions imposed under this subsection shall be in addition to the other requirements of this section.

§ 4926. LICENSE AND RENEWAL FEES

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

§ 4927. APPLICATIONS

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

§ 4928. SCOPE OF PRACTICE OF APPLIED BEHAVIOR ANALYSTS

(a) A person licensed under this chapter shall only engage in the practice of applied behavior analysis upon, and within the scope of, a referral from a licensed health professional or school official duly authorized to make such a referral.

(b) The practice of applied behavior analysis shall not include psychological testing, neuropsychology, diagnosis of mental health or developmental conditions, psychotherapy, cognitive therapy, sex therapy, psychoanalysis, psychopharmacological recommendations, hypnotherapy, or academic teaching by college or university faculty.

§ 4929. SUPERVISION OF ASSISTANT BEHAVIOR ANALYSTS

An assistant behavior analyst shall only engage in the practice of applied behavior analysis if he or she has a minimum of five hours per month of off-site case supervision by an applied behavior analyst. A supervising applied behavior analyst may require that his or her supervision of an assistant behavior analyst exceed the minimum requirements of this section, including the requirement that the supervision be on-site.

§ 4930. DISCLOSURE OF INFORMATION

The Director may adopt rules requiring a person licensed under this chapter to disclose the licensee's professional qualifications and experience, those actions that constitute unprofessional conduct, and the method for filing a complaint or making a consumer inquiry, and the manner in which that information shall be made available and to whom.

§ 4931. UNPROFESSIONAL CONDUCT

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

(1) making or causing to be made a false, fraudulent, or forged statement or representation in procuring or attempting to procure licensure or renew a license to practice under this chapter;

(2) using dishonest or misleading advertising;

(3) misusing a title in professional activity;

(4) engaging in any sexual conduct with a client, or with the immediate family member of a client, with whom the licensee has had a professional relationship within the previous five years;

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

(6) entering into an additional relationship with a client, supervisee, research participant, or student that might impair the person's objectivity or otherwise interfere with a licensee's obligations;

(7) practicing outside or beyond a licensee's area of training, experience, or competence;

(8) being or having been convicted of a misdemeanor related to the practice of applied behavior analysis or a felony;

(9) being unable to practice applied behavior analysis competently by reason of any cause;

(10) willfully or repeatedly violating any of the provisions of this chapter;

(11) being habitually intemperate or addicted to the use of habit-forming drugs;

(12) having a mental, emotional, or physical disability, the nature of which interferes with the ability to practice applied behavior analysis competently;

(13) engaging in conduct of a character likely to deceive, defraud, or harm the public, including exposing clients to unjustifiably degrading or cruel interventions or implementing therapies not supported by a competent clinical rationale; or

(14) failing to notify the Director in writing within ten days of the loss, revocation, discontinuation, or invalidation of any certification or degree offered to support eligibility for licensure or to demonstrate continuing competency.

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

Sec. 47. TRANSITIONAL PROVISIONS

(a) Advisor appointees. Notwithstanding the provisions of 26 V.S.A. § 4912(a)(1) (advisor appointees; qualifications of appointees) in Sec. 46 of this act, an initial advisor appointee may serve while reasonably expected within one year of appointment to become eligible for licensure as an applied behavior analyst and to satisfy the other requirements of 26 V.S.A. § 4912(a)(1).

(b) Licensing of applied behavior analysts. The Director of the Office of Professional Regulation shall establish a procedure so that an individual may become licensed as an applied behavior analyst without being required to take an examination if he or she:

(1) has graduated with a doctoral or master's degree from a regionally accredited university and is a Board Certified Behavior Analyst certificant of the Behavior Analyst Certification Board; or

(2) holds either a doctoral or master's degree in behavior analysis or a related field and can demonstrate competency in applied behavior analysis by virtue of training and experience as determined by the Director.

(c) Licensing of assistant behavior analysts. The Director of the Office of Professional Regulation shall establish a procedure so that an individual may become licensed as an assistant behavior analyst without being required to take an examination if he or she:

(1) has graduated with a bachelor's degree from a regionally accredited university and is a Board Certified Assistant Behavior Analyst certificant of the Behavior Analyst Certification Board; or

(2) holds a bachelor's degree in behavior analysis or a related field and can demonstrate competency in applied behavior analysis by virtue of training and experience as determined by the Director.

(d) Any person licensed under subsection (b) or (c) of this section shall thereafter be eligible for licensure renewal pursuant to 26 V.S.A. § 4925.

(e) The ability of a person to become licensed under the provisions of subsection (b) or (c) of this section shall expire on July 1, 2017.

* * * Positions Authorization * * *

Sec. 48. CREATION OF NEW POSITIONS WITHIN THE OFFICE OF PROFESSIONAL REGULATION

(a) There is created within the Secretary of State's Office of Professional Regulation the following new positions:

(1) one (1) classified Research and Statistics Analyst position; and

(2) one (1) classified Enforcement position.

(b) Any funding necessary to support the positions created under subsection (a) of this section shall be derived from the Office's Professional Regulatory Fee Fund.

* * * Effective Dates * * *

Sec. 49. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Sec. 34 (amending 26 V.S.A. chapter 67 (audiologists and hearing aid dispensers)) shall take effect on September 1, 2015;

(2) Secs. 39 (amending 26 V.S.A. chapter 87 (speech-language pathologists)) and 40 (repeal of sections in 26 V.S.A. chapter 87) shall take effect on September 1, 2015;

(3) Secs. 45 (amending 3 V.S.A. § 122 (Office of Professional Regulation)) and 46 (adding 26 V.S.A. chapter 95 (applied behavior analysis)) shall take effect on July 1, 2016; and

(4) Sec. 31 (amending 26 V.S.A. chapter 61 (social workers)) shall take effect on July 1, 2017.

And that the bill ought to pass in concurrence with such proposals of amendment.

Senator Ashe, for the Committee on Finance, to which the bill was referred, reported recommending 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 Sec. 48 (creation of new positions within the Office of Professional Regulation) in its entirety and inserting in lieu thereof the following:

Sec. 48. [Deleted.]

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator McCormack, for the Committee on Appropriations, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Government Operations and that the recommendation of amendment of the Committee on Finance be rejected.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and pending the question, Shall the recommendation of proposals of amendment of the Committee on Government Operations be amended as recommended by the Committee on Finance?, Senator Ashe requested and was granted leave to withdraw the recommendation of amendment of the Committee on Finance.

Thereupon, the recommendation of proposal of amendment of the Committee on Government Operations was agreed to and third reading of the bill was ordered.

Proposals of Amendment; Third Reading Ordered

H. 40.

Senator Bray, for the Committee on Natural Resources & Energy, to which was referred House bill entitled:

An act relating to establishing a renewable energy standard and energy transformation program.

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: In Sec. 2, 30 V.S.A. § 8004(a), by striking out the last sentence in its entirety and inserting in lieu thereof the following: A retail electricity provider may meet ~~this requirement~~ the required amounts of renewable energy through eligible ~~new~~ tradeable renewable energy credits that it owns and retires, ~~new~~ eligible renewable energy resources with ~~renewable energy credits~~ environmental attributes still attached, or a combination of those credits and resources.

Second: In Sec. 2, 30 V.S.A. § 8004, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

~~(d)~~(b) Rules. The Board shall ~~provide, by order or rule,~~ adopt the ~~regulations and procedures~~ rules that are necessary to allow the Board and the Department to implement and supervise further the implementation and maintenance of ~~a renewable portfolio standard~~ the RESET program.

Third: In Sec. 3, 30 V.S.A. § 8005(a)(3), in subdivision (D), in the first sentence, by striking out "or procedures" and in subdivision (F), by striking out each occurrence of "or procedures"

Fourth: In Sec. 3, 30 V.S.A. by inserting a new § 8005(a)(3)(E)(iii) to read as follows:

(iii) To meet the requirements of this subdivision (3), one or more retail electricity providers may jointly propose with an energy efficiency entity appointed under subdivision 209(d)(2) of this title an energy transformation project or group of such projects. The proposal shall include standards of measuring performance and methods to allocate savings and reductions in fossil fuel consumption and greenhouse gas emissions among each participating provider and efficiency entity.

Fifth: In Sec. 3, 30 V.S.A. by striking out § 8005 (a)(3)(F)(viii) in its entirety and inserting in lieu thereof a new § 8005 (a)(3)(F)(viii) to read as follows:

(viii) To ensure that, if an energy transformation project will increase the use of electric energy, the project incorporates best practices for demand management, uses technologies appropriate for Vermont, and encourages the installation of the technologies in buildings that meet minimum energy performance standards.

Sixth: In Sec. 3, 30 V.S.A. § 8005, (a)(3)(G)(i), by striking out the word "strict"

Seventh: In Sec. 3, 30 V.S.A. § 8005(d)(1), by striking out the following: "of Portland, Maine"

Eighth: In Sec. 4, 30 V.S.A. § 8005a(k)(3), in the last sentence, after "purchasing power" by striking out the word "from" and inserting in lieu thereof the words generated by

Ninth: In Sec. 6, 30 V.S.A. § 8005b, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) The annual report under this section shall include at least each of the following:

(1) An assessment of the costs and benefits of the RESET Program based on the most current available data, including rate and economic impacts, customer savings, technology deployment, greenhouse gas emission reductions actually achieved, fuel price stability, and effect on transmission and distribution upgrade costs, and any recommended changes based on this assessment.

(2) Projections, looking at least 10 years ahead, of the impacts of the RESET Program. The Department shall employ an economic model to make these projections and shall consider at least three scenarios based on high, mid-range, and low energy price forecasts. The Department shall project, for the State, the RESET Program's impact in each of the following areas: electric utility rates; total energy consumption; electric energy consumption; fossil fuel consumption; and greenhouse gas emissions. The report shall compare the amount or level in each of these areas with and without the Program.

(3) An assessment of whether the requirements of the RESET Program have been met to date, and any recommended changes needed to achieve those requirements.

Tenth: In Sec. 6, 30 V.S.A. § 8005b, in subsection (c), by striking out subdivision (8) and by renumbering the remaining subdivision to be numerically correct.

Eleventh: By striking out Sec. 8 (Public Service Board rulemaking) and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. PUBLIC SERVICE BOARD IMPLEMENTATION

(a) Commencement. On or before August 31, 2015, the Public Service Board (the Board) shall commence a proceeding to implement Secs. 2 (sales of electric energy; RESET Program), 3 (RESET Program categories), and 7 (tradeable renewable energy credits) of this act.

(b) Notice; comment; workshop. The proceeding shall include one or more workshops to solicit the input of potentially affected parties and the public. The Board shall provide notice of the workshops on its website and directly to the Department, Vermont's retail electricity providers, Renewable Energy Vermont, business organizations such as Associated Industries of Vermont, environmental and consumer advocacy organizations such as the Vermont Natural Resources Council and the Vermont Public Interest Research Group, and to any other person that requests direct notice or to whom the Board may consider direct notice appropriate. The Board also shall provide an opportunity for submission of written comments, which the notice shall include.

(c) Procedures; order. On or before July 1, 2016, the Board shall by order adopt initial procedures to implement Secs. 2, 3, and 7 of this act to take effect on January 1, 2017.

(d) On or before July 1, 2017, the Board shall commence rulemaking to implement Secs. 2, 3, and 7 of this act. The Board shall finally adopt these rules within eight months of commencing rulemaking, unless this period is

extended by the Legislative Committee on Administrative Rules under 3 V.S.A. § 843.

(e) Assistance. The Board and the Department of Public Service may retain experts and other personnel to assist them with the proceedings and rulemaking under this section and allocate the costs of these personnel to the electric distribution utilities in accordance with the process under 30 V.S.A. § 21.

Twelfth: In Sec. 12, 30 V.S.A. § 8010(c)(2)(F), by striking out the third sentence and inserting in lieu thereof the following:

For example, a monthly credit amount may be higher if taken over 10 years and lower if taken over 20 years.

Thirteenth: By striking out Sec. 14a in its entirety and inserting in lieu thereof the following:

[Deleted.]

Fourteenth: By striking out Sec. 14b in its entirety and inserting lieu thereof a new Sec. 14b to read:

Sec. 14b. JOINT ENERGY COMMITTEE; RECOMMENDATION

(a) On or before February 15, 2016, the Joint Energy Committee under 2 V.S.A. chapter 17 shall submit a recommendation to the House Committee on Commerce and Economic Development, Senate Committee on Finance, House Committee on Ways and Means, and House and Senate Committees on Natural Resources and Energy on:

(1) what revisions, if any, the Committee recommends that the General Assembly enact with respect to the statutes applicable to energy efficiency entities appointed and charges imposed under 30 V.S.A. § 209(d);

(2) what legislation, if any, the Committee recommends that the General Assembly enact to clarify or alter the relationship of energy efficiency entities and charges under 30 V.S.A. § 209(d) with the energy transformation category adopted under Sec. 3 of this act, 30 V.S.A. § 8005(a); and

(3) what legislation, if any, the Committee recommends that the General Assembly enact regarding the adoption by municipalities of setback and screening requirements for solar electric generation.

(b) Prior to submitting its recommendation under this section, the Joint Energy Committee shall offer an opportunity for comment by affected State agencies; utilities; appointed energy efficiency entities; advocates for business, consumer, and environmental interests; and members of the public.

(c) For the purpose of this section, the Joint Energy Committee:

(1) may meet no more than four times during adjournment without prior approval of the Speaker of the House and the President Pro Tempore of the Senate; and

(2) shall have the administrative, technical, and professional assistance of the Office of Legislative Council and the Joint Fiscal Office.

(d) A bill or amendment during the 2016 session to adopt legislation regarding the issues to be addressed by the Joint Energy Committee under this section this act shall be in order.

Fifteenth: In Sec. 19, 30 V.S.A. § 248(b), by striking out subdivision (9) in its entirety and inserting in lieu thereof a new subdivision (9) to read as follows:

(9) with respect to a waste to energy facility~~,~~:

(A) is included in a solid waste management plan adopted pursuant to 24 V.S.A. § 2202a, which is consistent with the State Solid Waste Management Plan; and

(B) is included in a solid waste management plan adopted pursuant to 24 V.S.A. § 2202a for the municipality and solid waste district from which 1,000 tons or more per year of the waste is to originate, if that municipality or district owns an operating facility that already beneficially uses a portion of the waste;

Sixteenth: In Sec. 21, 30 V.S.A. § 8001(b), by striking out "and procedures" and inserting in lieu thereof ~~and procedures~~.

Seventeenth: After Sec. 26, by inserting a reader assistance and Secs. 26a and 26b to read:

* * * Solar Plants; Municipal Setback and Screening Requirements * * *

Sec. 26a. 24 V.S.A. § 4414(15) is added to read:

(15) Solar plants; setbacks; screening. Notwithstanding any contrary provision of section 4413 of this title or 30 V.S.A. chapter 5 or 89, a municipality may adopt bylaws that require a plant that generates electricity from solar energy to comply with setback and screening requirements. These requirements shall not prohibit or have the effect of prohibiting the installation of such a plant and shall not have the effect of interfering with its intended functional use. In this section, "plant" shall have the same meaning as in 30 V.S.A. § 8002 and "screening" includes landscaping, vegetation, fencing, and topographic features.

Sec. 26b. REPORT; TOWN ADOPTION OF SOLAR SETBACKS, SCREENING

(a) On or before January 15, 2018, the Commissioner of Housing and Community Development (the Commissioner) shall submit a report to the House and Senate Committees on Natural Resources and Energy that:

(1) identifies the municipalities that have adopted setback or screening requirements, or both, pursuant to Sec. 26a of this act, 24 V.S.A § 4414(15);

(2) summarizes these adopted setback and screening requirements; and

(3) provides the number of applications made under 24 V.S.A. § 4414(15) and itemizes their disposition and status.

(b) Each municipality adopting a bylaw under 24 V.S.A. § 4414(15) shall provide the Commissioner, on request, with information needed to complete the report required by this section.

Eighteenth: By striking out Sec. 28 (effective dates), and inserting in lieu thereof a new Sec. 28 to read:

Sec. 28. EFFECTIVE DATES

(a) This section and Secs. 8 (Public Service Board rulemaking), 10 (Forests, Parks and Recreation rulemaking), 14b (joint energy committee; recommendation), 18 (net metering pilot project), and 27 (severability) shall take effect on passage. Notwithstanding 1 V.S.A. § 214, Sec. 18 shall apply to facilities for which an application for a certificate of public good is pending as of its effective date.

(b) Secs. 1 through 7, 9, 11, 13, 14, 15 through 17, 19, 20, and 21 through 26 shall take effect on July 1, 2015. Sec. 11 (net metering systems; environmental attributes) shall not apply to complete applications filed prior to its effective date.

(c) Secs. 26a (solar setbacks and screening) and 26b (report) shall take effect on July 1, 2016.

(d) Sec. 12 (net metering systems; environmental attributes) shall amend 30 V.S.A. § 8010 as added effective January 1, 2017 by 2014 Acts and Resolves No. 99, Sec. 4. Sec. 12 shall take effect on January 2, 2017, except that, notwithstanding 1 V.S.A. § 214, the section shall apply to the Public Service Board process under 2014 Acts and Resolves No. 99, Sec. 5. Sec. 12 shall not affect a net metering system for which a complete application was filed before January 1, 2017.

And that the bill ought to pass in concurrence with such proposals of amendment.

Thereupon, Senator Bray, on behalf of the Committee on Natural Resources and Energy, moved to substitute the following for the proposal of amendment of the Committee on Natural Resources and Energy:

First: In Sec. 2, 30 V.S.A. § 8004, in subsection (a), after the second occurrence of "renewable energy credits" by inserting that it owns and retires before the comma.

Second: In Sec. 2, 30 V.S.A. § 8004, by striking out subsection (b) (rules; procedures) and inserting in lieu thereof a new subsection (b) (rules) to read:

~~(d)~~(b) Rules. The Board shall ~~provide, by order or rule,~~ adopt the ~~regulations and procedures~~ rules that are necessary to allow the Board and the Department to implement and supervise further the implementation and maintenance of ~~a renewable portfolio standard~~ the RESET program.

Third: In Sec. 3, 30 V.S.A. § 8005, in subdivision (a)(3), in subdivision (D), in the first sentence, by striking out "or procedures", and in subdivision (F), by striking out each occurrence of "or procedures".

Fourth: In Sec. 3, 30 V.S.A. § 8005, in subdivision (a)(3)(E), after subdivision (ii), by inserting a subdivision (iii) to read:

(iii) To meet the requirements of this subdivision (3), one or more retail electricity providers may jointly propose with an energy efficiency entity appointed under subdivision 209(d)(2) of this title an energy transformation project or group of such projects. The proposal shall include standards of measuring performance and methods to allocate savings and reductions in fossil fuel consumption and greenhouse gas emissions among each participating provider and efficiency entity.

Fifth: In Sec. 3, 30 V.S.A. § 8005, in subdivision (a)(3)(F), by striking out subdivision (viii) and inserting in lieu thereof a new subdivision (viii) to read:

(viii) To ensure that, if an energy transformation project will increase the use of electric energy, the project incorporates best practices for demand management, uses technologies appropriate for Vermont, and encourages the installation of the technologies in buildings that meet minimum energy performance standards.

Sixth: In Sec. 3, 30 V.S.A. § 8005, in subdivision (a)(3)(G)(i), by striking out "strict".

Seventh: In Sec. 3, 30 V.S.A. § 8005, in subdivision (d)(1), by striking out "of Portland, Maine".

Eighth: In Sec. 4, 30 V.S.A. § 8005a, in subdivision (k)(3), in the last sentence, after "purchasing power" by striking out "from" and inserting in lieu thereof generated by.

Ninth: In Sec. 6, 30 V.S.A. § 8005b, by striking out subsection (b) and inserting in lieu thereof a new subsection (b) to read as follows:

(b) The annual report under this section shall include at least each of the following:

(1) An assessment of the costs and benefits of the RESET Program based on the most current available data, including rate and economic impacts, customer savings, technology deployment, greenhouse gas emission reductions actually achieved, fuel price stability, and effect on transmission and distribution upgrade costs, and any recommended changes based on this assessment.

(2) Projections, looking at least 10 years ahead, of the impacts of the RESET Program. The Department shall employ an economic model to make these projections and shall consider at least three scenarios based on high, mid-range, and low energy price forecasts. The Department shall project, for the State, the RESET Program's impact in each of the following areas: electric utility rates; total energy consumption; electric energy consumption; fossil fuel consumption; and greenhouse gas emissions. The report shall compare the amount or level in each of these areas with and without the Program.

(3) An assessment of whether the requirements of the RESET Program have been met to date, and any recommended changes needed to achieve those requirements.

Tenth: In Sec. 6, 30 V.S.A. § 8005b, in subsection (c), by striking out subdivision (8) and by renumbering the remaining subdivision to be numerically correct.

Eleventh: By striking out Sec. 8 (Public Service Board rulemaking) and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. PUBLIC SERVICE BOARD IMPLEMENTATION

(a) Commencement. On or before August 31, 2015, the Public Service Board (the Board) shall commence a proceeding to implement Secs. 2 (sales of electric energy; RESET Program), 3 (RESET Program categories), and 7 (tradeable renewable energy credits) of this act.

(b) Notice; comment; workshop. The proceeding shall include one or more workshops to solicit the input of potentially affected parties and the public. The Board shall provide notice of the workshops on its website and directly to the Department, Vermont's retail electricity providers, Renewable Energy

Vermont, business organizations such as Associated Industries of Vermont, environmental and consumer advocacy organizations such as the Vermont Natural Resources Council and the Vermont Public Interest Research Group, and to any other person that requests direct notice or to whom the Board may consider direct notice appropriate. The Board also shall provide an opportunity for submission of written comments, which the notice shall include.

(c) Procedures; order. On or before July 1, 2016, the Board shall by order adopt initial procedures to implement Secs. 2, 3, and 7 of this act to take effect on January 1, 2017.

(d) On or before July 1, 2017, the Board shall commence rulemaking to implement Secs. 2, 3, and 7 of this act. The Board shall finally adopt these rules within eight months of commencing rulemaking, unless this period is extended by the Legislative Committee on Administrative Rules under 3 V.S.A. § 843.

(e) Assistance. The Board and the Department of Public Service may retain experts and other personnel to assist them with the proceedings and rulemaking under this section and allocate the costs of these personnel to the electric distribution utilities in accordance with the process under 30 V.S.A. § 21.

Twelfth: In Sec. 12, 30 V.S.A. § 8010(c), in subdivision (2)(F), by striking out the third sentence and inserting in lieu thereof:

For example, a monthly credit amount may be higher if taken over 10 years and lower if taken over 20 years.

Thirteenth: By striking out Sec. 14a in its entirety and inserting in lieu thereof the following:

Sec. 14a. [Deleted.]

Fourteenth: By striking out Sec. 14b in its entirety and inserting lieu thereof a new Sec. 14b to read as follows:

Sec. 14b. JOINT ENERGY COMMITTEE; RECOMMENDATION

(a) On or before February 15, 2016, the Joint Energy Committee under 2 V.S.A. chapter 17 shall submit a recommendation to the House Committee on Commerce and Economic Development, Senate Committee on Finance, House Committee on Ways and Means, and House and Senate Committees on Natural Resources and Energy on:

(1) what revisions, if any, the Committee recommends that the General Assembly enact with respect to the statutes applicable to energy efficiency entities appointed and charges imposed under 30 V.S.A. § 209(d); and

(2) what legislation, if any, the Committee recommends that the General Assembly enact to clarify or alter the relationship of energy efficiency entities and charges under 30 V.S.A. § 209(d) with the energy transformation category adopted under Sec. 3 of this act, 30 V.S.A. § 8005(a).

(b) Prior to submitting its recommendation under this section, the Joint Energy Committee shall offer an opportunity for comment by affected State agencies; utilities; appointed energy efficiency entities; advocates for business, consumer, and environmental interests; and members of the public.

(c) For the purpose of this section, the Joint Energy Committee:

(1) may meet no more than four times during adjournment without prior approval of the Speaker of the House and the President Pro Tempore of the Senate; and

(2) shall have the administrative, technical, and professional assistance of the Office of Legislative Council and the Joint Fiscal Office.

(d) A bill or amendment during the 2016 session to adopt legislation regarding the issues to be addressed by the Joint Energy Committee under this section this act shall be in order.

Fifteenth: After Sec. 15, by inserting a new Sec. 15a to read as follows:

Sec. 15a. 30 V.S.A. § 209(j)(5) is added to read:

(5) This subdivision applies to a transferee of all or substantially all of the assets at the served property of an entity approved to participate in the self-managed energy efficiency program. The Board shall allow the transferee to continue as a participant in the self-managed energy efficiency program class in the same manner and under the same terms and conditions that the transferor participant was authorized to participate, provided:

(A) the transferor participant met the requirements of subdivision (4)(A) of this subsection (j) and the transferee otherwise meets the requirements of this subsection; and

(B) the transferee assumes the obligation to fulfill any outstanding commitment of the transferor participant under subdivision (4)(D) of this subsection.

Sixteenth: In Sec. 19, 30 V.S.A. § 248(b), by striking out subdivision (9) and inserting a new subdivision (9) to read as follows:

(9) with respect to a waste to energy facility~~,~~:

(A) is included in a solid waste management plan adopted pursuant to 24 V.S.A. § 2202a, which is consistent with the State Solid Waste Management Plan; and

(B) is included in a solid waste management plan adopted pursuant to 24 V.S.A. § 2202a for the municipality and solid waste district from which 1,000 tons or more per year of the waste is to originate, if that municipality or district owns an operating facility that already beneficially uses a portion of the waste;

Seventeenth: In Sec. 21, 30 V.S.A. § 8001(b), by striking out "and procedures" and inserting in lieu thereof ~~and procedures~~.

Eighteenth: After Sec. 26, by inserting new Secs. 26a through 26f to read as follows:

* * * Solar Plants; Setback and Screening Requirements * * *

Sec. 26a. 30 V.S.A. § 248(a)(4)(F) is added to read:

(F) The legislative body and the planning commission for the municipality in which a facility is located shall have the right to appear as a party in any proceedings held under this subsection.

Sec. 26b. 30 V.S.A. § 248(s) is added read:

(s) This subsection sets minimum setback requirements that shall apply to in-state ground-mounted solar electric generation facilities approved under this section.

(1) The minimum setbacks shall be:

(A) from a State or municipal highway, measured from the edge of the traveled way:

(i) 100 feet for a facility with a plant capacity exceeding 150 kW; and

(ii) 40 feet for a facility with a plant capacity less than or equal to 150 kW but greater than 15 kW.

(B) From each property boundary that is not a State or municipal highway:

(i) 50 feet for a facility with a plant capacity exceeding 150 kW; and

(ii) 25 feet for a facility with a plant capacity less than or equal to 150 kW but greater than 15 kW.

(2) This subsection does not require a setback for a facility with a plant capacity equal to or less than 15 kW.

(3) On review of an application, the Board may:

(A) require a larger setback than this subsection requires; or

(B) approve an agreement to a smaller setback among the applicant, the municipal legislative body, and each owner of property adjoining the setback area.

(4) In this subsection:

(A) "kW" and "plant capacity" shall have the same meaning as in section 8002 of this title.

(B) "Setback" means the shortest distance between the nearest portion of a solar panel or support structure for a solar panel, at its point of attachment to the ground, and a property boundary or the edge of a highway's traveled way.

Sec. 26c. 30 V.S.A. § 248(b) is amended to read:

(b) Before the Public Service Board issues a certificate of public good as required under subsection (a) of this section, it shall find that the purchase, investment or construction:

(1) with respect to an in-state facility, will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. However~~,~~:

(A) with respect to a natural gas transmission line subject to Board review, the line shall be in conformance with any applicable provisions concerning such lines contained in the duly adopted regional plan; and, in addition, upon application of any party, the Board shall condition any certificate of public good for a natural gas transmission line issued under this section so as to prohibit service connections that would not be in conformance with the adopted municipal plan in any municipality in which the line is located; and

(B) with respect to a ground-mounted solar electric generation facility, shall comply with the screening requirements of a municipal bylaw adopted under 24 V.S.A. § 4414(15) or a municipal ordinance adopted under 24 V.S.A. § 2291(28), and the recommendation of a municipality applying such a bylaw or ordinance, unless the Board finds that requiring such

compliance would prohibit or have the effect of prohibiting the installation of such a facility or have the effect of interfering with the facility's intended functional use.

* * *

Sec. 26d. 24 V.S.A. § 4414(15) is added to read:

(15) Solar plants; screening. Notwithstanding any contrary provision of sections 2291a and 4413 of this title or 30 V.S.A. chapter 5 or 89, a municipality may adopt a freestanding bylaw to establish screening requirements that shall apply to a ground-mounted plant that generates electricity from solar energy. In a proceeding under 30 V.S.A. § 248, the municipality may make recommendations to the Public Service Board applying the bylaw to such a plant. The bylaw may designate the municipal body to make this recommendation. Screening requirements and recommendations adopted under this subdivision shall be a condition of a certificate of public good issued for the plant under 30 V.S.A. § 248, provided that they do not prohibit or have the effect of prohibiting the installation of such a plant and do not have the effect of interfering with its intended functional use.

(A) Screening requirements under this subdivision shall not be more restrictive than screening requirements applied to other land development in the municipality under this chapter or, if the municipality does not have other bylaws except flood hazard, 10 V.S.A. chapter 151.

(B) In this section, "plant" shall have the same meaning as in 30 V.S.A. § 8002 and "screening" means reasonable aesthetic mitigation measures to harmonize a facility with its surroundings and includes landscaping, vegetation, fencing, and topographic features.

(C) This subdivision (15) shall not authorize requiring a municipal land use permit for a solar electric generation plant and a municipal action under this subdivision shall not be subject to the provisions of subchapter 11 (appeals) of this chapter. Notwithstanding any contrary provision of this title, enforcement of a bylaw adopted under this subdivision shall be pursuant to the provisions of 30 V.S.A. § 30 applicable to violations of 30 V.S.A. § 248.

Sec. 26e. 24 V.S.A. § 2291 is amended to read:

§ 2291. ENUMERATION OF POWERS

For the purpose of promoting the public health, safety, welfare, and convenience, a town, city, or incorporated village shall have the following powers:

* * *

(28) Notwithstanding any contrary provision of sections 2291a and 4413 of this title or 30 V.S.A. chapter 5 or 89, a municipality may adopt an ordinance to establish screening requirements that shall apply to a ground-mounted plant that generates electricity from solar energy. In a proceeding under 30 V.S.A. § 248, the municipality may make recommendations to the Public Service Board applying the ordinance to such a plant. The ordinance may designate the municipal body to make this recommendation. Screening requirements and recommendations adopted under this subdivision shall be a condition of a certificate of public good issued for the plant under 30 V.S.A. § 248, provided that they do not prohibit or have the effect of prohibiting the installation of such a plant and do not have the effect of interfering with its intended functional use.

(A) Screening requirements under this subdivision shall not be more restrictive than screening requirements applied to other land development in the municipality under chapter 117 of this title or, if the municipality does not have other bylaws except flood hazard, 10 V.S.A. chapter 151.

(B) In this section, "plant" shall have the same meaning as in 30 V.S.A. § 8002 and "screening" means reasonable aesthetic mitigation measures to harmonize a facility with its surroundings and includes landscaping, vegetation, fencing, and topographic features.

(C) This subdivision (28) shall not authorize requiring a municipal permit for a solar electric generation plant. Notwithstanding any contrary provision of this title, enforcement of an ordinance adopted under this subdivision shall be pursuant to the provisions of 30 V.S.A. § 30 applicable to violations of 30 V.S.A. § 248.

Sec. 26f. REPORT; TOWN ADOPTION OF SOLAR SCREENING

(a) On or before January 15, 2017, the Commissioners of Housing and Community Development and of Public Service (the Commissioners) jointly shall submit a report to the House and Senate Committees on Natural Resources and Energy that:

(1) identifies the municipalities that have adopted screening requirements pursuant to Sec. 26d of this act, 24 V.S.A. § 4414(15), or Sec. 26e of this act, 24 V.S.A. § 2291(28);

(2) summarizes these adopted screening requirements; and

(3) provides the number of proceedings before the Public Service Board in which these screening requirements were applied and itemizes the disposition and status of those proceedings.

(b) Each municipality adopting an ordinance or bylaw under 24 V.S.A. § 2291(28) or 4414(15) shall provide the Commissioners, on request, with information needed to complete the report required by this section.

Nineteenth: By striking out Sec. 28 (effective dates), and inserting in lieu thereof a new Sec. 28 to read as follows:

Sec. 28. EFFECTIVE DATES

(a) This section and Secs. 8 (Public Service Board rulemaking), 10 (Forests, Parks and Recreation rulemaking), 14b (joint energy committee; recommendation), 18 (net metering pilot project), and 27 (severability) shall take effect on passage. Notwithstanding 1 V.S.A. § 214, Sec. 18 shall apply to facilities for which an application for a certificate of public good is pending as of its effective date.

(b) Secs. 1 through 7, 9, 11, 13, 14, 15 through 17, 19, 20, and 21 through 26 shall take effect on July 1, 2015. Sec. 11 (net metering systems; environmental attributes) shall not apply to complete applications filed prior to its effective date.

(c) Secs. 26a (municipal party status), 26b (setbacks), 26c (certificate of public good), 26d (solar screening bylaw), 26e (solar screening ordinance), and 26f (report) shall take effect on passage.

(d) Sec. 12 (net metering systems; environmental attributes) shall amend 30 V.S.A. § 8010 as added effective January 1, 2017 by 2014 Acts and Resolves No. 99, Sec. 4. Sec. 12 shall take effect on January 2, 2017, except that, notwithstanding 1 V.S.A. § 214, the section shall apply to the Public Service Board process under 2014 Acts and Resolves No. 99, Sec. 5. Sec. 12 shall not affect a net metering system for which a complete application was filed before January 1, 2017.

Which was agreed to.

Senator MacDonald, for the Committee on Finance, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Finance with the following amendments thereto:

First: In the ninth instance of amendment, in Sec. 6, 30 V.S.A. § 8005b(b), by striking out each occurrence of "RESET Program" and inserting in lieu thereof RES and in subdivision (b)(2), by striking out "RESET Program's impact" and inserting in lieu thereof impact of the RES

Second: In the eleventh instance of amendment, in Sec. 8 (Public Service Board implementation), by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) Order. On or before July 1, 2016, the Board shall issue an order to take effect on January 1, 2017 that initially implements Secs. 2, 3, and 7 of this act.

Third: In Sec. 1, by striking out the reader assistance heading and inserting in lieu thereof a new reader assistance heading to read as follows:

* * * Renewable Energy Standard * * *

Fourth: In Sec. 1, 30 V.S.A. § 8002, by striking out subdivision (26) and inserting in lieu thereof a new subdivision (26) to read as follows:

(26) "RES" means the Renewable Energy Standard established under sections 8004 and 8005 of this title.

Fifth: In Sec. 2, 30 V.S.A. § 8004, in the section header, by striking out "AND ENERGY TRANSFORMATION (RESET) PROGRAM" and inserting in lieu thereof (RES) and, in the section text, by striking out each occurrence of "RESET Program" and inserting in lieu thereof RES

Sixth: In Secs. 3 (30 V.S.A. § 8005), 6 (30 V.S.A. § 8005b), 7 (30 V.S.A. § 8006), 8 (Public Service Board), and 9 (10 V.S.A. § 2751), by striking out each occurrence of "RESET Program" and inserting in lieu thereof RES

Seventh: In Sec. 3, 30 V.S.A. § 8005, in subsection (b) (reduced amounts; providers; 100 percent renewable), in subdivision (1), by striking out subdivision (B) and inserting in lieu thereof a new subdivision (B) to read as follows:

(B) annually each July 1 commencing in 2018, owns and has retired tradeable renewable energy credits monitored and traded on the New England Generation Information System or otherwise approved by the Board equivalent to 100 percent of the provider's total retail sales of electricity for the previous calendar year.

Eighth: After Sec. 15, by inserting a new Sec. 15a to read as follows:

Sec. 15a. 30 V.S.A. § 209(j)(5) is added to read:

(5) This subdivision applies to a transferee of all or substantially all of the assets at the served property of an entity approved to participate in the self-managed energy efficiency program. The Board shall allow the transferee to continue as a participant in the self-managed energy efficiency program class in the same manner and under the same terms and conditions that the transferor participant was authorized to participate, provided:

(A) the transferor participant met the requirements of subdivision (4)(A) of this subsection (j) and the transferee otherwise meets the requirements of this subsection; and

(B) the transferee assumes the obligation to fulfill any outstanding commitment of the transferor participant under subdivision (4)(D) of this subsection.

Ninth: After Sec. 21 by adding two new sections to be numbered Secs. 21a and 21b to read as follows:

Sec. 21a. HEAT PUMPS; REPORT

On or before December 15, 2015, the Commissioner of Public Service shall submit a report on heat pumps to the House and Senate Committees on Natural Resources and Energy, the House Committee on Commerce and Economic Development, and the Senate Committee on Finance. The Commissioner shall recommend whether the State of Vermont should establish minimum standards for heat pumps sold in the State, including standards related to heat pump efficiency and cold climate use. The report shall include the standards, if any, recommended by the Commissioner. The report shall describe the research and analysis undertaken to prepare the report and the results of the research and analysis, and state the rationale for each recommendation.

Sec. 21b. REPORT; RATEPAYER ADVOCATE OFFICES

(a) Report. The Commissioner of Public Service shall evaluate the pros and cons of various forms of ratepayer advocate offices and report on or before December 15, 2015, to the House Committee on Commerce and Economic Development and the Senate Committee on Finance with any recommendations on how to improve the structure and effectiveness of the Division for Public Advocacy within the Department of Public Service.

(b) Process. In order to receive information relevant to this evaluation, and prior to submit the report, the Commissioner shall:

(1) solicit input from consumer advocates, utilities, and utility regulation experts; and

(2) conduct at least two public hearings dedicated to the subject of this section.

(c) Scope. The Commissioner shall study various forms of ratepayer advocacy offices and assess them in terms of:

(1) their structure and reporting requirements;

(2) whether and how their independence is ensured through structure and budget;

(3) their effectiveness in representing residential ratepayers in regulatory proceedings; and

(4) how ratepayer benefits, specifically rate savings, vary with differing ratepayer advocate structures.

Tenth: In Sec. 25 (conforming amendments; renewable energy definitions), in subsection (b), by striking out subdivision (29), and inserting in lieu thereof a new subdivision (29) to read:

(29) "RES" means the Renewable Energy Standard established under sections 8004 and 8005 of this title.

Eleventh: After Sec. 25, by inserting a new Sec. 25a to read as follows:

Sec. 25a. REVISION AUTHORITY

In preparing this act for publication in the Acts and Resolves and for codification, the Office of Legislative Council is authorized to make appropriate revisions to reflect the amendment of the bill as introduced to change the name of the Renewable Energy Standard and Energy Transformation Program to the Renewable Energy Standard and the associated acronym from RESET to RES.

And that after passage the title of the bill be amended to read:

An act relating to establishing a renewable energy standard.

And that the bill ought to pass in concurrence with such proposals of amendment.

Senator Kitchel, for the Committee on Appropriations, to which the bill was referred, reported the same without recommendation.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of proposal of amendment of the Committee on Natural Resources & Energy was amended as recommended by the Committee on Finance.

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Natural Resources & Energy, as amended?, Senator Lyons moved to amend the *eleventh* proposal of amendment of the Committee on Natural Resources & Energy, as amended in Sec. 8, (Public Service Board implementation), subsection (d), by striking out "July 1, 2017" and inserting in lieu thereof July 1, 2018

Which was agreed to.

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Natural Resources & Energy, as amended?, Senators Nitka, Benning, Campbell, Degree, Kitchel, McCormack, Rodgers, Starr and White moved to amend the proposal of

amendment of the Committee on Committee on Natural Resources and Energy, as amended, with a further amendment thereto as follows:

In Sec. 3, 30 V.S.A. § 8005, in subsection (a) (categories), in subdivision (3) (energy transformation), in subdivision (B) (required amounts), at the end of the subdivision, by inserting the following: However, in the case of a provider that is a municipal electric utility serving not more than 6,000 customers, the required amount shall be two percent of the provider's annual retail sales beginning on January 1, 2019, increasing by an additional two-thirds of a percent each subsequent January 1 until reaching 10 and two-thirds percent on and after January 1, 2032. Prior to January 1, 2019, such a municipal electric utility voluntarily may engage in one or more energy transformation projects in accordance with this subdivision (3).

Which was agreed to.

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Natural Resources & Energy, as amended?, Senator Mullin moved to strike the ninth proposal of amendment of the Committee on Natural Resources and Energy and insert in lieu thereof a new ninth proposal of amendment to read as follows:

Ninth: In Sec. 6, 30 V.S.A. § 8005b, by striking out subsections (a) and (b) in their entirety and inserting in lieu thereof new subsections (a) and (b) to read as follows:

(a) ~~On or before January 15, 2013 and no later than every second January 15 thereafter through January 15, 2033, the Board~~ The Department shall file ~~a report~~ reports with the General Assembly in accordance with this section. ~~The Board shall prepare the report in consultation with the Department.~~

(1) The House Committee on Commerce and Economic Development, the Senate Committees on Economic Development, Housing and General Affairs and on Finance, and the House and Senate Committees on Natural Resources and Energy each shall receive a copy of these reports.

(2) The Department shall file the report under subsection (b) of this section annually each January 15 commencing in 2018 through 2033.

(3) The Department shall file the report under subsection (c) of this section biennially each March 1 commencing in 2017 through 2033.

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

(b) The annual report under this section shall include at least each of the following:

(1) An assessment of the costs and benefits of the RES based on the most current available data, including rate and economic impacts, customer savings, technology deployment, greenhouse gas emission reductions actually achieved, fuel price stability, and effect on transmission and distribution upgrade costs, and any recommended changes based on this assessment.

(2) Projections, looking at least 10 years ahead, of the impacts of the RES.

(A) The Department shall employ an economic model to make these projections, to be known as the Consolidated RES Model, and shall consider at least three scenarios based on high, mid-range, and low energy price forecasts.

(B) The Department shall make the model and associated documents available on the Department's website.

(C) In preparing these projections, the Department shall:

(i) characterize each of the model's assumptions according to level of certainty, with the levels being high, medium, and low; and

(ii) provide an opportunity for public comment.

(D) The Department shall project, for the State, the impact of the RES in each of the following areas: electric utility rates; total energy consumption; electric energy consumption; fossil fuel consumption; and greenhouse gas emissions. The report shall compare the amount or level in each of these areas with and without the Program.

(3) An assessment of whether the requirements of the RES have been met to date, and any recommended changes needed to achieve those requirements.

Which was agreed to.

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Natural Resources & Energy, as amended?, Senator Ashe moved to amend the proposal of amendment of the Committee on Natural Resources and Energy, as amended, with a further amendment thereto as follows:

In Sec. 3, 30 V.S.A. § 8005, in subdivision (a)(3), by striking out subdivision (C) and inserting in lieu thereof a new subdivision (C) to read as follows:

(C) Eligibility criteria. For an energy transformation project to be eligible under this subdivision (a)(3), each of the following shall apply:

(i) Implementation of the project shall have commenced on or after January 1, 2015.

(ii) Over its life, the project shall result in a net reduction in fossil fuel consumed by the provider's customers and in the emission of greenhouse gases attributable to that consumption, whether or not the fuel is supplied by the provider.

(iii) The project shall meet the need for its goods or services at the lowest present value life cycle cost, including environmental and economic costs. Evaluation of whether this subdivision (iii) is met shall include analysis of alternatives that do not increase electricity consumption.

(iv) The project shall cost the utility less per MWH than the applicable alternative compliance payment rate.

Which was agreed to.

Thereupon, the proposals of amendment recommended by the Committee on Natural Resources & Energy, as amended, were agreed to and third reading of the bill was ordered.

Message from the House No. 68

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

H. 477. An act relating to miscellaneous amendments to election law.

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

The Speaker appointed as members of such Committee on the part of the House:

Rep. Cole of Burlington
Rep. Martin of Wolcott
Rep. Higley of Lowell

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

H. 480. An act relating to making miscellaneous technical and other amendments to education laws.

And has severally concurred therein with further amendments in the passage of which the concurrence of the Senate is requested.

Pursuant to the request of the Senate for a Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 138. An act relating to promoting economic development.

The Speaker has appointed as members of such committee on the part of the House:

Rep. Botzow of Pownal
Rep. Marcotte of Coventry
Rep. Young of Glover

Message from the House No. 69

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

H. 492. An act relating to capital construction and State bonding.

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

The Speaker appointed as members of such Committee on the part of the House:

Rep. Emmons of Springfield
Rep. Myers of Essex
Rep. Toleno of Brattleboro

Message from the House No. 70

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

H. 117. An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service.

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

The Speaker appointed as members of such Committee on the part of the House:

Rep. Marcotte of Coventry
Rep. Carr of Brandon
Rep. Young of Glover

Rules Suspended; Bill Passed in Concurrence with Proposals of Amendment; Bill Messaged

H. 282.

Pending entry on the Calendar for action tomorrow, on motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to professions and occupations regulated by the Office of Professional Regulation.

Was placed on all remaining stages of its passage in concurrence with proposals of amendment forthwith.

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

Thereupon, on motion of Senator Baruth, the rules were suspended and the bill was ordered messaged to the House forthwith.

Committee of Conference Appointed

H. 477.

An act relating to miscellaneous amendments to election law.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator White
Senator Benning
Senator Pollina

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Committee of Conference Appointed

H. 492.

An act relating to capital construction and State bonding.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Flory
Senator Mazza
Senator Rodgers

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Rules Suspended; Bills Messaged

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 477, H. 484, H. 492.

Bill Referred

House bill entitled:

H. 508. An act relating to approval of amendments to the charter of the Town of Middlebury.

Was taken up and pursuant to Temporary Rule 44A was referred to the Committee on Government Operations.

Message from the House No. 71

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed a House bill of the following title:

H. 434. An act relating to law enforcement and fire service training safety.

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

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

S. 7. An act relating to bail determinations concerning a defendant charged with lewd and lascivious conduct with a child.

And has passed the same in concurrence.

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

S. 29. An act relating to election day registration.

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

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

H. 98. An act relating to reportable disease registries and data.

And has severally concurred therein with further amendments in the passage of which the concurrence of the Senate is requested.

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

J.R.S. 20. Joint resolution relating to the Vermont Student Assistance Corporation's lending authority.

And has adopted the same in concurrence.

Adjournment

On motion of Senator Campbell, the Senate adjourned until eleven o'clock in the morning.

THURSDAY, MAY 14, 2015

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Bill Referred

House bill of the following title was read the first time and referred:

H. 434.

An act relating to law enforcement and fire service training safety.

To the Committee on Rules.

Adjournment

On motion of Senator Campbell, the Senate adjourned until one o'clock and thirty minutes in the afternoon.

Afternoon

The Senate was called to order by the President.

Consideration Resumed; House Proposal of Amendment Concurred in with Proposal of Amendment

S. 73.

Consideration was resumed on House bill entitled:

An act relating to State regulation of rent-to-own agreements for merchandise.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment with proposal of amendment as proposed by Senator Balint?, Senator Balint requested and was granted leave to withdraw the proposal of amendment.

Thereupon, Senator Balint moved that the Senate concur in the House proposal of amendment with a proposal of amendment as follows:

First: In Sec. 1, in 9 V.S.A. § 41b(c)(2), by striking out "(A)" and by striking out subparagraph (B) in its entirety.

Second: In Sec. 1, in 9 V.S.A. § 41b(e), by striking out subdivisions (1)–(2) in their entirety and inserting in lieu thereof subdivisions (1)–(3) to read as follows:

(1) whether the item is new or used;

(2) when the merchant acquired the item; and

(3) the number of times a consumer has taken possession of the item under a rent-to-own agreement.

Third: In Sec. 3, in 9 V.S.A. § 6002(b), by striking out subdivision (6) in its entirety (three representatives focused on collegiate financial literacy issues) and inserting in lieu thereof a new subdivision (6) to read as follows:

(6) two representatives focused on collegiate financial literacy issues:

(A) the President of the Vermont Student Assistance Corporation or designee; and

(B) one representative appointed by the Governor from the Vermont State Colleges, the University of Vermont, or an independent college in Vermont;

Fourth: In Sec. 3, in 9 V.S.A. § 6002(b), by striking out subdivision (7) in its entirety (two representatives from non-profit entities) and inserting in lieu thereof a new subdivision (7) to read as follows:

(7) a representative from a nonprofit entity that provides financial literacy and related services to persons with low income;

Fifth: By inserting a new section to be numbered Sec. 5A to read as follows:

Sec. 5A. REPEAL

Sec. 5 of this act (consumer litigation funding) shall be repealed on July 1, 2016.

Sixth: By striking out Sec. 6 in its entirety (internet dating services) and inserting in lieu thereof the following:

Sec. 6. [Reserved.]

Seventh: In Sec. 10 (effective dates), in subsection (a), by striking out "Secs. 2–5" and inserting in lieu thereof Secs. 2–5A and by striking out subsection (c) in its entirety (effective dates for internet dating services)

Which was agreed to.

Rules Suspended; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence

H. 508.

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and House bill entitled:

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

Was taken up for immediate consideration.

Senator Collamore, for the Committee on Government Operations, to which the bill was referred, reported that the bill ought to pass in concurrence.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and third reading of the bill was ordered.

Thereupon, on motion of Senator Baruth, the rules were suspended and the bill was placed on all remaining stages of its passage in concurrence forthwith.

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

Rules Suspended; Immediate Consideration; Proposals of Amendment; Third Reading Ordered

H. 5.

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and House bill entitled:

An act relating to hunting, fishing, and trapping.

Was taken up for immediate consideration.

Senator Rodgers, for the Committee on Natural Resources & Energy, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill as follows:

First: By striking out Sec. 5 in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. 10 V.S.A. § 4255(c) is amended to read:

(c) A permanent or free license may be secured on application to the Department by a person qualifying as follows:

* * *

(6) In each year a permanent license holder intends to hunt, trap, or fish, the permanent license holder shall notify the Department that he or she will exercise his or her hunting, trapping, or fishing privileges. Failure to notify the Department as required by this subdivision (c)(6) shall not result in the assessment of points under section 4502 of this title.

Second: By adding a new section to be numbered Sec. 14a and accompanying reader assistance to read as follows:

* * * Forest Fragmentation Report * * *

Sec. 14a. RECOMMENDATIONS FOR IMPLEMENTATION OF VERMONT FOREST FRAGMENTATION REPORT

On or before January 15, 2016, the Commissioner of Forests, Parks and Recreation shall report to the House and Senate Committees on Natural Resources and Energy and the House Committee on Fish, Wildlife and Water Resources with recommendations for implementing the policy options to promote forest integrity contained within the Department of Forests, Parks and Recreation's 2015 Vermont Forest Fragmentation Report. The report shall include proposed legislative changes to implement the recommendations of the Commissioner of Forests, Parks and Recreation. Prior to submitting the report required by this section, the Commissioner of Forests, Parks and Recreation shall consult with interested stakeholders.

And that the bill ought to pass in concurrence with such proposals of amendment.

Senator Lyons, for the Committee on Finance, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources & Energy.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the proposal of amended of the Committee on Natural Resources and Energy was agreed to.

Thereupon, pending question, Shall the bill be read a third time?, Senator Bray moved to amend the Senate proposal of amendment by adding a Sec. 5a to read as follows:

Sec. 5a. 10 V.S.A. § 4279 is amended to read:

§ 4279. LIFETIME LICENSES

(a) A resident or nonresident lifetime fishing, hunting, or combination fishing and hunting license may be obtained upon application to the Department.

* * *

(g) In each year a lifetime license holder intends to hunt, trap, or fish, the lifetime license holder shall notify the Department that he or she will exercise his or her hunting, trapping, or fishing privileges. Failure to notify the Department as required by this subsection shall not result in the assessment of points under section 4502 of this title.

Which was agreed to.

Thereupon, third reading of the bill was ordered.

Rules Suspended; House Proposal of Amendment Concurred In; Rules Suspended; Bill Delivered

S. 29.

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and House proposal of amendment to Senate bill entitled:

An act relating to election day registration.

Was taken up for immediate consideration.

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

Sec. 1. 17 V.S.A. § 2142 is amended to read:

§ 2142. REVISION OF CHECKLIST

(a) The town clerk shall call such meetings of the board of civil authority as may be necessary before an election or at other times for revision of the checklist. ~~At least one meeting shall take place after the deadline for filing applications and before the day of an election, unless no applications have been filed which could take effect before that election.~~

(b) Notice of a meeting, along with a copy of the most recent checklist and a separate list of names which have been challenged and may be removed, shall be posted in two or more public places within each voting district and in the town clerk's office.

(c) A quorum of the board of civil authority shall be as provided in subdivision 2103(5) of this title, and written notice shall be provided to each member as established in 24 V.S.A. § 801.

Sec. 2. 17 V.S.A. § 2144 is amended to read:

§ 2144. ~~DEADLINE FOR~~ SUBMITTING APPLICATIONS

(a) ~~The town clerk shall not accept applications for persons' names to be placed on the checklist after 5:00 p.m. on the Wednesday preceding the day of the election. The town clerk's office shall be kept open on the Wednesday preceding the day of the election from no later than 3:00 p.m. until 5:00 p.m., for the purpose of receiving applications for addition to the checklist. For purposes of this subsection, a mail application or an application submitted to the department of motor vehicles in connection with a motor vehicle driver's license or an application accepted by a voter registration agency shall be considered to have met the filing deadline established by this subsection if the application is postmarked, submitted, or accepted by 5:00 p.m. of the Wednesday preceding the day of the election~~ On any day other than the day of an election, the town clerk shall accept a person's application for his or her name to be placed on the checklist at the town clerk's office during all normal business hours.

(b) ~~If a person is not eligible to register prior to the voter registration deadline, but expects to be eligible on or before election day, he or she may file with the town clerk a written notice of intention to apply for addition of his or her name to the checklist. The notice shall be filed prior to the voter registration deadline, and the town clerk shall then accept the person's application at any time before the close of the polls on election day, and act upon the application forthwith~~ On the day of an election:

(1) A person may submit an application for addition to the checklist to the presiding officer at the polling place of the town in which the person seeks to register during the hours of voting established by the board of civil authority for that polling place. In towns with more than one polling place, the polling place shall be that which covers the area in which the person resides.

(2) The presiding officer or his or her designated election official shall review all applications submitted at the polling place and shall approve those applications that meet the requirements of section 2121 of this chapter. Upon approval, the applicant's name shall be added to the checklist at the polling

place, and the applicant shall be provided with the opportunity to vote in the election. The town clerk shall add the information in the application to the statewide voter checklist within five business days of the day of the election.

(3) If the presiding officer or the designated election official cannot determine from an application submitted on election day that an applicant meets the requirements of section 2121 of this chapter, the presiding officer shall immediately refer the application to any members of the board of civil authority, or its equivalent entity under any applicable charter, present at the polling place, who shall meet immediately and proceed under section 2146 of this chapter to determine whether the applicant meets the requirements of section 2121 of this chapter. For purposes of adding applicant's names to the checklist under this subdivision (3), a quorum of the board or its equivalent entity shall be as provided in section 2451 of this title. If the board rejects an applicant, it shall notify him or her at the polling place.

(c) ~~If a person is not eligible to register prior to the voter registration deadline, and has submitted a written notice of intent to apply in accord with subsection (b) of this section, the clerk shall, upon application, allow the applicant to vote absentee. If the application is approved and the name added to the checklist prior to the close of the polls on election day, the early or absentee ballots cast by that voter shall be treated as other valid early or absentee ballots.~~ [Repealed.]

(d) ~~In the case of annual meetings and towns that start their annual meetings on any day preceding the first Tuesday in March as authorized in subsection 2640(b) of this title, the "day of election" shall be the first Tuesday in March.~~ [Repealed.]

Sec. 3. 17 V.S.A. § 2144a is amended to read:

§ 2144a. REGISTRATION

A person who desires to register to vote may apply in any of the following ways:

(1) Simultaneously with his or her application for, or renewal of, a motor vehicle driver's license as provided in section 2145a of this ~~title~~ chapter.

(2) By completing a voter registration application at a voter registration agency.

(3) By delivering, during regular hours, or mailing a completed application form to the office of the clerk of the town in which the applicant claims to be a resident.

(4) By completing a voter registration application and delivering it to the presiding officer before the close of the polls at the polling place of the town in

which the person seeks to register. In towns with more than one polling place, the polling place shall be that which covers the area in which the person resides.

Sec. 4. 17 V.S.A. § 2145 is amended to read:

§ 2145. APPLICATION FORMS

(a) The voter registration application shall be in the form approved by the Federal Election Commission or by the Secretary of State. The application form approved by the Secretary shall include:

* * *

(5) The following statement on applications provided by the Department of Motor Vehicles: "Keep this receipt and take it to the polls when you go to vote. This is proof you submitted an application ~~before the deadline~~ for registration."

* * *

Sec. 5. 17 V.S.A. § 2145a is amended to read:

§ 2145a. REGISTRATIONS AT THE DEPARTMENT OF MOTOR VEHICLES

(a) An application for, or renewal of, a motor vehicle driver's license shall serve as a simultaneous application to register to vote unless the applicant declines to sign the voter registration portion of the application.

(b) The voter registration portion of the motor vehicle driver's license application shall provide and request the information required to be provided under section 2145 of this ~~title~~ chapter and shall be in the form approved by the Secretary of State.

(c) An application for voter registration under this section shall update any previous voter registration by the applicant. Any change of address form submitted to the Department of Motor Vehicles in connection with an application for a motor vehicle driver's license shall serve to update voter registration information previously provided by the voter, unless the voter states on the form that the change of address is not for voter registration purposes.

(d) The Department of Motor Vehicles shall transmit voter registration applications received under this section to the Secretary of State not later than five days after the date the application was accepted by the Department, or before the ~~close of the checklist for a~~ date of any primary or general election, whichever is sooner.

(e) The Secretary shall promptly transmit applications received under this section to the clerks of the appropriate municipalities.

Sec. 6. 17 V.S.A. § 2145b is amended to read:

§ 2145b. VOTER REGISTRATION AGENCIES

(a) Each voter registration agency shall:

(1) ~~Distribute~~ distribute voter registration application forms approved under section 2145 of this title~~.~~;

(2) ~~Assist~~ assist applicants in completing voter registration application forms, unless the applicant refuses such assistance~~.~~; and

(3) ~~Accept~~ accept completed voter registration applications and transmit completed applications to the Secretary of State not later than 10 days after the date of acceptance, or before the ~~close of the checklist for a~~ date of any primary or general election, whichever is sooner.

(b) The Secretary shall promptly transmit applications received under this section to the clerks of the appropriate municipalities.

* * *

Sec. 7. 17 V.S.A. § 2145c is amended to read:

§ 2145c. SUBMISSION OF VOTER REGISTRATION FORMS BY OTHER PERSONS OR ORGANIZATIONS

Any person or any organization other than a voter registration agency that accepts a completed voter registration form on behalf of an applicant shall submit that form to the town clerk of the town of that applicant not later than seven days after the date of acceptance, or before the ~~close of the checklist for a~~ date of any primary or general election, whichever is sooner.

Sec. 8. 17 V.S.A. § 2147 is amended to read:

§ 2147. ALTERATION OF CHECKLIST

(a) Pursuant to section 2150 of this title, the board of civil authority or, upon request of the board, the town clerk shall add to the checklist ~~posted in the town clerk's office~~ the names of the voters added and the names omitted by mistake and shall strike the names of persons not entitled to vote. The list so corrected shall not be altered except by:

* * *

(3) adding the names of persons who present ~~a copy of~~ a valid application for addition to the checklist of that town ~~that was submitted before~~

~~the deadline for applications~~ or a copy thereof, and who otherwise are qualified to be added to the checklist;

(4) ~~adding, at the polling place, the names of persons who sign a sworn affidavit prepared by the Secretary of State that they completed and submitted a valid application for addition to the checklist of that town before the deadline for applications and who otherwise are qualified to be added to the checklist;~~ [Repealed.]

* * *

(6) adding the names of persons who previously submitted an incomplete application ~~before the deadline for application~~ and who provide that information on or before election day.

(b) Any correction or transfer may be accomplished at any time until the closing of the polls on election day. Each voter has primary responsibility to ascertain that his or her name is properly added to and retained on the checklist.

Sec. 9. 17 V.S.A. § 2150 is amended to read:

§ 2150. REMOVING NAMES FROM CHECKLIST

* * *

(d) Except as provided in subsection (a) of this section, a board of civil authority shall only remove a name from the checklist in accordance with the following procedure:

* * *

(3) If after conducting its inquiry the board of civil authority or town clerk is unable to locate a voter whose name is on the checklist, or if the inquiry reveals facts indicating that the voter may no longer be eligible to vote in the municipality, the board of civil authority or, upon request of the board, the town clerk shall send a written notice to the voter. The notice shall be sent by first class mail to the most recent known address of the voter asking the voter to verify his or her current eligibility to vote in the municipality. The notice shall be sent with the required U.S. Postal Service language for requesting change of address information. Enclosed with the notice shall be a postage paid pre-addressed return form on which the voter may reply swearing or affirming the voter's current place of residence as the municipality in question or alternatively consenting to the removal of the voter's name. The notice required by this subsection shall also include the following:

(A) A statement informing the voter that if the voter has not changed his or her residence, or if the voter has changed his or her residence but the

change was within the area covered by the checklist, the voter should return the form to the town clerk's office ~~on or before the date upon which the checklist is closed under section 2144 of this title~~. The statement shall also inform the voter that if he or she fails to return the form as provided in this subdivision, written affirmation of the voter's address shall be required before the voter is permitted to vote.

* * *

(5) In the case of voters who failed to respond to the notice sent pursuant to subdivision (3) of this subsection, the board of civil authority shall remove the voter's name from the checklist on the day after the second general election following the date of such notice, if the voter has not voted or appeared to vote in an election since the notice was sent or has not otherwise demonstrated his or her eligibility to remain on the checklist.

* * *

Sec. 10. 17 V.S.A. § 2532 is amended to read:

§ 2532. APPLICATIONS; FORM

* * *

(c) If the request is received by the town clerk prior to the ~~voter registration~~ deadline for requesting early voter absentee ballots set forth in ~~subsection 2144(a)~~ section 2531 of this ~~title~~ chapter, the town clerk shall mail a blank application for addition to the checklist, together with a full set of early voter absentee ballots, to the person who has applied for early voter absentee ballots. All such applications for addition to the checklist which are returned to the town clerk before the close of the polls on election day shall be considered and acted upon by the board of civil authority before the ballots are counted. If the application is approved and the name added to the checklist, the early voter absentee ballots cast by that voter shall be treated as other valid early voter absentee ballots.

* * *

Sec. 11. 17 V.S.A. § 2555 is amended to read:

§ 2555. PROVISIONAL BALLOT ENVELOPES

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

* * *

(2) An attestation by the provisional voter that he or she submitted a properly completed voter application form ~~before the application deadline~~.

The attestation shall be signed by the provisional voter under penalty of perjury.

* * *

Sec. 12. 17 V.S.A. § 2556 is amended to read:

§ 2556. PROVISIONAL VOTING

(a) If an individual's name does not appear on the checklist and the individual claims to have submitted an application for the checklist ~~prior to noon on the second Monday before the election~~ and refuses to complete a new application in accordance with subdivision 2563(2) of this chapter, or if the individual's registration application has been rejected and the individual disputes that rejection, the election official shall allow the individual to vote provisionally.

(b) The provisional voter shall be given a ballot and an envelope with an attestation printed upon it, as described in section 2555 of this title, and shall complete the attestation on the envelope. Upon completion, the provisional voter shall seal the envelope and deposit it in a ballot box marked for the receipt of provisional ballots.

(c) A provisional voter who makes a false statement in completing the attestation, knowing the statement to be false, shall be subject to the penalties of perjury as provided in 13 V.S.A. chapter 65.

Sec. 13. 17 V.S.A. § 2563 is amended to read:

§ 2563. ADMITTING VOTER

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

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

~~(1)~~(A)(i) If the checklist indicates that the person is a first-time voter in the municipality who registered by mail and who has not provided required identification before the opening of the polls, require the person to present any one of the following: a valid photo identification; a copy of a current utility bill; a copy of a current bank statement; or a copy of a government check, paycheck, or any other government document that shows the current name and address of the voter.

(ii) If the person is unable to produce the required information, the person shall be afforded the opportunity to ~~cast a provisional ballot, as provided in subchapter 6A of this chapter~~ complete a new application for addition to the checklist in accordance with section 2144 of this title.

(iii) The elections official shall note upon the checklist a first-time voter in the municipality who has registered by mail and who produces the required information, and place a mark next to the voter's name on the checklist and allow the voter to proceed to the voting booth for the purpose of voting.

~~(2)~~(B) If the voter is not a first-time voter in the municipality, no identification shall be required~~, the~~. The clerk shall place a check next to the voter's name on the checklist and allow the voter to proceed to the voting booth for the purpose of voting.

(2) If the name does not appear, the person shall be afforded the opportunity to complete an application for addition to the checklist in accordance with section 2144 of this title.

Sec. 14. SECRETARY OF STATE REPORT

(a) The Secretary of State shall consult with town clerks and report on or before January 15, 2016, to the Senate and House Committees on Government Operations with his or her proposed process and any recommendations or concerns regarding the following:

(1) permitting a town clerk to deposit in a vote tabulator on the day before an election any early voter absentee ballots he or she has received, while still complying with other provisions of election law;

(2) ensuring that all towns have Internet access at each polling place on the day of an election;

(3) permitting automatic voter registration through the Department of Motor Vehicles; and

(4) public service announcements that encourage people to register to vote prior to the day of an election.

(b) The report described in subsection (a) of this section shall also address:

(1) any improvements in the registration of voters through the Department of Motor Vehicles;

(2) other states that require identification for election day voter registration and whether Vermont should also require such identification; and

(3) any other recommendations regarding the administration of election day registration.

Sec. 15. EFFECTIVE DATES

This act shall take effect on January 1, 2017, except for Sec. 14 (Secretary of State report), which shall take effect on passage.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

Thereupon, on motion of Senator Campbell, the rules were suspended and the bill was ordered delivered to the Governor forthwith.

Rules Suspended; Bills Messaged

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

S. 73, H. 508.

Adjournment

On motion of Senator Campbell, the Senate adjourned until four o'clock in the afternoon.

Afternoon

The Senate was called to order by the President.

Rules Suspended; House Proposal of Amendment to Senate Proposal of Amendment Concurred In; Rules Suspended; Bill Messaged

H. 98.

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to reportable disease registries and data.

Was taken up for immediate consideration.

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

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

Sec. 1. 18 V.S.A. chapter 4 is amended to read:

CHAPTER 4. CANCER REGISTRY

* * *

§ 153. PARTICIPATION IN PROGRAM

(a) Any health care facility diagnosing or providing treatment to ~~cancer~~ patients with cancer shall report each case of cancer to the ~~commissioner~~

Commissioner or his or her authorized representative in a format prescribed by the ~~commissioner~~ Commissioner within ~~120~~ 180 days of admission or diagnosis. If the facility fails to report in a format prescribed by the ~~commissioner~~ Commissioner, the ~~commissioner's~~ Commissioner's authorized representative may enter the facility, obtain the information, and report it in the appropriate format. In these cases, the facility shall reimburse the ~~commissioner~~ Commissioner or the authorized representative for the cost of obtaining and reporting the information.

(b) Any health care provider diagnosing or providing treatment to ~~cancer~~ patients with cancer shall report each cancer case to the ~~commissioner~~ Commissioner or his or her authorized representative within ~~120~~ 180 days of diagnosis. Those cases diagnosed or treated at a Vermont facility or previously admitted to a Vermont facility for diagnosis or treatment of that instance of cancer are exceptions and do not need to be reported by the health care provider.

(c) All health care facilities and health care providers who provide diagnostic or treatment services to patients with cancer shall report to the ~~commissioner~~ Commissioner any further demographic, diagnostic, or treatment information requested by the ~~commissioner~~ Commissioner concerning any person now or formerly receiving services, diagnosed as having or having had a malignant tumor. Additionally, the ~~commissioner~~ Commissioner or his or her authorized representative shall have physical access to all records ~~which~~ that would identify cases of cancer or would establish characteristics of the cancer, treatment of the cancer, or medical status of any identified ~~cancer~~ patient with cancer. Willful failure to grant access to such records shall be punishable by a fine of up to $500.00 for each day access is refused. Any fines collected pursuant to this subsection shall be deposited in the ~~general fund~~ General Fund.

* * *

§ 155. DISCLOSURE

(a) The ~~commissioner~~ Commissioner may enter into agreements to exchange confidential information with other cancer registries in order to obtain complete reports of Vermont residents diagnosed or treated in other states and to provide information to other states regarding their residents diagnosed or treated in Vermont.

(b) The ~~commissioner~~ Commissioner may furnish confidential information to the National Breast and Cervical Cancer Early Detection Program, other states' cancer registries, federal cancer control agencies, or health researchers in order to collaborate in a national cancer registry or to collaborate in cancer control and prevention research studies. However, before releasing

confidential information, the ~~commissioner~~ Commissioner shall first obtain from such state registries, agencies, or researchers an agreement in writing to keep the identifying information confidential and privileged. In the case of researchers, the ~~commissioner~~ Commissioner shall also first obtain evidence of the approval of their academic committee for the protection of human subjects established in accordance with ~~part 46 of Title 45 of the Code of Federal Regulations~~ 45 C.F.R. part 46.

* * *

Sec. 2. 18 V.S.A. § 1001 is amended to read:

§ 1001. REPORTS TO COMMISSIONER OF HEALTH

(a) When a physician, health care provider, nurse practitioner, nurse, physician assistant, or school health official has reason to believe that a person is sick or has died of a diagnosed or suspected disease, identified by the Department of Health as a reportable disease and dangerous to the public health, or if a laboratory director has evidence of such sickness or disease, he or she shall transmit within 24 hours a report thereof and identify the name and address of the patient and the name of the patient's physician to the Commissioner of Health or designee. In the case of the human immunodeficiency virus (HIV), "reason to believe" shall mean personal knowledge of a positive HIV test result. The Commissioner, with the approval of the Secretary of Human Services, shall by rule establish a list of those diseases dangerous to the public health that shall be reportable. Nonmedical community-based organizations shall be exempt from this reporting requirement. All information collected pursuant to this section and in support of investigations and studies undertaken by the ~~commissioner~~ Commissioner for the purpose of determining the nature or cause of any disease outbreak shall be privileged and confidential. The ~~Health~~ Department of Health shall, by rule, require that any person required to report under this section has in place a procedure that ensures confidentiality. ~~In addition, in relation to the reporting of HIV and the acquired immune deficiency syndrome (AIDS), the Health Department shall, by rule:~~

~~(1) develop procedures, in collaboration with individuals living with HIV or AIDS and with representatives of the Vermont AIDS service organizations, to ensure confidentiality of all information collected pursuant to this section; and~~

~~(2) develop procedures for backing up encrypted, individually identifying information, including procedures for storage, location, and transfer of data.~~

(b)~~(1) Public health records that relate to HIV or AIDS that contain any personally identifying information, or any information that may indirectly identify a person and was developed or acquired by state or local public health agencies, shall be confidential and shall only be disclosed following notice to the individual subject of the public health record or the individual's legal representative and pursuant to a written authorization voluntarily executed by the individual or the individual's legal representative. Except as provided in subdivision (2) of this subsection, notice and authorization is required prior to all disclosures, including disclosures to other states, the federal government, and other programs, departments, or agencies of state government.~~

~~(2) Notwithstanding the provisions of subdivision (1) of this subsection, disclosure without notification shall be permitted to other states' infectious disease surveillance programs for the sole purpose of comparing the details of case reports identified as possibly duplicative, provided such~~ Public health records developed or acquired by State or local public health agencies that relate to HIV or AIDS and that contain either personally identifying information or information that may indirectly identify a person shall be confidential and only disclosed following notice to and written authorization from the individual subject of the public health record or the individual's legal representative. Notice otherwise required pursuant to this section shall not be required for disclosures to the federal government; other departments, agencies, or programs of the State; or other states' infectious disease surveillance programs if the disclosure is for the purpose of comparing the details of potentially duplicative case reports, provided the information shall be shared using the least identifying information first so that the individual's name shall be used only as a last resort.

(c) ~~A disclosure made pursuant to subsection (b) of this section shall include only the information necessary for the purpose for which the disclosure is made. The disclosure shall be made only on agreement that the information shall remain confidential and shall not be further disclosed without additional notice to the individual and written authorization by the individual subject as required by subsection (b) of this section.~~ [Repealed.]

(d) A confidential public health record, including any information obtained pursuant to this section, shall not be:

(1) disclosed or discoverable in any civil, criminal, administrative, or other proceeding;

(2) used to determine issues relating to employment or insurance for any individual;

(3) used for any purpose other than public health surveillance, and epidemiological follow-up.

(e) Any person who:

(1) Willfully or maliciously discloses the content of any confidential public health record without written authorization or other than as authorized by law or in violation of subsection (b), (c), or (d) of this section shall be subject to a civil penalty of not less than $10,000.00 and not more than $25,000.00, costs and attorney's fees as determined by the court, compensatory and punitive damages, or equitable relief, including restraint of prohibited acts, costs, reasonable attorney's fees, and other appropriate relief.

(2) Negligently discloses the content of any confidential public health record without written authorization or other than as authorized by law or in violation of subsection (b), (c), or (d) of this section shall be subject to a civil penalty in an amount not to exceed $2,500.00 plus court costs, as determined by the court, which penalty and costs shall be paid to the subject of the confidential information.

(3) Willfully, maliciously, or negligently discloses the results of an HIV test to a third party in a manner that identifies or provides identifying characteristics of the person to whom the test results apply without written authorization or other than as authorized by law or in violation of subsection (b), (c), or (d) of this section and that results in economic, bodily, or psychological harm to the subject of the test is guilty of a misdemeanor, punishable by imprisonment for a period not to exceed one year or a fine not to exceed $25,000.00, or both.

(4) Commits any act described in subdivision (1), (2), or (3) of this subsection shall be liable to the subject for all actual damages, including damages for any economic, bodily, or psychological harm that is a proximate result of the act. Each disclosure made in violation of this chapter is a separate and actionable offense. Nothing in this section shall limit or expand the right of an injured subject to recover damages under any other applicable law.

(f) ~~Except as provided in subdivision (a)(2) of this section, the Health Department is prohibited from collecting, processing, or storing any individually identifying information concerning HIV/AIDS on any networked computer or server, or any laptop computer or other portable electronic device. On rare occasion, not as common practice, the Department may accept HIV/AIDS individually identifying information electronically. Once that information is collected, the Department shall, in a timely manner, transfer the information in compliance with this subsection.~~ [Repealed.]

(g) Health care providers must, prior to performing an HIV test, inform the individual to be tested that a positive result will require reporting of the result and the individual's name to the Department, and that there are testing sites that provide anonymous testing that are not required to report positive results.

The Department shall develop and make widely available a model notification form.

(h) Nothing in this section shall affect the ongoing availability of anonymous testing for HIV. Anonymous HIV testing results shall not be required to be reported under this section.

(i) ~~No later than November 1, 2007, the Health Department shall conduct an information and security audit in relation to the information collected pursuant to this section, including evaluation of the systems and procedures it developed to implement this section and an examination of the adequacy of penalties for disclosure by state personnel. No later than January 15, 2008, the Department shall report to the Senate Committee on Health and Welfare and the House Committee on Human Services concerning options available, and the costs those options would be expected to entail, for maximizing protection of the information collected pursuant to this section. That report shall also include the Department's recommendations on whether the General Assembly should impose or enhance criminal penalties on health care providers for unauthorized disclosures of medical information. The Department shall solicit input from AIDS service organizations and the community advisory group regarding the success of the Department's security measures and their examination of the adequacy of penalties as they apply to HIV/AIDS and include this input in the report to the Legislature.~~ The Department shall annually evaluate the systems and confidentiality procedures developed to implement networked and non-networked electronic reporting, including system breaches and penalties for disclosure to State personnel. The Department shall provide the results of this evaluation to and solicit input from the Vermont HIV/AIDS Community Advisory Group.

(j) ~~No later than January 1, 2008, the Department shall plan and commence a public campaign designed to educate the general public about the value of obtaining an HIV test.~~ The Department shall collaborate with community-based organizations to educate the public and health care providers about the benefits of HIV testing and the use of current testing technologies.

(k) The Commissioner shall maintain a separate database of reports received pursuant to subsection 1141(i) of this title for the purpose of tracking the number of tests performed pursuant to ~~subchapter 5 of~~ chapter 21, subchapter 5 of this title and ~~such~~ other information as the Department of Health ~~determines to be~~ finds necessary and appropriate. The database shall not include any information that personally identifies a patient.

Sec. 3. 18 V.S.A. § 1121(c) is amended to read:

(c)(1) To the extent permitted under 20 U.S.C. § 1232g (family educational and privacy rights), and any regulations adopted thereunder, all schools and

child care facilities shall make publicly available the aggregated immunization rates of the student body for each required ~~vaccine~~ immunization using a standardized form that shall be created by the Department ~~of Health~~. Each school and child care facility shall provide the information on the school and child care facility's aggregated immunization rate for each required immunization to students, or in the case of a minor to parents and guardians, at the start of each academic year and to any student, or in the case of a minor to the parent or guardian of any student, who transfers to the school or child care facility after the start of the academic year. A student attending a postsecondary school shall directly receive information on the school's aggregated immunization rate at the start of the academic year or upon transfer to the school, regardless of whether the student is a minor.

(2) Each school and child care facility shall annually, on or before January 1, submit its standardized form containing the student body's aggregated immunization rates to the Department ~~of Health~~.

(3) Notwithstanding section 1120 of this title, ~~for the purposes~~ as used in of this subsection only, the term "child care facility" shall exclude a family day care home licensed or registered under 33 V.S.A. chapter 35.

Sec. 4. 18 V.S.A. § 1122 is amended to read:

§ 1122. EXEMPTIONS

(a) Notwithstanding subsections 1121(a) and (b) of this title, a person may remain in school or in ~~the~~ a child care facility without a required immunization:

(1) If the person or, in the case of a minor, the person's parent or guardian presents a form created by the ~~department~~ Department and signed by a licensed health care practitioner authorized to prescribe vaccines or a health clinic stating that the person is in the process of being immunized. The person may continue to attend school or ~~the~~ a child care facility for up to six months while the immunization process is being accomplished~~;~~.

(2) If a licensed health care practitioner~~, licensed to practice in Vermont and~~ who is authorized to prescribe vaccines~~,~~ certifies in writing that a specific immunization is or may be detrimental to the person's health ~~or is not appropriate, provided that when a particular vaccine is no longer contraindicated, the person shall be required to receive the vaccine; or~~. A certifying health care practitioner shall specify the required immunization in question as well as the probable duration of the condition or circumstance that is or may be detrimental to the person's health. Any exemption certified under this subdivision shall terminate when the condition or circumstance cited no longer applies.

(3) If the person or, in the case of a minor, the person's parent or guardian annually provides a signed statement to the school or child care facility on a form created by the ~~Vermont department of health~~ Department that the person, parent, or guardian:

(A) holds religious beliefs ~~or philosophical convictions~~ opposed to immunization; and

(B) has reviewed ~~and understands~~ evidence-based educational material provided by the ~~department of health~~ Department regarding immunizations, including:

(i) information about the risks of adverse reactions to immunization;

~~(C)~~(ii) ~~understands~~ information that failure to complete the required vaccination schedule increases risk to the person and others of contracting or carrying a vaccine-preventable infectious disease; and

~~(D)~~(iii) ~~understands~~ information that there are persons with special health needs attending schools and child care facilities who are unable to be vaccinated or who are at heightened risk of contracting a vaccine-preventable communicable disease and for whom such a disease could be life-threatening.

* * *

(d) As used in this section, "health care practitioner" means a person licensed by law to provide professional health care services to an individual during the course of that individual's medical care or treatment.

Sec. 5. 18 V.S.A. § 1123 is amended to read:

§ 1123. IMMUNIZATION RULES AND REGULATIONS

The Department ~~of Health~~ shall adopt rules for administering this subchapter. Such rules shall be developed in consultation with the Agency of Education with respect to immunization requirements for Vermont schools, and in consultation with the Department for Children and Families with respect to immunization requirements for child care facilities. Such rules shall ~~establish~~ list which immunizations shall be required and the manner and frequency of their administration, and may provide for exemptions as authorized by this subchapter.

Sec. 6. 18 V.S.A. § 1124 is amended to read:

§ 1124. ACCESS TO AND REPORTING OF IMMUNIZATION RECORDS

(a) In addition to any data collected in accordance with the requirements of the Centers for Disease Control and Prevention, the ~~Vermont department of health~~ Department shall annually collect from schools the immunization rates

for at least those students in the first and eighth grades for each required vaccine. The data collected by the ~~department~~ Department shall include the number of medical~~, philosophical,~~ and religious exemptions filed for each required vaccine and the number of students with a provisional admittance.

* * *

Sec. 7. 18 V.S.A. § 1125 is added to read:

§ 1125. QUALITY IMPROVEMENT MEASURES

The Department may implement quality improvement initiatives in any school that has a provisional admittance rate or an exemption rate above the State average.

Sec. 8. 18 V.S.A. § 1129 is amended to read:

§ 1129. IMMUNIZATION REGISTRY

(a) A health care provider shall report to the ~~department~~ Department all data regarding immunizations of adults and of children under ~~the age of~~ 18 years of age within seven days of the immunization, provided that required reporting of immunizations of adults shall commence within one month after the health care provider has established an electronic health records system and data interface pursuant to the e-health standards developed by the Vermont ~~information technology leaders~~ Information Technology Leaders. A health insurer shall report to the ~~department~~ Department all data regarding immunizations of adults and of children under ~~the age of~~ 18 years of age at least quarterly. All data required pursuant to this subsection shall be reported in a ~~form~~ format required by the ~~department~~ Department.

(b) The ~~department~~ Department may use the data to create a registry of immunizations. Registry information shall remain confidential and privileged, except as provided in subsections (c) and (d) of this section. Registry information regarding a particular adult shall be provided, upon request, to the adult, the adult's health care provider, and the adult's health insurer. ~~A minor child's record also~~ Registry information regarding a particular minor child may be provided, upon request, to school nurses, or in the absence of a nurse on staff, administrators, and upon request and with written parental consent, to licensed day care providers, to document compliance with Vermont immunization laws. Registry information regarding a particular child shall be provided, upon request~~, to the child after the child reaches the age of majority and~~ to the minor child's parent~~,~~ or guardian, health insurer, and health care provider, or to the child after the child reaches the age of majority. ~~Registry information shall be kept confidential and privileged and may be shared only in summary, statistical, or other form in which particular individuals are not identified.~~

(c) The Department may exchange confidential registry information with the immunization registries of other states in order to obtain comprehensive immunization records.

(d) The Department may provide confidential registry information to health care provider networks serving Vermont patients and, with the approval of the Commissioner, to researchers who present evidence of approval from an institutional review board in accordance with 45 C.F.R. § 164.512.

(e) Prior to releasing confidential information pursuant to subsections (c) and (d) of this section, the Commissioner shall obtain from state registries, health care provider networks, and researchers a written agreement to keep any identifying information confidential and privileged.

(f) The Department may share registry information for public health purposes in summary, statistical, or other form in which particular individuals are not identified, except as provided in subsections (c) and (d) of this section.

(g) As used in this section, "administrator" means an individual licensed under 16 V.S.A. chapter 5, the majority of whose employed time in a public school, school district, or supervisory union is assigned to developing and managing school curriculum, evaluating and disciplining personnel, or supervising and managing a school system or school program. "Administrator" also means an individual employed by an approved or recognized independent school, the majority of whose assigned time is devoted to those duties.

Sec. 9. 18 V.S.A. § 1131 is added to read:

§ 1131. VERMONT IMMUNIZATION ADVISORY COUNCIL

(a) Creation. There is created a Vermont Immunization Advisory Council for the purpose of providing education policy, medical, and epidemiological expertise and advice to the Department with regard to the safety of immunizations and immunization schedules.

(b) Membership. The Council shall be composed of the following members:

(1) a representative of the Vermont Board of Medical Practice, appointed by the Governor;

(2) the Secretaries of Human Services and of Education or their designees;

(3) the State epidemiologist;

(4) a practicing pediatrician, appointed by the Governor;

(5) a representative of both public and independent schools, appointed by the Governor; and

(6) any other persons deemed necessary by the Commissioner.

(c) Powers and duties. The Council shall:

(1) review and make recommendations regarding the State's immunization schedule for attendance in schools and child care facilities; and

(2) provide any other advice and expertise requested by the Commissioner.

(d) Assistance. The Council shall have the administrative, technical, and legal assistance of the Department.

(e) Meetings.

(1) The Council shall convene at the call of the Commissioner, but no less than once each year.

(2) The Council shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

Sec. 10. 18 V.S.A. § 1132 is added to read:

§ 1132. VACCINE ADVERSE EVENT REPORTING SYSTEM

A health care practitioner administering vaccinations shall report to the Vaccine Adverse Event Reporting System, in consultation with the patient, or if a minor, the patient's parent or guardian, all significant adverse events that occur after vaccination of adults and children, even if the practitioner is unsure whether a vaccine caused the adverse event.

Sec. 11. REPORT; MANDATORY IMMUNIZATION OF SCHOOL PERSONNEL

(a) On or before January 15, 2016, the Department, in consultation with the Agency of Education, shall submit a report to the Senate Committee on Health and Welfare and the House Committee on Health Care assessing whether it is appropriate from a legal, policy, and medical perspective to require school personnel to be immunized against those diseases addressed by the Department's list of required immunizations for school attendance.

(b) As used in this section, "school" means the same as in 18 V.S.A. § 1120.

Sec.12. EFFECTIVE DATES

(a) Except for Secs. 4 (exemptions) and 6 (access to and reporting of immunization records), this act shall take effect on July 1, 2015.

(b) Secs. 4 (exemptions) and 6 (access to and reporting of immunization records) shall take effect on July 1, 2016.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, was decided in the affirmative.

Thereupon, on motion of Senator Campbell, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Bill Messaged

H. 492.

Pending entry on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to capital construction and State bonding.

Was taken up for immediate consideration.

Senator Flory, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference, to which were referred the disagreeing votes of the two Houses upon House Bill, entitled:

H. 492. An act relating to capital construction and State bonding.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment and that the bill be further amended as follows:

First: In Sec. 1, Legislative Intent, in subsection (a), by striking out "$80,068,449.00" and inserting in lieu thereof "$84,688,449.00"

Second: In Sec. 2, State Buildings, in subdivision (b)(10), by striking out "$450,000.00" and inserting "$400,000.00", in subdivision (c)(10), by striking out "$16,931,385.00" and inserting "$14,048,174.00", and by striking out all after subsection (d) and inserting in lieu thereof the following:

Appropriation – FY 2016	$41,313,990.00
Appropriation – FY 2017	$29,450,622.00
Total Appropriation – Section 2	$70,764,612.00

Third: In Sec. 3, Administration, by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) The sum of $5,463,211.00 is appropriated in FY 2017 to the Agency of Human Services for the Health and Human Services Enterprise IT System.

Appropriation – FY 2016	$5,125,000.00
Appropriation – FY 2017	$14,855,681.00
Total Appropriation – Section 3	$19,980,681.00

Fourth: In Sec. 5, Judiciary, by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 5. JUDICIARY

(a) The sum of $180,000.00 is appropriated in FY 2016 to the Department of Buildings and General Services for the Judiciary for ADA compliance at county courthouses.

(b) The following sums are appropriated in FY 2016 to the Judiciary:

(1) Statewide court security systems and improvements: $150,000.00

(2) Judicial case management system: $550,000.00

(3) Hyde Park, Lamoille County Courthouse, building renovation: $5,000,000.00

(c) The following sums are appropriated in FY 2017 to the Judiciary:

(1) Statewide court security systems and improvements: $125,000.00

(2) Judicial case management system: $4,000,000.00

Appropriation – FY 2016	$5,880,000.00
Appropriation – FY 2017	$4,125,000.00
Total Appropriation – Section 5	$10,005,000.00

Fifth: In Sec. 7, Grant Programs, by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 7. GRANT PROGRAMS

(a) The following sums are appropriated in FY 2016 for Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program: $200,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program: $200,000.00

(3) To the Vermont Council on the Arts for the Cultural Facilities Grant Program, the sum of which may be used to match funds that may be made available from the National Endowment for the Arts, provided that all capital funds are made available to the cultural facilities grant program: $200,000.00

(4) To the Department of Buildings and General Services for the Recreational Facilities Grant Program: $200,000.00

(5) To the Department of Buildings and General Services for the Regional Economic Development Grant Program: $200,000.00

(b) The following sum is appropriated in FY 2016 to the Agency of Agriculture, Food and Markets for the Agricultural Fairs Capital Projects Competitive Grant Program: $200,000.00

(c) The following sums are appropriated in FY 2017 for Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program: $200,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program: $200,000.00

(3) To the Vermont Council on the Arts for the Cultural Facilities Grant Program, the sum of which may be used to match funds that may be made available from the National Endowment for the Arts, provided that all capital funds are made available to the cultural facilities grant program: $200,000.00

(4) To the Department of Buildings and General Services for the Recreational Facilities Grant Program: $200,000.00

(5) To the Department of Buildings and General Services for the Regional Economic Development Grant Program: $200,000.00

(d) The following sum is appropriated in FY 2017 to the Agency of Agriculture, Food and Markets for the Agricultural Fairs Capital Projects Competitive Grant Program: $200,000.00

(e) The following amounts are appropriated in FY 2016 to the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program:

(1) Human Services: $100,000.00

(2) Educational Facilities: $100,000.00

(f) The following amounts are appropriated in FY 2017 to the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program:

(1) Human Services: $100,000.00

(2) Educational Facilities: $100,000.00

(g) On or before January 15, 2016, the Commissioner of Buildings and General Services shall report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the grants awarded in FY 2016 under the Human Services and Educational Facilities Competitive Grant Program.

Appropriation – FY 2016 $1,400,000.00

Appropriation – FY 2017 $1,400,000.00

Total Appropriation – Section 7 $2,800,000.00

Sixth: In Sec. 20, General Assembly, by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 20. GENERAL ASSEMBLY

(a) The sum of $120,000 is appropriated in FY 2016 to the Office of Legislative Council to hire consultant services for upgrades to the International Roll Call (IRC) program, as described in Sec. 47 of this act.

(b) The sum of $60,000.00 is appropriated in FY 2016 to the Joint Fiscal Office to hire consultant services for a security and safety protocol for the State House, as described in Sec. 46 of this act.

Total Appropriation – Section 20 $180,000.00

Seventh: By inserting a Sec. 23a, after Sec. 23, to read as follows:

Sec. 23a. LEASING PROPERTY; WINDSOR; SOLAR PROJECT

The Commissioner of Buildings and General Services may lease at fair market value, for a term not exceeding 35 years, any real property owned by the State for a solar project at the Southeast State Correctional Facility and surrounding lands in Windsor, Vermont.

Eighth: By inserting a Sec. 32a, after Sec. 32, to read as follows:

Sec. 32a. 20 HOUGHTON STREET; USE OF PROCEEDS

Notwithstanding 29 V.S.A. § 166(d), of the proceeds received by the State for the sale of the 20 Houghton Street property in St. Albans, the sum of $2,500,000.00 is to be deposited into the Property Management Fund (58700) to recover the deficit incurred in the Fund as a result of the original purchase of the property.

Ninth: In Sec. 46, State House Security, by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 46. STATE HOUSE SECURITY

(a) The Capitol Complex Security Working Group, established in 2014 Acts and Resolves No. 178, Sec. 26, may retain consultant services to create a security and safety protocol and conduct trainings for the State House and One Baldwin Street. Any consultants retained pursuant to this subsection shall work through the Joint Fiscal Office under the direction of the Chair of the Working Group.

(b) The Joint Fiscal Office, in consultation with the Speaker of the House and the Committee on Committees, shall hire the consultants to undertake the security protocol authorized in subsection (a) of this section. The Joint Fiscal Office is authorized to use funds appropriated in Sec. 20 of this act and 2013 Acts and Resolves No. 51, Sec. 2(c)(17), as amended by 2014 Acts and Resolves No. 178, Sec. 1, to retain consultant services.

Tenth: By adding a new Sec. 47 to read as follows:

Sec. 47. INTERNATIONAL ROLL CALL PROGRAM; UPGRADES

(a) The Office of Legislative Council is authorized to retain consultant services to upgrade the legislative international roll call (IRC) program, as approved by the Legislative Staff Information Systems Team established in 2 V.S.A. § 753.

(b) The Legislative Staff Information Systems Team shall determine the management and oversight structure for the work authorized in subsection (a) of this section prior to the Office of Legislative Council executing a contract to

hire the consultant. The Office of Legislative Council is authorized to use funds appropriated in Sec. 20 of this act to retain consultant services; provided, however, that no funds shall become available until the Legislative Staff Information Systems Team approves the contract, and management and oversight structure for the project.

And by renumbering the remaining sections to be numerically correct.

MARGARET K FLORY
RICHARD T. MAZZA
JOHN S. RODGERS

Committee on the part of the Senate

ALICE M. EMMONS
LINDA K. MYERS
TRISTAN D. TOLENO

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Thereupon, on motion of Senator Campbell, the rules were suspended and the bill was ordered messaged to the House forthwith.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Bill Messaged

H. 477.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to miscellaneous amendments to election law.

Was taken up for immediate consideration.

Senator White, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

H. 477. An act relating to miscellaneous amendments to election law.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment and the Senate proposal be further amended as follows:

First: In the first instance of amendment, in Sec. 6, 17 V.S.A. § 2386 (time for filing statements), in subsection (a), following "not later than 5:00 p.m. on the" by striking out "third" and inserting in lieu thereof sixth

Second: In the second instance of amendment, by striking out in its entirety Sec. 29b and inserting in lieu thereof the following:

Sec. 29b. [Deleted.]

JEANETTE K. WHITE
JOSEPH C. BENNING
ANTHONY POLLINA

Committee on the part of the Senate

JOANNA E. COLE
LINDA J. MARTIN
MARK A. HIGLEY

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Thereupon, on motion of Senator Campbell, the rules were suspended and the bill was ordered messaged to the House forthwith.

Rules Suspended; House Proposal of Amendment to Senate Proposal of Amendment Concurred In; Rules Suspended; Bill Messaged

H. 480.

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to making miscellaneous technical and other amendments to education laws.

Was taken up for immediate consideration.

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

By striking out Sec. 9 (effective dates) in its entirety and its reader assistance heading and inserting in lieu thereof after Sec. 8 four new sections to be Secs. 9–12 to read as follows:

* * * Expanded Learning Opportunities * * *

Sec. 9. 16 V.S.A. § 2906 is added to read:

§ 2906. VERMONT EXPANDED LEARNING OPPORTUNITIES SPECIAL FUND ESTABLISHED

(a) As used in this section, "Expanded Learning Opportunity" means a structured program designed to serve prekindergarten through secondary school-age children and youth outside the school day and year on a regular basis, including before and after school and during the summer, by providing opportunities for personal, emotional, and academic growth for children and youth.

(b) There is established a Vermont Expanded Learning Opportunities Special Fund comprising grants, donations, and contributions from any private or public source. Monies in the Fund shall be available to the Agency of Education for the purpose of increasing access to expanded learning opportunities throughout Vermont. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts. The Fund shall be administered pursuant to 32 V.S.A. chapter 7, subchapter 5, except that interest earned and any remaining balance at the end of the fiscal year shall be retained and carried forward in the Fund.

Sec. 10. PREKINDERGARTEN–16 COUNCIL; EXPANDED LEARNING OPPORTUNITIES WORKING GROUP; GRANT PROGRAM

(a) The Expanded Learning Opportunities (ELO) Working Group of the Prekindergarten–16 Council, established in 16 V.S.A. § 2905, shall develop recommendations for the Secretary of Education relating to the design and implementation of an Expanded Learning Opportunities Grant Program that would award grants for the purpose of increasing access to expanded learning opportunities throughout Vermont.

(b) The ELO Working Group, in collaboration with the Secretary of Education, shall identify and solicit grants, donations, and contributions from any private or public source for the purposes of funding an Expanded Learning Opportunities Grant Program (Program) or otherwise increasing access to expanded learning opportunities throughout Vermont. Any funds accepted under this subsection shall be deposited in the Vermont Expanded Learning Opportunities Fund established in 16 V.S.A. § 2906.

(c) On or before November 15, 2015, the Secretary of Education, in consultation with the ELO Working Group, shall report to the House and Senate Committees on Education and on Appropriations on the recommendations for creating the Grant Program described in subsection (a) of

this section and on any funding secured for the Vermont Expanded Learning Opportunities Special Fund.

Sec. 11. VERMONT EXPANDED LEARNING OPPORTUNITIES SPECIAL FUND; DISBURSEMENTS

No funds shall be disbursed from the Vermont Expanded Learning Opportunities Special Fund, established in 16 V.S.A. § 2906, until the General Assembly enacts legislation establishing a framework for awarding grants under the Expanded Learning Opportunities Grant Program, pursuant to the recommendations of the Secretary of Education and the ELO Working Group as described in Sec. 10 of this act.

* * * Effective Dates * * *

Sec. 12. EFFECTIVE DATES

(a) Secs. 1–7 shall take effect on July 1, 2015.

(b) Sec. 8 (16 V.S.A. § 2172(d)) shall take effect on July 16, 2015.

(c) This section and Secs. 9–11 shall take effect on passage.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, was decided in the affirmative.

Thereupon, on motion of Senator Campbell, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Standing Committees Realigned

The President, on behalf of the Committee on Committees, reported new appointments to two of the standing committees, effective as of May 14, 2015, resulting in a realignment of these committees, as follows:

Agriculture

A.M.	Senator Starr, Chair Zuckerman, Vice-Chair Campbell [McAllister] Sirotkin, Clerk *Mazza*	Room 26

Institutions

P.M.	Senator Flory, Chair Rodgers, Vice-Chair Mazza [McAllister] Balint, Clerk *Campbell*	Room 7

Adjournment

On motion of Senator Campbell, the Senate adjourned until nine o'clock and thirty minutes in the morning.

FRIDAY, MAY 15, 2015

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 72

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed a House bill of the following title:

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

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

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

J.R.S. 9. Joint resolution encouraging public high schools to explore recruiting and enrolling international students on F-1 student visas in order to promote tuition based income while also exposing F-1 students and our public school K-12 Vermont students to enriched cross cultural learning experiences.

And has adopted the same in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

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

H. 35. An act relating to improving the quality of State waters.

And has severally concurred therein.

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

S. 93. An act relating to lobbying disclosures.

And has adopted the same on its part.

The Governor has informed the House that on the 13th of May 2015, he approved and signed bills originating in the House of the following titles:

H. 241. An act relating to rulemaking on emergency involuntary procedures.

H. 496. An act relating to approval of the adoption and codification of the charter of the Town of West Fairlee.

The Governor has informed the House that on the 14th of May 2015, he approved and signed bills originating in the House of the following titles:

H. 62. An act relating to prohibiting a sentence of life without parole for a person who was under 18 years of age at the time of the commission of the offense.

H. 320. An act relating to technical corrections.

Proposal of Amendment; Consideration Postponed

H. 5.

House bill entitled:

An act relating to hunting, fishing, and trapping.

Was taken up.

Thereupon, pending third reading of the bill, Senator Rodgers moved to amend the Senate proposal of amendment by striking out the reader assistance preceding Sec. 15 and by striking out Sec. 15 in its entirety and inserting in lieu thereof Secs. 15–18 to read:

* * * Gun Suppressors * * *

Sec. 15. 13 V.S.A. § 4010 is amended to read:

§ 4010. GUN ~~SILENCERS~~ SUPPRESSORS

~~A person who manufactures, sells, uses, or possesses with intent to sell or use an appliance known as or used for a gun silencer shall be fined $25.00 for each offense. The provisions of this section shall not prevent the use or possession of gun silencers by:~~

~~(1) a Level III certified law enforcement officer or Department of Fish and Wildlife employee in connection with his or her duties and responsibilities and in accordance with the policies and procedures of that officer's or employee's agency or department; or~~

~~(2) the Vermont National Guard in connection with its duties and responsibilities.~~

(a) As used in this section, "gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

(b)(1) Except as provided in subsection (c) of this section, a person shall not manufacture, make, or import a gun suppressor.

(2) A person who violates subdivision (1) of this subsection shall be fined not less than $500.00.

(c) Subsection (b) of this section shall not apply to:

(1) a licensed manufacturer, as defined in 18 U.S.C. § 921, who is registered as a manufacturer pursuant to 26 U.S.C. § 5802;

(2) a licensed importer, as defined in 18 U.S.C. § 921, who is registered as an importer pursuant to 26 U.S.C. § 5802; or

(3) a person who makes a gun suppressor in compliance with the requirements of 26 U.S.C. § 5822.

Sec. 16. 10 V.S.A. § 4704 is amended to read:

§ 4704. USE OF MACHINE GUNS ~~AND~~, AUTOLOADING RIFLES, AND GUN SUPPRESSORS

(a) A person engaged in hunting for wild animals shall not use, carry, or have in his or her possession:

(1) a machine gun of any kind or description ~~or~~;

(2) an autoloading rifle with a magazine capacity of over six cartridges, except a .22 caliber rifle using rim fire cartridges; or

(3) a gun suppressor.

(b) As used in this section, "gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

Sec. 17. 10 V.S.A. § 4502 is amended to read:

§ 4502. UNIFORM POINT SYSTEM; REVOCATION OF LICENSE

(a) A uniform point system which assigns points to those convicted of a violation of a provision of this part is established. The conviction report from the ~~court~~ Court shall be prima facie evidence of the points assessed. In addition to other penalties assessed for violation of fish and wildlife statutes, the Commissioner shall suspend licenses issued under this part which are held by a person who has accumulated ten or more points in accordance with the provisions of subsection (c) of this section.

(b) A person violating provisions of this part shall receive points for convictions in accordance with the following schedule (all sections are in Title 10 of Vermont Statutes Annotated):

* * *

(2) Ten points shall be assessed for:

* * *

(G) § 4704. Use of machine guns ~~and~~, autoloading rifles, and gun suppressors

* * *

* * * Effective Dates * * *

Sec. 18. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 3 (permanent license for persons with disability), 4 (report on permanent license for persons with disability), 6 (mentored hunting license), and 14 (moose permits for veterans) shall take effect on January 1, 2016.

(2) Secs. 15, 16, and 17 (gun suppressors) shall take effect on July 2, 2015.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senator Rodgers?, on motion of Senator Sears the bill was postponed until later in the day.

Proposal of Amendment; Recess

H. 40.

House bill entitled:

An act relating to establishing a renewable energy standard and energy transformation program.

Was taken up.

Thereupon, pending third reading of the bill, Senators Rodgers, Benning, and Starr moved that the Senate proposal of amendment be amended as follows:

By adding a new section to be numbered Sec. 21c to read as follows:

Sec. 21c. RENEWABLE GENERATION; IMPACTS; REPORT

On or before December 15, 2015, the Secretary of Natural Resources, in consultation with the Secretary of Agriculture and the Commissioner of Public Service, shall report to the House and Senate Committees on Natural Resources and Energy on the environmental and land use impacts of renewable electric generation in Vermont, methods for mitigating those impacts, and recommendations for appropriate siting and design of renewable electric generation facilities. The report shall include examination of the effects of renewable generation with respect to water quality, wildlife habitat, fragmentation of forest land, agricultural soils, aesthetics, and any other environmental or land use issue the Secretary considers relevant.

Which was agreed to.

Thereupon, pending third reading of the bill, Senator Rodgers moved to amend the Senate proposal of amendment as follows:

First: By striking out Secs. 26b through 26f in their entirety and inserting in lieu thereof new Secs. 26b through 26d to read:

Sec. 26b. 30 V.S.A. § 248(b) is amended to read:

(b) Before the Public Service Board issues a certificate of public good as required under subsection (a) of this section, it shall find that the purchase, investment or construction:

(1) with respect to an in-state facility, will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. However~~,~~:

(A) with respect to a natural gas transmission line subject to Board review, the line shall be in conformance with any applicable provisions concerning such lines contained in the duly adopted regional plan; and, in addition, upon application of any party, the Board shall condition any certificate of public good for a natural gas transmission line issued under this section so as to prohibit service connections that would not be in conformance

with the adopted municipal plan in any municipality in which the line is located; and

(B) with respect to a ground-mounted solar electric generation facility that has a capacity greater than 15 kilowatts, the Board shall require compliance with solar siting standards adopted by the municipality under 24 V.S.A. § 4382(e), unless the Board finds that requiring such compliance would prohibit or have the effect of prohibiting the installation of such a facility or have the effect of interfering with the facility's intended functional use.

* * *

Sec. 26c. 24 V.S.A. § 4382(e) is added to read:

(e) Notwithstanding any contrary provision of section 2291a of this title or of 30 V.S.A. § 224, a municipality may adopt in its plan siting standards that the Public Service Board shall apply in accordance with 30 V.S.A. § 248(b)(1)(B) to a ground-mounted plant that generates electricity from solar energy and has a plant capacity greater than 15 kW.

(1) Siting standards under this subsection shall not be more restrictive than siting standards applied to other commercial development in the municipality under this chapter.

(2) As used in this subsection:

(A) "kW, "plant," and "plant capacity" shall have the same meaning as in 30 V.S.A. § 8002.

(B) "Setback" means the shortest distance between the nearest portion of a solar panel or support structure for a solar panel, at its point of attachment to the ground, and a property boundary or the edge of a highway's traveled way.

(C) "Siting standards" means setbacks or reasonable aesthetic mitigation measures to harmonize a facility with its surroundings, or both. These standards may include landscaping, vegetation, fencing, and topographic features.

(3) This section does not authorize requiring a municipal land use permit for a solar electric generation plant.

Sec. 26d. REPORT; TOWN ADOPTION OF SITING STANDARDS

(a) On or before January 15, 2017, the Commissioners of Housing and Community Development and of Public Service (the Commissioners) jointly shall submit a report to the House and Senate Committees on Natural Resources and Energy that:

(1) identifies the municipalities that have adopted siting standards pursuant to Sec. 26c of this act, 24 V.S.A. § 4382(e);

(2) summarizes these adopted siting standards; and

(3) provides the number of proceedings before the Public Service Board in which these siting standards were applied and itemizes the disposition and status of those proceedings.

(b) Each municipality adopting siting standards under 24 V.S.A. § 4382(e) shall provide the Commissioners, on request, with information needed to complete the report required by this section.

Second: In Sec. 28 (effective dates), by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) Secs. 26a (municipal party status), 26b (compliance with siting standards), 26c (adoption of siting standards), and 26d (report) shall take effect on passage. Secs. 26a through 26c shall not apply to a facility for which a complete application was filed under 30 V.S.A. § 248 before their effective date.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as proposed by Senator Rodgers?, Senators Bray and Campion moved to substitute a proposal of amendment for the proposal of amendment of Senator Rodgers as follows:

First: After Sec. 26f, by adding a new section to be numbered Sec. 26g to read as follows:

Sec. 26g. SOLAR SITING TASK FORCE; REPORT

(a) Creation. There is created a Solar Siting Task Force to study issues pertaining to the siting, design, and regulatory review of solar electric generation facilities.

(b) Membership. The Task Force shall be composed of the following members:

(1) two current members of the House of Representatives appointed by the Speaker of the House;

(2) two current members of the Senate appointed by the Committee on Committees;

(3) the Commissioner of Public Service or designee;

(4) the Commissioner of Housing and Community Development or designee;

(5) the Secretary of Natural Resources or designee;

(6) a representative of the Vermont League of Cities and Towns, appointed by the League;

(7) a representative of the Vermont Planners Association, appointed by that Association;

(8) a representative of the Vermont Association of Planning and Development Agencies, appointed by that Association;

(9) a representative of Renewable Energy Vermont (REV), appointed by REV;

(10) a representative of an electric distribution utility appointed by the Vermont System Planning Committee;

(11) a landscape architect appointed by the Vermont chapter of the American Society of Landscape Architects; and

(12) a Vermont resident with public policy and environmental and energy expertise who is not affiliated with a public utility or developer of energy facilities, by joint appointment of the Vermont Natural Resources Council and the Vermont Public Interest Research Group.

(c) Duties. The Task Force shall study the design, siting, and regulatory review of solar electric generation facilities and shall provide a report in the form of proposed legislation with the rationale for each proposal. In studying these issues, the Task Force shall consider the report of the Secretary of Natural Resources to be submitted under Sec. 21c of this act.

(d) Assistance. The legislative members of Task Force shall have the administrative, technical, and professional assistance of the Office of Legislative Council and the Joint Fiscal Office, including the assistance of the Office of Legislative Council in scheduling and drafting proposed legislation recommended by the Group. The Task Force shall be entitled, on request, to technical and professional assistance from the Agencies of Natural Resources and of Commerce and Community Development, the Department of Public Service, the Natural Resources Board, and the Public Service Board.

(e) Proposed legislation. On or before January 15, 2016, the Task Force shall submit its proposed legislation to the House and Senate Committees on Natural Resources and Energy, the House Committee on Commerce and Economic Development, and the Senate Committee on Finance.

(f) Meetings.

(1) The Office of Legislative Council shall call the first meeting of the Task Force to occur on or before August 1, 2015.

(2) The Committee shall select a chair and vice chair from among its legislative members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Task Force shall cease to exist on March 15, 2016.

(g) Reimbursement. For attendance at meetings of the Task Force during adjournment of the General Assembly, legislative members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than six meetings.

Second: In Sec. 28 (effective dates), by adding a subsection (e) to read as follows:

(e) Sec. 26g (solar siting task force) shall take effect on passage.

Thereupon, pending the question, Shall the recommendation of proposal of amendment of Senator Rodgers be substituted as recommended by Senators Bray and Campion?, Senator Kitchel moved that the Senate recess until ten o'clock and thirty minutes.

Which was agreed to.

Called to Order

The Senate was called to order by the President.

Recess

On motion of Senator Baruth the Senate recessed until ten o'clock and forty-five minutes.

Called to Order

The Senate was called to order by the President.

Message from the House No. 73

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

H. 484. An act relating to miscellaneous agricultural subjects.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

S. 102. An act relating to forfeiture of property associated with animal fighting and certain regulated drug possession, sale, and trafficking violations.

And has adopted the same on its part.

Pages Honored

In appreciation of their many services to the members of the General Assembly, the President recognized the following-named pages who are completing their services today and presented them with letters of appreciation.

Peter Antinozzi of Shelburne
Jared Baron of Grand Isle
Daniel Durgin of Cabot
Liam Fisher of West Halifax
Kaitlyn Girouard of Concord
Kathleen Hall of Richmond
Elliott Montroll of Burlington
Elizabeth Sirjane of Shrewsbury
Sophia St. John-Lockridge of Burlington
Jacob Wohl of Burlington

Consideration Resumed; Proposal of Amendment; Substitute Proposal of Amendment

H. 40.

Consideration was resumed on House bill entitled:

An act relating to establishing a renewable energy standard and energy transformation program.

Thereupon, the pending question, Shall the recommendation of proposal of amendment of Senator Rodgers be substituted as recommended by Senators Bray and Campion?, Senator Bray moved to withdraw the substitute proposal of amendment, which was agreed to.

Thereupon, Senators Bray and Campion moved to substitute a new proposal of amendment for the proposal of amendment of Senator Rodgers as follows:

First: After Sec. 26f, by adding a new section to be numbered Sec. 26g to read as follows:

Sec. 26g. SOLAR SITING TASK FORCE; REPORT

(a) Creation. There is created a Solar Siting Task Force to study issues pertaining to the siting, design, and regulatory review of solar electric generation facilities.

(b) Membership. The Task Force shall be composed of the following members:

(1) the Commissioner of Public Service or designee;

(2) the Commissioner of Housing and Community Development or designee;

(3) the Secretary of Natural Resources or designee;

(4) a representative of the Vermont League of Cities and Towns, appointed by the League;

(5) a representative of the Vermont Planners Association, appointed by that Association;

(6) a representative of the Vermont Association of Planning and Development Agencies, appointed by that Association;

(7) a representative of Renewable Energy Vermont (REV), appointed by REV;

(8) a representative of an electric distribution utility appointed by the Vermont System Planning Committee;

(9) a landscape architect appointed by the Vermont chapter of the American Society of Landscape Architects; and

(10) a Vermont resident with public policy and environmental and energy expertise who is not affiliated with a public utility or developer of energy facilities, by joint appointment of the Vermont Natural Resources Council and the Vermont Public Interest Research Group.

(c) Duties. The Task Force shall study the design, siting, and regulatory review of solar electric generation facilities and shall provide a report in the form of proposed legislation with the rationale for each proposal. In studying these issues, the Task Force shall consider the report of the Secretary of Natural Resources to be submitted under Sec. 21c of this act.

(d) Assistance. The Task Force shall be entitled to administrative, technical, and professional assistance from the Agencies of Natural Resources and of Commerce and Community Development and the Department of Public Service and, on request, to the technical and professional assistance of the Natural Resources Board and the Public Service Board.

(e) Proposed legislation. On or before January 15, 2016, the Task Force shall submit its proposed legislation to the House and Senate Committees on Natural Resources and Energy, the House Committee on Commerce and Economic Development, and the Senate Committee on Finance.

(f) Meetings.

(1) The Commissioner of Public Service shall call the first meeting of the Task Force to occur on or before August 1, 2015.

(2) The Task Force shall select a chair and vice chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Task Force shall cease to exist on March 15, 2016.

Second: In Sec. 28 (effective dates), by adding a subsection (e) to read as follows:

(e) Sec. 26g (solar siting task force) shall take effect on passage.

Which was agreed on a roll call, Yeas 16, Nays 12.

Senator Pollina having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ayer, Balint, Baruth, Bray, Campion, Cummings, Doyle, Lyons, MacDonald, Mazza, McCormack, Pollina, Sears, Snelling, Westman, White.

Those Senators who voted in the negative were: Ashe, Campbell, Collamore, Degree, Flory, Kitchel, Mullin, Nitka, Rodgers, Sirotkin, Starr, Zuckerman.

Those Senators absent and not voting were: Benning, McAllister.

Thereupon, the question, Shall the Senate proposal of amendment be amended as recommended by Senator Rodgers as substituted?, was agreed to on a division of the Senate Yeas 15, Nays 13.

Thereupon, Senators Kitchel, Benning, Rodgers and Starr moved that the Senate proposal of amendment be amended in Sec. 26c, 30 V.S.A. § 248(b), in subdivision (1), by adding subparagraph (C) to read as follows:

(C) With respect to a wind electric generation facility, substantial deference shall be given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any

affected municipality. In this subdivision (C), "substantial deference" means that a recommendation or land conservation measure shall be applied in accordance with its terms unless there is a clear and convincing demonstration that it lacks a rational basis or that other factors affecting the general good of the State outweigh application of the recommendation or measure.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senators Kitchel, Benning, Rodgers and Starr on motion of Senator Campbell the Senate adjourned until one o'clock and thirty minutes.

Afternoon

The Senate was called to order by the President.

Committee of Conference Appointed

H. 117.

An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator MacDonald
Senator Mullin
Senator Sirotkin

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Bill Referred

House bill of the following title was read the first time and referred:

H. 84.

An act relating to internet dating services.

To the Committee on Rules.

Consideration Resumed; Proposal of Amendment; Third Reading Ordered; Bill Passed in Concurrence with Proposal of Amendment

H. 40.

Consideration resumed on House bill entitled:

An act relating to establishing a renewable energy standard and energy transformation program.

Was taken up.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senator Kitchel, Benning, Rodgers and Starr?, Senator Starr moved the Senate recess to one o'clock and forty-five minutes in the afternoon which was disagreed to on a division of the Senate Yeas 6, Nays 14.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senators Kitchel, Benning, Rodgers and Starr?, Senator Baruth requested that consideration be postponed until later in the day. Thereupon, pending the question, Shall consideration of the bill be postponed until later in the day, Senator Baruth requested and was granted leave to withdraw his motion.

Thereupon, the question, Shall the Senate proposal of amendment be amended as recommended by Senators Kitchel, Benning, Rodgers and Starr?, Senator Kitchel requested and was granted leave to withdraw the proposal of amendment.

Thereupon, Senators Kitchel, Benning, Rodgers, and Starr moved to amend the Senate proposal of amendment in Sec. 26c, 30 V.S.A. § 248(b), in subdivision (1), by adding subparagraph (C) to read as follows:

(C) With respect to a wind electric generation facility, substantial deference shall be given to the land conservation measures contained in the plan of any affected municipality or in the regional plan. In this subdivision (C), "substantial deference" means that a land conservation measure shall be applied in accordance with its terms unless there is a clear and convincing demonstration that it lacks a rational basis or that other factors affecting the general good of the State outweigh application of the measure.

Which was disagreed to on a roll call, Yeas 10, Nays 19.

Senator Campbell having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Benning, Campbell, Collamore, Degree, Flory, Kitchel, Mullin, Nitka, Rodgers, Starr.

Those Senators who voted in the negative were: Ashe, Ayer, Balint, Baruth, Bray, Campion, Cummings, Doyle, Lyons, MacDonald, Mazza, McCormack, Pollina, Sears, Sirotkin, Snelling, Westman, White, Zuckerman.

The Senator absent and not voting was: McAllister.

Thereupon, Senator Rodgers moved that the Senate proposal of amendment be amended as follows:

First: In Sec. 26b, 30 V.S.A. § 248(s), in subdivision (3)(B), by striking out the following: "setback area" and inserting in lieu thereof the following: smaller setback

Second: In Sec. 26d, 24 V.S.A. § 4414(15), in subdivision (A), by striking out the following: "other land development" and inserting in lieu thereof the following: commercial development

Third: In Sec. 26e, 24 V.S.A. § 2291, in subdivision (28), in subdivision (A), by striking out the following: "other land development" and inserting in lieu thereof the following: commercial development

Which was agreed to.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment on a roll call, Yeas 22, Nays 6.

Senator Bray having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Balint, Baruth, Bray, Campbell, Campion, Cummings, Doyle, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pollina, Sears, Sirotkin, Snelling, Westman, White, Zuckerman.

Those Senators who voted in the negative were: Benning, Collamore, Degree, Flory, Rodgers, Starr.

Those Senators absent and not voting were: Ayer, McAllister.

Recess

On motion of Senator Campbell the Senate recessed until four o'clock and thirty minutes in the afternoon.

Called to Order

The Senate was called to order by the President.

Message from the House No. 74

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

S. 9. An act relating to improving Vermont's system for protecting children from abuse and neglect.

And has adopted the same on its part.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 361.

Appearing on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to making amendments to education funding, education spending, and education governance.

Was taken up for immediate consideration.

Senator Cummings, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

H. 361. An act relating to making amendments to education funding, education spending, and education governance

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposals of amendment, and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Findings; Goals; Intent * * *

Sec. 1. FINDINGS

(a) Vermont's kindergarten through grade 12 student population has declined from 103,000 in fiscal year 1997 to 78,300 in fiscal year 2015.

(b) The number of school-related personnel has not decreased in proportion to the decline in student population.

(c) The proportion of Vermont students with severe emotional needs has increased from 1.5 percent of the population in fiscal year 1997 to 2.3 percent in fiscal year 2015. In addition, the proportion of students from families in crisis due to loss of employment, opiate addiction, and other factors has also increased during this time period, requiring the State's public schools to fulfill an array of human services functions.

(d) From July 1997 through July 2014, the number of Vermont children ages 6 through 17 residing with families receiving nutrition benefits has

increased by 47 percent, from 13,000 to 19,200. While other factors affect student academic performance, studies demonstrate that when the percentage of students in a school who are living in poverty increases, student performance and achievement have a tendency to decrease.

(e) With 13 different types of school district governance structures, elementary and secondary education in Vermont lacks cohesive governance and delivery systems. As a result, many school districts:

(1) are not well-suited to achieve economies of scale; and

(2) lack the flexibility to manage, share, and transfer resources, including personnel, with other school districts and to provide students with a variety of high-quality educational opportunities.

(f) 16 V.S.A. § 4010(f) was enacted in 1999 to protect school districts, particularly small school districts, from large, sudden tax increases due to declining student populations. The steady, continued decline in some districts, together with the compounding effect of the legislation as written, has inflated the equalized pupil count in some districts by as much as 77 percent, resulting in artificially low tax rates in those communities.

(g) National literature suggests that the optimal size for student learning is in elementary schools of 300 to 500 students and in high schools of 600 to 900 students. In Vermont, the smallest elementary school has a total enrollment of 15 students (kindergarten–grade 6) and the smallest high school has a total enrollment of 55 students (grades 9–12). Of the 300 public schools in Vermont, 205 have 300 or fewer enrolled students and 64 have 100 or fewer enrolled students. Of those 64 schools, 16 have 50 or fewer enrolled students.

(h) National literature suggests that the optimal size for a school district in terms of financial efficiencies is between 2,000 and 4,000 students. The smallest Vermont school district has an average daily membership (ADM) of six students, with 79 districts having an ADM of 100 or fewer students. Four Vermont school districts have an ADM that exceeds 2,000 students.

(i) Vermont recognizes the important role that a small school plays in the social and educational fabric of its community. It is not the State's intent to close its small schools, but rather to ensure that those schools have the opportunity to enjoy the expanded educational opportunities and economies of scale that are available to schools within larger, more flexible governance models.

(j) The presence of multiple public schools within a single district not only supports flexibility in the management and sharing of resources, but it promotes innovation. For example, individual schools within a district can

more easily develop a specialized focus, which, in turn, increases opportunities for students to choose the school best suited to their needs and interests.

Sec. 2. GOALS

By enacting this legislation, the General Assembly intends to move the State toward sustainable models of education governance. The legislation is designed to encourage and support local decisions and actions that:

(1) provide substantial equity in the quality and variety of educational opportunities statewide;

(2) lead students to achieve or exceed the State's Education Quality Standards, adopted as rules by the State Board of Education at the direction of the General Assembly;

(3) maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time equivalent staff;

(4) promote transparency and accountability; and

(5) are delivered at a cost that parents, voters, and taxpayers value.

Sec. 3. SCHOOL CLOSURE; SMALL SCHOOLS; INTENT

(a) School closure; intent. It is not the State's intent to close schools and nothing in this act shall be construed to require, encourage, or contemplate the closure of schools in Vermont.

(b) Small schools; intent. As stated in subsection 1(i) of this act, it is not the State's intent to close its small schools, but rather to ensure that those schools have the opportunity to enjoy the expanded educational opportunities and economies of scale that are available to schools within larger, more flexible governance models.

Sec. 4. TUITION PAYMENT; SCHOOL OPERATION; PROTECTIONS; INTENT

(a) Tuition payment; protection. All governance transitions contemplated pursuant to this act shall preserve the ability of a district that, as of the effective date of this section, provides for the education of all resident students in one or more grades by paying tuition on the students' behalf, to continue to provide education by paying tuition on behalf of all students in the grade or grades if it chooses to do so and shall not require the district to limit the options available to students if it ceases to exist as a discrete entity and realigns into a supervisory district or union school district.

(b) School operation; protection. All governance transitions contemplated pursuant to this act shall preserve the ability of a district that, as of the effective date of this section, provides for the education of all resident students in one or more grades by operating a school offering the grade or grades, to continue to provide education by operating a school for all students in the grade or grades if it chooses to do so and shall not require the district to pay tuition for students if it ceases to exist as a discrete entity and realigns into a supervisory district or union school district.

(c) Tuition payment; school operation; intent. Nothing in this act shall be construed to restrict or repeal, or to authorize, encourage, or contemplate the restriction or repeal of, the ability of a school district that, as of the effective date of this section, provides for the education of all resident students in one or more grades:

(1) by paying tuition on the students' behalf, to continue to provide education by paying tuition on behalf of all students in the grade or grades; or

(2) by operating a school offering the grade or grades, to continue to provide education by operating a school for all students in the grade or grades.

* * * Governance Structures to Achieve Education Policy Goals * * *

Sec. 5. PREFERRED EDUCATION GOVERNANCE STRUCTURE; ALTERNATIVE STRUCTURE

(a) On or before July 1, 2019, the State shall provide educational opportunities through sustainable governance structures designed to meet the goals set forth in Sec. 2 of this act pursuant to one of the models described in this section.

(b) Preferred structure: prekindergarten–grade 12 supervisory district (Education District). The preferred education governance structure in Vermont is a school district that:

(1) is responsible for the education of all resident prekindergarten through grade 12 students;

(2) is its own supervisory district;

(3) has a minimum average daily membership of 900; and

(4) is organized and operates according to one of the four most common governance structures:

(A) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 12;

(B) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 8 and pays tuition for all resident students in grade 9 through grade 12;

(C) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 6 and pays tuition for all resident students in grade 7 through grade 12; or

(D) a district that operates no schools and pays tuition for all resident students in prekindergarten through grade 12.

(c) Alternative structure: supervisory union with member districts. An Education District as envisioned in subsection (b) of this section may not be possible or the best model to achieve Vermont's education goals in all regions of the State. In such situations, a supervisory union composed of multiple member districts, each with its separate school board, can meet the State's goals, particularly if:

(1) the member districts consider themselves to be collectively responsible for the education of all prekindergarten through grade 12 students residing in the supervisory union;

(2) the supervisory union operates in a manner that maximizes efficiencies through economies of scale and the flexible management, transfer, and sharing of nonfinancial resources among the member districts;

(3) the supervisory union has the smallest number of member school districts practicable, achieved wherever possible by the merger of districts with similar operating and tuitioning patterns; and

(4) the combined average daily membership of all member districts is not less than 1,100.

Sec. 6. ACCELERATED ACTIVITY; SUPERVISORY UNION BECOMING A SUPERVISORY DISTRICT; ENHANCED TAX INCENTIVES; SMALL SCHOOL SUPPORT; DATA AND REPORT

(a) A newly formed school district shall receive the incentives set forth in subsection (b) of this section if it:

(1) is formed by merging the governance structures of all member districts of a supervisory union into one unified union school district pursuant to the processes and requirements of 16 V.S.A. chapter 11, and also could include merger with a neighboring supervisory district;

(2) obtains an affirmative vote of all "necessary" districts on or after July 1, 2015, and prior to July 1, 2016;

(3) is responsible for the education of all resident prekindergarten through grade 12 students;

(4) is its own supervisory district;

(5) has a minimum average daily membership of 900 in its first year of operation; and

(6) is organized and operates according to one of the following common governance structures:

(A) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 12;

(B) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 8 and pays tuition for all resident students in grade 9 through grade 12; or

(C) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 6 and pays tuition for resident students in grade 7 through grade 12;

(7) demonstrates in the study committee report presented to the State Board and district voters pursuant to 16 V.S.A. chapter 11 that the proposed governance changes will meet the goals set forth in Sec. 2 of this act;

(8) becomes operational on or before July 1, 2017; and

(9) provides data as requested by the Agency of Education and otherwise assists the Agency to assess whether and to what extent the consolidation of governance results in an increased ability to meet the goals set forth in Sec. 2 of this act.

(b) A newly formed school district that meets the criteria set forth in subsection (a) of this section shall receive the following:

(1) Decreased equalized homestead property tax rate.

(A) Subject to the provisions of this subdivision (1) and notwithstanding any other provision of law, the new district's equalized homestead property tax rate shall be:

(i) decreased by $0.10 in the first fiscal year of operation;

(ii) decreased by $0.08 in the second fiscal year of operation;

(iii) decreased by $0.06 in the third fiscal year of operation;

(iv) decreased by $0.04 in the fourth fiscal year of operation; and

(v) decreased by $0.02 in the fifth fiscal year of operation.

(B) The household income percentage shall be calculated accordingly.

(C) During the years in which a new district's equalized homestead property tax rate is decreased pursuant to this subdivision (1), the rate for each

town within the new district shall not increase by more than five percent in a single year. The household income percentage shall be calculated accordingly.

(D) On and after the effective date of merger, the common level of appraisal shall be calculated independently for each town within the new district for purposes of determining the homestead property tax rate for each town.

(2) Merger Support Grant.

(A) Notwithstanding any provision of law to the contrary, if the districts forming the new district include at least one "eligible school district," as defined in 16 V.S.A. § 4015, that received a small school support grant under section 4015 in fiscal year 2016, then the new district shall receive an annual Merger Support Grant in an amount equal to the small school support grant received by the eligible school district in fiscal year 2016. If more than one merging district was an eligible school district, then the merger support grant shall be in an amount equal to the total combined small school support grants they received in fiscal year 2016.

(B) Payment of the grant under this subdivision (2) shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following closure by the merged district of a school located in what had been an "eligible school district" prior to merger; and further provided that if a school building located in a formerly "eligible school district" is closed in order to consolidate with another school into a renovated or new school building, then the Secretary shall continue to pay the grant during the repayment term of any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.

(3) Transition Facilitation Grant.

(A) After voter approval of the plan of merger, the Secretary of Education shall pay the transitional board of the new district a transition facilitation grant from the Education Fund equal to the lesser of:

(i) five percent of the base education amount established in 16 V.S.A. § 4001(13) multiplied by the greater of either the combined enrollment or the average daily membership of the merging districts on October 1 of the year in which the successful vote is taken; or

(ii) $150,000.00.

(B) A Transition Facilitation Grant awarded under this subdivision (3) shall be reduced by the total amount of reimbursement paid for consulting services, analysis, and transition costs pursuant to 2012 Acts and Resolves No. 156, Secs. 2, 4, and 9.

(c) If a new district that receives incentives under this section also meets the eligibility criteria to receive incentives as a regional education district, then the new district shall not also receive the comparable incentives available pursuant to 2010 Acts and Resolves No. 153, section 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13.

(d) The Secretary of Education, in collaboration with other entities such as the University of Vermont or the Regional Educational Laboratory–Northeast and Islands, shall collect and analyze data from the new districts created under this section regarding educational opportunities, operational efficiencies, transparency, accountability, and other issues following merger. Beginning on January 15, 2016, and annually through January 2021, the Secretary shall submit a report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance regarding the districts merging under this section, conclusions drawn from the data collected, and any recommendations for legislative action.

Sec. 7. SCHOOL DISTRICTS CREATED AFTER DEADLINE FOR ACCELERATED ACTIVITY; TAX INCENTIVES; SMALL SCHOOL SUPPORT; JOINT CONTRACT SCHOOLS

(a) A newly formed school district shall receive the incentives set forth in subsection (b) of this section if it:

(1) is formed pursuant to the processes and requirements of 16 V.S.A. chapter 11 (union school district formation);

(2) obtains a favorable vote of all "necessary" districts, which do not need to be contiguous or within the same supervisory union, on or after July 1, 2015;

(3) meets the criteria for an accelerated merger set forth in subdivisions 6(a)(3) through (7) of this act; and

(4) becomes operational after July 1, 2017, and on or before July 1, 2019.

(b) A newly formed school district that meets the criteria set forth in subsection (a) of this section shall receive the following:

(1) Equalized homestead tax rates.

(A) Subject to the provisions of this subdivision (1) and notwithstanding any other provision of law, the new district's equalized homestead property tax rate shall be:

(i) decreased by $0.08 the first fiscal year of operation;

(ii) decreased by $0.06 the second fiscal year of operation;

(iii) decreased by $0.04 the third fiscal year of operation; and

(iv) decreased by $0.02 the fourth fiscal year of operation.

(B) The household income percentage shall be calculated accordingly.

(C) During the years in which a new district's equalized homestead property tax rate is decreased pursuant to this subdivision (1), the rate for each town within the new district shall not increase or decrease by more than five percent in a single year. The household income percentage shall be calculated accordingly.

(D) On and after the effective date of merger, the common level of appraisal shall be calculated independently for each town within the new district for purposes of determining the homestead property tax rate for each town.

(2) Merger Support Grant.

(A) Notwithstanding any provision of law to the contrary, if the districts forming the new district include at least one "eligible school district," as defined in 16 V.S.A. § 4015, that received a small school support grant under section 4015 in the fiscal year two years prior to the first fiscal year of merger, then the new district shall receive an annual Merger Support Grant in an amount equal to the small school support grant received by the eligible school district in the fiscal year two years prior to the first fiscal year of merger. If more than one merging district was an eligible school district, then the merger support grant shall be in an amount equal to the total combined small school support grants they received in the fiscal year two years prior to the first fiscal year of merger.

(B) Payment of the grant under this subdivision (2) shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following closure by the merged district of a school located in what had been an "eligible school district" prior to merger; and further provided that if a school building located in a formerly "eligible school district" is closed in order to consolidate with another school into a renovated or new school building, then the Secretary shall continue to pay the grant during the repayment term of any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.

(c) If a new district that receives incentives under this section also meets the eligibility criteria to receive incentives as a regional education district, then

the new district shall not also receive the comparable incentives available pursuant to 2010 Acts and Resolves No. 153, section 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13.

(d) Notwithstanding other provisions of law to the contrary, if two or more districts enter into a contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to operate a school jointly, and if at least one of the districts was an "eligible school district" that received a small school support grant in the fiscal year two years prior to the effective date of the contract, then the contracting school districts, as a single unit, shall receive annual merger support grants pursuant to the provisions of subdivision (b)(2) of this section; provided, however, that this section shall apply only to contracting districts that receive a favorable vote of all affected districts to enter into a finalized contract after the effective date of this section and on or before July 1, 2017.

Sec. 8. EVALUATION BY THE STATE BOARD OF EDUCATION

(a) School districts. When evaluating a proposal to create a union school district pursuant to 16 V.S.A. chapter 11, including a proposal submitted pursuant to the provisions of Secs. 6 or 7 of this act, the State Board of Education shall:

(1) consider whether the proposal is designed to create a sustainable governance structure that can meet the goals set forth in Sec. 2 of this act; and

(2) be mindful of any other district in the region that may become geographically isolated, including the potential isolation of a district with low fiscal capacity or with a high percentage of students from economically deprived backgrounds as identified in 16 V.S.A. § 4010(d).

(A) At the request of the State Board, the Secretary of Education shall work with the potentially isolated district and other districts in the region to move toward a sustainable governance structure that is designed to meet the goals set forth in Sec. 2 of this act.

(B) The State Board is authorized to deny approval to a proposal that would geographically isolate a district that would not be an appropriate member of another sustainable governance structure in the region.

(b) Supervisory unions. The State Board shall approve the creation, expansion, or continuation of a supervisory union only if the Board concludes that this alternative structure:

(1) is the best means of meeting the goals set forth in Sec. 2 of this act in a particular region; and

(2) ensures transparency and accountability for the member districts and the public at large, including transparency and accountability in relation to the

supervisory union budget, which may include a process by which the electorate votes directly whether to approve the proposed supervisory union budget.

Sec. 9. SELF-EVALUATION, MEETINGS, AND PROPOSAL

(a) On or before November 30, 2017, the board of each school district in the State that has a governance structure different from the preferred structure identified in Sec. 5(b) of this act (Education District), or that does not expect to become or will not become an Education District on or before July 1, 2019**,** shall perform each of the following actions.

(1) Self-evaluation. The board shall evaluate its current ability to meet or exceed each of the goals set forth in Sec. 2 of this act.

(2) Meetings.

(A) The board shall meet with the boards of one or more other districts, including those representing districts that have similar patterns of school operation and tuition payment, to discuss ways to promote improvement throughout the region in connection with the goals set forth in Sec. 2 of this act.

(B) The districts do not need to be contiguous and do not need to be within the same supervisory union.

(3) Proposal. The board of the district, solely on behalf of its own district or jointly with the boards of other districts, shall submit a proposal to the Secretary of Education and the State Board of Education in which the district:

(A) proposes to retain its current governance structure, to work with other districts to form a different governance structure, or to enter into another model of joint activity;

(B) demonstrates, through reference to enrollment projections, student-to-staff ratios, the comprehensive data collected pursuant to 16 V.S.A. § 165, and otherwise, how the proposal in subdivision (A) of this subdivision (3) supports the district's or districts' ability to meet or exceed each of the goals set forth in Sec. 2 of this act; and

(C) identifies detailed actions it proposes to take to continue to improve its performance in connection with each of the goals set forth in Sec. 2 of this act.

Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE STRUCTURES; PROPOSAL; FINAL PLAN

(a) Secretary of Education's proposal. In order to provide educational opportunities through sustainable governance structures designed to meet the

goals set forth in Sec. 2 of this act pursuant to one of the models described in Sec. 5, the Secretary shall:

(1) Review the governance structures of the school districts and supervisory unions of the State as they will exist, or are anticipated to exist, on July 1, 2019. This review shall include consideration of any proposals submitted by districts or groups of districts pursuant to Sec. 9 of this act and conversations with those and other districts.

(2) On or before June 1, 2018, shall develop, publish on the Agency of Education's website, and present to the State Board of Education a proposed plan that, to the extent necessary to promote the purpose stated at the beginning of this subsection (a), would move districts into the more sustainable, preferred model of governance set forth in Sec. 5(b) of this act (Education District). If it is not possible or practicable to develop a proposal that realigns some districts, where necessary, into an Education District in a manner that adheres to the protections of Sec. 4 of this act (protection for tuition-paying and operating districts) or that otherwise meets all aspects of Sec. 5(b), then the proposal may also include alternative governance structures as necessary, such as a supervisory union with member districts or a unified union school district with a smaller average daily membership; provided, however, that any proposed alternative governance structure shall be designed to:

(A) ensure adherence to the protections of Sec. 4 of this act; and

(B) promote the purpose stated at the beginning of this subsection (a).

(b) State Board's plan. On or before November 30, 2018, the State Board shall review and analyze the Secretary's proposal under the provisions in subsection (a) of this section, may take testimony or ask for additional information from districts and supervisory unions, shall approve the proposal either in its original form or in an amended form that adheres to the provisions of subsection (a) of this section, and shall publish on the Agency's website its order merging and realigning districts and supervisory unions where necessary.

(c) Applicability. This section shall not apply to:

(1) an interstate school district;

(2) a regional career technical center school district formed under 16 V.S.A. chapter 37, subchapter 5A; or

(3) a district that, between June 30, 2013 and July 2, 2019, began to operate as a unified union school district and:

(A) voluntarily merged into the preferred education governance structure, an Education District, as set forth Sec. 5(b) of this act; or

(B) is a regional education district or any other district eligible to receive incentives pursuant to 2010 Acts and Resolves No. 153, as amended by 2012 Acts and Resolves No. 156.

Sec. 11. QUALITY ASSURANCE; ACCOUNTABILITY; DATA COLLECTION

The Secretary of Education shall regularly review, evaluate, and keep the State Board of Education apprised of the following:

(1) the discussions, studies, and activity among districts to move voluntarily toward creating the preferred education governance structure, an Education District, as set forth Sec. 5(b) of this act;

(2) the data collected from districts that vote prior to July 1, 2016 to merge into a supervisory district pursuant to Sec. 6 (accelerated activity) of this act and from other districts that have merged or do merge into a regional education district or one of its variations or into an Education District as otherwise provided in this act; and

(3) the data and other information collected in connection with the Education Quality Standards, and related on-site education quality reviews, including data and information regarding the equity of educational opportunities, academic outcomes, personalization of learning, a safe school climate, high-quality staffing, and financial efficiency.

Sec. 12. EDUCATION TECHNICAL ASSISTANT

There is established one (1) new limited service exempt position – Education Technical Assistant – in the Agency of Education, authorized for fiscal years 2016 and 2017. The Education Technical Assistant shall work directly with school districts and supervisory unions to provide information and assistance regarding fiscal and demographic projections and the options available to address any necessary systems changes. The Agency's authority to hire an individual for this purpose is contingent on its ability to obtain funding for the position solely through nonstate sources.

* * * Merger Support Grants; Current and Other Incentives * * *

Sec. 13. REFUND UPON SALE OF SCHOOL BUILDINGS REQUIREMENT; NEW SCHOOL DISTRICTS; JOINT CONTRACT SCHOOLS

(a) Notwithstanding 16 V.S.A. § 3448(b), the refund upon sale requirement shall not apply to:

(1) a union school district created under 16 V.S.A. chapter 11 that becomes operational on or after July 1, 2015; and

(2) two or more districts that, on or after July 1, 2015, enter into a contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to operate a school jointly.

(b) As used in subsection (a) of this section, a union school district established under 16 V.S.A. chapter 11 includes a school district voluntarily created pursuant to the provisions of this act, or a regional education district or any other district eligible to receive incentives pursuant to 2010 Acts and Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and 2013 Acts and Resolves No. 56.

(c) This section is repealed on July 1, 2017.

Sec. 14. REVIEW OF THE REFUND UPON SALE REQUIREMENT

(a) The Secretary of Education shall review school districts subject to the provisions of 16 V.S.A. § 3448(b). The review shall include:

(1) each school district that has received State aid for school construction;

(2) the total amount of State aid for school construction that has been refunded to the State;

(3) the percentage of the sale price that each school district would be required to refund to the State upon the sale of a school building; and

(4) a list of all school buildings that are not in use for any purpose.

(b) In addition, the Secretary shall consider:

(1) whether and to what extent the State should exempt school districts from the provisions of 16 V.S.A. § 3448(b), including when a former school building is purchased by a nonprofit entity or is used for a community purpose; and

(2) the potential cost of providing State aid to school districts for the renovation or construction of school buildings conducted in connection with the merger of school district governance structures, and possible funding sources.

(c) On or before December 1, 2015, the Secretary shall report to the House Committees on Education and on Corrections and Institutions and the Senate Committees on Education and on Institutions on the work required by this section.

Sec. 15. 2010 Acts and Resolves No. 153, Sec. 4(d) is amended to read:

(d) Merger support grant.

(1) If the merging districts of a RED included at least one "eligible school district," as defined in 16 V.S.A. § 4015, that had received a small school support grant under section 4015 in the fiscal year two years prior to the first fiscal year of merger, then the RED shall ~~be eligible to~~ receive a merger support grant ~~in each of its first five fiscal years~~ annually in an amount equal to the small school support grant received by the eligible school district in the fiscal year two years prior to the first fiscal year of merger. If more than one merging district was an eligible school district, then the merger support grant shall be in an amount equal to the total combined small school support grants they received in the fiscal year two years prior to the first fiscal year of merger.

(2) Payment of the merger support grant under this subsection (d) shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following closure by the merged district of a school located in what had been an "eligible school district" prior to merger; and further provided that if a school building located in a formerly "eligible school district" is closed in order to consolidate with another school into a renovated or new school building, then the Secretary shall continue to pay the grant during the repayment term of any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.

Sec. 16. 2010 Acts and Resolves No. 153, Sec. 2(a), as amended by 2012 Acts and Resolves No. 156, Sec. 1, is further amended to read:

(a) Program created. There is created a school district merger incentive program under which the incentives outlined in Sec. 4 of this act shall be available to each new unified union school district created pursuant to Sec. 3 of this act and to each new district created under Sec. 3 of this act by the merger of districts that provide education by paying tuition; and to the Vermont members of any new interstate school district if the Vermont members jointly satisfy the size criterion of Sec. 3(a)(1) of this act and the new, merged district meets all other requirements of Sec. 3 of this act. Incentives shall be available, however, only if the ~~effective date of merger is on or before~~ merger receives final approval of the electorate prior to July 1, 2017.

Sec. 17. 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13, is further amended to read:

Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

* * *

(h) ~~This section is repealed on July 1, 2017.~~ [Repealed.]

Sec. 18. CURRENT INCENTIVES FOR JOINT ACTIVITY; LIMITATIONS ON APPLICABILITY

(a) Notwithstanding the provisions of the following sections of law, the grants and reimbursements authorized by those sections shall be available only as provided in subsection (b) of this section:

(1) 2012 Acts and Resolves No. 156, Sec. 6 (transition facilitation grant of $150,000.00 for the successful merger of two or more supervisory unions).

(2) 2012 Acts and Resolves No. 156, Sec. 11 (transition facilitation grant of the lesser of $150,000.00 or five percent of the base education amount multiplied by the combined enrollment for the successful merger of two or more districts other than a RED).

(b) A group of districts or supervisory unions shall receive one or more of the incentives listed in subsection (a) of this section only if it:

(1) meets the specific eligibility criteria for the incentive; and

(2) completes the specific requirements for eligibility on or before December 31, 2015.

Sec. 19. AUTHORIZATION; FINANCIAL INCENTIVES

Prior to any reversions, of the amount appropriated in fiscal year 2015 pursuant to 2014 Acts and Resolves No. 179, Sec. B.505, the sum of $620,000.00 may be expended by the Agency of Education in fiscal year 2016 for the reimbursement of costs and payment of other financial incentives available pursuant to 2012 Acts and Resolves No. 156 to two or more school districts or two or more supervisory unions that are exploring or implementing joint activity, including merger into a regional education district or one of its variations.

* * * Small School Support; Effective Fiscal Year 2020 * * *

Sec. 20. 16 V.S.A. § 4015 is amended to read:

§ 4015. SMALL SCHOOL SUPPORT

(a) In this section:

(1) "Eligible school district" means a school district that:

~~operates at least one school; and~~

~~(A) has a two-year average combined enrollment of fewer than 100 students in all the schools operated by the district; or has~~

~~(B)~~(A) operates at least one school with an average grade size of 20 or fewer; and

(B) has been determined by the State Board, on an annual basis, to be eligible due to either:

(i) the lengthy driving times or inhospitable travel routes between the school and the nearest school in which there is excess capacity; or

(ii) the academic excellence and operational efficiency of the school, which shall be based upon consideration of:

(I) the school's measurable success in providing a variety of high-quality educational opportunities that meet or exceed the educational quality standards adopted by the State Board pursuant to section 165 of this title;

(II) the percentage of students from economically deprived backgrounds, as identified pursuant to subsection 4010(d) of this title, and those students' measurable success in achieving positive outcomes;

(III) the school's high student-to-staff ratios; and

(IV) the district's participation in a merger study and submission of a merger report to the State Board pursuant to chapter 11 of this title or otherwise.

* * *

(6) "School district" means a town, city, incorporated, interstate, or union school district or a joint contract school established under subchapter 1 of chapter 11 of this title.

* * *

(c) ~~Small schools financial stability grant: In addition to a small schools support grant, an eligible school district whose two-year average enrollment decreases by more than 10 percent in any one year shall receive a small schools financial stability grant. However, a decrease due to a reduction in the number of grades offered in a school or to a change in policy regarding paying tuition for students shall not be considered an enrollment decrease. The amount of the grant shall be determined by multiplying 87 percent of the base education amount for the current fiscal year, by the number of enrollment, to the nearest one-hundredth of a percent, necessary to make the two-year average enrollment decrease only 10 percent.~~ [Repealed.]

(d) ~~Funds for both grants shall be appropriated from the Education Fund and shall be added to payments for the base education amount or deducted from the amount owed to the Education Fund in the case of those districts that must pay into the Fund under section 4027 of this title.~~ [Repealed.]

* * *

Sec. 21. SMALL SCHOOL SUPPORT; METRICS

On or before July 1, 2018, the State Board of Education shall adopt and publish metrics by which it will make determinations whether to award small school support grants pursuant to 16 V.S.A. § 4015 on and after July 1, 2019, as amended by Sec. 20 of this act.

* * * Declining Enrollment; Equalized Pupils; 3.5 Percent Limit * * *

Sec. 22. 16 V.S.A. § 4010(f) is amended to read:

(f) For purposes of the calculation under this section, a district's equalized pupils shall in no case be less than 96 and one-half percent of the ~~district's~~ actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this subsection.

Sec. 23. DECLINING ENROLLMENT; TRANSITION

(a) If a district's equalized pupils in fiscal year 2016 do not reflect any adjustment pursuant to 16 V.S.A. § 4010(f), then Sec. 22 of this act shall apply to the district in fiscal year 2017 and after.

(b) If a district's equalized pupils in fiscal year 2016 reflect adjustment pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of § 4010(f) as amended by this act:

(1) in fiscal year 2017, the district's equalized pupils shall in no case be less than 90 percent of the district's equalized pupils in the previous year; and

(2) in fiscal year 2018, the district's equalized pupils shall in no case be less than 80 percent of the district's equalized pupils in the previous year.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, if a district is actively engaged in merger discussions with one or more other districts regarding the formation of a regional education district (RED) or other form of unified union school district pursuant to 16 V.S.A. chapter 11, then Sec. 22 of this act shall apply to the district in fiscal year 2018 and after, and each of the dates in subsection (b) of this section shall be adjusted accordingly. A district shall be "actively engaged in merger discussions" pursuant to this subsection (c) if on or before July 1, 2016, it has formed a study committee pursuant to 16 V.S.A. chapter 11.

Sec. 24. REPEAL

16 V.S.A. § 4010(f) (declining enrollment; hold-harmless provision) is repealed on July 1, 2020.

Sec. 25. DECLINING ENROLLMENT; 3.5 PERCENT HOLD-HARMLESS; GRANDFATHERED DISTRICTS

Beginning in fiscal year 2021, for purposes of determining weighted membership under 16 V.S.A. § 4010, a district's equalized pupils shall in no case be less than 96 and one-half percent of the actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this section, if the district, on or before July 1, 2019:

(1) became eligible to receive incentives pursuant to Sec. 6 or 7 of this act or otherwise voluntarily merged into an Education District as defined in Sec. 5(b) of this act; or

(2) became eligible to receive incentives pursuant to 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13, and further amended by this act (regional education districts and eligible variations).

* * * Yield; Dollar Equivalent * * *

Sec. 26. 16 V.S.A. § 4001(13) is amended to read:

(13) "Base education amount" means a number used to calculate ~~tax rates. The base education amount is~~ categorical grants awarded under this title that is equal to $6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.

Sec. 27. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

* * *

(13)(A) "~~District~~ Education property tax spending adjustment" means the greater of: one or a fraction in which the numerator is the district's education spending plus excess spending, per equalized pupil, for the school year; and the denominator is the ~~base education amount~~ property dollar equivalent yield for the school year, as defined in ~~16 V.S.A. § 4001~~ subdivision (15) of this section. ~~For a district that pays tuition to a public school or an approved independent school, or both, for all of its resident students in any year and which has decided by a majority vote of its school board to opt into this provision, the district spending adjustment shall be the average of the district spending adjustment calculated under this subdivision for the previous year and for the current year. Any district opting for a two-year average under this subdivision may not opt out of such treatment, and the averaging shall continue until the district no longer qualifies for such treatment.~~

(B) "Education income tax spending adjustment" means the greater of: one or a fraction in which the numerator is the district's education spending plus excess spending, per equalized pupil, for the school year; and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

* * *

(15) "Property dollar equivalent yield" means the amount of spending per equalized pupil that would result if the homestead tax rate were $1.00 per $100.00 of equalized education property value, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

(16) "Income dollar equivalent yield" means the amount of spending per equalized pupil that would result if the applicable percentage in subdivision 6066(a)(2) of this title were 2.0 percent, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

Sec. 28. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

(a) A ~~Statewide~~ statewide education tax is imposed on all nonresidential and homestead property at the following rates:

(1) The tax rate for nonresidential property shall be $1.59 per $100.00.

(2) The tax rate for homestead property shall be ~~$1.10~~ $1.00 multiplied by the ~~district~~ education property tax spending adjustment for the municipality~~,~~ per $100.00~~,~~ of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality which is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section.

(b) The ~~Statewide~~ statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonresidential rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonresidential property and without regard to any other tax classification of the property. Tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list value of the property to be taxed.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonresidential property.

(3) If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the municipality's most recent common level of appraisal, but without regard to any ~~district~~ spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection.

* * *

(d) A municipality which has upon its grand list an operating electric generating plant subject to the tax under chapter 213 of this title shall be subject to the nonresidential education property tax at three-quarters of the rate provided in subdivision (a)(1) of this section, as adjusted under section 5402b of this chapter; and shall be subject to the homestead education property tax at three-quarters of the base rate provided in subdivision (a)(2) of this section, as adjusted under section 5402b of this chapter, and multiplied by its ~~district~~ spending adjustment under subdivision 5401(13) of this title.

(e) The Commissioner of Taxes shall determine a homestead education tax rate for each municipality which is a member of a union or unified union school district as follows:

(1) For a municipality which is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based upon the education spending per equalized pupil of the unified union.

(2) For a municipality which is a member of a union school district:

(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based on the education spending per total equalized pupil in the municipality who attends a school other than the union school.

(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based on the education spending per equalized pupil of the union school district.

* * *

Sec. 29. 32 V.S.A. § 6066(a)(2) is amended to read:

(2) "Applicable percentage" in this section means two percent, multiplied by the ~~district~~ education income tax spending adjustment under subdivision 5401(13)(B) of this title for the property tax year which begins in the claim year for the municipality in which the homestead residence is located~~; but in no event shall the applicable percentage be less than two percent~~.

Sec. 30. REVISION AUTHORITY

Notwithstanding 4 V.S.A. § 424, the Office of Legislative Council is authorized to change all instances in statute of the term "applicable percentage" to "income percentage" in 32 V.S.A. chapters 135 and 154.

Sec. 31. 16 V.S.A. § 4031 is amended to read:

§ 4031. UNORGANIZED TOWNS AND GORES

(a) For a municipality that, as of January 1, 2004, is an unorganized town or gore, its ~~district~~ education property tax spending adjustment under 32 V.S.A. § 5401(13) shall be one for purposes of determining the tax rate under 32 V.S.A. § 5402(a)(2).

(b) For purposes of a claim for property tax adjustment under 32 V.S.A. chapter 154 by a taxpayer in a municipality affected under this section, the applicable percentage shall not be multiplied by a spending adjustment under 32 V.S.A. § 5401(13).

Sec. 32. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX ~~RATE ADJUSTMENTS~~ YIELDS; RECOMMENDATION OF THE COMMISSIONER

~~(a) Annually, by December 1, the Commissioner of Taxes shall recommend to the General Assembly, after consultation with the Agency of Education, the Secretary of Administration, and the Joint Fiscal Office, the following adjustments in the statewide education tax rates under subdivisions 5402(a)(1) and (2) of this title:~~

~~(1) If there is a projected balance in the Education Fund Budget Stabilization Reserve in excess of the five percent level authorized under 16 V.S.A. § 4026, the Commissioner shall recommend a reduction, for the following fiscal year only, in the statewide education tax rates which will retain the projected Education Fund Budget Stabilization Reserve at the five percent maximum level authorized and raise at least 34 percent of projected education spending from the tax on nonresidential property; and~~

~~(2) If there is a projected balance in the Education Fund Budget Stabilization Reserve of less than the three and one-half percent level required under 16 V.S.A. § 4026, the Commissioner shall recommend an increase, for the following fiscal year only, in the statewide education tax rates which will retain the projected Education Fund Budget Stabilization Reserve at no less than the three and one-half percent minimum level authorized under 16 V.S.A. § 4026, and raise at least 34 percent of projected education spending from the tax rate on nonresidential property.~~

~~(3) In any year following a year in which the nonresidential rate produced an amount of revenues insufficient to support 34 percent of education fund spending in the previous fiscal year, the Commissioner shall determine and recommend an adjustment in the nonresidential rate sufficient to raise at least 34 percent of projected education spending from the tax rate on nonresidential property.~~

~~(4) If in any year in which the nonresidential rate is less than the statewide average homestead rate, the Commissioner of Taxes shall determine the factors contributing to the deviation in the proportionality of the nonresidential and homestead rates and make a recommendation for adjusting statewide education tax rates accordingly.~~

~~(b) If the Commissioner makes a recommendation to the General Assembly to adjust the education tax rates under section 5402 of this title, the Commissioner shall also recommend a proportional adjustment to the applicable percentage base for homestead income based adjustments under section 6066 of this title, but the applicable percentage base shall not be adjusted below 1.94 percent.~~

(a) Annually, no later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, shall calculate and recommend a property dollar equivalent yield, an income dollar equivalent yield, and a nonresidential property tax rate for the following fiscal year. In making these calculations, the Commissioner shall assume:

(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is $1.00 per $100.00 of equalized education property value;

(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;

(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent; and

(4) the percentage change in the median education tax bill applied to nonresidential property, the percentage change in the median education tax bill

of homestead property, and the percentage change in the median education tax bill for taxpayers who claim an adjustment under subsection 6066(a) of this title are equal.

(b) For each fiscal year, the General Assembly shall set a property dollar equivalent yield and an income dollar equivalent yield, consistent with the definitions in this chapter.

* * * Ballot Language; Per Equalized Pupil Spending * * *

Sec. 33. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE ~~IF BUDGET EXCEEDS BENCHMARK AND DISTRICT SPENDING IS ABOVE AVERAGE~~

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

(B) ~~If the proposed budget contains education spending in excess of the Maximum Inflation Amount, and the district's education spending per equalized pupil in the fiscal year preceding the year for which the budget is proposed was in excess of the statewide average district education spending per equalized pupil in that same fiscal year, as determined by the Secretary, then in lieu of any other statutory or charter form of budget adoption or budget vote, the board shall present the budget to the voters by means of a divided question, in the form of vote provided in subdivision (ii) of this subdivision (11)(B).~~

~~(i) "Maximum Inflation Amount" in this section means:~~

~~(I) the statewide average district education spending per equalized pupil, as defined in subdivision 4001(6) of this title, in the fiscal year preceding the year for which the budget is proposed, as determined by the Secretary, multiplied by the New England Economic Project Cumulative Price Index percentage change, as of November 15 preceding distribution of the proposed budget, for state and local government purchases of goods and services for the fiscal year for which the budget is proposed, plus one percentage point; plus the district's education spending per equalized pupil in the fiscal year preceding the year for which the budget is proposed, as determined by the Secretary;~~

~~(II) multiplied by the higher of the following amounts as determined by the Secretary: (aa) the district's equalized pupil count in the fiscal year preceding the year for which the budget is proposed; or (bb) the district's equalized pupil count in the fiscal year for which the budget is proposed.~~

~~(ii) The ballot shall be in the following form:~~

~~"The total proposed budget of $_____ is the amount determined by the school board to be necessary to support the school district's educational program. State law requires the vote on this budget to be divided because (i) the school district's spending per pupil last year was more than the statewide average and (ii) this year's proposed budget is greater than last year's budget adjusted for inflation.~~

~~"Article #1 (School Budget):~~

~~Part A. Shall the voters of the school district authorize the school board to expend $ _____/t, which is a portion of the amount the school board has determined to be necessary?~~

~~Part B. If Part A is approved by the voters, shall the voters of the school district also authorize the school board to expend $_____/t, which is the remainder of the amount the school board has determined to be necessary?"~~ [Repealed.]

* * *

(D) The board shall present the budget to the voters by means of a ballot in the following form:

"Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend $ _____, which is the amount the school board has determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of $____ per equalized pupil. This projected spending per equalized pupil is ____% higher/lower than spending for the current year.

Sec. 34. REPEAL

16 V.S.A. § 4001(6)(A) (divided vote; exceptions to education spending) is repealed on July 1, 2015.

* * * Fiscal Year 2016 Education Property Tax Rates, Applicable Percentage, and Base Education Amount * * *

Sec. 35. FISCAL YEAR 2016 EDUCATION PROPERTY TAX RATES AND APPLICABLE PERCENTAGE

(a) For fiscal year 2016 only, the education property tax imposed under 32 V.S.A. § 5402(a) shall be reduced from the rates of $1.59 and $1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be $1.535 per $100.00; and

(2) the tax rate for homestead property shall be $0.99 multiplied by the district spending adjustment for the municipality per $100.00 of equalized property value as most recently determined under 32 V.S.A. § 5405.

(b) For claims filed in 2015 only, "applicable percentage" in 32 V.S.A. § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.80 percent multiplied by the fiscal year 2015 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.80 percent.

Sec. 36. FISCAL YEAR 2016 BASE EDUCATION AMOUNT

As provided in 16 V.S.A. § 4011(b), the base education amount for fiscal year 2016 shall be $9,459.00.

* * * Cost Containment; Allowable Growth in Education Spending for Fiscal Years 2017 and 2018 * * *

Sec. 37. ALLOWABLE GROWTH IN EDUCATION SPENDING FOR FISCAL YEARS 2017 AND 2018

(a) Notwithstanding any other provision of law, for fiscal years 2017 and 2018 only, "excess spending" under 32 V.S.A. § 5401(12) means the per-equalized-pupil amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b), that is in excess of the district's per-equalized-pupil amount of education spending in the prior fiscal year, plus the district's allowable growth.

(b) For fiscal years 2017 and 2018, the "allowable growth" for any individual school district is an amount equal to the actual amount of per-equalized-pupil education spending in the district in the prior fiscal year, multiplied by the district's "allowable growth percentage." A district's "allowable growth percentage" means a percentage that results from the following equation: the highest per-equalized-pupil amount of the education

spending in any district in the State in the prior fiscal year, divided by the actual amount of per-equalized-pupil education spending in the district in the prior fiscal year, minus one, multiplied by five and one-half percent. For the purpose of the calculations made under this subsection, the term "education spending" refers to education spending as used to calculate excess spending under 16 V.S.A. § 4001(6), including all the adjustments under 16 V.S.A. § 4001(6)(B).

Sec. 38. TRANSITION

For fiscal years 2017 and 2018 only, if a district's equalized pupils in fiscal year 2016 reflect an adjustment pursuant to 16 V.S.A. § 4010(f) that results in an equalized pupil count that is 110 percent or greater than the actual equalized pupil count for that year, then notwithstanding any other provision of law, the district's spending adjustment under 32 V.S.A. § 5401(13) shall be calculated without any addition for excess spending.

* * * Duties of Supervisory Unions; Failure to Comply; Tax Rates * * *

Sec. 39. 16 V.S.A. § 261a(c) is added to read:

(c)(1) After notice to the boards of a supervisory union and its member districts, the opportunity for a period of remediation, and the opportunity for a hearing, if the Secretary determines that a supervisory union or any one of its member districts is failing to comply with the any provision of subsection (a) of this section, then the Secretary shall notify the board of the supervisory union and the board of each of its member districts that the education property tax rates for nonresidential and homestead property shall be increased by five percent in each district within the supervisory union and the household income percentage shall be adjusted accordingly in the next fiscal year for which tax rates will be calculated. The districts' actual tax rates shall be increased by five percent, and the household income percentage adjusted, in each subsequent fiscal year until the fiscal year following the one in which the Secretary determines that the supervisory union and its districts are in compliance. If the Secretary determines that the failure to comply with the provisions of subsection (a) of this section is solely the result of the actions of the board of one member district, then the tax increase in this subsection (c) shall apply only to the tax rates for that district. Subject to Vermont Rule of Civil Procedure 75, the Secretary's determination shall be final.

* * * Quality Assurance; Accountability; Fiscal Year 2020 * * *

Sec. 40. 16 V.S.A. § 165(b)(1)–(4) are amended and subdivision (5) is added to read:

(1) the Agency continue to provide technical assistance for one more cycle of review;

(2) the State Board adjust supervisory union boundaries or responsibilities of the superintendency pursuant to section 261 of this title;

(3) the Secretary assume administrative control of an individual school, school district, or supervisory union, including budgetary control to ensure sound financial practices, only to the extent necessary to correct deficiencies; ~~or~~

(4) the State Board close ~~the~~ an individual school or schools and require that the school district pay tuition to another public school or an approved independent school pursuant to chapter 21 of this title; or

(5) the State Board require two or more school districts to consolidate their governance structures.

* * * Facilitating Voluntary Governance Transitions; Supervisory Union Boundaries * * *

Sec. 41. 16 V.S.A. § 261 is amended to read:

§ 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY UNIONS

(a) The State Board shall review on its own initiative or when requested as per subsection (b) of this section and may regroup the supervisory unions of the State or create new supervisory unions in such manner as to afford increased efficiency or greater convenience and economy and to facilitate ~~K-12~~ prekindergarten through grade 12 curriculum planning and coordination as changed conditions may seem to require.

(b)(1) Any school district that has so voted at its annual school district meeting, if said meeting has been properly warned regarding such a vote, may ~~apply to~~ request that the State Board ~~of education for adjustment of~~ adjust the existing boundaries of the supervisory union of which it is a ~~component~~ member district.

(2) Any group of school districts that have so voted at their respective annual school district meeting, regardless of whether the districts are members of the same supervisory union, may request that the State Board adjust existing supervisory union boundaries and move one or more nonrequesting districts to a different supervisory union if such adjustment would assist the requesting districts to realign their governance structures into a unified union school district pursuant to chapter 11 of this title.

(3) The State Board shall give timely consideration to ~~such~~ requests made pursuant to this subsection and may regroup the school districts of the area so as to ensure reasonable supervision of all public schools therein.

(c) The State Board may designate any school district, including a unified union district, as a supervisory district if it will ~~offer schools in grades K-12~~ provide for the education of all resident students in prekindergarten through grade 12 and is large enough to support the planning and administrative functions of a supervisory union.

(d) Upon application by a supervisory union board, the State Board may waive any requirements of chapter 5 or 7 of this title with respect to the supervisory union board structure, board composition, or board meetings, or the staffing pattern of the supervisory union, if it can be demonstrated that such a waiver will result in efficient and effective operations of the supervisory union; will not result in any disproportionate representation; and is otherwise in the public interest.

* * * Supervisory Unions; Local Education Agency * * *

Sec. 42. 16 V.S.A. § 43(c) is amended to read:

(c) For purposes of determining pupil performance and application of consequences for failure to meet standards and for provision of compensatory and remedial services pursuant to 20 U.S.C. §§ 6311-6318, a ~~school district~~ supervisory union shall be a local education agency.

* * * Transition of Employees * * *

Sec. 43. 16 V.S.A. chapter 53, subchapter 3 is added to read:

Subchapter 3. Transition of Employees

§ 1801. DEFINITIONS

As used in this subchapter:

(1) "New District" means a district created by the realignment or merger of two or more current districts into a new supervisory district, union school district, or any other form of merged or realigned district authorized by law, including by chapter 11, subchapter 1, of this title, regardless of whether one or more of the districts creating the New District (a Realigning District) is a town school district, a city school district, an incorporated school district, a union school district, a unified union school district, or a supervisory district.

(2) "New SU" means a supervisory union created from the merger or realignment of two or more current supervisory unions or of all or some of the districts in one or more current supervisory unions (a Realigning SU). "New SU" also means a supervisory union created by the State Board's adjustment of the borders of one or more current supervisory unions or parts of supervisory unions pursuant to section 261 of this title or otherwise, regardless of whether the New SU is known by the name of one of the current supervisory unions or

the adjustment is otherwise structured or considered to be one in which one current supervisory union (the Absorbing SU) is absorbing one or more other supervisory unions or parts of supervisory unions into the Absorbing SU.

(3) "Employees of a Realigning Entity" means the licensed and nonlicensed employees of a Realigning District or Realigning SU, or both, that create the New District or New SU, and includes employees of an Absorbing SU and employees of a Realigning SU whose functions will be performed by employees of a New District that is a supervisory district.

(4) "System" shall mean the Vermont Municipal Employees' Retirement System created pursuant to 24 V.S.A. chapter 125.

(5) "Transitional Board" means the board created prior to the first day of a New District's or a New SU's existence in order to transition to the new structure by negotiating and entering into contracts, preparing an initial proposed budget, adopting policies, and otherwise planning for implementation of the New District or New SU, and includes the board of an Absorbing District to which members from the other Realigning SU or SUs have been added in order to perform transitional responsibilities.

§ 1802. TRANSITION OF EMPLOYEES TO NEWLY CREATED EMPLOYER

(a) Prior to the first day of a New District's or a new SU's existence, upon creation of the Transitional Board, the Board shall:

(1) appoint a negotiations council for the New District or New SU for the purpose of negotiating with future employees' representatives; and

(2) recognize the representatives of the Employees of the Realigning Districts or Realigning SUs as the recognized representatives of the employees of the New District or New SU.

(b) Negotiations shall commence within 90 days after formation of the Transitional Board and shall be conducted pursuant to the provisions of chapter 57 of this title for teachers and administrators and pursuant to 21 V.S.A. chapter 22 for other employees.

(c) An Employee of a Realigning District or Realigning SU who was not a probationary employee shall not be considered a probationary employee of the New District or New SU.

(d) If a new agreement is not ratified by both parties prior to the first day of the New District's or New SU's existence, then:

(1) the parties shall comply with the existing agreements in place for Employees of the Realigning Districts or the Realigning SUs until a new agreement is reached;

(2) the parties shall adhere to the provisions of an agreement among the Employees of the Realigning Districts or the Realigning SUs, as represented by their respective recognized representatives, regarding how provisions under the existing contracts regarding issues of seniority, reduction in force, layoff, and recall will be reconciled during the period prior to ratification of a new agreement; and

(3) a new employee beginning employment after the first day of the New District's or New SU's existence shall be covered by the agreement in effect that applies to the largest bargaining unit for Employees of the Realigning Districts in the New District or for Employees of the Realigning SU in the New SU.

(e) On the first day of its existence, the New District or New SU shall assume the obligations of existing individual employment contracts, including accrued leaves and associated benefits, with the Employees of the Realigning Districts.

§ 1803. VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

(a) A New District or New SU, on the first day of its existence, shall assume the responsibilities of any one or more of the Realigning Districts or Realigning SUs that have been participants in the system; provided, however, that this subsection shall not be construed to extend benefits to an employee who would not otherwise be a member of the system under any other provision of law.

(b) The existing membership and benefits of an Employee of a Realigning District or a Realigning SU shall not be impaired or reduced either by negotiations with the New District or New SU under 21 V.S.A. chapter 22 or otherwise.

(c) In addition to general responsibility for the operation of the System pursuant to 24 V.S.A. § 5062(a), the responsibility for implementation of all sections of this subchapter relating to the System is vested in the Retirement Board.

* * * Unified Union School District; Definition * * *

Sec. 44. 16 V.S.A. § 722 is amended to read:

§ 722. UNIFIED UNION DISTRICTS

~~If a union school district is organized to operate grades kindergarten through 12, it~~ (a) A union school district shall be known as a unified union

district if it provides for the education of resident prekindergarten–grade 12 students, whether by:

(1) operating a school or schools for all grades;

(2) operating a school or schools for all students in one or more grades and paying tuition for all students in the remaining grade or grades; or

(3) paying tuition for all grades.

(b) On the date the unified union district becomes operative, unless another date is specified in the study committee report, it shall supplant all other school districts within its borders, and they shall cease to exist.

(c) If provided for in the committee report, the unified union school district ~~school~~ board may be elected and may conduct business for the limited purpose of preparing for the transition to unified union district administration while the proposed member school districts continue to operate schools.

(d) The functions of the legislative branch of each preexisting school district in warning meetings and conducting elections of unified union school district board members shall be performed by the corresponding board of alderpersons of a city or city council, the selectboard of a town, or the trustees of an incorporated school district as appropriate.

* * * Designation of Secondary Schools * * *

Sec. 45. 16 V.S.A. § 827 is amended to read:

§ 827. DESIGNATION OF A PUBLIC HIGH SCHOOL OR AN APPROVED INDEPENDENT HIGH SCHOOL AS THE ~~SOLE~~ PUBLIC HIGH SCHOOL OF A SCHOOL DISTRICT

(a) A school district not maintaining an approved public high school may vote on such terms or conditions as it deems appropriate, to designate ~~an~~ three or fewer approved independent ~~school or a~~ or public ~~school~~ high schools as the public high school or schools of the district.

(b) Except as otherwise provided in this section, if the board of trustees or the school board of ~~the~~ a designated school votes to accept this designation, the school shall be regarded as a public school for tuition purposes under subsection 824(b) of this title, and the sending school district shall pay tuition only to that school ~~only~~, and to any other school designated under this section, until such time as the sending school district or the designated school votes to rescind the designation.

(c) A parent or legal guardian who is dissatisfied with the instruction provided at ~~the~~ a designated school or who cannot obtain for his or her child the kind of course or instruction desired there, or whose child can be better

accommodated in an approved independent or public high school nearer his or her home during the next academic year, may request on or before April 15 that the school board pay tuition to another approved independent or public high school selected by the parent or guardian.

(d) The school board may pay tuition to another approved high school as requested by the parent or legal guardian if in its judgment that will best serve the interests of the student. Its decision shall be final in regard to the institution the student may attend. If the board approves the parent's request, the board shall pay tuition for the student in an amount not to exceed the least of:

(1) The statewide average announced tuition of Vermont union high schools.

(2) The per-pupil tuition the district pays to the designated school in the year in which the student is enrolled in the nondesignated school. If the district has designated more than one school pursuant to this section, then it shall be the lowest per-pupil tuition paid to a designated school.

(3) The tuition charged by the approved nondesignated school in the year in which the student is enrolled.

* * *

* * * Reports * * *

Sec. 46. SPECIAL EDUCATION; FUNDING; AVERAGE DAILY MEMBERSHIP; STUDY AND PROPOSAL

On or before January 15, 2016, the Secretary of Education shall develop and present to the House and Senate Committees on Education a proposal for an alternative funding model for the provision of special education services in Vermont. In developing the proposal, the Secretary shall

(1) consult with experts in the provision or funding of special education services;

(2) consider the report regarding the use of paraprofessionals to provide special education services required by the General Assembly pursuant to 2014 Acts and Resolves No. 95, Sec. 79a;

(3) consider ways in which some portion of State funds for special education services could be provided to school districts or supervisory unions based on average daily membership; and

(4) consider ways in which the proposal could also help to reduce administrative responsibilities at the local level and increase flexibility in the provision of services.

Sec. 47. PRINCIPALS AND SUPERINTENDENTS; STUDY AND PROPOSAL

On or before January 15, 2016, the Secretary of Education, in consultation with the Vermont Superintendents Association, the Vermont School Boards Association, and the Vermont Principals' Association, shall develop and present to the House and Senate Committees on Education a proposal to clarify the roles of superintendents as systems managers and principals as instructional leaders. The proposal shall also address superintendents' and principals' relative responsibilities of supervision and evaluation.

Sec. 48. YEAR USED TO CALCULATE PROPERTY TAX ADJUSTMENTS

On or before January 15, 2016, the Commissioner of Taxes shall report to the General Assembly on the steps that would be required to transition to calculation of the property tax adjustments under 32 V.S.A. chapter 154 on a current year basis. As used in this section, "a current year basis" means using the current year's homestead adjusted tax rates, the current year's assessed property values, and the taxable income from the prior calendar year to calculate a property tax adjustment filed in the current claim year. In preparing the report, the Commissioner shall consult with the Vermont Association of Listers and Assessors, the Vermont League of Cities and Towns, and any other interested stakeholders identified by the Commissioner.

Sec. 49. COORDINATION OF EDUCATIONAL AND SOCIAL SERVICES; REPORT

(a) The Secretaries of Education and of Human Services, in consultation with school districts, supervisory unions, social service providers, and other interested parties, shall develop a plan for maximizing collaboration and coordination between the Agencies in delivering social services to Vermont public school students and their families. The plan shall:

(1) propose ways to improve access to and quality of social services provided to Vermont public school students and their families through systems-level planning and integration;

(2) propose sustainable ways to increase efficiencies in delivering social services to Vermont public school students and their families while maintaining access and quality, including ways to promote effective communication between the Agencies at the State and local levels;

(3) consider ways in which schools and social service providers can share services, personnel, and other resources, including the use of available space in school buildings by Agency of Human Services personnel;

(4) identify the amounts and sources of spending by the Agency of Human Services and the education system to provide social services to families with school-age children; and

(5) identify any barriers to increased efficiency, statutory or otherwise and including federal and State privacy protections, and propose ways to address these barriers, including any recommendations for legislative action.

(b) On or before January 15, 2016, the Secretaries shall present their plan and recommendations to the Senate Committees on Education and on Health and Welfare and the House Committees on Education and on Human Services.

Sec. 50. ADEQUACY FUNDING; STUDY

(a) Adequacy funding study. On or before July 15, 2015, the Joint Fiscal Office, in consultation with the President Pro Tempore of the Senate, the Speaker of the House, and the Chairs of the House and Senate Committees on Education, shall develop a request for proposals to conduct a study of the implementation of an adequacy-based education funding system in the State, including a recommendation on the determination of adequacy. The Joint Fiscal Office shall select and enter into a contract with a consultant from among those submitting proposals.

(1) The recommendation for the adequacy determination shall be based on the educational standards adopted under Vermont law, including adherence to Brigham v. Vermont, 166 Vt. 246 (1997), and the promotion of substantial equality of educational opportunity for all Vermont students. The determination shall consider all sources of spending related to education, including spending that is currently characterized as categorical grants, but not including capital expenditures. The determination shall be reached using one of the following four methods: the evidence-based model, the professional judgment model, the successful schools model, or the cost function model.

(2) The consultant shall incorporate the following into the study:

(A) a review of the existing studies of Vermont's education finance system since the enactment of 1998 Acts and Resolves No. 60 and 2004 Acts and Resolves No. 68;

(B) a review of the existing data collected by the Agency of Education and the Department of Taxes related to the Vermont education finance system under Act 60 and Act 68; and

(C) a review of adequacy funding systems in comparable states with an emphasis on states in New England and states committed to equity.

(b) Interested stakeholders. The consultant selected shall carry out public participation activities with interested stakeholders as part of its study.

(c) Report. On or before January 15, 2016, the consultant shall submit a report to the General Assembly on the study required by this section.

(d) Technical assistance. The Agency of Education, the Department of Taxes, the Joint Fiscal Office, and the Office of Legislative Council shall assist the consultant with gathering data required for the study.

(e) Funding. Notwithstanding any provision of 16 V.S.A. § 4025(d) to the contrary and prior to any reversions, of the amount appropriated in fiscal year 2015 pursuant to 2014 Acts and Resolves No. 179, Sec. B.505, the sum of up to $300,000.00 shall be transferred to the Joint Fiscal Office for use in fiscal year 2016 for the purposes of this section.

Sec. 51. EDUCATION SPENDING: HEALTH CARE COSTS

(a) The General Assembly finds:

(1) Health care expenses are a major cause of increases in school budgets and education property taxes.

(2) Until the State solves the problems associated with the cost of health care, it will be increasingly difficult for school districts to contain education spending and education property taxes.

(b) On or before November 1, 2015, as part of the study to identify options and considerations for providing health care coverage to all public employees, the Director of Health Care Reform in the Agency of Administration shall report to the Health Reform Oversight Committee, the House and Senate Committees on Education, the House Committee on Health Care, and the Senate Committee on Health and Welfare with options for:

(1) the design of health benefits for school employees that will not trigger the excise tax on high-cost, employer-sponsored insurance plans pursuant to 26 U.S.C. § 4980I; and

(2) ways to administer the school employees' health benefits, including possibly through the Vermont Education Health Initiative (VEHI), Vermont Health Connect (VHC), or through another applicable mechanism.

(c) When identifying and analyzing the options required by subsection (b) of this section, the Director shall consult with representatives of the Vermont – National Education Association, the Vermont School Boards' Association, VEHI, VHC, the Office of the Treasurer, and the Joint Fiscal Office.

* * * Effective Dates * * *

Sec. 52. EFFECTIVE DATES

(a) This section (effective dates) and Secs. 1 through 11 shall take effect on passage.

(b) Sec. 12 (limited service exempt position) shall take effect on July 1, 2015.

(c) Secs. 13 through 19 shall take effect on passage.

(d) Sec 20 (small school support) shall take effect on July 1, 2019, and shall apply to grants made in fiscal year 2020 and after.

(e) Sec. 21 (small school support; metrics) shall take effect on July 1, 2015.

(f) Secs. 22 and 23 (declining enrollment; hold-harmless provision; transition) shall take effect on July 1, 2016.

(g) Secs. 24 and 25 (declining enrollment; hold-harmless provision; repeal; exception) shall take effect on July 1, 2020.

(h) Secs. 26 through 32 (yield; dollar equivalent) shall take effect on July 1, 2015, and shall apply to fiscal year 2017 and after.

(i) Secs. 33 and 34 (ballot language; per equalized pupil spending) shall take effect on July 1, 2015.

(j) Secs. 35 and 36 (fiscal year 2016; tax rates; base education amount) shall take effect on July 1, 2015, and shall apply to fiscal year 2016.

(k) Secs. 37 and 38 (cost containment; education spending; allowable growth) shall take effect on July 1, 2015, and shall apply to fiscal years 2017 and 2018.

(l) Sec. 39 (supervisory union duties; failure to comply; tax rates) shall take effect on July 1, 2016; provided, however, that tax rates shall not be increased pursuant to this section prior to fiscal year 2018.

(m) Sec. 40 (authorities of State Board of Education) shall take effect on July 1, 2020.

(n) Sec. 41 (supervisory union boundaries) shall take effect on passage.

(o) Sec. 42 (supervisory unions; local education agency) shall take effect on July 1, 2016.

(p) Sec. 43 (transition of employees) shall take effect on passage and shall apply to a New District or New SU that has its first day of operation on or after that date; provided, however, that this section shall not apply to the transition of employees to the new joint contract school scheduled to be operated by the Pomfret and Bridgewater school districts beginning in the 2015–2016 academic year.

(q) Sec. 44 (unified union school district; definition) shall take effect on passage.

(r) Sec. 45 (designation) shall take effect on July 1, 2015.

(s) Secs. 46 through 51 (reports) shall take effect on passage.

ANN E. CUMMINGS
PHILIP E. BARUTH
DUSTIN ALLARD DEGREE

Committee on the part of the Senate

DAVID D. SHARPE
BERNARD C. JUSKIEWICZ
JOHANNAH L. DONOVAN

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Bills Messaged

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 40, H. 361.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 93.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to lobbying disclosures.

Was taken up for immediate consideration.

Senator White, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

S. 93. An act relating to lobbying disclosures.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House's proposal of amendment and that the House's proposal of amendment be amended in Sec. 2, 2 V.S.A. § 264c (identification in and report of certain lobbying

advertisements), in subsection (c) (definitions), by striking out in its entirety subdivision (1) (definition of "advertisement") and inserting in lieu thereof the following:

(1) "Advertisement" means a notice that appears in any of the following public media: radio, television, newspapers or other periodicals, or Internet websites.

JEANETTE K. WHITE
BRIAN P. COLLAMORE
ANTHONY POLLINA

Committee on the part of the Senate

MAIDA F. TOWNSEND
ROBERT B. LACLAIR
LINDA J. MARTIN

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 117.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service.

Was taken up for immediate consideration.

Senator MacDonald, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

H. 117. An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment with further amendment as follows:

First: By striking out Sec. 9a in its entirety and by inserting in lieu thereof a new Sec. 9a to read as follows:

Sec. 9a. FUNDING FOR CONNECTIVITY PERSONNEL; GROSS RECEIPTS TAX

On or before January 15, 2016, the Commissioner shall determine whether the revenues raised from the existing gross receipts tax on public service companies, 30 V.S.A. § 22, is sufficient to finance the personnel and administrative costs associated with the Connectivity Initiative, beginning in fiscal year 2017. If the Commissioner determines the revenues are not sufficient for this purpose, he or she shall recommend to the General Assembly a new rate of tax applicable to one or more categories of public service companies, as he or she deems necessary and appropriate.

Second: In Sec. 16 (concerning E-911 operations and savings), by striking out subsection (b) in its entirety and by inserting a new subsection (b) to read as follows:

(b) In fiscal year 2016, the E-911 Board shall transfer $300,000.00 from the Enhanced 911 Fund for distribution to the Department of Public Safety PSAPs (public safety answering points); and, in addition, the Board shall eliminate not less than one, full-time employee position in the E-911 system. On or before September 1, 2015, the E-911 Board shall report to the Joint Fiscal Committee how the $300,000.00 in E-911 savings was achieved and provide a description of the eliminated position.

Third: By striking out Secs. 17, 18, and 19 (concerning transferring administration of the E-911 Board to the Department of Public Safety) and by inserting in lieu thereof new Secs. 17, 18, and 19 to read as follows:

Sec. 17. [Deleted.]

Sec. 18. [Deleted.]

Sec. 19. [Deleted.]

Fourth: In Sec. 20, 30 V.S.A. chapter 82 (communications union district), by striking out section 3081 and by inserting in lieu thereof a new section 3081 to read as follows:

§ 3081. WITHDRAWAL OF A MEMBER MUNICIPALITY

A district member may withdraw from the district upon the terms and conditions herein specified:

(1) Prior to the district pledging communications plant net revenues, or entering into a long-term contract, or contract subject to annual appropriation, a district member may vote to withdraw in the same manner as the vote for

admission to the district. If a majority of the voters of a district member present and voting at a meeting duly warned for such purpose votes to withdraw from the district, the vote shall be certified by the clerk of that municipality and presented to the board. Thereafter, the board shall give notice to the remaining district members of the vote to withdraw and shall hold a meeting to determine if it is in the best interest of the district to continue to exist. Representatives of the district members shall be given an opportunity to be heard at such meeting together with any other interested persons. After such a meeting, the board may declare the district dissolved or it may declare that the district shall continue to exist despite the withdrawal of such member. The membership of the withdrawing municipality shall terminate after the vote to withdraw.

(2) After the district has pledged communications plant net revenues, or entered into a long-term contract or contract subject to annual appropriations, a district member may vote to withdraw in the same manner as the vote for admission to the district.

Fifth: In Sec. 27, by striking out subsection (b) in its entirety in by inserting in lieu thereof a new subsection (b) to read as follows:

(b) [Deleted.]

And that after passage the title of the bill be amended to read:

An act relating to telecommunications.

MARK A. MACDONALD
KEVIN J. MULLIN
MICHAEL D. SIROTKIN

Committee on the part of the Senate

MICHAEL J. MARCOTTE
STEPHEN A. CARR
SAMUEL R. YOUNG

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Consideration Resumed; Bill Amended; Bill Passed in Concurrence with Proposal of Amendment

H. 5.

Consideration was resumed on House bill entitled:

An act relating to hunting, fishing, and trapping.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senator Rodgers?, Senator Rodgers requested and was granted leave to withdraw the proposal of amendment.

Thereupon, Senator Rodgers moved to amend the Senate proposal of amendment by striking out the reader assistance preceding Sec. 15 and by striking out Sec. 15 in its entirety and inserting in lieu thereof Secs. 15–19 to read:

* * * Gun Suppressors * * *

Sec. 15. 13 V.S.A. § 4010 is amended to read:

§ 4010. GUN ~~SILENCERS~~ SUPPRESSORS

~~A person who manufactures, sells, uses, or possesses with intent to sell or use an appliance known as or used for a gun silencer shall be fined $25.00 for each offense. The provisions of this section shall not prevent the use or possession of gun silencers by:~~

~~(1) a Level III certified law enforcement officer or Department of Fish and Wildlife employee in connection with his or her duties and responsibilities and in accordance with the policies and procedures of that officer's or employee's agency or department; or~~

~~(2) the Vermont National Guard in connection with its duties and responsibilities.~~

(a) As used in this section:

(1) "Gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

(2) "Sport shooting range" shall have the same meaning as used in 10 V.S.A. § 5227(a).

(b) A person shall not manufacture, make, or import a gun suppressor, except for:

(1) a licensed manufacturer, as defined in 18 U.S.C. § 921, who is registered as a manufacturer pursuant to 26 U.S.C. § 5802;

(2) a licensed importer, as defined in 18 U.S.C. § 921, who is registered as an importer pursuant to 26 U.S.C. § 5802; or

(3) a person who makes a gun suppressor in compliance with the requirements of 26 U.S.C. § 5822.

(c) A person shall not use a gun suppressor in the State, except for use by:

(1) a Level III certified law enforcement officer or Department of Fish and Wildlife employee in connection with his or her duties and responsibilities and in accordance with the policies and procedures of that officer's or employee's agency or department;

(2) the Vermont National Guard in connection with its duties and responsibilities;

(3) a licensed manufacturer or a licensed importer, as defined in 18 U.S.C. § 921, who is also registered as a manufacturer or an importer pursuant to 26 U.S.C. § 5802, who in the ordinary course of his or her business as a manufacturer or as an importer tests the operation of the gun suppressor; or

(4) a person lawfully using a sport shooting range.

(d)(1) A person who violates subsection (b) of this section shall be fined not less than $500.00 for each offense.

(2) A person who violates subsection (c) of this section shall be fined $50 for each offense.

Sec. 16. 10 V.S.A. § 4704 is amended to read:

§ 4704. USE OF MACHINE GUNS ~~AND~~, AUTOLOADING RIFLES, AND GUN SUPPRESSORS

(a) A person engaged in hunting for wild animals shall not use, carry, or have in his or her possession:

(1) a machine gun of any kind or description ~~or~~;

(2) an autoloading rifle with a magazine capacity of over six cartridges, except a .22 caliber rifle using rim fire cartridges; or

(3) a gun suppressor.

(b) As used in this section, "gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

Sec. 17. 10 V.S.A. § 4502 is amended to read:

§ 4502. UNIFORM POINT SYSTEM; REVOCATION OF LICENSE

(a) A uniform point system ~~which~~ that assigns points to those convicted of a violation of a provision of this part is established. The conviction report from the ~~court~~ Court shall be prima facie evidence of the points assessed. In

addition to other penalties assessed for violation of fish and wildlife statutes, the Commissioner shall suspend licenses issued under this part which are held by a person who has accumulated ten or more points in accordance with the provisions of subsection (c) of this section.

(b) A person violating provisions of this part shall receive points for convictions in accordance with the following schedule (all sections are in Title 10 of Vermont Statutes Annotated):

* * *

(2) Ten points shall be assessed for:

* * *

(G) § 4704. Use of machine guns ~~and~~, autoloading rifles, and gun suppressors

* * *

Sec. 18. 13 V.S.A. § 4010 is amended to read:

§ 4010. GUN SUPPRESSORS

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

~~(1) "Gun~~ " gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

~~(2) "Sport shooting range" shall have the same meaning as used in 24 V.S.A. § 5227(a).~~

(b) A person shall not manufacture, make, or import a gun suppressor, except for:

(1) a licensed manufacturer, as defined in 18 U.S.C. § 921, who is registered as a manufacturer pursuant to 26 U.S.C. § 5802;

(2) a licensed importer, as defined in 18 U.S.C. § 921, who is registered as an importer pursuant to 26 U.S.C. § 5802; or

(3) a person who makes a gun suppressor in compliance with the requirements of 26 U.S.C. § 5822.

(c) A person shall not use a gun suppressor in the State, except for use by:

(1) a Level III certified law enforcement officer or Department of Fish and Wildlife employee in connection with his or her duties and responsibilities

and in accordance with the policies and procedures of that officer's or employee's agency or department;

(2) the Vermont National Guard in connection with its duties and responsibilities; or

(3) a licensed manufacturer or a licensed importer, as defined in 18 U.S.C. § 921, who is also registered as a manufacturer or an importer pursuant to 26 U.S.C. § 5802, who in the ordinary course of his or her business as a manufacturer or as an importer tests the operation of the gun suppressor; ~~or~~

~~(4) a person lawfully using a sport shooting range~~.

(d)~~(1)~~ A person who violates subsection (b) of this section shall be fined not less than $500.00 for each offense.

~~(2) A person who violates subsection (c) of this section shall be fined $50 for each offense.~~

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 3 (permanent license for persons with disability), 4 (report on permanent license for persons with disability), 6 (mentored hunting license), and 14 (moose permits for veterans) shall take effect on January 1, 2016.

(2) Secs. 15, 16, and 17 (gun suppressors) shall take effect on July 2, 2015.

(3) Sec. 18 (repeal of authorized use of gun suppressor) shall take effect July 1, 2017.

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as moved by Senator Rodgers? Senator Baruth raised a *point of order* under Sec. 402 of Mason's Manual of Legislative Procedure on the grounds that the proposal of amendment offered by Senator Rodgers was *not germane* to the bill and therefore could not be considered by the Senate.

Thereupon, the President *sustained* the point of order and declared that the proposal of amendment offered by Senator Rodgers could *not* be considered by the Senate and the proposal of amendment was ordered stricken.

Thereupon, pending third reading of the bill, Senator Flory moved that Sec. 402 of Mason's be suspended for the purpose of allowing a non-germane amendment.

Which was agreed to.

Thereupon, the question, Shall the Senate proposal of amendment be amended as proposed by Senator Rodgers?, was agreed to.

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

Rules Suspended; House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 484.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and House proposal of amendment to Senate Proposal of amendment to House bill entitled:

An act relating to miscellaneous agricultural subjects.

Was taken up for immediate consideration.

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

By striking out Sec. 26a in its entirety and inserting in lieu thereof the following:

Sec. 26a. ANIMAL SHELTER WORKING GROUP

(a) Creation. There is created an Animal Shelter Working Group for the purpose of making a recommendation to the House Committee on Agriculture and Forest Products and the Senate Committee on Agriculture regarding the appropriate statutory standards and requirements for adequate shelter of animals.

(b) Membership. The Animal Shelter Working Group shall be composed of:

(1) the Chair of the House Committee on Agriculture and Forest Products or designee;

(2) a representative of the Vermont Humane Federation (VHF), to be appointed by the VHF;

(3) a representative of the Vermont Veterinary Medical Association, to be appointed by the Association; and

(4) a representative of the Vermont Federation of Dog Clubs, to be appointed by the Federation.

(c) Additional members. The members of the Animal Shelter Working Group may vote to add additional members to the Working Group. Additional

members shall have the same powers and authority of members designated under subsection (b) of this section.

(d) Purpose. The Animal Shelter Working shall convene to propose draft legislation designed to amend and improve the statutory requirements for adequate shelter of animals in the State of Vermont.

(e) Assistance. For purposes of scheduling meetings and preparing recommended legislation, the Animal Shelter Working Group shall have the assistance of the Office of Legislative Council and the Joint Fiscal Office.

(f) Report. On or before January 15, 2016, the Animal Shelter Working Group shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forest Products a written report containing the findings of the Animal Shelter Working Group. The report shall include recommendations as to whether and how the existing State requirements for the shelter of animals should be amended. The report may be in the form of proposed legislation.

(g) Meetings.

(1) The Chair of the House Committee on Agriculture and Forest Products or designee shall be the Chair of the working group.

(2) The Chair shall call all meetings of the Animal Shelter Working Group, the first of which shall occur on or before September 1, 2015.

(h) Reimbursement. Members of the Animal Shelter Working Group shall not be entitled to compensation or reimbursement of expenses for participation in the Working Group.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, was decided in the affirmative.

Message from the House No. 75

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

S. 122. An act relating to miscellaneous changes to laws related to motor vehicles, motorboats, and other vehicles.

And has adopted the same on its part.

Recess

On motion of Senator Baruth the Senate recessed until seven o'clock in the evening.

Evening

The Senate was called to order by the President.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 9.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to improving Vermont's system for protecting children from abuse and neglect.

Was taken up for immediate consideration.

Senator Sears, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

S. 9. An act relating to improving Vermont's system for protecting children from abuse and neglect.

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

Sec. 1. LEGISLATIVE FINDINGS

(a) In 2014, the tragic deaths of two children exposed problems with Vermont's system intended to protect children from abuse and neglect. This act is intended to address these problems and implement the recommendations of the Joint Legislative Committee on Child Protection created by 2014 Acts and Resolves No. 179, Sec. C.109 and improve our State's system for protecting our children to help prevent future tragedies.

(b) To better prevent child abuse and neglect, Vermont must invest in proven strategies to support and strengthen families.

(c) To better protect Vermont's children from abuse and neglect, and to address the increasing burden of drug abuse and other factors that are ripping

families apart, the General Assembly believes that our State's child protection system must be focused on the safety and best interests of children, and be comprehensive and properly funded. This system must ensure that:

(1) the dedicated frontline professionals, including guardians ad litem, who struggle to handle the seemingly ever-increasing caseloads have the support, training, and resources necessary to do their job;

(2) children who have suffered abuse and neglect can find safe, nurturing, and permanent homes, whether with their custodial parents, relatives, or other caring families and individuals;

(3) the most serious cases of abuse are thoroughly investigated and prosecuted if appropriate;

(4) courts have the information and tools necessary to make the best possible decisions;

(5) all participants in the child protection system, from the frontline caseworker to the judge determining ultimate custody, work together to prioritize the child's safety and best interests; and

(6) an effective oversight structure is established.

(d) This act is only the beginning of what must be an ongoing process in which the House and Senate Committees on Judiciary, the Senate Committee on Health and Welfare, the House Committee on Human Services, in consultation with the Senate and House Committees on Appropriations, continue to enhance the statewide approach to the prevention of child abuse and neglect.

* * * Agency of Human Services; Evidence-Informed Models * * *

Sec. 2. AGENCY OF HUMAN SERVICES EVIDENCE-INFORMED MODELS

The Secretary of Human Services shall identify and utilize evidence-informed models of serving families that prioritize child safety and prevention of child abuse and neglect through early interventions with high-risk families that develop family strengths and reduce the impact of adverse childhood experiences. The Secretary shall make recommendations in the FY2017 budget that reflect the utilization of these models.

* * * Human Services; Child Welfare Services; Definitions * * *

Sec. 3. 33 V.S.A. § 4912 is amended to read:

§ 4912. DEFINITIONS

As used in this subchapter:

(1) "Abused or neglected child" means a child whose physical health, psychological growth and development, or welfare is harmed or is at substantial risk of harm by the acts or omissions of his or her parent or other person responsible for the child's welfare. An "abused or neglected child" also means a child who is sexually abused or at substantial risk of sexual abuse by any person and a child who has died as a result of abuse or neglect.

* * *

(14) "Risk of harm" means a significant danger that a child will suffer serious harm by other than ~~by~~ accidental means, which harm would be likely to cause physical injury, ~~neglect, emotional maltreatment,~~ or sexual abuse, including as the result of:

(A) a single, egregious act that has caused the child to be at significant risk of serious physical injury;

(B) the production or preproduction of methamphetamines when a child is actually present;

(C) failing to provide supervision or care appropriate for the child's age or development and, as a result, the child is at significant risk of serious physical injury;

(D) failing to provide supervision or care appropriate for the child's age or development due to use of illegal substances, or misuse of prescription drugs or alcohol;

(E) failing to supervise appropriately a child in a situation in which drugs, alcohol, or drug paraphernalia are accessible to the child; and

(F) a registered sex offender or person substantiated for sexually abusing a child residing with or spending unsupervised time with a child.

(15) "Sexual abuse" consists of any act or acts by any person involving sexual molestation or exploitation of a child, including:

(A) incest~~,~~;

(B) prostitution~~,~~;

(C) rape~~,~~;

(D) sodomy~~,~~;

(E) ~~or any~~ lewd and lascivious conduct involving a child~~. Sexual abuse also includes the~~;

(F) aiding, abetting, counseling, hiring, or procuring of a child to perform or participate in any photograph, motion picture, exhibition, show, representation, or other presentation which, in whole or in part, depicts sexual conduct, sexual excitement, or sadomasochistic abuse involving a child;

(G) viewing, possessing, or transmitting child pornography, with the exclusion of the exchange of images between mutually consenting minors, including the minor whose image is exchanged;

(H) human trafficking;

(I) sexual assault;

(J) voyeurism;

(K) luring a child; or

(L) obscenity.

* * *

(17) "Serious physical injury" means, by other than accidental means:

(A) physical injury that creates any of the following:

(i) a substantial risk of death;

(ii) a substantial loss or impairment of the function of any bodily member or organ;

(iii) a substantial impairment of health; or

(iv) substantial disfigurement; or

(B) strangulation by intentionally impeding normal breathing or circulation of the blood by applying pressure on the throat or neck or by blocking the nose or mouth of another person.

* * * Confidentiality * * *

Sec. 4. 33 V.S.A. § 4913 is amended to read:

§ 4913. REPORTING CHILD ABUSE AND NEGLECT; REMEDIAL ACTION

(a) ~~Any~~ A mandated reporter is any:

(1) health care provider, including any:

(A) physician, surgeon, osteopath, chiropractor, or physician assistant licensed, certified, or registered under the provisions of Title 26~~,~~;

(B) ~~any~~ resident physician~~,~~;

(C) intern~~,~~;

(D) ~~or any~~ hospital administrator in any hospital in this State~~,~~;

(F) ~~whether or not so registered, and any~~ registered nurse~~,~~;

(G) licensed practical nurse~~,~~;

(H) medical examiner~~,~~;

(I) emergency medical personnel as defined in 24 V.S.A. § 2651(6)~~,~~;

(J) dentist~~,~~;

(K) psychologist~~,~~; and

(L) pharmacist~~, any other health care provider, child care worker,~~;

(2) individual who is employed by a school district or an approved or recognized independent school, or who is contracted and paid by a school district or an approved or recognized independent school to provide student services, including any:

(A) school superintendent~~,~~;

(B) headmaster of an approved or recognized independent school as defined in 16 V.S.A. § 11~~,~~;

(C) school teacher~~,~~;

(D) student teacher~~,~~;

(E) school librarian~~,~~;

(F) school principal~~,~~; and

(G) school guidance counselor~~, and any other individual who is employed by a school district or an approved or recognized independent school, or who is contracted and paid by a school district or an approved or recognized independent school to provide student services,~~;

(3) child care worker;

(4) mental health professional~~,~~;

(5) social worker~~,~~;

(6) probation officer~~,~~;

(7) ~~any~~ employee, contractor, and grantee of the Agency of Human Services who have contact with clients~~,~~;

(8) police officer~~,~~;

(9) camp owner~~,~~;

(10) camp administrator~~,~~;

(11) camp counselor~~,~~; or

(12) member of the clergy.

(b) As used in subsection (a) of this section, "camp" includes any residential or nonresidential recreational program.

(c) Any mandated reporter who ~~has reasonable cause to believe that any child has been abused or neglected~~ reasonably suspects abuse or neglect of a child shall report ~~or cause a report to be made~~ in accordance with the provisions of section 4914 of this title within 24 hours of the time information regarding the suspected abuse or neglect was first received or observed. ~~As used in this subsection, "camp" includes any residential or nonresidential recreational program.~~

~~(b)~~(d)(1) The Commissioner shall inform the person who made the report under subsection (a) of this section:

~~(1)~~(A) whether the report was accepted as a valid allegation of abuse or neglect;

~~(2)~~(B) whether an assessment was conducted and, if so, whether a need for services was found; and

~~(3)~~(C) whether an investigation was conducted and, if so, whether it resulted in a substantiation.

(2) Upon request, the Commissioner shall provide relevant information contained in the case records concerning a person's report to a person who:

(A) made the report under subsection (a) of this section; and

(B) is engaged in an ongoing working relationship with the child or family who is the subject of the report.

(3) Any information disclosed under subdivision (2) of this subsection shall not be disseminated by the mandated reporter requesting the information. A person who intentionally violates the confidentiality provisions of this section shall be fined not more than $2,000.00.

(4) In providing information under subdivision (2) of this subsection, the Department may withhold:

(A) information that could compromise the safety of the reporter or the child or family who is the subject of the report; or

(B) specific details that could cause the child to experience significant mental or emotional stress.

* * *

Sec. 4a. 33 V.S.A. § 4914 is amended to read:

§ 4914. NATURE AND CONTENT OF REPORT; TO WHOM MADE

A report shall be made orally or in writing to the Commissioner or designee. The Commissioner or designee shall request the reporter to follow the oral report with a written report, unless the reporter is anonymous. Reports shall contain the name and address or other contact information of the reporter as well as the names and addresses of the child and the parents or other persons responsible for the child's care, if known; the age of the child; the nature and extent of the child's injuries together with any evidence of previous abuse and neglect of the child or the child's siblings; and any other information that ~~the reporter believes~~ might be helpful in establishing the cause of the injuries or reasons for the neglect as well as in protecting the child and assisting the family. If a report of child abuse or neglect involves the acts or omissions of the Commissioner or employees of the Department, then the report shall be directed to the Secretary of Human Services who shall cause the report to be investigated by other appropriate Agency staff. If the report is substantiated, services shall be offered to the child and to his or her family or caretaker according to the requirements of section 4915b of this title.

Sec. 5. 33 V.S.A. § 4921 is amended to read:

§ 4921. DEPARTMENT'S RECORDS OF ABUSE AND NEGLECT

(a) The Commissioner shall maintain all records of all investigations, assessments, reviews, and responses initiated under this subchapter. The Department may use and disclose information from such records in the usual course of its business, including to assess future risk to children, to provide appropriate services to the child or members of the child's family, or for other legal purposes.

(b) The Commissioner shall promptly inform the parents, if known, or guardian of the child that a report has been accepted as a valid allegation pursuant to subsection 4915(b) of this title and the Department's response to the report. The Department shall inform the parent or guardian of his or her ability to request records pursuant to subsection (c) of this section. This section shall not apply if the parent or guardian is the subject of the investigation.

(c) Upon request, the redacted investigation file shall be disclosed to:

(1) the child's parents, foster parent, or guardian, absent good cause shown by the Department, provided that the child's parent, foster parent, or guardian is not the subject of the investigation; ~~and~~

(2) the person alleged to have abused or neglected the child, as provided for in subsection 4916a(d) of this title; and

(3) the attorney representing the child in a child custody proceeding in the Family Division of the Superior Court.

(d) Upon request, Department records created under this subchapter shall be disclosed to:

(1) the ~~court~~ Court, parties to the juvenile proceeding, and the child's guardian ad litem if there is a pending juvenile proceeding or if the child is in the custody of the Commissioner;

(2) the Commissioner or person designated by the Commissioner to receive such records;

(3) persons assigned by the Commissioner to conduct investigations;

(4) law enforcement officers engaged in a joint investigation with the Department, an ~~assistant attorney general~~ Assistant Attorney General, or a ~~state's attorney~~ State's Attorney; and

(5) other State agencies conducting related inquiries or proceedings~~; and~~.

(6) ~~a Probate Division of the Superior Court involved in guardianship proceedings. The Probate Division of the Superior Court shall provide a copy of the record to the respondent, the respondent's attorney, the petitioner, the guardian upon appointment, and any other individual, including the proposed guardian, determined by the Court to have a strong interest in the welfare of the respondent.~~ [Repealed.]

(e)(1) Upon request, relevant Department records or information created under this subchapter ~~may~~ shall be disclosed to:

(A) ~~service providers working with a person or child who is the subject of the report; and~~ A person, agency, or organization, including a multidisciplinary team empaneled under section 4917 of this title, authorized to diagnose, care for, treat, or supervise a child or family who is the subject of a report or record created under this subchapter, or who is responsible for the child's health or welfare.

(B) Health and mental health care providers working directly with the child or family who is the subject of the report or record.

(C) Educators working directly with the child or family who is the subject of the report or record.

(D) Licensed or approved foster caregivers for the child.

(E) Mandated reporters as defined by section 4913 of this subchapter, making a report in accordance with the provisions of section 4914 of this subchapter and engaging in an ongoing working relationship with the child or family who is the subject of the report.

(F) A Family Division of the Superior Court involved in any proceeding in which custody of a child or parent-child contact is at issue.

(G) A Probate Division of the Superior Court involved in guardianship proceedings.

(H) ~~other~~ Other governmental entities for purposes of child protection.

(2) Determinations of relevancy shall be made by the Department.

(3) In providing records or information under this subsection (e), the Department may withhold:

(A) information that could compromise the safety of the reporter or the child or family who is the subject of the report; or

(B) specific details that could cause the child to experience significant mental or emotional stress.

(4) In providing records or information under this section, the Department may also provide other records related to its child protection activities for the child.

(5) Any persons or agencies authorized to receive confidential information under this section may share such information with other persons or agencies authorized to receive confidential information under this section for the purposes of providing services and benefits to the children and families those persons or agencies mutually serve.

(f) Upon request, relevant Department information created under this subchapter may be disclosed to a parent with a reasonable concern that an individual who is residing at least part time with the parent requestor's child presents a risk of abuse or neglect to the requestor's child. As it is used in this subsection, "relevant Department information" shall mean information regarding the individual that the Department determines could avert the risk of harm presented by the individual to the requestor's child. If the Department denies the request for information, the requestor may petition the Family Division of the Superior Court, which may, after weighing the privacy concerns of the individuals involved with the parent's right to protect his or her child, order the release of the information.

(g) Any records or information disclosed under this section and information relating to the contents of those records or reports shall not be disseminated by the receiving persons or agencies to any persons or agencies, other than to those persons or agencies authorized to receive information pursuant to this section. A person who intentionally violates the confidentiality provisions of this section shall be fined not more than $2,000.00.

Sec. 6. 33 V.S.A. § 5110 is amended to read:

§ 5110. CONDUCT OF HEARINGS

(a) Hearings under the juvenile judicial proceedings chapters shall be conducted by the Court without a jury and shall be confidential.

(b) The general public shall be excluded from hearings under the juvenile judicial proceedings chapters, and only the parties, their counsel, witnesses, persons accompanying a party for his or her assistance, and such other persons as the Court finds to have a proper interest in the case or in the work of the Court, including a foster parent or a representative of a residential program where the child resides, may be admitted by the Court. An individual without party status seeking inclusion in the hearing in accordance with this subsection may petition the Court for admittance by filing a request with the clerk of the Court. This subsection shall not prohibit a victim's exercise of his or her rights under sections 5233 and 5234 of this title, and as otherwise provided by law.

(c) There shall be no publicity given by any person to any proceedings under the authority of the juvenile judicial proceedings chapters except with the consent of the child, the child's guardian ad litem, and the child's parent, guardian, or custodian. A person who violates this provision may be subject to contempt proceedings pursuant to Rule 16 of the Vermont Rules for Family Proceedings.

* * * Juvenile Proceedings; General Provisions; Children in Need of Care or Supervision; Request for an Emergency Care Order * * *

Sec. 7. 33 V.S.A. § 5302 is amended to read:

§ 5302. REQUEST FOR EMERGENCY CARE ORDER

(a) If an officer takes a child into custody pursuant to ~~subdivision~~ section 5301~~(1) or (2)~~ of this title, the officer shall immediately notify the child's custodial parent, guardian, or custodian and release the child to the care of the child's custodial parent, guardian, or custodian unless the officer determines that the child's immediate welfare requires the child's continued absence from the home.

(b) If the officer determines that the child's immediate welfare requires the child's continued absence from the home~~, the officer shall~~:

(1) ~~Remove~~ The officer shall remove the child from the child's surroundings, contact the Department, and deliver the child to a location designated by the Department. The Department shall have the authority to make reasonable decisions concerning the child's immediate placement, safety, and welfare pending the issuance of an emergency care order.

(2) ~~Prepare~~ The officer or a social worker employed by the Department for Children and Families shall prepare an affidavit in support of a request for an emergency care order and provide the affidavit to the State's Attorney. The affidavit shall include: the reasons for taking the child into custody; and to the degree known, potential placements with which the child is familiar; the names, addresses, and telephone number of the child's parents, guardian, custodian, or care provider; the name, address, and telephone number of any relative who has indicated an interest in taking temporary custody of the child. The officer or social worker shall contact the Department and the Department may prepare an affidavit as a supplement to the affidavit of the law enforcement officer or social worker if the Department has additional information with respect to the child or the family.

* * *

* * * Temporary Care Order; Custody * * *

Sec. 8. 33 V.S.A. § 5308 is amended to read:

§ 5308. TEMPORARY CARE ORDER

(a) The Court shall order that legal custody be returned to the child's custodial parent, guardian, or custodian unless the Court finds by a preponderance of the evidence that a return home would be contrary to the best interests of the ~~child's welfare~~ child because any one of the following exists:

(1) A return of legal custody could result in substantial danger to the physical health, mental health, welfare, or safety of the child.

(2) The child or another child residing in the same household has been physically or sexually abused by a custodial parent, guardian, or custodian, or by a member of the child's household, or another person known to the custodial parent, guardian, or custodian.

(3) The child or another child residing in the same household is at substantial risk of physical or sexual abuse by a custodial parent, guardian, or custodian, or by a member of the child's household, or another person known to the custodial parent, guardian, or custodian. It shall constitute prima facie evidence that a child is at substantial risk of being physically or sexually abused if:

(A) a custodial parent, guardian, or custodian receives actual notice that a person has committed or is alleged to have committed physical or sexual abuse against a child; and

(B) a custodial parent, guardian, or custodian knowingly or recklessly allows the child to be in the physical presence of the alleged abuser after receiving such notice.

(4) The custodial parent, guardian, or ~~guardian~~ custodian has abandoned the child.

(5) The child or another child in the same household has been neglected and there is substantial risk of harm to the child who is the subject of the petition.

(b) Upon a finding that ~~any of the conditions set forth in subsection (a) of this section exists~~ a return home would be contrary to the best interests of the child, the Court may issue such temporary orders related to the legal custody of the child as it deems necessary and sufficient to protect the welfare and safety of the child, including~~, in order of preference~~:

(1) ~~A~~ a conditional custody order returning or granting legal custody of the child to the custodial parent, guardian, ~~or~~ custodian, noncustodial parent, relative, or a person with a significant relationship with the child, subject to such conditions and limitations as the Court may deem necessary and sufficient ~~to protect the child.~~;

~~(2)(A) An order transferring temporary legal custody to a noncustodial parent. Provided that parentage is not contested, upon a request by a noncustodial parent for temporary legal custody and a personal appearance of the noncustodial parent, the noncustodial parent shall present to the Court a care plan that describes the history of the noncustodial parent's contact with the child, including any reasons why contact did not occur, and that addresses:~~

~~(i) the child's need for a safe, secure, and stable home;~~

~~(ii) the child's need for proper and effective care and control; and~~

~~(iii) the child's need for a continuing relationship with the custodial parent, if appropriate.~~

~~(B) The Court shall consider court orders and findings from other proceedings related to the custody of the child.~~

~~(C) The Court shall transfer legal custody to the noncustodial parent unless the Court finds by a preponderance of the evidence that the transfer would be contrary to the child's welfare because any of the following exists:~~

~~(i) The care plan fails to meet the criteria set forth in subdivision (2)(A) of this subsection.~~

~~(ii) Transferring temporary legal custody of the child to the noncustodial parent could result in substantial danger to the physical health, mental health, welfare, or safety of the child.~~

~~(iii) The child or another child residing in the same household as the noncustodial parent has been physically or sexually abused by the noncustodial parent or a member of the noncustodial parent's household, or another person known to the noncustodial parent.~~

~~(iv) The child or another child residing in the same household as the noncustodial parent is at substantial risk of physical or sexual abuse by the noncustodial parent or a member of the noncustodial parent's household, or another person known to the noncustodial parent. It shall constitute prima facie evidence that a child is at substantial risk of being physically or sexually abused if:~~

~~(I) a noncustodial parent receives actual notice that a person has committed or is alleged to have committed physical or sexual abuse against a child; and~~

~~(II) the noncustodial parent knowingly or recklessly allows the child to be in the physical presence of the alleged abuser after receiving such notice.~~

~~(v) The child or another child in the noncustodial parent's household has been neglected, and there is substantial risk of harm to the child who is the subject of the petition.~~

~~(D) If the noncustodial parent's request for temporary custody is contested, the Court may continue the hearing and place the child in the temporary custody of the Department, pending further hearing and resolution of the custody issue. Absent good cause shown, the Court shall hold a further hearing on the issue within 30 days.~~

~~(3) An order transferring temporary legal custody of the child to a relative, provided:~~

~~(A) The relative seeking legal custody is a grandparent, great-grandparent, aunt, great-aunt, uncle, great-uncle, stepparent, sibling, or step-sibling of the child.~~

~~(B) The relative is suitable to care for the child. In determining suitability, the Court shall consider the relationship of the child and the relative and the relative's ability to:~~

~~(i) Provide a safe, secure, and stable environment.~~

~~(ii) Exercise proper and effective care and control of the child.~~

~~(iii) Protect the child from the custodial parent to the degree the Court deems such protection necessary.~~

~~(iv) Support reunification efforts, if any, with the custodial parent.~~

~~(v) Consider providing legal permanence if reunification fails.~~

(2) an order transferring temporary legal custody of the child to a noncustodial parent or to a relative;

(3) an order transferring temporary legal custody of the child to a person with a significant relationship with the child; or

(4) an order transferring temporary legal custody of the child to the Commissioner.

~~(C)~~(c) The Court shall consider orders and findings from other proceedings relating to the custody of the child, the child's siblings, or children of any adult in the same household as the child.

(d) In considering ~~the suitability of a relative under this subdivision (3)~~ an order under subsection (b) of this section, the Court may order the Department to conduct an investigation of a person seeking custody of the child, and the suitability of that person's home, and file a written report of its findings with the Court. The Court may place the child in the temporary custody of the ~~Department~~ Commissioner, pending such investigation.

~~(4) A temporary care order transferring temporary legal custody of the child to a relative who is not listed in subdivision (3)(A) of this subsection or a person with a significant relationship with the child, provided that the criteria in subdivision (3)(B) of this subsection are met. The Court may make such orders as provided in subdivision (3)(C) of this subsection to determine suitability under this subdivision.~~

~~(5) A temporary care order transferring temporary legal custody of the child to the Commissioner.~~

~~(c)~~(e) If the Court transfers legal custody of the child, the Court shall issue a written temporary care order.

(1) The order shall include:

(A) ~~a~~ A finding that remaining in the home is contrary to the ~~child's welfare~~ best interests of the child and the facts upon which that finding is based~~; and~~.

(B) ~~a~~ A finding as to whether reasonable efforts were made to prevent unnecessary removal of the child from the home. If the Court lacks sufficient evidence to make findings on whether reasonable efforts were made to prevent the removal of the child from the home, that determination shall be made at the next scheduled hearing in the case but, in any event, no later than 60 days after the issuance of the initial order removing a child from the home.

(2) The order may include other provisions as may be ~~necessary for the protection and welfare~~ in the best interests of the child, ~~such as~~ including:

(A) establishing parent-child contact ~~under such and terms and conditions as are necessary for the protection of the child.~~ and terms and conditions for that contact;

(B) requiring the Department to provide the child with services, if legal custody of the child has been transferred to the Commissioner;

(C) requiring the Department to refer a parent for appropriate assessments and services, including a consideration of the needs of children and parents with disabilities, provided that the child's needs are given primary consideration;

(D) requiring genetic testing if parentage of the child is at issue;

(E) requiring the Department to make diligent efforts to locate the noncustodial parent;

(F) requiring the custodial parent to provide the Department with names of all potential noncustodial parents and relatives of the child; and

(G) establishing protective supervision and requiring the Department to make appropriate service referrals for the child and the family, if legal custody is transferred to an individual other than the Commissioner.

(3) In his or her discretion, the Commissioner may provide assistance and services to children and families to the extent that funds permit, notwithstanding subdivision (2)(B) of this subsection.

(d) ~~If a party seeks to modify a temporary care order in order to transfer legal custody of a child from the Commissioner to a relative or a person with a significant relationship with the child, the relative shall be entitled to preferential consideration under subdivision (b)(3) of this section, provided that a disposition order has not been issued and the motion is filed within 90 days of the date that legal custody was initially transferred to the Commissioner.~~ [Repealed.]

* * * Adoption Act; Postadoption Contact Agreements * * *

Sec. 9. 15A V.S.A. § 1-109 is amended to read:

§ 1-109. TERMINATION OF ORDERS AND AGREEMENTS FOR VISITATION OR COMMUNICATION UPON ADOPTION

When a decree of adoption becomes final, except as provided in Article 4 of this title and 33 V.S.A. § 5124, any order or agreement for visitation or communication with the minor shall be unenforceable.

Sec. 10. 33 V.S.A. § 5124 is added to read:

§ 5124. POSTADOPTION CONTACT AGREEMENTS

(a) Either or both parents and each intended adoptive parent may enter into a postadoption contact agreement regarding communication or contact between either or both parents and the child after the finalization of an adoption by the intended adoptive parent or parents who are parties to the agreement. Such an agreement may be entered into if:

(1) the child is in the custody of the Department for Children and Families;

(2) an order terminating parental rights has not yet been entered; and

(3) either or both parents agree to a voluntary termination of parental rights, including an agreement in a case which began as an involuntary termination of parental rights.

(b) The Court shall approve the postadoption contact agreement if:

(1)(A) it determines that the child's best interests will be served by postadoption communication or contact with either or both parents; and

(B) in making a best interests determination, it may consider:

(i) the age of the child;

(ii) the length of time that the child has been under the actual care, custody, and control of a person other than a parent;

(iii) the desires of the child, the child's parents; and the child's intended adoptive parents;

(iv) the child's relationship with and the interrelationships between the child's parents, the child's intended adoptive parents, the child's siblings, and any other person with a significant relationship with the child;

(v) the willingness of the parents to respect the bond between the child and the child's intended adoptive parents;

(vi) the willingness of the intended adoptive parents to respect the bond between the child and the parents;

(vii) the adjustment to the child's home, school, and community;

(viii) any evidence of abuse or neglect of the child;

(ix) the recommendation of any guardian ad litem;

(x) the recommendation of a therapist or mental health care provider working directly with the child; and

(xi) the recommendation of the Department;

(2) it has reviewed and made each of the following a part of the Court record:

(A) a sworn affidavit by the parties to the agreement which affirmatively states that the agreement was entered into knowingly and voluntarily and is not the product of coercion, fraud, or duress and that the parties have not relied on any representations other than those contained in the agreement;

(B) a written acknowledgment by each parent that the termination of parental rights is irrevocable, even if the intended adoption is not finalized, the adoptive parents do not abide by the postadoption contact agreement, or the adoption is later dissolved;

(C) an agreement to the postadoption contact or communication from the child to be adopted, if he or she is 14 years of age or older; and

(D) an agreement to the postadoption contact or communication in writing from the Department, the guardian ad litem, and the attorney for the child.

(c) A postadoption contact agreement must be in writing and signed by each parent and each intended adoptive parent entering into the agreement. There may be separate agreements for each parent. The agreement shall specify:

(1) the form of communication or contact to take place;

(2) the frequency of the communication or contact;

(3) if visits are agreed to, whether supervision shall be required, and if supervision is required, what type of supervision shall be required;

(4) if written communication or exchange of information is agreed upon, whether that will occur directly or through the Vermont Adoption Registry, set forth in 15A V.S.A. § 6-103;

(5) if the Adoption Registry shall act as an intermediary for written communication, that the signing parties will keep their addresses updated with the Adoption Registry;

(6) that failure to provide contact due to the child's illness or other good cause shall not constitute grounds for an enforcement proceeding;

(7) that the right of the signing parties to change their residence is not impaired by the agreement;

(8) an acknowledgment by the intended adoptive parents that the agreement grants either or both parents the right to seek to enforce the postadoption contact agreement;

(9) an acknowledgment that once the adoption is finalized, the court shall presume that the adoptive parent's judgment concerning the best interests of the child is correct;

(10) the finality of the termination of parental rights and of the adoption shall not be affected by implementation of the provisions of the postadoption contact agreement; and

(11) a disagreement between the parties or litigation brought to enforce or modify the agreement shall not affect the validity of the termination of parental rights or the adoption.

(d) A copy of the order approving the postadoption contact agreement and the postadoption contact agreement shall be filed with the Probate Division of the Superior Court with the petition to adopt filed under 15A V.S.A. Article 3, and, if the agreement specifies a role for the Adoption Registry, with the Registry.

(e) The order approving a postadoption contact agreement shall be a separate order issued before and contingent upon the final order of voluntary termination of parental rights.

(f) The executed postadoption contact agreement shall become final upon legal finalization of an adoption under 15A V.S.A. Article 3.

Sec. 11. 15A V.S.A. Article 9 is added to read:

ARTICLE 9. ENFORCEMENT, MODIFICATION, AND TERMINATION OF POSTADOPTION CONTACT AGREEMENTS

§ 9-101. ENFORCEMENT, MODIFICATION, AND TERMINATION OF POSTADOPTION CONTACT AGREEMENTS

(a) An adoptive parent may petition the Court to modify or terminate a postadoption contact agreement entered into under 33 V.S.A. § 5124 if the adoptive parent believes the best interests of the child are being compromised

by the terms of the agreement. In an action brought under this section, the burden of proof shall be on the adoptive parent to show by clear and convincing evidence that the modification or termination of the agreement is in the best interests of the child.

(b) A former parent may petition for enforcement of a postadoption contact agreement entered into under 33 V.S.A. § 5124 if the adoptive parent is not in compliance with the terms of the agreement. In an action brought under this section, the burden of proof shall be on the former parent to show by a preponderance of the evidence that enforcement of the agreement is in the best interests of the child.

(c) A disagreement between the parties or litigation brought to enforce or modify the agreement shall not affect the validity of the termination of parental rights or the adoption.

(d) The Court shall not act on a petition to modify or enforce the agreement unless the petitioner had in good faith participated or attempted to participate in mediation or alternative dispute resolution proceedings to resolve the dispute prior to bringing the petition for enforcement.

(e) Parties to the proceeding shall be the individuals who signed the original agreement created under 33 V.S.A. § 5124. The adopted child, if 14 years of age or older, may also participate. The Department for Children and Families shall not be required to be a party to the proceeding and the Court shall not order further investigation or evaluation by the Department.

(f) The Court may order the communication or contact be terminated or modified if the Court deems such termination or modification to be in the best interests of the child. In making a best interests determination, the Court may consider:

(1) the protection of the physical safety of the adopted child or other members of the adoptive family;

(2) the emotional well-being of the adopted child;

(3) whether enforcement of the agreement undermines the adoptive parent's parental authority; and

(4) whether, due to a change in circumstances, continued compliance with the agreement would be unduly burdensome to one or more of the parties.

(g) A Court-imposed modification of the agreement may limit, restrict, condition, or decrease contact between the former parents and the child, but in no event shall a Court-imposed modification serve to expand, enlarge, or increase the amount of contact between the former parents and the child or place new obligations on the adoptive parents.

(h) A hearing held to enforce, modify, or terminate an agreement for postadoption contact shall be confidential.

(i) Failure to comply with the agreement or petitioning the Court to enforce, modify, or terminate an agreement shall not form the basis for an award of monetary damages.

(j) An agreement for postadoption contact or communication under 33 V.S.A. § 5124 shall cease to be enforceable on the date the adopted child turns 18 years of age or upon dissolution of the adoption.

Sec. 12. 33 V.S.A. § 152 is amended to read:

§ 152. ACCESS TO RECORDS

(a) The Commissioner may obtain from the Vermont Crime Information Center the record of convictions of any person to the extent required by law or the Commissioner has determined by rule that such information is necessary to regulate a facility or individual subject to regulation by the Department or to carry out the Department's child protection obligations under chapters 49–59 of this title. The Commissioner shall first notify the person whose record is being requested.

* * *

Sec. 13. 33 V.S.A. § 6911 is amended to read:

§ 6911. RECORDS OF ABUSE, NEGLECT, AND EXPLOITATION

(a) Information obtained through reports and investigations, including the identity of the reporter, shall remain confidential and shall not be released absent a court order, except as follows:

(1) The investigative report shall be disclosed only to: the Commissioner or person designated to receive such records; persons assigned by the Commissioner to investigate reports; the person reported to have abused, neglected, or exploited a vulnerable adult; the vulnerable adult or his or her representative; the Office of Professional Regulation when deemed appropriate by the Commissioner; the Secretary of Education when deemed appropriate by the Commissioner; the Commissioner for Children and Families or designee, for purposes of review of expungement petitions filed pursuant to section 4916c of this title; a law enforcement agency~~,~~; the State's Attorney, or the Office of the Attorney General, when the Department believes there may be grounds for criminal prosecution or civil enforcement action, or in the course of a criminal or a civil investigation. When disclosing information pursuant to this subdivision, reasonable efforts shall be made to limit the information to the minimum necessary to accomplish the intended purpose of the disclosure, and no other information, including the identity of the reporter, shall be released absent a court order.

* * *

(c) The Commissioner or ~~the Commissioner's~~ designee may disclose Registry information only to:

* * *

(5) the Commissioner for Children and Families~~,~~ or ~~the Commissioner's~~ designee~~,~~ for purposes related to:

(A) the licensing or registration of facilities and individuals regulated by the Department for Children and Families; and

(B) the Department's child protection obligations under chapters 49–59 of this title.

* * *

Sec. 14. [Deleted.]

* * * Municipal and County Government; Special Investigative Units; Mission and Jurisdiction * * *

Sec. 15. 24 V.S.A. § 1940 is amended to read:

§ 1940. ~~TASK FORCES; SPECIALIZED~~ SPECIAL INVESTIGATIVE UNITS; BOARDS; GRANTS

(a) Pursuant to the authority established under section 1938 of this title, and in collaboration with law enforcement agencies, investigative agencies, victims' advocates, and social service providers, the Department of State's Attorneys and Sheriffs shall coordinate efforts to provide access in each region of the ~~state~~ State to special investigative units ~~to investigate sex crimes, child abuse, domestic violence, or crimes against those with physical or developmental disabilities. The General Assembly intends that access to special investigative units be available to all Vermonters as soon as reasonably possible, but not later than July 1, 2009~~ which:

(1) shall investigate:

(A) an incident in which a child suffers, by other than accidental means, serious bodily injury as defined in 13 V.S.A. § 1021; and

(B) potential violations of:

(i) 13 V.S.A. § 2602 (lewd or lascivious conduct with child);

(ii) 13 V.S.A. chapter 60 (human trafficking);

(iii) 13 V.S.A. chapter 64 (sexual exploitation of children);

(iv) 13 V.S.A. chapter 72 (sexual assault); and

(v) 13 V.S.A. § 1379 (sexual abuse of a vulnerable adult); and

(2) may investigate:

(A) an incident in which a child suffers:

(i) bodily injury, by other than accidental means, as defined in 13 V.S.A. § 1021; or

(ii) death;

(B) potential violations of:

(i) 13 V.S.A. § 2601 (lewd and lascivious conduct);

(ii) 13 V.S.A. § 2605 (voyeurism); and

(iii) 13 V.S.A. § 1304 (cruelty to a child); and

(3) may assist with the investigation of other incidents, including incidents involving domestic violence and crimes against vulnerable adults.

(b) A ~~task force or specialized~~ special investigative unit organized and operating under this section may accept, receive, and disburse in furtherance of its duties and functions any funds, grants, and services made available by the State of Vermont and its agencies, the federal government and its agencies, any municipality or other unit of local government, or private or civic sources. Any employee covered by an agreement establishing a special investigative unit shall remain an employee of the donor agency.

(c) A ~~Specialized~~ Special Investigative Unit Grants Board is created which shall ~~be comprised of~~ comprise the Attorney General, the Secretary of Administration, the Executive Director ~~of the Department~~ of State's Attorneys and Sheriffs, the Commissioner of Public Safety, the Commissioner for Children and Families, a representative of the Vermont Sheriffs' Association, a representative of the Vermont Association of Chiefs of Police, the Executive Director of the Center for Crime Victim Services, and the Executive Director of the Vermont League of Cities and Towns. ~~Specialized~~ Special investigative units organized and operating under this section ~~for the investigation of sex crimes, child abuse, elder abuse, domestic violence, or crimes against those with physical or developmental disabilities~~ may apply to the Board for a grant or grants covering the costs of salaries and employee benefits to be expended during a given year for the performance of unit duties as well as unit operating costs for rent, utilities, equipment, training, and supplies. Grants under this section shall be approved by a majority of the entire Board and shall not exceed 50 percent of the yearly salary and employee benefit costs of the unit. Preference shall be given to grant applications which include the participation of the Department of Public Safety, the Department for Children and Families,

sheriffs' departments, community victims' advocacy organizations, and municipalities within the region. Preference shall also be given to grant applications which promote policies and practices that are consistent across the State, including policies and practices concerning the referral of complaints, the investigation of cases, and the supervision and management of special investigative units. However, a sheriff's department in a county with a population of ~~less~~ fewer than 8,000 residents shall upon application receive a grant of up to $20,000.00 for 50 percent of the yearly salary and employee benefits costs of a part-time ~~specialized~~ special investigative unit investigator which shall be paid to the department as time is billed on a per hour rate as agreed by contract up to the maximum amount of the grant.

(d) The Board may adopt rules relating to grant eligibility criteria, processes for applications, awards, and reports related to grants authorized pursuant to this section. The Attorney General shall be the adopting authority.

Sec. 16. 33 V.S.A. § 4915b(e) is amended to read:

(e) ~~The Department shall report to and request assistance from law enforcement in the following circumstances:~~

~~(1) investigations of child sexual abuse by an alleged perpetrator age 10 or older;~~

~~(2) investigations of serious physical abuse or neglect likely to result in criminal charges or requiring emergency medical care;~~

~~(3) situations potentially dangerous to the child or Department worker.~~ [Repealed.]

Sec. 17. 33 V.S.A. § 4915 is amended to read:

§ 4915. ASSESSMENT AND INVESTIGATION

* * *

(g) The Department shall report to and receive assistance from appropriate law enforcement in the following circumstances:

(1) investigations of child sexual abuse by an alleged perpetrator 10 years of age or older;

(2) investigations of serious physical abuse or neglect requiring emergency medical care, resulting in death, or likely to result in criminal charges;

(3) situations potentially dangerous to the child or Department worker; and

(4) an incident in which a child suffers:

(A) serious bodily injury as defined in 13 V.S.A. § 1021, by other than accidental means; and

(B) potential violations of:

(i) 13 V.S.A. § 2602 (lewd or lascivious conduct with child);

(ii) 13 V.S.A. chapter 60 (human trafficking);

(iii) 13 V.S.A. chapter 64 (sexual exploitation of children); and

(iv) 13 V.S.A. chapter 72 (sexual assault).

* * * Penalties for Mandated Reporters, Public Officers, and Others * * *

Sec. 18. [Deleted.]

Sec. 19. [Deleted.]

Sec. 20. [Deleted.]

Sec. 21. [Deleted.]

* * * Department for Children and Families; Policies * * *

Sec. 22. THE DEPARTMENT FOR CHILDREN AND FAMILIES; POLICIES, PROCEDURES, AND PRACTICES

(a) The Commissioner for Children and Families shall:

(1) ensure that Family Services Division policies, procedures, and practices are consistent with the best interests of the child and are consistent with statute;

(2) ensure that Family Services Division policies, procedures, and practices are consistent with each other and are applied in a consistent manner in all Department offices and in all regions of the State;

(3) develop metrics as to the appropriate caseload for social workers in the Family Services Division that take into account the experience and training of a social worker, the number of families and the total number of children a social worker is responsible for, and the acuity or difficulty of cases;

(4) ensure that all Family Services Division employees receive training on:

(A) relevant policies, procedures, and practices; and

(B) the employees' legal responsibilities and obligations;

(5) determine how to improve data sharing between the Department, courts, treatment providers, the Agency of Education, and other branches, departments, agencies, and persons involved in protecting children from abuse and neglect, including:

(A) determine the data that should be shared between parties;

(B) investigate regulatory requirements and security parameters;

(C) investigate the potential costs of creating a platform to share data; and

(D) make recommendations to address these issues and to improve the system for protecting children from abuse and neglect;

(6) develop policies, procedures, and practices to:

(A) ensure the consistent sharing of information among treatment providers, courts, State's Attorneys, guardians ad litem, law enforcement, and other relevant parties in a manner that complies with statute;

(B) encourage treatment providers and all agencies, departments, and other persons that support recovery to provide regular treatment progress updates to the Commissioner;

(C) ensure that courts have all relevant information in a timely fashion, and that Department employees file paperwork and reports in a timely manner;

(D) require that the Family Services Division assesses a child's safety if:

(i) the child remains in a home from which other children have been removed; or

(ii) the child remains in the custody of a parent or guardian whose parental rights as to another child have been terminated;

(E) improve information sharing with mandatory reporters who have an ongoing relationship with a child;

(F) ensure that mandatory reporters are informed that any confidential information they may receive cannot be disclosed to a person who is not authorized to receive that information;

(G) ensure all parties authorized to receive confidential information are informed of their right to receive that information; and

(H) apply results-based accountability or other data-based quality measures to determine if children who receive services from the Family Services Division in different areas of the State have different outcomes and the reasons for those differences;

(7) ensure that all employees assigned to carry out investigations of child abuse and neglect have training or experience in conducting investigations and have a master's degree in social work or an equivalent degree, or relevant experience; and

(8) on or before September 30, 2015, develop and implement a Family Services Division policy requiring a six-month supervision period by the Department after a child is returned to the home from which he or she was removed due to abuse or neglect.

(b) On or before September 30, 2015, the Commissioner shall submit a written response to the House Committees on Human Services and on Judiciary and to the Senate Committees on Health and Welfare and on Judiciary with the Commissioner's response to the issues in subsection (a) of this section, including the language of any new or amended policies and procedures.

(c) The Commissioner for Children and Families shall develop a plan to implement the following policies, procedures, and practices, including identifying potential costs, and on or before September 30, 2015, shall report to the Joint Legislative Child Protection Oversight Committee on any additional resources necessary to:

(1) increase the number of required face-to-face meetings between Family Services Division social workers and children;

(2) increase the number of required home visits and require unannounced home visits by Family Services Division social workers; and

(3) require that all persons living in a household or who will have child care responsibilities be assessed for criminal history and potential safety risks whenever a child who has been removed from a home is returned to that home.

(d) The Commissioner for Children and Families shall report on or before June 30, 2016, to the House and Senate Committees on Judiciary, the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Legislative Child Protection Oversight Committee on the reports it makes to law enforcement pursuant to 33 V.S.A. § 4915.

* * * Legislature; Establishing a Joint Legislative Child Protection Oversight Committee * * *

Sec. 23. JOINT LEGISLATIVE CHILD PROTECTION OVERSIGHT COMMITTEE

(a) Creation. There is created a Joint Legislative Child Protection Oversight Committee.

(b) Membership. The Committee shall be composed of the following six members, who shall be appointed each biennial session of the General Assembly:

(1) Three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House.

(2) Three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties.

(1) The Committee shall:

(A) Exercise oversight over Vermont's system for protecting children from abuse and neglect, including:

(i) evaluating whether the branches, departments, agencies, and persons that are responsible for protecting children from abuse and neglect are effective;

(ii) determining if there are deficiencies in the system and the causes of those deficiencies;

(iii) evaluating which programs are the most cost-effective;

(iv) determining whether there is variation in policies, procedures, practices, and outcomes between different areas of the State and the causes and results of any such variation;

(v) evaluating whether licensed mandatory reporters should be required to certify that they completed training on the requirements set forth under 33 V.S.A. § 4913; and

(vi) evaluating the measures recommended by the Working Group to Recommend Improvements to CHINS Proceedings established in Sec. 24 of this act to ensure that once a child is returned to his or her family, the court or the Department for Children and Families may continue to monitor the child and family where appropriate.

(B) The Committee shall report any proposed legislation on or before January 15, 2016 to the House and Senate Committees on Judiciary, the House Committee on Human Services, and the Senate Committee on Health and Welfare.

(2) The Committee may review and make recommendations to the House and Senate Committees on Appropriations regarding budget proposals and appropriations relating to protecting children from abuse and neglect.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council.

(e) Retaliation. No person who is an employee of the State of Vermont, or of any State, local, county, or municipal department, agency, or person involved in child protection, and who testifies before, supplies information to, or cooperates with the Committee shall be subject to retaliation by his or her employer. Retaliation shall include job termination, demotion in rank, reduction in pay, alteration in duties and responsibilities, transfer, or a negative job performance evaluation based on the person's having testified before, supplied information to, or cooperated with the Committee.

(f) Meetings.

(1) The first meeting of the Committee shall be called by the first Senator appointed to the Committee.

(2) The Committee shall select a Chair, Vice Chair, and Clerk from among its members and may adopt rules of procedure. The Chair shall rotate biennially between the House and the Senate members. A quorum shall consist of five members.

(3) When the General Assembly is in session, the Committee shall meet at the call of the Chair. The Committee may meet six times during adjournment, and may meet more often subject to approval of the Speaker of the House and the President Pro Tempore of the Senate.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

(h) Sunset. On June 1, 2018, this section (creating the Joint Legislative Child Protection Oversight Committee) is repealed and the Committee shall cease to exist.

* * * Improvements to CHINS Proceedings * * *

Sec. 24. WORKING GROUP TO RECOMMEND IMPROVEMENTS TO CHINS PROCEEDINGS

(a) Creation. There is created a working group to recommend ways to improve the efficiency, timeliness, and process of Children in Need of Care or Supervision (CHINS) proceedings.

(b) Membership. The Working Group shall be composed of the following members:

(1) the Chief Administrative Judge or designee;

(2) the Defender General or designee;

(3) the Attorney General or designee;

(4) the Commissioner for Children and Families or designee;

(5) the Executive Director of State's Attorneys and Sheriffs or designee; and

(6) a guardian ad litem who shall be appointed by the Chief Superior Judge.

(c) Powers and duties. The Working Group shall study and make recommendations concerning:

(1) how to ensure that statutory time frames are met in 90 percent of proceedings;

(2) how to ensure that attorneys, judges, and guardians ad litem appear on time and are prepared;

(3) how to monitor and improve the performance and work quality of attorneys, judges, and guardians ad litem;

(4) how to ensure that there is a sufficient number of attorneys available to handle all CHINS cases, in all regions of the State, in a timely manner;

(5) the role of guardians ad litem, and how to ensure their information is presented to, and considered by, the court;

(6) how to expedite a new proceeding that concerns a family with repeated contacts with the child protection system;

(7) whether requiring a reunification hearing would improve child welfare outcomes;

(8) how and whether to provide financial assistance to individuals seeking to mediate a dispute over a postadoption contact agreement;

(9) how and whether to change the confidentiality requirements for juvenile judicial proceedings under 33 V.S.A. chapter 53; and

(10) any other issue the Working Group determines is relevant to improve the efficiency, timeliness, process, and results of CHINS proceedings.

(d) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Office of the Attorney General. The Working Group may consult with any persons necessary in fulfilling its powers and duties.

(e) Report. On or before November 1, 2015, the Working Group shall provide a report on its findings and recommendations with respect to subdivisions (c)(1)–(5) of this section to the Joint Legislative Child Protection Oversight Committee, the House Committees on Human Services and on Judiciary, and the Senate Committees on Health and Welfare and on Judiciary.

On or before November 1, 2016, the Working Group shall report its findings and recommendations with respect to subdivisions (c)(6)-(10) of this section to the same Committees.

(f) Meetings and sunset.

(1) The Attorney General or designee shall call the first meeting of the Working Group.

(2) The Working Group shall select a chair from among its members at the first meeting.

(3) The Working Group shall cease to exist on November 2, 2016.

* * * Cruelty to a Child * * *

Sec. 25. 13 V.S.A. § 1304 is amended to read:

§ 1304. CRUELTY TO ~~CHILDREN UNDER 10 BY ONE OVER 16~~ A CHILD

(a) A person over ~~the age of~~ 16 years of age, having the custody, charge or care of a child ~~under 10 years of age~~, who ~~wilfully~~ willfully assaults, ill treats, neglects or abandons or exposes such child, or causes or procures such child to be assaulted, ill-treated, neglected, abandoned or exposed, in a manner to cause such child unnecessary suffering, or to endanger his or her health, shall be imprisoned not more than two years or fined not more than $500.00, or both.

(b)(1) If the child suffers death, or serious bodily injury as defined in 13 V.S.A. § 1021(2), or is subjected to sexual conduct as defined in 13 V.S.A. § 2821(2), the person shall be imprisoned not more than ten years or fined not more than $20,000.00, or both.

(2) It shall be an affirmative defense to a charge under this subsection (b), if proven by a preponderance of the evidence, that the defendant engaged in the conduct set forth in subsection (a) of this section because of a reasonable fear that he or she or another person would suffer death, bodily injury, or serious bodily injury as defined in section 1021 of this title, or sexual assault in violation of chapter 72 of this title.

(c) The provisions of this section do not limit or restrict the prosecution for other offenses arising out of the same conduct, nor shall it limit or restrict defenses available under common law.

* * * Effective Dates * * *

Sec. 26. EFFECTIVE DATES

This act shall take effect on July 1, 2015, except for this section, Secs. 22 (Department for Children and Families; policies, procedures, and practices),

23 (Joint Legislative Child Protection Oversight Committee), and 24 (Working Group to Recommend Improvements to CHINS Proceedings), which shall take effect on passage.

RICHARD W. SEARS
MARGARET K FLORY
VIRGINIA V. LYONS

Committee on the part of the Senate

ANN D. PUGH
MAXINE JO GRAD
THOMAS B. BURDITT

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 122.

Pending entry on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to miscellaneous changes to laws related to motor vehicles, motorboats, and other vehicles.

Was taken up for immediate consideration.

Senator Degree, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

S. 122. An act relating to miscellaneous changes to laws related to motor vehicles, motorboats, and other vehicles.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate's proposal of amendment, and that the bill be further amended as follows:

First: In Sec. 1, by striking out 23 V.S.A. § 4(8)(A)(ii)(II), (III), and (IV) in their entirety, and inserting in lieu thereof the following:

(II) For a dealer in snowmobiles, motorboats, or all-terrain vehicles, "engaged in the business" means having sold or exchanged at least one snowmobile, motorboat, or all-terrain vehicle, respectively, in the immediately preceding year or two in the two immediately preceding years.

(III) For a dealer in trailers, semi-trailers, or trailer coaches, "engaged in the business" means having sold or exchanged at least one trailer, semi-trailer, or trailer coach in the immediately preceding year or a combination of two such vehicles in the two immediately preceding years.

(IV) For a dealer in motorcycles or motor-driven cycles, "engaged in the business" means having sold or exchanged at least one motorcycle or motor-driven cycle in the immediately preceding year or a combination of two such vehicles in the two immediately preceding years.

Second: By striking out Secs. 11–13 in their entirety, and inserting in lieu thereof the following:

Sec. 11. 23 V.S.A. § 1095a is amended to read:

§ 1095a. JUNIOR OPERATOR USE OF PORTABLE ELECTRONIC DEVICES

(a) A person under 18 years of age shall not use any portable electronic device as defined in subdivision 4(82) of this title while operating a moving motor vehicle in a place open temporarily or permanently to public or general circulation of vehicles.

(b) In addition, a person under 18 years of age shall not use any portable electronic device while operating a motor vehicle on a public highway, including while the vehicle is stationary unless otherwise provided in this section. As used in this subsection:

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

(2) "Operating" means operating a motor vehicle on a public highway, including while temporarily stationary because of traffic, a traffic control device, or other temporary delays. "Operating" does not include operating a motor vehicle with or without the motor running when the operator has moved the vehicle to the side of or off the public highway and has halted in a location where the vehicle can safely and lawfully remain stationary.

(c) ~~This prohibition~~ The prohibitions of this section shall not apply when use of a portable electronic device is necessary for a person to communicate with law enforcement or emergency service personnel under emergency circumstances.

Sec. 12. 23 V.S.A. § 1095b is amended to read:

§ 1095b. HANDHELD USE OF PORTABLE ELECTRONIC DEVICE PROHIBITED

(a) Definition. As used in this section, "hands-free use" means the use of a portable electronic device without use of either hand by employing an internal feature of, or an attachment to, the device.

(b) Use of handheld portable electronic device prohibited.

(1) A person shall not use a portable electronic device while operating a moving motor vehicle in a place open temporarily or permanently to public or general circulation of vehicles.

(2) In addition, a person shall not use a portable electronic device while operating a motor vehicle on a public highway in Vermont, including while the vehicle is stationary unless otherwise provided in this section. As used in this subdivision (b)(2):

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

(B) "Operating" means operating a motor vehicle on a public highway, including while temporarily stationary because of traffic, a traffic control device, or other temporary delays. "Operating" does not include operating a motor vehicle with or without the motor running when the operator has moved the vehicle to the side of or off the public highway and has halted in a location where the vehicle can safely and lawfully remain stationary.

(3) The ~~prohibition~~ prohibitions of this subsection shall not apply:

~~(1)~~(A) ~~to~~ To hands-free use~~;~~.

~~(2)~~(B) ~~to~~ To activation or deactivation of hands-free use, as long as ~~the device is in a cradle or otherwise securely mounted in the vehicle and the cradle or other~~ any accessory for ~~secure~~ securely mounting the device is not affixed to the windshield in violation of section 1125 of this title~~;~~.

~~(3)~~(C) ~~when~~ When use of a portable electronic device is necessary for a person to communicate with law enforcement or emergency service personnel under emergency circumstances~~; or~~.

~~(4)~~(D) ~~to~~ To use of an ignition interlock device, as defined in section 1200 of this title.

(E) To use of a global positioning or navigation system if it is installed by the manufacturer or securely mounted in the vehicle in a manner that does not violate section 1125 of this title. As used in this subdivision (b)(3)(E), "securely mounted" means the device is placed in an accessory or

location in the vehicle, other than the operator's hands, where the device will remain stationary under typical driving conditions.

* * *

Sec. 13. 23 V.S.A. § 1099 is amended to read:

§ 1099. TEXTING PROHIBITED

(a) As used in this section, "texting" means the reading or the manual composing or sending of electronic communications, including text messages, instant messages, or e-mails, using a portable electronic device as defined in subdivision 4(82) of this title~~, but shall not be construed to include use~~. Use of a global positioning or navigation system shall be governed by section 1095b of this title.

(b)(1) A person shall not engage in texting while operating a moving motor vehicle in a place open temporarily or permanently to public or general circulation of vehicles.

(2) In addition, a person shall not engage in texting while operating a motor vehicle on a public highway in Vermont, including while the vehicle is stationary unless otherwise provided under this section. As used in this subdivision (b)(2):

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

(B) "Operating" means operating a motor vehicle on a public highway, including while temporarily stationary because of traffic, a traffic control device, or other temporary delays. "Operating" does not include operating a motor vehicle with or without the motor running when the operator has moved the vehicle to the side of or off the public highway and has halted in a location where the vehicle can safely and lawfully remain stationary.

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

Third: After Sec. 33, by inserting a new section and a reader assistance thereto to read:

* * * Exempt Vehicle Title * * *

Sec. 33a. 23 V.S.A. chapter 21 is amended to read:

CHAPTER 21. TITLE TO MOTOR VEHICLES

Subchapter 1. General Provisions

§ 2001. DEFINITIONS

Except when the context otherwise requires, as used in this chapter:

* * *

(15) "Title or certificate of title" means a written instrument or document that certifies ownership of a vehicle and is issued by the Commissioner or equivalent official of another jurisdiction. These terms do not include an exempt vehicle title authorized to be issued under subdivision 2013(a)(2) of this chapter.

* * *

§ 2002. FEES

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

(1) for any certificate of title, including a salvage certificate of title, or an exempt vehicle title, $33.00;

* * *

§ 2012. EXEMPTED VEHICLES

No certificate of title need be obtained for:

(1) ~~A~~ a vehicle owned by the United States, unless it is registered in this State;

(2) ~~A~~ a vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used for purposes of testing or demonstration, or used by an educational institution approved by the Agency of Education for driver training purposes, or a vehicle used by a manufacturer solely for testing;

(3) ~~A~~ a vehicle owned by a nonresident of this State and not required by law to be registered in this State;

(4) ~~A~~ a vehicle regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;

(5) ~~A~~ a self-propelled ~~wheel chair~~ wheelchair or invalid tricycle;

(6) ~~A~~ a motorcycle which has less than 300 cubic centimeters of engine displacement or a motorcycle powered by electricity with less than 20 kilowatts of engine power;

(7) ~~Any~~ any trailer with an unladened weight of 1,500 pounds or less;

(8) ~~A~~ a motor-driven cycle;

(9) ~~Any~~ any other type of vehicle designed primarily for off-highway use and deemed exempt by the Commissioner; or

(10) a vehicle that is more than 15 years old.

§ 2013. WHEN CERTIFICATE REQUIRED; ISSUANCE OF EXEMPT VEHICLE TITLE UPON REQUEST

(a)(1) Except as provided in section 2012 of this title, the provisions of this chapter shall apply to and a title must be obtained for all motor vehicles at the time of first registration or when a change of registration is required under the provisions of section 321 of this title by reason of a sale for consideration~~, except for vehicles that are more than 15 years old~~.

(2) In addition, a Vermont resident may apply at any time to the Commissioner to obtain an "exempt vehicle title" for a vehicle that is more than 25 years old. Such titles shall be in a form prescribed by the Commissioner and shall include a legend indicating that the title is issued under the authority of this subdivision. The Commissioner shall issue an exempt vehicle title if the applicant pays the applicable fee and fulfills the requirements of this section, and if the Commissioner is satisfied that:

(A) the applicant is the owner of the vehicle;

(B) the applicant is a Vermont resident; and

(C) the vehicle is not subject to any liens or encumbrances.

(3) Prior to issuing an exempt vehicle title pursuant to subdivision (2) of this subsection, the Commissioner shall require all of the following:

(A) The applicant to furnish one of the following proofs of ownership, in order of preference:

(i) a previous Vermont or out-of-state title indicating the applicant's ownership;

(ii) an original or a certified copy of a previous Vermont or out-of-state registration indicating the applicant's ownership;

(iii) sufficient evidence of ownership as determined by the Commissioner, including bills of sale or original receipts for major components of homebuilt vehicles; or

(iv) a notarized affidavit certifying that the applicant is the owner of the vehicle and is unable to produce the proofs listed in subdivisions (i)–(iii) of this subdivision (3)(A) despite reasonable efforts to do so.

(B) A notarized affidavit certifying:

(i) the date the applicant purchased or otherwise took ownership of the vehicle;

(ii) the name and address of the seller or transferor, if known;

(iii) that the applicant is a Vermont resident; and

(iv) that the vehicle is not subject to any liens or encumbrances.

(C) Assignment of a new vehicle identification number pursuant to section 2003 of this title, if the vehicle does not have one.

(b) The ~~commissioner~~ Commissioner shall not require an application for a certificate of title upon the renewal of the registration of a vehicle.

(c) The ~~commissioner~~ Commissioner shall note on the face of the registration of each vehicle for which a certificate of title has been issued a statement to that effect.

* * *

§ 2016. COMMISSIONER TO CHECK IDENTIFICATION NUMBER

The Commissioner, upon receiving application for a first certificate of title or exempt vehicle title, shall check the identification number of the vehicle shown in the application against the records of vehicles required to be maintained by section 2017 of this title and against the record of stolen and converted vehicles required to be maintained by section 2084 of this title.

§ 2017. ISSUANCE OF CERTIFICATE; RECORDS

(a) The Commissioner shall file each application received and, when satisfied as to its genuineness and regularity and that the applicant is entitled to the issuance of a certificate of title, shall issue a certificate of title of the vehicle.

(b) The Commissioner shall maintain at his or her central office a record of all certificates of title issued by him or her for vehicles 15 years old and newer, and of all exempt vehicle titles issued by him or her, under a distinctive title number assigned to the vehicle; under the identification number of the vehicle; alphabetically, under the name of the owner; and, in the discretion of the Commissioner, by any other method he or she determines. The original records may be maintained on microfilm or electronic imaging.

* * *

§ 2021. REFUSAL OF CERTIFICATE

The Commissioner shall refuse issuance of a certificate of title or an exempt vehicle title if any required fee is not paid or if he or she has reasonable grounds to believe that:

(1) the applicant is not the owner of the vehicle;

(2) the application contains a false or fraudulent statement; or

(3) the applicant fails to furnish required information or documents or any additional information the Commissioner reasonably requires.

* * *

§ 2029. SUSPENSION OR REVOCATION OF CERTIFICATE

(a) The Commissioner shall suspend or revoke a certificate of title or exempt vehicle title, upon notice and reasonable opportunity to be heard in accordance with section 2004 of this chapter, if he or she finds:

(1) the certificate of title or exempt vehicle title was fraudulently procured or erroneously issued; or

(2) the vehicle has been scrapped, dismantled, or destroyed.

(b) Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

(c) When the Commissioner suspends or revokes a certificate of title or exempt vehicle title, the owner or person in possession of it shall, immediately upon receiving notice of the suspension or revocation, mail or deliver the certificate to the Commissioner.

(d) The Commissioner may seize and impound any certificate of title or exempt vehicle title which has been canceled, suspended, or revoked.

* * *

Subchapter 5: Anti-theft Provisions and Penalties

§ 2081. APPLICATION OF SUBCHAPTER

(a) This subchapter does not apply to a self-propelled wheelchair or invalid tricycle.

(b) The provisions of this subchapter that apply to certificates of title shall also apply to salvage certificates of title, exempt vehicle titles, certificates of origin, and secure assignments of title.

* * *

Fourth: In Sec. 34 (effective dates; applicability), by striking subsection (c) in its entirety and inserting in lieu thereof the following:

(c) Sec. 33a (exempt vehicle title) shall take effect on January 1, 2016.

(d) All other sections shall take effect on July 1, 2015.

RICHARD T. MAZZA
DUSTIN ALLARD DEGREE
RICHARD A. WESTMAN

Committee on the part of the Senate

PATRICK M. BRENNAN
TIMOTHY R. CORCORAN
MOLLIE SULLIVAN BURKE

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence; Bill Messaged

H. 497.

Pending entry on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and House bill entitled:

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

Was taken up for immediate consideration.

Senator Collamore, for the Committee on Government Operations, to which the bill was referred, reported that the bill ought to pass in concurrence.

Senator Lyons, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass in concurrence.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and third reading of the bill was ordered.

Thereupon, on motion of Senator Campbell, the rules were suspended and the bill was placed on all remaining stages of its pass in concurrence forthwith.

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

Thereupon, on motion of Senator Campbell, the rules were suspended and the bill was ordered messaged to the House forthwith.

Rules Suspended; Bills Messaged

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H.5, H. 117, H. 484.

Senate Concurrent Resolutions

The following joint concurrent resolutions, having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were severally adopted on the part of the Senate:

By Senators Campbell, McCormack and Nitka,

By Representative Christie and others,

S.C.R. 17.

Senate concurrent resolution congratulating Michael Stone on his selection as the National Football Foundation Vermont Chapter's 2015 Contribution to Amateur Athletics Award winner.

By Senators Doyle, Cummings and Pollina,

By Representatives Hooper and Kitzmiller,

S.C.R. 18.

Senate concurrent resolution congratulating the Union Elementary School in Montpelier on its 75th birthday..

By Senators Doyle, Cummings and Pollina,

By Representative Ancel,

S.C.R. 19.

Senate concurrent resolution congratulating Beth Downing on her selection as a Teacher Appreciation Week recipient of a courage telephone call from U.S. Secretary of Education Arne Duncan..

By Senators Doyle and Cummings,

By Representative Deen,

S.C.R. 20.

Senate concurrent resolution honoring Giovanna Peebles on her career as Vermont's first State Archaeologist.

By Senators Doyle, Cummings and Pollina,

By Representatives Ancel and Klein,

S.C.R. 21.

Senate concurrent resolution congratulating the Adamant Cooperative on its 80th anniversary.

By Senators Doyle, Cummings and Pollina,

By Representative Klein,

S.C.R. 22.

Senate concurrent resolution congratulating Emily Packard on her race car driving accomplishments.

By Senators Doyle, Cummings and Pollina,

By Representative LaClair and others,

S.C.R. 23.

Senate concurrent resolution honoring Karen Lane on her exemplary librarianship as Director of the Aldrich Public Library in Barre.

By Senators Mazza, Ashe, Ayer, Balint, Baruth, Benning, Bray, Campbell, Campion, Collamore, Cummings, Degree, Doyle, Flory, Kitchel, Lyons, MacDonald, McCormack, Mullin, Nitka, Pollina, Rodgers, Sears, Sirotkin, Snelling, Starr, Westman, White and Zuckerman,

By All Members of the House,

S.C.R. 24.

Senate concurrent resolution honoring Colonel Thomas L'Esperance on his exemplary career with the Vermont State Police.

House Concurrent Resolutions

The following joint concurrent resolutions having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were severally adopted in concurrence:

By Representative Devereux and others,

H.C.R. 158.

House concurrent resolution commemorating Vermont's role in the Civil War during 1865.

By Representative Masland and others,

H.C.R. 159.

House concurrent resolution congratulating ECFiber on establishing its 1,000th customer connection.

By Representative Forguites and others,

By Senators Ayer, Campbell, McCormack and Nitka,

H.C.R. 160.

House concurrent resolution congratulating Richard Albert Moore of Springfield on his induction into the Vermont Agricultural Hall of Fame.

By Representative Higley,

By Senators Rodgers and Starr,

H.C.R. 161.

House concurrent resolution in memory of former Representative Alvin W. Warner.

By Representative McFaun and others,

H.C.R. 162.

House concurrent resolution recognizing May 17–May 23, 2015, as National Public Works Week in Vermont.

By Representative Kitzmiller and others,

By Senator Doyle,

H.C.R. 163.

House concurrent resolution honoring Montpelier's unique music man, Fred Wilber.

By Representative Clarkson,

By Senators Campbell, McCormack and Nitka,

H.C.R. 164.

House concurrent resolution honoring Mary Riley for her dedicated civic and community service in Woodstock.

By Representative Donovan and others,

H.C.R. 165.

House concurrent resolution in memory of University of Vermont Professor Emeritus Alan Philip Wertheimer.

By Representative Clarkson,

By Senators Campbell, McCormack and Nitka,

H.C.R. 166.

House concurrent resolution honoring L.D. Sutherland Jr. for his civic service on behalf of the State of Vermont and the town and village of Woodstock.

By Representatives Greshin and Grad,

H.C.R. 167.

House concurrent resolution in memory of Eleanor G. Haskin.

By Representatives Lawrence and Feltus,

By Senators Benning and Kitchel,

H.C.R. 168.

House concurrent resolution commemorating the centennial anniversary of Powers Park in Lyndonville.

By Representative Toleno,

H.C.R. 169.

House concurrent resolution honoring Eric Thomas Buckley for his exemplary service as the Detachment of Vermont Commander of the Sons of the American Legion.

By Representatives Russell and Shaw,

H.C.R. 170.

House concurrent resolution congratulating BROC-Community Action in Southwestern Vermont on its 50th anniversary.

By Representative Russell and others,

By Senators Collamore, Flory and Mullin,

H.C.R. 171.

House concurrent resolution honoring outgoing Rutland City Fire Chief Robert L. Schlachter.

By Representative Buxton and others,

By Senators Benning, Bray, Campbell, Campion, Flory, Lyons, MacDonald, McCormack, Mullin, Nitka, Sears and White,

H.C.R. 172.

House concurrent resolution honoring Vermont Law School as it celebrates its 40th commencement.

By Representative Ancel,

By Senators Cummings, Doyle and Pollina,

H.C.R. 173.

House concurrent resolution in memory of Leslie Ann Bingham Williams of Calais.

By Representative Ram and others,

H.C.R. 174.

House concurrent honoring University of Vermont Dean of Education and Social Services Fayneese S. Miller.

By Representative Russell and others,

By Senator Degree,

H.C.R. 175.

House concurrent resolution honoring the American Rail Dispatching Center in St. Albans.

By Representative Lenes and others,

By Senators Ashe, Baruth, Lyons, Sirotkin, Snelling and Zuckerman,

H.C.R. 176.

House concurrent resolution congratulating the 2015 Champlain Valley Union High School Redhawks Division I championship girls' basketball team.

By Representative Keenan and others,

By Senators Balint, Campion, Collamore, Doyle, Flory, Mullin and Rodgers,

H.C.R. 177.

House concurrent resolution congratulating the Castleton State College Spartans 2015 North Atlantic Conference championship men's lacrosse team.

By Representative Keenan and others,

By Senators Balint, Campion, Collamore, Doyle, Flory, Mullin and Rodgers,

H.C.R. 178.

House concurrent resolution congratulating the Castleton State College Spartans 2015 North Atlantic Conference championship women's lacrosse team.

By All Members of the House,

By All Members of the Senate,

H.C.R. 179.

House concurrent resolution in memory of former Speaker, Vermont Supreme Court Chief Justice, and U.S. Federal District Judge Franklin Swift Billings Jr..

By Representative Ram and others,

H.C.R. 180.

House concurrent resolution congratulating the Youth Safety Council of Vermont on its tenth anniversary and designating June 2015 as Teen Highway Safety Month in Vermont.

By Representative Keenan and others,

By Senators Balint, Campion, Collamore, Doyle, Flory, Mullin and Rodgers,

H.C.R. 181.

House concurrent resolution congratulating the Castleton State College Spartans 2015 North Atlantic Conference championship baseball team.

Adjournment

On motion of Senator Campbell, the Senate adjourned until ten o'clock and in the morning.

SATURDAY, MAY 16, 2015

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 76

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

H. 269. An act relating to the transportation and disposal of excavated development soils legally categorized as solid waste.

And has severally concurred therein.

The House has considered Senate proposal of amendment to the following Joint House Resolution:

J.R.H. 16. Joint resolution relating to the approval of State land transactions.

And has severally concurred therein.

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

S. 73. An act relating to State regulation of rent-to-own agreements for merchandise.

And has concurred therein.

The House has adopted House concurrent resolutions of the following titles:

H.C.R. 158. House concurrent resolution commemorating Vermont's role in the Civil War during 1865.

H.C.R. 159. House concurrent resolution congratulating ECFiber on establishing its 1,000th customer connection.

H.C.R. 160. House concurrent resolution congratulating Richard Albert Moore of Springfield on his induction into the Vermont Agricultural Hall of Fame.

H.C.R. 161. House concurrent resolution in memory of former Representative Alvin W. Warner.

H.C.R. 162. House concurrent resolution recognizing May 17–May 23, 2015, as National Public Works Week in Vermont.

H.C.R. 163. House concurrent resolution honoring Montpelier's unique music man, Fred Wilber.

H.C.R. 164. House concurrent resolution honoring Mary Riley for her dedicated civic and community service in Woodstock.

H.C.R. 165. House concurrent resolution in memory of University of Vermont Professor Emeritus Alan Philip Wertheimer.

H.C.R. 166. House concurrent resolution honoring L.D. Sutherland Jr. for his civic service on behalf of the State of Vermont and the town and village of Woodstock.

H.C.R. 167. House concurrent resolution in memory of Eleanor G. Haskin.

H.C.R. 168. House concurrent resolution commemorating the centennial anniversary of Powers Park in Lyndonville.

H.C.R. 169. House concurrent resolution honoring Eric Thomas Buckley for his exemplary service as the Detachment of Vermont Commander of the Sons of the American Legion.

H.C.R. 170. House concurrent resolution congratulating BROC-Community Action in Southwestern Vermont on its 50th anniversary.

H.C.R. 171. House concurrent resolution honoring outgoing Rutland City Fire Chief Robert L. Schlachter.

H.C.R. 172. House concurrent resolution honoring Vermont Law School as it celebrates its 40th commencement.

H.C.R. 173. House concurrent resolution in memory of Leslie Ann Bingham Williams of Calais.

H.C.R. 174. House concurrent honoring University of Vermont Dean of Education and Social Services Fayneese S. Miller.

H.C.R. 175. House concurrent resolution honoring the American Rail Dispatching Center in St. Albans.

H.C.R. 176. House concurrent resolution congratulating the 2015 Champlain Valley Union High School Redhawks Division I championship girls' basketball team.

H.C.R. 177. House concurrent resolution congratulating the Castleton State College Spartans 2015 North Atlantic Conference championship men's lacrosse team.

H.C.R. 178. House concurrent resolution congratulating the Castleton State College Spartans 2015 North Atlantic Conference championship women's lacrosse team.

H.C.R. 179. House concurrent resolution in memory of former Speaker, Vermont Supreme Court Chief Justice, and U.S. Federal District Judge Franklin Swift Billings Jr.

H.C.R. 180. House concurrent resolution congratulating the Youth Safety Council of Vermont on its tenth anniversary and designating June 2015 as Teen Highway Safety Month in Vermont.

H.C.R. 181. House concurrent resolution congratulating the Castleton State College Spartans 2015 North Atlantic Conference championship baseball team.

In the adoption of which the concurrence of the Senate is requested.

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

S.C.R. 17. Senate concurrent resolution congratulating Michael Stone on his selection as the National Football Foundation Vermont Chapter's 2015 Contribution to Amateur Athletics Award winner.

S.C.R. 18. Senate concurrent resolution congratulating the Union Elementary School in Montpelier on its 75th birthday..

S.C.R. 19. Senate concurrent resolution congratulating Beth Downing on her selection as a Teacher Appreciation Week recipient of a courage telephone call from U.S. Secretary of Education Arne Duncan..

S.C.R. 20. Senate concurrent resolution honoring Giovanna Peebles on her career as Vermont's first State Archaeologist.

S.C.R. 21. Senate concurrent resolution congratulating the Adamant Cooperative on its 80th anniversary.

S.C.R. 22. Senate concurrent resolution congratulating Emily Packard on her race car driving accomplishments.

S.C.R. 23. Senate concurrent resolution honoring Karen Lane on her exemplary librarianship as Director of the Aldrich Public Library in Barre.

S.C.R. 24. Senate concurrent resolution honoring Colonel Thomas L'Esperance on his exemplary career with the Vermont State Police.

And has adopted the same in concurrence.

Proposals of Amendment; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence with Proposals of Amendment; Bill Messaged

H. 20.

Senator Collamore, for the Committee on Health & Welfare, to which was referred House bill entitled:

An act relating to licensed alcohol and drug abuse counselors as participating providers in Medicaid.

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 26 V.S.A. § 3242, by striking out the word "is" after "regardless of whether the counselor" and inserting in lieu thereof works for

Second: By inserting a new Sec. 2 to read as follows:

Sec. 2. LICENSURE OF ALCOHOL AND DRUG ABUSE COUNSELORS

(a) The Department of Health's Division of Alcohol and Drug Abuse Programs (ADAP) and the Secretary of State's Office of Professional Regulation (OPR) shall work collaboratively to develop and propose to the General Assembly a plan to move the licensure of alcohol and drug abuse counselors from the purview of ADAP to that of OPR. The plan shall include the statutory amendments necessary to conform to OPR's regulatory structure and the positions necessary to implement the program. ADAP and OPR shall jointly submit the plan to the Senate Committees on Health and Welfare and on Government Operations and the House Committees on Human Services and on Government Operations on or before January 15, 2016.

(b) Notwithstanding 32 V.S.A. § 605(b)(2), ADAP and OPR shall recommend for inclusion in the Governor's fiscal year 2017 Executive Branch fee report a licensure fee for alcohol and drug abuse counselors that offsets the cost to OPR of assuming oversight of this profession.

And by renumbering the remaining section to be numerically correct

And that the bill ought to pass in concurrence with such proposals of amendment.

Senator Nitka, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Health & Welfare.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposals of amendment were collectively agreed to, and third reading of the bill was ordered.

Thereupon, on motion of Senator Baruth, the rules were suspended and the bill was placed on all remaining stages of its passage in concurrence with proposals of amendment.

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

Thereupon, on motion of Senator Baruth, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Proposal of Amendment; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence with Proposal of Amendment; Bill Messaged

H. 482.

Senator Lyons, for the Committee on Finance, to which was referred House bill entitled:

An act relating to principle-based valuation for life insurance reserves and a standard nonforfeiture law for life insurance policies.

Reported recommending that the Senate propose to the House to amend the bill in Sec. 1, 8 V.S.A. § 3791l, by striking out subsection (b) in its entirety.

And that the bill ought to pass in concurrence with such proposal of amendment.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposal of amendment was agreed to, and third reading of the bill was ordered.

Thereupon, on motion of Senator Baruth, the rules were suspended and the bill was placed on all remaining stages of its passage in concurrence with proposal of amendment.

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

Thereupon, on motion of Senator Baruth, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Rules Suspended; House Proposal of Amendment Concurred In

J.R.S. 9.

Appearing on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and House proposal of amendment to joint Senate resolution entitled:

Joint resolution encouraging public high schools to explore recruiting and enrolling international students on F-1 student visas in order to promote tuition based income while also exposing F-1 students and our public school K-12 Vermont students to enriched cross cultural learning experiences.

Was taken up for immediate consideration.

The House proposes to the Senate to amend the joint resolution as follows:

In the second *Resolved* clause as follows:

First: After "Secretary of Education," by striking out ", and" and inserting in lieu thereof ;

Second: After "a public high school" by inserting; to the members of the Vermont Congressional Delegation; and to the U.S. Secretaries of State and of Education

Thereupon, the question, Shall the Senate concur in the House proposals of amendment?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 102.

Appearing on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to forfeiture of property associated with animal fighting and certain regulated drug possession, sale, and trafficking violations.

Was taken up for immediate consideration.

Senator Sears, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

S. 102. An act relating to forfeiture of property associated with animal fighting and certain regulated drug possession, sale, and trafficking violations.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 352 is amended to read:

§ 352. CRUELTY TO ANIMALS

A person commits the crime of cruelty to animals if the person:

* * *

(5)(A) owns, possesses, keeps, or trains an animal engaged in an exhibition of fighting, or possesses, keeps, or trains any animal with intent that it be engaged in an exhibition of fighting, or permits any such act to be done on premises under his or her charge or control; or

(B) owns, possesses, ships, transports, delivers, or keeps a device, equipment, or implement for the purpose of training or conditioning an animal for participation in animal fighting, or enhancing an animal's fighting capability.

* * *

Sec. 2. 13 V.S.A. § 364 is amended to read:

§ 364. ANIMAL FIGHTS

(a) A person who participates in a fighting exhibition of animals shall be in violation of subdivisions 352(5) and (6) of this title.

(b) ~~In~~ Notwithstanding any provision of law to the contrary, in addition to seizure of fighting birds or animals involved in a fighting exhibition, a law enforcement officer or humane officer may seize:

(1) any equipment associated with that activity;

(2) any other personal property which is used to engage in a violation or further a violation of subdivisions 352(5) and (6) of this title; and

(3) monies, securities, or other things of value furnished or intended to be furnished by a person to engage in or further a violation of subdivisions 352(5) and (6) of this title.

(c) In addition to the imposition of a penalty under this chapter, conviction under this section shall result in forfeiture of all seized fighting animals ~~and~~, equipment, and other property subject to seizure under this section. The animals may be destroyed humanely or otherwise disposed of as directed by the court.

(d) Property subject to forfeiture under this subsection may be seized upon process issued by the court having jurisdiction over the property. Seizure without process may be made:

(1) incident to a lawful arrest;

(2) pursuant to a search warrant; or

(3) if there is probable cause to believe that the property was used or is intended to be used in violation of this section.

(e) Forfeiture proceedings instituted pursuant to the provisions of this section for property other than animals are subject to the procedures and requirements for forfeiture as set forth in 18 V.S.A. chapter 84, subchapter 2.

Sec. 3. 18 V.S.A. § 4241 is amended to read:

§ 4241. SCOPE

(a) The following property shall be subject to this subchapter:

* * *

(7) Any property seized pursuant to 13 V.S.A. § 364.

(b) ~~This subchapter shall not apply to any property used or intended for use in an offense involving two ounces or less of marijuana or in connection with hemp or hemp products as defined in 6 V.S.A. § 562.~~ This subchapter shall apply to property for which forfeiture is sought in connection with:

(1) a violation under chapter 84, subchapter 1 of this title that carries by law a maximum penalty of ten years' incarceration or greater; or

(2) a violation of 13 V.S.A. § 364.

Sec. 4. 18 V.S.A. § 4242 is amended to read:

§ 4242. SEIZURE

* * *

(b) Any property subject to forfeiture under this subchapter may be seized upon process. Seizure without process may be made when:

(1) the seizure is incident to an arrest with probable cause or a search under a valid search warrant;

(2) the property subject to seizure has been the subject of a prior judgment in favor of the ~~state~~ State in a forfeiture proceeding under this subchapter; or

(3) the seizure is incident to a valid warrantless search.

(c) If property is seized without process under subdivision (b)(1) or (3) of this section, the ~~state~~ State shall forthwith petition the court for a preliminary order or process under subsection (a) of this section.

(d) ~~All~~ Notwithstanding subsection 4241(b) of this title, all regulated drugs the possession of which is prohibited under this chapter are contraband and shall be automatically forfeited to the state and destroyed.

Sec. 5. 18 V.S.A. § 4243 is amended to read:

§ 4243. ~~PETITION FOR~~ JUDICIAL FORFEITURE PROCEDURE

(a) ~~The State~~ Conviction or agreement required. An asset is subject to forfeiture by judicial determination under section 4241 of this title and 13 V.S.A. § 364 if:

(1) a person is convicted of the criminal offense related to the action for forfeiture; or

(2) a person enters into an agreement with the prosecutor under which he or she is not charged with a criminal offense related to the action for forfeiture.

(b) Evidence. The State may introduce into evidence in the judicial forfeiture case the fact of a conviction in the Criminal Division.

(c) Burden of proof. The State bears the burden of proving by clear and convincing evidence that the property is an instrument of or represents the proceeds of the underlying offense.

(d) Notice. Within 60 days from when the seizure occurs, the State shall notify any owners, possessors, and lienholders of the property of the action, if known or readily ascertainable. Upon motion by the State, a court may extend the time period for sending notice for a period not to exceed 90 days for good cause shown.

(e) Return of property. If notice is not sent in accordance with subsection (d) of this section, and no time extension is granted or the extension period has expired, the law enforcement agency shall return the property to the person from whom the property was seized. An agency's return of property due to lack of proper notice does not restrict the agency's authority to commence a forfeiture proceeding at a later time. Nothing in this subsection shall require the agency to return contraband, evidence, or other property that the person from whom the property was seized is not entitled to lawfully possess.

(f) Filing of petition. Except as provided in section 4243a of this title, the State shall file a petition for forfeiture of any property seized under section 4242 of this title promptly, but not more than 14 days from the date the preliminary order or process is issued. The petition shall be filed in the ~~superior court~~ Superior Court of the county in which the property is located or in any court with jurisdiction over a criminal proceeding related to the property.

~~(b)~~(g) Service of petition. A copy of the petition shall be ~~sent by certified mail to~~ served on all persons named in the petition as provided for in Rule 4 of the Vermont Rules of Civil Procedure. In addition, the ~~state~~ State shall cause notice of the petition to be published in a newspaper of general circulation in the ~~state~~ State, as ordered by the court. The petition shall state:

(1) the facts upon which the forfeiture is requested, including a description of the property subject to forfeiture, and the type and quantity of regulated drug involved;

(2) the names of the apparent owner or owners, lienholders who have properly recorded their interests, and any other person appearing to have an interest; and, in the case of a conveyance, the name of the person holding title, the registered owner, and the make, model, and year of the conveyance.

Sec. 6. 18 V.S.A. § 4244 is amended to read:

§ 4244. FORFEITURE HEARING

(a) ~~The court~~ Within 60 days following service of notice of seizure and forfeiture under sections 4243 of this title, a claimant may file a demand for judicial determination of the forfeiture. The demand must be in the form of a civil complaint accompanied by a sworn affidavit setting forth the facts upon which the claimant intends to rely, including, if relevant, the noncriminal source of the asset or currency at issue. The demand must be filed with the court administrator in the county in which the seizure occurred.

(b) The Court shall hold a hearing on the petition ~~no less than 14 nor more than 30 days after notice. For good cause shown, or on the court's own motion, the court may stay the forfeiture proceedings pending resolution of related criminal proceedings. If a person named in the petition is a defendant in a related criminal proceeding and the proceeding is dismissed or results in a judgment of acquittal, the petition shall be dismissed as to the defendant's interest in the property~~ as soon as practicable after, and in any event no later than 90 days following, the conclusion of the criminal prosecution.

~~(b)~~(c) A lienholder who has received notice of a forfeiture proceeding may intervene as a party. If the ~~court~~ Court finds that the lienholder has a valid, good faith interest in the subject property which is not held through a straw purchase, trust or otherwise for the actual benefit of another and that the lienholder did not at any time have knowledge or reason to believe that the property was being or would be used in violation of the law, the ~~court~~ Court upon forfeiture shall order compensation to the lienholder to the extent of the lienholder's interest.

(d) The Court shall not order the forfeiture of property if an owner, co-owner, or person who regularly uses the property, other than the defendant, shows by a preponderance of the evidence that the owner, co-owner, or regular user did not consent to or have any express or implied knowledge that the property was being or was intended to be used in a manner that would subject the property to forfeiture, or that the owner, co-owner, or regular user had no reasonable opportunity or capacity to prevent the defendant from using the property.

~~(c)~~(e) The proceeding shall be against the property and shall be deemed civil in nature. The ~~state~~ State shall have the burden of proving all material facts by clear and convincing evidence.

~~(d)~~(f) The ~~court~~ Court shall make findings of fact and conclusions of law and shall issue a final order. If the petition is granted, the ~~court~~ Court shall order the property held for evidentiary purposes, delivered to the ~~state treasurer~~ State Treasurer, or, in the case of regulated drugs or property which is harmful to the public, destroyed.

Sec. 7. 18 V.S.A. § 4247 is amended to read:

§ 4247. DISPOSITION OF PROPERTY

(a) Whenever property is forfeited and delivered to the ~~state treasurer~~ State Treasurer under this subchapter, the ~~state treasurer~~ State Treasurer shall, no sooner than 90 days of the date the property is delivered, sell the property at a public sale held under 27 V.S.A. chapter 13.

(b) The proceeds from the sale of forfeited property shall be used first to offset any costs of selling the property, and then, after any liens on the property have been paid in full, applied to payment of seizure, storage, and forfeiture expenses, including animal care expenses related to the underlying violation. Remaining proceeds shall be distributed as follows:

(1)(A) Forty-five percent shall be distributed among:

(i) the Office of the Attorney General;

(ii) the Department of State's Attorneys and Sheriffs; and

(iii) State and local law enforcement agencies.

(B) The Governor's Criminal Justice and Substance Abuse Cabinet is authorized to determine the allocations among the groups listed in subdivision (A) of this subdivision (1), and may only reimburse the prosecutor and law enforcement agencies that participated in the enforcement effort resulting in the forfeiture for expenses incurred, including actual expenses for involved personnel. The proceeds shall be held by the Treasurer until the Cabinet notifies the Treasurer of the allocation determinations, at which time the Treasurer shall forward the allocated amounts to the appropriate agency's operating funds.

(2) The remaining 55 percent shall be deposited in the General Fund.

Sec. 8. 23 V.S.A. § 1213c is amended to read:

§ 1213c. IMMOBILIZATION AND FORFEITURE PROCEEDINGS

* * *

(o) A law enforcement or prosecution agency conducting forfeitures under this section may accept, receive, and disburse in furtherance of its duties and functions under this section any appropriations, grants, and donations made available by the State of Vermont and its agencies, the federal government and its agencies, any municipality or other unit of local government, or private or civil sources.

Sec. 9. ANIMAL CRUELTY RESPONSE TASK FORCE

(a) Creation. There is created a task force to evaluate the state of animal cruelty investigation and response in Vermont, including the resources devoted to animal investigation and response services and to recommend ways to consolidate, collaborate, or reorganize to use more effectively limited resources while improving the response to animal cruelty.

(b) Membership. The Task Force shall be composed of the following members:

(1) a representative from the Governor's office;

(2) a member of the Vermont State Police;

(3) a member of the VT Police Chiefs Association;

(4) a representative of the VT Animal Control Association;

(5) a Humane Officer from a VT humane society focusing on domestic animals;

(6) a Humane Officer of a VT humane society focusing on large animals (livestock);

(7) a representative of the Vermont Humane Federation;

(8) a representative of the Vermont Federation of Dog Clubs;

(9) the Executive Director of the Department of State's Attorneys and Sheriffs or designee;

(10) a representative of the Vermont Veterinary Medical Association;

(11) a representative of the Vermont Agency of Agriculture, Food and Markets;

(12) a representative of the VT Constables Association;

(13) a representative of the VT Town Clerks Association;

(14) a representative of the Department for Children and Families; and

(15) a representative of the VT Federation of Sportsmens' Clubs.

(c) Powers and duties. The Task Force, in consultation with the Office of the Defender General, shall study and make recommendations concerning:

(1) training for humane agents, animal control officers, law enforcement officers, and prosecutors;

(2) the development of uniform response protocols for receiving, investigating, and following up on complaints of animal cruelty, including sentencing recommendations;

(3) the development of a centralized data collection system capable of sharing data collected from both the public and private sectors on substantiated complaints of animal cruelty and outcomes;

(4) funding the various responsibilities that are involved with an animal cruelty investigation, including which State agencies should be responsible for any State level authority and oversight; and

(5) any other issue the Task Force determines is relevant to improve the efficiency, process, and results of animal cruelty response actions in Vermont.

(d) Report. On or before January 15, 2016, the Task Force shall report its findings and recommendations to the House and Senate Committees on Judiciary.

(e) Meetings and sunset.

(1) The representative from the Governor's office shall call the first meeting of the Task Force.

(2) The Task Force shall select a chair from among its members at the first meeting.

(3) The Task Force shall hold its first meeting no later than August 15, 2015.

(4) Meetings of the Task Force shall be public meetings.

(5) The Task Force shall cease to exist on January 16, 2016.

Sec. 10. EFFECTIVE DATE

This act shall take effect on July 1, 2015.

TIMOTHY R. ASHE
RICHARD W. SEARS
JOSEPH C. BENNING

Committee on the part of the Senate

CHARLES W. CONQUEST
GARY G. VIENS
WILLEM W. JEWETT

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Appointments Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator White, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

Dimitruck, Catherine of Fairfax - Member, Vermont Natural Gas and Oil Resources Board - July 1, 2014, to February 29, 2016.

O'Connor, Timothy of Brattleboro - Member, Connecticut River Valley Flood Control Commission - December 23, 2014, to February 28, 2019.

Marsh, Donald of Montpelier - Member, Vermont Natural Gas and Oil Resources Board - June 9, 2014, to February 28, 2017.

Ehlers, James of Colchester - Member, VT Citizens' Advisory Council on Lake Champlain's Future - March 18, 2015, to February 28, 2018.

McClain, John of Bethel - Member, Current Use Advisory Board – May 20, 2014, to January 31, 2017.

Whittaker, Brendan Joseph of Brunswick - Member, Current Use Advisory Board - June 9, 2014, to January 31, 2016.

Moore, Gary of Bradford - Member, Connecticut River Valley Flood Control Commission - March 1, 2015, to February 28, 2021.

Ewins, Regine of Shelburne - Member, Libraries, Board of – December 23, 2014, to February 28, 2017.

Comstock-Gay, Lucy of New Haven - Member, Libraries, Board of – March 1, 2015, to February 28, 2019.

Pagano, J Edward of Washington - Member, University of VT & Agricultural College Board of Trustees - March 6, 2015, to February 28, 2021.

Wortham, Offie of Johnson - Member, Community High School of Vermont Board - March 1, 2015, to February 28, 2018.

Huling, Krista of Jeffersonville - Member, State Board of Education - March 1, 2015, to February 28, 2021.

Bokan, Carol Ann of Shelburne - Member, Community High School of Vermont Board - March 1, 2015, to February 28, 2018.

Alcorn, Daniel P. of Rutland - Member, Community High School of Vermont Board - August 6, 2014, to February 29, 2016.

Kurrle, Lindsay of Middlesex - Member, Vermont State Lottery Commission - April 16, 2015, to February 28, 2018.

Marvin, Emma of Hyde Park - Member, Vermont Economic Progress Council - April 1, 2015, to March 31, 2019.

O'Rourke, Robert Joseph of Rutland - Member, Vermont Racing Commission - April 9, 2015, to January 31, 2021.

Goodrich, Steve of North Bennington - Member, Plumbers' Examining Board - March 18, 2015, to February 28, 2019.

Davis, John of Williston - Member, Vermont Economic Progress Council - April 1, 2015, to March 31, 2019.

Park, Richard of Williston - Member, State Labor Relations Board – June 9, 2014, to June 30, 2019.

O'Brien, Stephanie of South Burlington - Chair, Liquor Control Board - February 3, 2015, to January 31, 2020.

Cloud, Dominic of Essex - Member, Natural Resources Board – April 9, 2015, to January 31, 2019.

Pickens, William of Wolcott - Member, Fish and Wildlife Board – March 26, 2015, to February 28, 2021.

Smith, Denise of St. Albans - Member, VT Citizens' Advisory Council on Lake Champlain's Future - March 18, 2015, to February 28, 2018.

MacDonald, Alexander of Lincoln - Member, VT Citizens' Advisory Council on Lake Champlain's Future - March 18, 2015, to February 28, 2018.

Fischer, Robert of Barre - Member, VT Citizens' Advisory Council on Lake Champlain's Future - March 18, 2015, to February 28, 2018.

Bartlett, Patrick of Woodstock - Member, Current Use Advisory Board - May 20, 2014, to January 31, 2017.

Viens, Randy of Georgia - Member, Current Use Advisory Board – October 7, 2014, to January 31, 2016.

Mewes, Dennis of Dummerston - Member, Fish and Wildlife Board - March 1, 2015, to February 28, 2021.

Haynes, Charles of East Montpelier - Alternate Member, Natural Resources Board - February 3, 2015, to January 31, 2019.

Groveman, Jon of Marshfield - Chair, Natural Resources Board – February 9, 2015, to February 28, 2017.

Courtney, Elizabeth of Montpelier - Alternate Member, Natural Resources Board - April 9, 2015, to January 31, 2016.

Naud, Mark of South Hero - Member, VT Citizens' Advisory Council on Lake Champlain's Future - April 9, 2015, to February 28, 2018.

Appointments Confirmed

The following Gubernatorial appointments were confirmed separately by the Senate, upon full reports given by the Committees to which they were referred:

Porter, Louis of Adamant - Commissioner, Fish and Wildlife, Department of - March 1, 2015, to February 28, 2017.

Snyder, Michael of Stowe - Commissioner, Forests, Parks and Recreation, Department of - March 1, 2015, to February 28, 2017.

Markowitz, Deb of Montpelier - Secretary, Natural Resources, Agency of - March 1, 2015, to February 28, 2017.

Mears, David of Montpelier - Commissioner, Environmental Conservation, Department of - March 1, 2015, to February 28, 2017.

Lees, Robert of White River Junction - Member, Vermont State Housing Authority - April 28, 2015, to February 28, 2018.

Rules Suspended; House Concurrent Resolution Adopted

Appearing on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and the following joint concurrent resolution was taken up for immediate consideration:

By Representatives French and Ryerson,

By Senator MacDonald,

H.C.R. 182.

House concurrent resolution commemorating the opening of the eighth Brookfield Floating Bridge.

Called Up; Rules Suspended; Bill Recommitted

S. 137.

Senate bill of the following title was called up by Senator Sears, and, under the rule, placed on the Calendar for action the next legislative day:

An act relating to penalties for selling and dispensing marijuana.

Thereupon, on motion of Senator Sears, the rules were suspended and the bill was taken up for immediate consideration.

Thereupon, on motion of Senator Sears, the bill was recommitted to the Committee on Judiciary.

Recess

On motion of Senator Baruth the Senate recessed until eleven o'clock and thirty minutes.

Called to Order

The Senate was called to order by the President.

Adjournment

On motion of Senator Baruth, the Senate adjourned until one o’clock and thirty minutes in the afternoon.

Afternoon

The Senate was called to order by the President.

Recess

On motion of Senator Baruth the Senate recessed until two o'clock and thirty minutes.

Called to Order

The Senate was called to order by the President.

Message from the House No. 77

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

S. 138. An act relating to promoting economic development.

And has adopted the same on its part.

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

H. 20. An act relating to licensed alcohol and drug abuse counselors as participating providers in Medicaid.

H. 482. An act relating to principle-based valuation for life insurance reserves and a standard nonforfeiture law for life insurance policies.

And has severally concurred therein.

Joint Senate Resolution Adopted on the Part of the Senate; Rules Suspended; Resolution Messaged

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senator Campbell,

J.R.S. 28. Joint resolution relating to final adjournment of the General Assembly in 2015.

Resolved by the Senate and House of Representatives

That when the President of the Senate and the Speaker of the House of Representatives adjourn their respective houses on the sixteenth day of May, 2015 they shall do so to reconvene on the ninth day of June, 2015, at ten o'clock in the forenoon if the Governor should fail to approve and sign any bill and should he return it to the house of origin with his objections in writing after such adjournment, or to reconvene on the twenty-eighth day of July, 2015, at ten o'clock in the forenoon on the joint call of the President *pro tempore* of the Senate and the Speaker of the House, or on the fifth day of January, 2016, at ten o'clock in the forenoon, if not so jointly called and if the Governor should *not* so return any bill to either house.

Thereupon, on motion of Senator Baruth, the rules were suspended, and the joint resolution was ordered messaged to the House forthwith.

Appointment of Senate Members to Legislative Committee on Judicial Rules

Pursuant to the provisions of 12 V.S.A. §3, the President, on behalf of the Committee on Committees, announced the appointment of the following

Senators to serve on the Legislative Committee on Judicial Rules for terms of two (2) years ending February 1, 2017:

Senator Sears
Senator Balint
Senator Benning
Senator Campbell

House Concurrent Resolution Adopted; Rules Suspended; Concurrent Resolution Messaged

House concurrent resolution of the following title was offered, read and adopted in concurrence:

By Representatives Johnson, Krebs, and Turner,

By Senator Mazza,

H.C.R. 183. House concurrent resolution honoring Ray Allen on his 42 years of dedicated leadership as South Hero Rescue's Chief.

Whereas, in 1973, through the enthusiastic leadership of Ray Allen, a private nonprofit organization known as South Hero Rescue (SHR) was established to provide rescue services to this Grand Isle community, and

Whereas, Ray Allen was not only a leading founder of South Hero Rescue, but his colleagues selected him to serve as rescue chief, a role he has maintained for the past 42 years, and

Whereas, since its formation, SHR has remained current with evolving rescue technologies relative to personnel training and equipment, and, on occasion, SHR has responded to rescue emergencies in other Grand Isle communities, and

Whereas, Ray Allen has served as an active and always attentive chief, whose personal response rate to rescue calls is approximately 99 percent, and

Whereas, over his long tenure, it is estimated that Ray Allen has responded to in excess of 4,000 emergency calls, and

Whereas, Ray Allen attends nearly all of SHR's training sessions and is always willing to train new recruits, and

Whereas, he is acquainted with almost all of the town's residents, and they are glad to see him arrive when they have initiated a rescue call, and

Whereas, South Hero residents care little for fancy jumpsuits and name tags, rather they appreciate Ray's knowledge and professionalism and know that he will endeavor to make every rescue as successful as possible, and

Whereas, Ray Allen does not hesitate to expedite a patient's travel to a local hospital, and these decisions have on occasion proved lifesaving, and

Whereas, he is known to follow up with seriously injured individuals, a personal gesture that is much appreciated, and

Whereas, this greatly admired rescue chief is concluding his leadership duties after 42 years of exemplary service in the town of South Hero, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly honors Ray Allen for his 42 years of dedicated leadership as South Hero's rescue chief, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to Ray Allen and to South Hero Rescue.

Thereupon, on motion of Senator Baruth, the rules were suspended, and the concurrent resolution was ordered messaged to the House forthwith.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 138.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to promoting economic development.

Was taken up for immediate consideration.

Senator Mullin, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

S. 138. An act relating to promoting economic development.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

A. General Commerce

* * * Facilitating Business Rapid Response to Declared State Disasters * * *

Sec. A.1. 11 V.S.A. chapter 16 is added to read:

CHAPTER 16. BUSINESS RAPID RESPONSE TO DECLARED STATE DISASTERS

§ 1701. DEFINITIONS

In this chapter:

(1) "Critical infrastructure" means property and equipment owned or used by communications networks and electric generation, transmission, and distribution systems.

(2)(A) "Declared State disaster or emergency" means:

(i) a disaster or emergency event for which a Governor's state of emergency proclamation has been issued;

(ii) a disaster or emergency event for which a Presidential declaration of a federal major disaster or emergency has been issued; or

(iii) a disaster or emergency event within the State for which a good faith response effort is required, and for which the Commissioner of Public Service is given notification from the registered business and the Commissioner, in consultation with the Director of Emergency Management, Department of Public Safety, designates the event as a disaster or emergency, thereby invoking the provisions of this chapter.

(B) "Declared State disaster or emergency" does not include an emergency or situation arising solely from a labor dispute.

(3) "Disaster response period" means a period that begins ten days prior to the first day of the Governor's proclamation, the President's declaration, or designation by another authorized official of the State as set forth in this chapter, whichever occurs first, and that extends 60 calendar days after the declared State disaster or emergency.

(4) "Disaster- or emergency-related work" means repairing, renovating, installing, building, rendering services, or other nonretail business activities in areas of the State affected by the declared State disaster or emergency that relate to critical infrastructure that has been damaged, impaired, or destroyed by the declared State disaster or emergency.

(5) "Mutual Assistance Agreement" means an agreement to which one or more registered businesses and one or more out-of-state businesses are party and pursuant to which an electric or telephone utility may request and receive

assistance from an out-of-state business for performance of disaster- or emergency-related work by the out-of-state business during the disaster response period.

(6)(A) "Out-of-state business" means a business entity that, except for disaster- or emergency-related work, has no presence in the State and conducts no business in the State whose services are requested pursuant to a Mutual Assistance Agreement by a registered business or by a State or local government for purposes of performing disaster- or emergency-related work on critical infrastructure in the State.

(B) "Out-of-state business" also includes a business entity that is affiliated with a registered business in the State solely through common ownership.

(C) An out-of-state business has no registrations or tax filings or nexus in the State other than disaster- or emergency-related work during the tax year immediately preceding the declared State disaster or emergency.

(7) "Out-of-state employee" means an employee who does not work in the State, except for disaster- or emergency-related work during the disaster response period.

(8) "Registered business in the State" or "registered business" means a business entity that is currently registered with the Secretary of State to do business in the State prior to the declared State disaster or emergency.

§ 1702. OBLIGATIONS AFTER DISASTER RESPONSE PERIOD

(a) Business and employee status during the disaster response period.

(1)(A) An out-of-state business that conducts operations within the State for purposes of performing work or services related to a declared State disaster or emergency during the disaster response period shall not be considered to have established a level of presence that would require that business to register, file, or remit State or local taxes or that would require that business or its out-of-state employees to be subject to any State licensing or registration requirements.

(B) This includes any State or local business licensing or registration requirements or State and local taxes or fees, including unemployment insurance, State or local occupational licensing fees, ad valorem tax on equipment brought into the State temporarily for use during the disaster response period and subsequently removed from the State, and Public Service Board or Secretary of State licensing and regulatory requirements.

(C) For purposes of any State or local tax on or measured by, in whole or in part, net or gross income or receipts, all activity of the out-of-state

business that is conducted in this State pursuant to this chapter shall be disregarded with respect to any filing requirements for such tax, including the filing required for a unitary or combined group of which the out-of-state business may be a part.

(D) For the purpose of apportioning income, revenue, or receipts, the performance by an out-of-state business of any work in accordance with this section shall not be sourced to or shall not otherwise impact or increase the amount of income, revenue, or receipts apportioned to this State.

(2)(A) An out-of-state employee shall not be considered to have established residency or a presence in the State that would require that person or that person's employer to file and pay income taxes or to be subjected to tax withholdings or to file and pay any other State or local tax or fee during the disaster response period.

(B) This includes any related State or local employer withholding and remittance obligations, but does not include any transaction taxes or fees as described in subsection (b) of this section.

(b) Transaction taxes and fees. An out-of-state business and an out-of-state employee shall be required to pay transaction taxes and fees, including fuel tax and sales and use tax on materials or services consumed or used in the State subject to sales and use tax, rooms and meals tax, car rental taxes or fees that the out-of-state affiliated business or out-of-state employee purchases for use or consumption in the State during the disaster response period, unless such taxes are otherwise exempted during a disaster response period. An out-of-state business making retail sales of tangible personal property during the disaster response period shall be subject to all sales tax registration, collection, reporting, and other requirements set forth in 32 V.S.A. chapter 233.

(c) Business or employee activity after disaster response period. An out-of-state business or out-of-state employee that remains in the State after the disaster response period will become subject to the State's normal standards for establishing presence, residency, or doing business in the State and will therefore become responsible for any business or employee tax requirements that ensue.

§ 1703. ADMINISTRATION

(a) Notification of out-of-state business during the disaster response period.

(1) The out-of-state business that enters the State shall, upon request, provide to the Secretary of State a statement that it is in the State for purposes of responding to the disaster or emergency, which statement shall include the

business's name, state of domicile, principal business address, federal tax identification number, date of entry, and contact information.

(2) A registered business in the State shall, upon request, provide the information required in subdivision (1) of this subsection for any affiliate that enters the State that is an out-of-state business.

(3) The notification shall also include contact information for the registered business in the State.

(b) Notification of intent to remain in State. An out-of-state business or an out-of-state employee that remains in the State after the disaster response period shall complete State and local registration, licensing, and filing requirements that ensue as a result of establishing the requisite business presence or residency in the State applicable under the existing law.

(c) Procedures. The Secretary of State may adopt necessary rules, develop and issue forms or online processes, and maintain and make available an annual record of any designations pursuant to this chapter to carry out these administrative procedures.

Sec. A.2. [Reserved]

* * * Blockchain Technology * * *

Sec. A.3. STUDY AND REPORT; BLOCKCHAIN TECHNOLOGY

(a) On or before January 15, 2016, the Secretary of State, the Commissioner of Financial Regulation, and the Attorney General shall consult with one or more Vermont delegates to the National Conference of Commissioners on Uniform State Laws and with the Center for Legal Innovation at Vermont Law School, and together shall submit a report to the General Assembly their finding and recommendations on the potential opportunities and risks of creating a presumption of validity for electronic facts and records that employ blockchain technology and addressing any unresolved regulatory issues.

(b) Each participating Vermont delegate to the National Conference of Commissioners on Uniform State Laws and each participating representative of the Center for Legal Innovation at Vermont Law School who is not also an employee of the State of Vermont and who is not otherwise compensated or reimbursed for his or her time shall be entitled to per diem compensation pursuant to 32 V.S.A. § 1010(b).

* * * Fortified Wines * * *

Sec. A.4. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

The following words as used in this title, unless a contrary meaning is required by the context, shall have the following meaning:

* * *

(15) "Manufacturer's or rectifier's license": a license granted by the Liquor Control Board that permits the holder to manufacture or rectify ~~spirituous liquors~~ spirits or fortified wines for export and sale to the Liquor Control Board, or malt beverages and vinous beverages for export and sale to bottlers or wholesale dealers. This license permits a manufacturer of vinous beverages or fortified wines to receive from another manufacturer licensed in or outside this ~~state~~ State bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages or fortified wines produced by a Vermont manufacturer may contain no more than 25 percent imported vinous beverage. The Liquor Control Board may grant to a licensed manufacturer or rectifier a first-class restaurant or cabaret license or first- and third-class restaurant or cabaret license permitting the licensee to sell alcoholic beverages to the public only at the manufacturer's premises, which, for the purposes of a manufacturer of malt beverages, includes up to two licensed establishments that are located on the contiguous real estate of the holder of the manufacturer's license, provided the manufacturer owns or has direct control over those establishments. A manufacturer of malt beverages who also holds a first-class restaurant or cabaret license may serve to a customer malt beverage by the glass, not to exceed eight glasses at one time and not to exceed four ounces in each glass. The Liquor Control Board may grant to a licensed manufacturer or a rectifier of malt beverages a second-class license permitting the licensee to sell alcoholic beverages to the public anywhere on the manufacturer's or rectifier's premises. A licensed manufacturer or rectifier of vinous beverages may serve, with or without charge, at an event held on premises of the licensee or the vineyard property, spirits and vinous beverages and malt beverages, provided the licensee gives the Department written notice of the event, including details required by the Department, at least five days before the event. Any beverages not manufactured by the licensee and served at the event shall be purchased on invoice from a licensed manufacturer or wholesale dealer or the Liquor Control Board.

* * *

(19) "Second-class license": a license granted by the control commissioners permitting the licensee to export malt or vinous beverages and to sell malt beverages or vinous beverages to the public for consumption off the premises for which the license is granted. The Liquor Control Board may grant a second-class licensee a fortified wine permit that permits the licensee to export and to sell fortified wines to the public for consumption off the licensed premises.

(20) "Spirits" or "spirituous liquors": beverages that contain more than one percent of alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; ~~and~~ vinous beverages containing more than ~~16~~ 23 percent of alcohol; and ~~all vermouths of any alcohol content;~~ malt beverages containing more than 16 percent of alcohol or more than six percent of alcohol if the terminal specific gravity thereof is less than 1.009; in each case measured by volume at 60 degrees Fahrenheit.

* * *

(22) "Third-class license": a license granted by the Liquor Control Board permitting the licensee to sell ~~spirituous liquors~~ spirits and fortified wines for consumption only on the premises for which the license is granted.

(23) "Vinous beverages": all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits~~,~~ or other agricultural product, containing sugar, the alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60 degrees Fahrenheit~~, except that all vermouths shall be purchased and retailed by and through the Liquor Control Board as authorized in chapters 5 and 7 of this title~~.

* * *

(27) "Special events permit": a permit granted by the Liquor Control Board permitting a person holding a manufacturer's or rectifier's license to sell by the glass or by unopened bottle spirits, fortified wines, malt beverages, or vinous beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local licensing authority. For the purposes of tasting only, the permit holder may distribute, with or without charge, beverages manufactured by the permit holder by the glass no more than two ounces per product and eight ounces total of malt beverages or vinous beverages and no more than one ounce in total of spirits or fortified wines to each individual. No more than ~~36~~ 104 special events permits may be issued to a holder of a manufacturer's or rectifier's license during a year. A special event permit shall be valid for the duration of each public event or four days, whichever is shorter. Requests for a special events permit, accompanied by the fee as required by subdivision 231(13) of this title, shall be submitted to the

Department of Liquor Control at least five days prior to the date of the event. Each manufacturer or rectifier planning to attend a single special event under this permit may be listed on a single permit. However, each attendance at a special event shall count toward the manufacturer's or rectifier's ~~36~~ 104 special-event-permit limitation.

(28) "Fourth-class license" or "farmers' market license": the license granted by the Liquor Control Board permitting a manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, fortified wines, or spirits to sell by the unopened container and distribute~~,~~ by the glass, with or without charge, beverages manufactured by the licensee. No more than a combined total of ten fourth-class and farmers' market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth-class license location, a manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages, malt beverages, fortified wines, or spirits produced by no more than five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell its product to no more than five additional manufacturers or rectifiers. A fourth-class licensee may distribute by the glass no more than two ounces of malt beverages or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits or fortified wine with a total of one ounce to each retail customer for consumption on the manufacturer's premises or at a farmers' market. A fourth class licensee may distribute by the glass up to four mixed drinks containing a combined total of no more than one ounce of spirits or fortified wine to each retail customer for consumption only on the manufacturer's premises. A farmers' market license is valid for all dates of operation for a specific farmers' market location.

* * *

(38) "Fortified wines": vinous beverages, including those to which spirits have been added during manufacture, containing at least 16 percent alcohol but no more than 23 percent alcohol by volume at 60 degrees Fahrenheit, and all vermouths containing no more than 23 percent alcohol by volume at 60 degrees Fahrenheit.

(39) "Public library or museum permit": a permit granted by the Liquor Control Board permitting a public library or museum to serve malt beverages or vinous beverages, or both, by the glass to the public for a period of not more than six hours during an event held for a charitable or educational purpose, provided that the event is approved by the local licensing authority. A permit holder may purchase malt beverages or vinous beverages directly from a

licensed retailer. A permit holder shall be subject to the provisions of this title and the rules of the Board regarding the service of alcoholic beverages. A request for a permit shall be submitted to the Department in a form required by the Department at least five days prior to the event and shall be accompanied by the permit fee required by subdivision 231(a)(24) of this title. As used in this section, "public library" has the same meaning as in 22 V.S.A. § 101 and "museum" has the same meaning as in 27 V.S.A. § 1151.

Sec. A.5. 7 V.S.A. § 104 us amended to read:

§ 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

The Board shall have supervision and management of the sale of ~~spirituous liquors~~ spirits and fortified wines within the State in accordance with the provisions of this title, and through the Commissioner of Liquor Control shall:

* * *

Sec. A.6. 7 V.S.A. § 107 is amended to read:

§ 107. DUTIES OF COMMISSIONER OF LIQUOR CONTROL

The ~~commissioner of liquor control~~ Commissioner of Liquor Control shall:

* * *

(2) Make regulations subject to the approval of the ~~board~~ Board governing the hours during which such agencies shall be open for the sale of ~~spirituous liquors,~~ spirits and fortified wines and governing the qualifications ~~and~~, deportment, and salaries of the agencies' employees ~~therein and the salaries thereof~~.

(3) Make regulations subject to the approval of the ~~board~~ Board governing:

(A) the prices at which ~~spirituous liquors~~ spirits shall be sold ~~in such~~ by local agencies, ~~and~~ the method ~~of~~ for their delivery ~~thereof~~, and the quantities of ~~spirituous liquors to~~ spirits that may be sold to any one person at any one time; and

(B) the minimum prices at which fortified wines shall be sold by local agencies and second-class licensees that hold fortified wine permits, the method for their delivery, and the quantities of fortified wines that may be sold to any one person at any one time.

(4) Supervise the quantities and qualities of ~~spirituous liquor~~ spirits and fortified wines to be kept as stock in ~~such~~ local ~~agency~~ agencies and make regulations subject to the approval of the ~~board~~ Board regarding the filling of requisitions therefor on the ~~commissioner of liquor control~~ Commissioner of Liquor Control.

(5) Purchase through the ~~commissioner of buildings and general services spirituous liquors~~ Commissioner of Buildings and General Services spirits and fortified wines for and in behalf of the ~~liquor control board~~ Liquor Control Board, supervise the storage thereof and the distribution to local agencies, druggists ~~and,~~ licensees of the third class, and holders of fortified wine permits, and make regulations subject to the approval of the ~~board~~ Board regarding the sale and delivery from ~~such~~ the central storage plant.

* * *

Sec. A.7. 7 V.S.A. § 110 is amended to read:

§ 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF LIQUOR CONTROL

If any person shall desire to purchase any class, variety, or brand of ~~spirituous liquor~~ spirits or fortified wine which any local agency or fortified wine permit holder does not have in stock, the ~~commissioner of liquor control~~ Commissioner of Liquor Control shall order the same through the ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services upon the payment of a reasonable deposit by the purchaser in such proportion of the approximate cost of the order as shall be prescribed by the regulations of the ~~liquor control board~~ Liquor Control Board.

Sec. A.8. 7 V.S.A. § 112 is amended as follows:

§ 112. LIQUOR CONTROL FUND

The ~~liquor control fund~~ Liquor Control Fund is hereby established. It shall consist of all receipts from the sale of spirits, fortified wines, and other items by the ~~department of liquor control~~ Department of Liquor Control; fees paid to the ~~department of liquor control~~ Department of Liquor Control for the benefit of the ~~department~~ Department; all other amounts received by the ~~department of liquor control~~ Department of Liquor Control for its benefit; and all amounts ~~which~~ that are from time to time appropriated to the ~~department of liquor control~~ Department of Liquor Control.

Sec. A.9. 7 V.S.A. § 222 is amended to read:

§ 222. FIRST- AND SECOND-CLASS LICENSES, GRANTING OF; SALE TO MINORS; CONTRACTING FOR FOOD SERVICE

With the approval of the Liquor Control Board, the control commissioners may grant the following licenses to a retail dealer for the premises where the dealer carries on business ~~the following~~:

* * *

(2) Upon making application ~~and~~, paying the license fee provided in section 231 of this title, and upon satisfying the Board that such premises are leased, rented, or owned by the retail dealer and are a safe, sanitary, and proper place from which to sell malt and vinous beverages, a second-class license ~~for the premises where such dealer shall carry on the business~~, which shall authorize such dealer to export malt and vinous beverages, and to sell malt and vinous beverages to the public from such premises for consumption off the premises ~~and upon satisfying the Board that such premises are leased, rented, or owned by such retail dealers and are safe, sanitary, and a proper place from which to sell malt and vinous beverages~~. A retail dealer carrying on business in more than one place shall be required to acquire a second-class license for each place where ~~he or she shall so sell~~ the retail dealer sells malt and vinous beverages. No malt or vinous beverages shall be sold by a second-class licensee to a minor.

* * *

(5)(A) The holder of a first-class license may serve a sampler flight of up to 32 ounces in the aggregate of malt beverages to a single customer at one time.

(B) The holder of a first-class license may serve a sampler flight of up to 12 ounces in the aggregate of vinous beverages to a single customer at one time.

(C) The holder of a third-class license may serve a sampler flight of up to four ounces in the aggregate of ~~spirituous liquors~~ spirits or fortified wines to a single customer at one time.

(6) The Liquor Control Board may grant a fortified wine permit to a second-class licensee if the licensee files an application accompanied by the license fee as provided in section 231 of this title. The holder of a fortified wine permit may sell fortified wines to the public from the licensed premises for consumption off the premises. The Liquor Control Board shall issue no more than 150 fortified wine permits in any single year. The holder of a fortified wine permit shall purchase all fortified wines to be offered for sale to the public pursuant to the permit through the Liquor Control Board at a price equal to no more than 75 percent of the current retail price for the fortified wine established by the Commissioner pursuant to subdivision 107(3)(B) of this title.

Sec. A.10. 7 V.S.A. § 224 is amended to read:

§ 224. ~~THIRD CLASS~~ THIRD-CLASS LICENSES; OPEN CONTAINERS

(a) The ~~liquor control board~~ Liquor Control Board may grant to a person who operates a hotel, restaurant, cabaret, or club a license of the third class if

the person files an application accompanied by the license fee as provided in section 231 of this title for the premises in which the business of the hotel, restaurant, cabaret, or club is carried on. The holder of a ~~third class~~ third-class license may sell ~~spirituous liquors~~ spirits and fortified wines for consumption only on the premises covered by the license. The applicant for a ~~third class~~ third-class license shall satisfy the ~~liquor control board~~ Liquor Control Board that the applicant is the bona fide owner or lessee of the premises and that the premises are operated for the purpose covered by the license.

* * *

(c) A person who holds a ~~third class~~ third-class license shall purchase from the ~~liquor control board~~ Liquor Control Board all ~~spirituous liquors~~ spirits and fortified wines dispensed in accordance with the provisions of the ~~third class~~ third-class license and this title.

Sec. A.11. 7 V.S.A. § 225 is amended to read:

§ 225. EDUCATIONAL SAMPLING EVENT PERMIT

(a) The ~~liquor control board~~ Liquor Control Board may grant an educational sampling event permit to a person to conduct an event that is open to the public and at which malt beverages, vinous beverages, fortified wines, or ~~spirituous liquors~~ spirits, or all ~~three~~ four are served only for the purposes of marketing and educational sampling, provided the event is also approved by the local licensing authority. At least 15 days prior to the event, an applicant shall submit an application to the ~~department~~ Department in a form required by the ~~department~~ Department. The application shall include a list of the alcoholic beverages to be acquired for sampling at the event, and the application shall be accompanied by a fee in the amount required pursuant to section 231 of this title. No more than four educational sampling event permits shall be issued annually to the same person. An educational sampling event permit shall be valid for no more than four consecutive days. The permit holder shall ~~assure~~ ensure all the following:

* * *

(b) An educational sampling event permit holder:

* * *

(2) May transport malt beverages, vinous beverages, fortified wines, and ~~spirituous liquors~~ spirits to the event site, and those beverages may be served at the event by the permit holder or the holder's employees, volunteers, or representatives of a manufacturer, bottler, or importer participating in the event, provided they meet the server age and training requirements under this chapter.

(3) ~~[Deleted.]~~ [Repealed.]

* * *

(d) Taxes for the alcoholic beverages served at the event shall be paid as follows:

* * *

(3) Spirituous liquors: $19.80 per gallon served.

(4) Fortified wines: $19.80 per gallon served.

Sec. A.12. 7 V.S.A. § 231 is amended to read:

§ 231. FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

(a) The following fees shall be paid:

* * *

(23) For a fortified wine permit, $100.00.

(24) For a public library or museum permit, $20.00.

* * *

Sec. A.13. 7 V.S.A. § 422 is amended to read:

§ 422. TAX ON ~~SPIRITUOUS LIQUOR~~ SPIRITS AND FORTIFIED WINES

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

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

(2) if the gross revenue of the seller is between $500,000.00 and $750,000.00, the rate of tax is $25,000.00 plus 10 percent of the gross revenues over $500,000.00;

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

* * *

Sec. A.14. STATUTORY REVISION

The Legislative Council, in its statutory revision capacity pursuant to 2 V.S.A. § 424, is authorized to correct instances of the words "spirituous liquors" and "spirits" appearing in Title 7 of the Vermont Statutes Annotated to "spirits and fortified wines" as necessary to implement the intent of the revisions to 7 V.S.A. § 2 in this act.

* * *

Sec. A.15. STUDY; REPORT

(a) On or before January 15, 2018, the Commissioner of Liquor Control, in consultation with the holders of second-class licenses and fortified wine permits, shall evaluate whether the number of fortified wine permits issued pursuant to 7 V.S.A. § 222 is sufficient, and how the issuance of fortified wine permits has affected the sales of fortified wines in Vermont and the variety of fortified wines available to Vermont consumers.

(b) The Commissioner of Liquor Control shall report to the House Committee on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding his or her findings on or before January 15, 2018. The Commissioner's report shall include a recommendation regarding the appropriate number of fortified wine permits to be issued pursuant to 7 V.S.A. § 222.

Sec. A.16. VERMONT LIQUOR CONTROL SYSTEM MODERNIZATION STUDY COMMITTEE

(a) Creation. There is created a Vermont Liquor Control System Modernization Study Committee to evaluate Vermont's liquor control system and the Department of Liquor Control and determine whether and how the system and the Department can be made more efficient, effective, and profitable for the Vermont economy while protecting the public health and safety.

(b) Membership. The Commission shall be composed of the following seven members:

(1) two current members of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) two current members of the Senate, who shall be appointed by the Committee on Committees;

(3) the Chair of the Liquor Control Board or designee;

(4) one member appointed by the Governor; and

(5) the Commissioner of Taxes or designee.

(c) Powers and duties. The Committee shall study and evaluate Vermont's liquor control system and the Department of Liquor Control and determine whether and how the system and the Department can be made more efficient, effective, and profitable for the Vermont economy while protecting the public health and safety. In particular, the Committee shall:

(1) examine and evaluate the governance and operation of the Department of Liquor Control, including the manner in which it warehouses and distributes spirits and fortified wines, in comparison with the governance and operation of liquor control agencies in other states, and identify various measures by which the governance and operation of the Department of Liquor Control could be made more efficient, effective, and profitable for the Vermont economy while protecting the public health and safety;

(2) examine and evaluate any changes to licensing, enforcement, education, fees, and taxes related to the production, sale, warehousing, and distribution of alcoholic beverages that would be necessary to implement the various measures identified pursuant to subdivision (1) of this subsection;

(3) evaluate the impact of the various measures identified pursuant to subdivision (1) of this subsection with respect to:

(A) public health and safety;

(B) the tax revenue and income generated by the Department;

(C) any savings in the cost of the services provided by the Department;

(D) any economic impact on the businesses licensed by the Department; and

(E) the price and availability of alcoholic beverages for consumers in Vermont.

(4) examine and evaluate Vermont's regulatory system for the production, sale, warehousing, and distribution of spirits and fortified wines in comparison with the systems employed by other states, including systems in which spirits and fortified wines are warehoused or distributed, or both, by private entities, public entities, or a combination of private and public entities;

(5) identify various measures by which Vermont's regulatory system for the production, sale, warehousing, and distribution of spirits and fortified wines could be made more efficient, effective, and profitable for the Vermont economy while protecting the public health and safety;

(6) examine and evaluate any changes to licensing, enforcement, education, fees, and taxes related to the production, sale, warehousing, and

distribution of alcoholic beverages that would be necessary to implement the various measures identified pursuant to subdivision (5) of this subsection; and

(7) evaluate the impact of the various measures identified pursuant to subdivision (5) of this subsection with respect to:

(A) public health and safety;

(B) the tax revenue and income generated by the Department;

(C) any savings in the cost of the services provided by the Department;

(D) any economic impact on the businesses licensed by the Department; and

(E) the price and availability of alcoholic beverages for consumers in Vermont.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before December 15, 2015, the Committee shall submit a report to the House Committees on Commerce and Economic Development; on General, Housing and Military Affairs; and on Government Operations and the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations with its findings and proposed changes to the Department of Liquor Control and Vermont's liquor control system, as well as a recommendation for any legislative action necessary to implement the changes proposed by the Committee. The report of the Committee may take the form of draft legislation.

(f) Meetings.

(1) The Co-Chairs of the Committee shall call the first meeting of the Committee to occur on or before July 30, 2015.

(2) A member from the House of Representatives designated by the Speaker of the House and a member from the Senate designated by the Senate Committee on Committees shall be the Co-Chairs of the Committee.

(3) A majority of the membership of the Committee shall constitute a quorum.

(4) The Committee shall cease to exist on January 15, 2016.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than six meetings.

B. Uniform Commercial Code

* * * Uniform Commercial Code; Article 4A * * *

Sec. B.1. 9A V.S.A. § 4A-108 is amended to read:

§ 4A-108. ~~EXCLUSION OF CONSUMER TRANSACTIONS GOVERNED BY FEDERAL LAW~~ RELATIONSHIP TO ELECTRONIC FUND TRANSFER ACT

(a) ~~This~~ Except as provided in subsection (b) of this section, this article does not apply to a funds transfer any part of which is governed by the Electronic Fund Transfer Act of 1978 (15 U.S.C. § 1693 et seq.) as amended from time to time.

(b) This article applies to a funds transfer that is a remittance transfer as defined in the Electronic Fund Transfer Act (15 U.S.C. § 1693o-1) as amended from time to time, unless the remittance transfer is an electronic fund transfer as defined in the Electronic Fund Transfer Act (15 U.S.C. § 1693a) as amended from time to time.

(c) In a funds transfer to which this article applies, in the event of an inconsistency between an applicable provision of this article and an applicable provision of the Electronic Fund Transfer Act, the provision of the Electronic Fund Transfer Act governs to the extent of the inconsistency.

* * * Uniform Commercial Code; Article 7 * * *

Sec. B.2. REPEAL

9A V.S.A. article 7 is repealed.

Sec. B.3. 9A V.S.A. article 7 is added to read:

ARTICLE 7. DOCUMENTS OF TITLE

Part 1. General

§ 7-101. SHORT TITLE

This article may be cited as Uniform Commercial Code-Documents of Title.

§ 7-102. DEFINITIONS AND INDEX OF DEFINITIONS

(a) In this article, unless the context otherwise requires:

(1) "Bailee" means a person that by a warehouse receipt, bill of lading, or other document of title acknowledges possession of goods and contracts to deliver them.

(2) "Carrier" means a person that issues a bill of lading.

(3) "Consignee" means a person named in a bill of lading to which or to whose order the bill promises delivery.

(4) "Consignor" means a person named in a bill of lading as the person from which the goods have been received for shipment.

(5) "Delivery order" means a record that contains an order to deliver goods directed to a warehouse, carrier, or other person that in the ordinary course of business issues warehouse receipts or bills of lading.

(6) "Goods" means all things that are treated as movable for the purposes of a contract for storage or transportation.

(7) "Issuer" means a bailee that issues a document of title, or, in the case of an unaccepted delivery order, the person that orders the possessor of goods to deliver. The term includes a person for which an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, even if the issuer did not receive any goods, the goods were misdescribed, or in any other respect the agent or employee violated the issuer's instructions.

(8) "Person entitled under the document" means the holder, in the case of a negotiable document of title, or the person to which delivery of the goods is to be made by the terms of, or pursuant to instructions in a record under, a nonnegotiable document of title.

(9) "Sign" means, with present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol; or

(B) to attach to or logically associate with the record an electronic sound, symbol, or process.

(10) "Shipper" means a person that enters into a contract of transportation with a carrier.

(11) "Warehouse" means a person engaged in the business of storing goods for hire.

(b) Definitions in other articles applying to this article and the sections in which they appear are:

(1) "Contract for sale," Section 2-106.

(2) "Lessee in the ordinary course of business," Section 2A-103.

(3) "Receipt" of goods, Section 2-103.

(c) In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

§ 7-103. RELATION OF ARTICLE TO TREATY OR STATUTE

(a) This article is subject to any treaty or statute of the United States or regulatory statute of this State to the extent the treaty, statute, or regulatory statute is applicable.

(b) This article does not modify or repeal any law prescribing the form or content of a document of title or the services or facilities to be afforded by a bailee, or otherwise regulating a bailee's business in respects not specifically treated in this article. However, violation of such a law does not affect the status of a document of title that otherwise is within the definition of a document of title.

(c) This article modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001, et. seq.) but does not modify, limit, or supersede Section 101(c) of that act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that act (15 U.S.C. Section 7003(b)).

(d) To the extent there is a conflict between the Uniform Electronic Transactions Act (9 V.S.A. chapter 20) and this article, this article governs.

§ 7-104. NEGOTIABLE AND NONNEGOTIABLE DOCUMENT OF TITLE

(a) Except as otherwise provided in subsection (c) of this section, a document of title is negotiable if by its terms the goods are to be delivered to bearer or to the order of a named person.

(b) A document of title other than one described in subsection (a) of this section is nonnegotiable. A bill of lading that states that the goods are consigned to a named person is not made negotiable by a provision that the goods are to be delivered only against an order in a record signed by the same or another named person.

(c) A document of title is nonnegotiable if, at the time it is issued, the document has a conspicuous legend, however expressed, that it is nonnegotiable.

§ 7-105. REISSUANCE IN ALTERNATIVE MEDIUM

(a) Upon request of a person entitled under an electronic document of title, the issuer of the electronic document may issue a tangible document of title as a substitute for the electronic document if:

(1) the person entitled under the electronic document surrenders control of the document to the issuer; and

(2) the tangible document when issued contains a statement that it is issued in substitution for the electronic document.

(b) Upon issuance of a tangible document of title in substitution for an electronic document of title in accordance with subsection (a) of this section:

(1) the electronic document ceases to have any effect or validity; and

(2) the person that procured issuance of the tangible document warrants to all subsequent persons entitled under the tangible document that the warrantor was a person entitled under the electronic document when the warrantor surrendered control of the electronic document to the issuer.

(c) Upon request of a person entitled under a tangible document of title, the issuer of the tangible document may issue an electronic document of title as a substitute for the tangible document if:

(1) the person entitled under the tangible document surrenders possession of the document to the issuer; and

(2) the electronic document when issued contains a statement that it is issued in substitution for the tangible document.

(d) Upon issuance of an electronic document of title in substitution for a tangible document of title in accordance with subsection (c) of this section:

(1) the tangible document ceases to have any effect or validity; and

(2) the person that procured issuance of the electronic document warrants to all subsequent persons entitled under the electronic document that the warrantor was a person entitled under the tangible document when the warrantor surrendered possession of the tangible document to the issuer.

§ 7-106. CONTROL OF ELECTRONIC DOCUMENT OF TITLE

(a) A person has control of an electronic document of title if a system employed for evidencing the transfer of interests in the electronic document reliably establishes that person as the person to which the electronic document was issued or transferred.

(b) A system satisfies subsection (a) of this section, and a person is deemed to have control of an electronic document of title, if the document is created, stored, and assigned in such a manner that:

(1) a single authoritative copy of the document exists which is unique, identifiable, and, except as otherwise provided in subdivisions (4), (5), and (6) of this subsection, unalterable;

(2) the authoritative copy identifies the person asserting control as:

(A) the person to which the document was issued; or

(B) if the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred;

(3) the authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

(4) copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;

(5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

Part 2. Warehouse Receipts: Special Provisions

§ 7-201. PERSON THAT MAY ISSUE A WAREHOUSE RECEIPT; STORAGE UNDER BOND

(a) A warehouse receipt may be issued by any warehouse.

(b) If goods, including distilled spirits and agricultural commodities, are stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts, a receipt issued for the goods is deemed to be a warehouse receipt even if issued by a person that is the owner of the goods and is not a warehouse.

§ 7-202. FORM OF WAREHOUSE RECEIPT; EFFECT OF OMISSION

(a) A warehouse receipt need not be in any particular form.

(b) Unless a warehouse receipt provides for each of the following, the warehouse is liable for damages caused to a person injured by its omission:

(1) a statement of the location of the warehouse facility where the goods are stored;

(2) the date of issue of the receipt;

(3) the unique identification code of the receipt;

(4) a statement whether the goods received will be delivered to the bearer, to a named person, or to a named person or its order;

(5) the rate of storage and handling charges, unless goods are stored under a field warehousing arrangement, in which case a statement of that fact is sufficient on a nonnegotiable receipt;

(6) a description of the goods or the packages containing them;

(7) the signature of the warehouse or its agent;

(8) if the receipt is issued for goods that the warehouse owns, either solely, jointly, or in common with others, a statement of the fact of that ownership; and

(9) a statement of the amount of advances made and of liabilities incurred for which the warehouse claims a lien or security interest, unless the precise amount of advances made or liabilities incurred, at the time of the issue of the receipt, is unknown to the warehouse or to its agent that issued the receipt, in which case a statement of the fact that advances have been made or liabilities incurred and the purpose of the advances or liabilities is sufficient.

(c) A warehouse may insert in its receipt any terms that are not contrary to this title and do not impair its obligation of delivery under section 7-403 of this title or its duty of care under section 7-204 of this title. Any contrary provision is ineffective.

§ 7-203. LIABILITY FOR NONRECEIPT OR MISDESCRIPTION

A party to or purchaser for value in good faith of a document of title, other than a bill of lading, that relies upon the description of the goods in the document may recover from the issuer damages caused by the nonreceipt or misdescription of the goods, except to the extent that:

(1) the document conspicuously indicates that the issuer does not know whether all or part of the goods in fact were received or conform to the description, such as a case in which the description is in terms of marks or labels or kind, quantity, or condition, or the receipt or description is qualified by "contents, condition, and quality unknown," "said to contain," or words of similar import, if the indication is true; or

(2) the party or purchaser otherwise has notice of the nonreceipt or misdescription.

§ 7-204. DUTY OF CARE; CONTRACTUAL LIMITATION OF WAREHOUSE'S LIABILITY

(a) A warehouse is liable for damages for loss of or injury to the goods caused by its failure to exercise care with regard to the goods that a reasonably careful person would exercise under similar circumstances. Unless otherwise agreed, the warehouse is not liable for damages that could not have been avoided by the exercise of that care.

(b) Damages may be limited by a term in the warehouse receipt or storage agreement limiting the amount of liability in case of loss or damage beyond which the warehouse is not liable. Such a limitation is not effective with respect to the warehouse's liability for conversion to its own use. On request

of the bailor in a record at the time of signing the storage agreement or within a reasonable time after receipt of the warehouse receipt, the warehouse's liability may be increased on part or all of the goods covered by the storage agreement or the warehouse receipt. In this event, increased rates may be charged based on an increased valuation of the goods.

(c) Reasonable provisions as to the time and manner of presenting claims and commencing actions based on the bailment may be included in the warehouse receipt or storage agreement.

§ 7-205. TITLE UNDER WAREHOUSE RECEIPT DEFEATED IN CERTAIN CASES

A buyer in ordinary course of business of fungible goods sold and delivered by a warehouse that is also in the business of buying and selling such goods takes the goods free of any claim under a warehouse receipt even if the receipt is negotiable and has been duly negotiated.

§ 7-206. TERMINATION OF STORAGE AT WAREHOUSE'S OPTION

(a) A warehouse, by giving notice to the person on whose account the goods are held and any other person known to claim an interest in the goods, may require payment of any charges and removal of the goods from the warehouse at the termination of the period of storage fixed by the document of title or, if a period is not fixed, within a stated period not less than 30 days after the warehouse gives notice. If the goods are not removed before the date specified in the notice, the warehouse may sell them pursuant to section 7-210 of this title.

(b) If a warehouse in good faith believes that goods are about to deteriorate or decline in value to less than the amount of its lien within the time provided in subsection (a) of this section and section 7-210 of this title, the warehouse may specify in the notice given under subsection (a) of this section any reasonable shorter time for removal of the goods and, if the goods are not removed, may sell them at public sale held not less than one week after a single advertisement or posting.

(c) If, as a result of a quality or condition of the goods of which the warehouse did not have notice at the time of deposit, the goods are a hazard to other property, the warehouse facilities, or other persons, the warehouse may sell the goods at public or private sale without advertisement or posting on reasonable notification to all persons known to claim an interest in the goods. If the warehouse, after a reasonable effort, is unable to sell the goods, it may dispose of them in any lawful manner and does not incur liability by reason of that disposition.

(d) A warehouse shall deliver the goods to any person entitled to them under this article upon due demand made at any time before sale or other disposition under this section.

(e) A warehouse may satisfy its lien from the proceeds of any sale or disposition under this section but shall hold the balance for delivery on the demand of any person to which the warehouse would have been bound to deliver the goods.

§ 7-207. GOODS SHALL BE KEPT SEPARATE; FUNGIBLE GOODS

(a) Unless the warehouse receipt provides otherwise, a warehouse shall keep separate the goods covered by each receipt so as to permit at all times identification and delivery of those goods. However, different lots of fungible goods may be commingled.

(b) If different lots of fungible goods are commingled, the goods are owned in common by the persons entitled thereto and the warehouse is severally liable to each owner for that owner's share. If, because of overissue, a mass of fungible goods is insufficient to meet all the receipts the warehouse has issued against it, the persons entitled include all holders to which overissued receipts have been duly negotiated.

§ 7-208. ALTERED WAREHOUSE RECEIPTS

If a blank in a negotiable tangible warehouse receipt has been filled in without authority, a good-faith purchaser for value and without notice of the lack of authority may treat the insertion as authorized. Any other unauthorized alteration leaves any tangible or electronic warehouse receipt enforceable against the issuer according to its original tenor.

§ 7-209. LIEN OF WAREHOUSE

(a) A warehouse has a lien against the bailor on the goods covered by a warehouse receipt or storage agreement or on the proceeds thereof in its possession for charges for storage or transportation, including demurrage and terminal charges, insurance, labor, or other charges, present or future, in relation to the goods, and for expenses necessary for preservation of the goods or reasonably incurred in their sale pursuant to law. If the person on whose account the goods are held is liable for similar charges or expenses in relation to other goods whenever deposited and it is stated in the warehouse receipt or storage agreement that a lien is claimed for charges and expenses in relation to other goods, the warehouse also has a lien against the goods covered by the warehouse receipt or storage agreement or on the proceeds thereof in its possession for those charges and expenses, whether or not the other goods have been delivered by the warehouse. However, as against a person to which a negotiable warehouse receipt is duly negotiated, a warehouse's lien is limited

to charges in an amount or at a rate specified in the warehouse receipt or, if no charges are so specified, to a reasonable charge for storage of the specific goods covered by the receipt subsequent to the date of the receipt.

(b) A warehouse may also reserve a security interest against the bailor for the maximum amount specified on the receipt for charges other than those specified in subsection (a) of this section, such as for money advanced and interest. The security interest is governed by article 9 of this title.

(c) A warehouse's lien for charges and expenses under subsection (a) of this section or a security interest under subsection (b) of this section is also effective against any person that so entrusted the bailor with possession of the goods that a pledge of them by the bailor to a good-faith purchaser for value would have been valid. However, the lien or security interest is not effective against a person that before issuance of a document of title had a legal interest or a perfected security interest in the goods and that did not:

(1) deliver or entrust the goods or any document of title covering the goods to the bailor or the bailor's nominee with:

(A) actual or apparent authority to ship, store, or sell;

(B) power to obtain delivery under section 7-403 of this title; or

(C) power of disposition under sections 2-403, 2A-304(2), 2A-305(2), 9-320, or 9-321(c) of this title, or other statute or rule of law; or

(2) acquiesce in the procurement by the bailor or its nominee of any document.

(d) A warehouse's lien on household goods for charges and expenses in relation to the goods under subsection (a) of this section is also effective against all persons if the depositor was the legal possessor of the goods at the time of deposit. In this subsection, "household goods" means furniture, furnishings, or personal effects used by the depositor in a dwelling.

(e) A warehouse loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

§ 7-210. ENFORCEMENT OF WAREHOUSE'S LIEN

(a) Except as otherwise provided in subsection (b) of this section, a warehouse's lien may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification shall include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a

method different from that selected by the warehouse is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. The warehouse sells in a commercially reasonable manner if the warehouse sells the goods in the usual manner in any recognized market therefore, sells at the price current in that market at the time of the sale, or otherwise sells in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

(b) A warehouse may enforce its lien on goods, other than goods stored by a merchant in the course of its business, only if the following requirements are satisfied:

(1) All persons known to claim an interest in the goods shall be notified.

(2) The notification shall include an itemized statement of the claim, a description of the goods subject to the lien, a demand for payment within a specified time not less than 10 days after receipt of the notification, and a conspicuous statement that unless the claim is paid within that time the goods will be advertised for sale and sold by auction at a specified time and place.

(3) The sale shall conform to the terms of the notification.

(4) The sale shall be held at the nearest suitable place to where the goods are held or stored.

(5) After the expiration of the time given in the notification, an advertisement of the sale shall be published once a week for two weeks consecutively in a newspaper of general circulation where the sale is to be held. The advertisement shall include a description of the goods, the name of the person on whose account the goods are being held, and the time and place of the sale. The sale shall take place at least 15 days after the first publication. If there is no newspaper of general circulation where the sale is to be held, the advertisement shall be posted at least 10 days before the sale in not fewer than six conspicuous places in the neighborhood of the proposed sale.

(c) Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in complying with this section. In that event, the goods may not be sold but shall be retained by the warehouse subject to the terms of the receipt and this article.

(d) A warehouse may buy at any public sale held pursuant to this section.

(e) A purchaser in good faith of goods sold to enforce a warehouse's lien takes the goods free of any rights of persons against which the lien was valid, despite the warehouse's noncompliance with this section.

(f) A warehouse may satisfy its lien from the proceeds of any sale pursuant to this section but shall hold the balance, if any, for delivery on demand to any person to which the warehouse would have been bound to deliver the goods.

(g) The rights provided by this section are in addition to all other rights allowed by law to a creditor against a debtor.

(h) If a lien is on goods stored by a merchant in the course of its business, the lien may be enforced in accordance with subsection (a) or (b) of this section.

(i) A warehouse is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

Part 3. Bills Of Lading: Special Provisions

§ 7-301. LIABILITY FOR NONRECEIPT OR MISDESCRIPTION; "SAID TO CONTAIN"; "SHIPPER'S WEIGHT, LOAD, AND COUNT"; IMPROPER HANDLING

(a) A consignee of a nonnegotiable bill of lading which has given value in good faith, or a holder to which a negotiable bill has been duly negotiated, relying upon the description of the goods in the bill or upon the date shown in the bill, may recover from the issuer damages caused by the misdating of the bill or the nonreceipt or misdescription of the goods, except to the extent that the bill indicates that the issuer does not know whether any part or all of the goods in fact were received or conform to the description, such as in a case in which the description is in terms of marks or labels or kind, quantity, or condition or the receipt or description is qualified by "contents or condition of contents of packages unknown," "said to contain," "shipper's weight, load, and count," or words of similar import, if that indication is true.

(b) If goods are loaded by the issuer of a bill of lading;

(1) the issuer shall count the packages of goods if shipped in packages and ascertain the kind and quantity if shipped in bulk; and

(2) words such as "shipper's weight, load, and count," or words of similar import indicating that the description was made by the shipper are ineffective except as to goods concealed in packages.

(c) If bulk goods are loaded by a shipper that makes available to the issuer of a bill of lading adequate facilities for weighing those goods, the issuer shall

ascertain the kind and quantity within a reasonable time after receiving the shipper's request in a record to do so. In that case, "shipper's weight" or words of similar import are ineffective.

(d) The issuer of a bill of lading, by including in the bill the words "shipper's weight, load, and count," or words of similar import, may indicate that the goods were loaded by the shipper, and, if that statement is true, the issuer is not liable for damages caused by the improper loading. However, omission of such words does not imply liability for damages caused by improper loading.

(e) A shipper guarantees to an issuer the accuracy at the time of shipment of the description, marks, labels, number, kind, quantity, condition, and weight, as furnished by the shipper, and the shipper shall indemnify the issuer against damage caused by inaccuracies in those particulars. This right of indemnity does not limit the issuer's responsibility or liability under the contract of carriage to any person other than the shipper.

§ 7-302. THROUGH BILLS OF LADING AND SIMILAR DOCUMENTS OF TITLE

(a) The issuer of a through bill of lading, or other document of title embodying an undertaking to be performed in part by a person acting as its agent or by a performing carrier, is liable to any person entitled to recover on the bill or other document for any breach by the other person or the performing carrier of its obligation under the bill or other document. However, to the extent that the bill or other document covers an undertaking to be performed overseas or in territory not contiguous to the continental United States or an undertaking including matters other than transportation, this liability for breach by the other person or the performing carrier may be varied by agreement of the parties.

(b) If goods covered by a through bill of lading or other document of title embodying an undertaking to be performed in part by a person other than the issuer are received by that person, the person is subject, with respect to its own performance while the goods are in its possession, to the obligation of the issuer. The person's obligation is discharged by delivery of the goods to another person pursuant to the bill or other document and does not include liability for breach by any other person or by the issuer.

(c) The issuer of a through bill of lading or other document of title described in subsection (a) of this section is entitled to recover from the performing carrier, or other person in possession of the goods when the breach of the obligation under the bill or other document occurred:

(1) the amount it may be required to pay to any person entitled to recover on the bill or other document for the breach, as may be evidenced by any receipt, judgment, or transcript of judgment; and

(2) the amount of any expense reasonably incurred by the issuer in defending any action commenced by any person entitled to recover on the bill or other document for the breach.

§ 7-303. DIVERSION; RECONSIGNMENT; CHANGE OF INSTRUCTIONS

(a) Unless the bill of lading otherwise provides, a carrier may deliver the goods to a person or destination other than that stated in the bill or may otherwise dispose of the goods, without liability for misdelivery, on instructions from:

(1) the holder of a negotiable bill;

(2) the consignor on a nonnegotiable bill, even if the consignee has given contrary instructions;

(3) the consignee on a nonnegotiable bill in the absence of contrary instructions from the consignor, if the goods have arrived at the billed destination or if the consignee is in possession of the tangible bill or in control of the electronic bill; or

(4) the consignee on a nonnegotiable bill, if the consignee is entitled as against the consignor to dispose of the goods.

(b) Unless instructions described in subsection (a) of this section are included in a negotiable bill of lading, a person to which the bill is duly negotiated may hold the bailee according to the original terms.

§ 7-304. TANGIBLE BILLS OF LADING IN A SET

(a) Except as customary in international transportation, a tangible bill of lading may not be issued in a set of parts. The issuer is liable for damages caused by violation of this subsection.

(b) If a tangible bill of lading is lawfully issued in a set of parts, each of which contains an identification code and is expressed to be valid only if the goods have not been delivered against any other part, the whole of the parts constitutes one bill.

(c) If a tangible negotiable bill of lading is lawfully issued in a set of parts and different parts are negotiated to different persons, the title of the holder to which the first due negotiation is made prevails as to both the document of title and the goods even if any later holder may have received the goods from the carrier in good faith and discharged the carrier's obligation by surrendering its part.

(d) A person that negotiates or transfers a single part of a tangible bill of lading issued in a set is liable to holders of that part as if it were the whole set.

(e) The bailee shall deliver in accordance with part 4 of this article against the first presented part of a tangible bill of lading lawfully issued in a set. Delivery in this manner discharges the bailee's obligation on the whole bill.

§ 7-305. DESTINATION BILLS

(a) Instead of issuing a bill of lading to the consignor at the place of shipment, a carrier, at the request of the consignor, may procure the bill to be issued at destination or at any other place designated in the request.

(b) Upon request of any person entitled as against a carrier to control the goods while in transit and on surrender of possession or control of any outstanding bill of lading or other receipt covering the goods, the issuer, subject to section 7-105 of this title, may procure a substitute bill to be issued at any place designated in the request.

§ 7-306. ALTERED BILLS OF LADING

An unauthorized alteration or filling in of a blank in a bill of lading leaves the bill enforceable according to its original tenor.

§ 7-307. LIEN OF CARRIER

(a) A carrier has a lien on the goods covered by a bill of lading or on the proceeds thereof in its possession for charges after the date of the carrier's receipt of the goods for storage or transportation, including demurrage and terminal charges, and for expenses necessary for preservation of the goods incident to their transportation or reasonably incurred in their sale pursuant to law. However, against a purchaser for value of a negotiable bill of lading, a carrier's lien is limited to charges stated in the bill or the applicable tariffs or, if no charges are stated, a reasonable charge.

(b) A lien for charges and expenses under subsection (a) of this section on goods that the carrier was required by law to receive for transportation is effective against the consignor or any person entitled to the goods unless the carrier had notice that the consignor lacked authority to subject the goods to those charges and expenses. Any other lien under subsection (a) of this section is effective against the consignor and any person that permitted the bailor to have control or possession of the goods unless the carrier had notice that the bailor lacked authority.

(c) A carrier loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

§ 7-308. ENFORCEMENT OF CARRIER'S LIEN

(a) A carrier's lien on goods may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification shall include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a method different from that selected by the carrier is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. The carrier sells goods in a commercially reasonable manner if the carrier sells the goods in the usual manner in any recognized market therefor, sells at the price current in that market at the time of the sale, or otherwise sells in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

(b) Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in complying with this section. In that event, the goods may not be sold but shall be retained by the carrier, subject to the terms of the bill of lading and this article.

(c) A carrier may buy at any public sale pursuant to this section.

(d) A purchaser in good faith of goods sold to enforce a carrier's lien takes the goods free of any rights of persons against which the lien was valid, despite the carrier's noncompliance with this section.

(e) A carrier may satisfy its lien from the proceeds of any sale pursuant to this section but shall hold the balance, if any, for delivery on demand to any person to which the carrier would have been bound to deliver the goods.

(f) The rights provided by this section are in addition to all other rights allowed by law to a creditor against a debtor.

(g) A carrier's lien may be enforced pursuant to either subsection (a) of this section or the procedure set forth in subsection 7-210(b) of this title.

(h) A carrier is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

§ 7-309. DUTY OF CARE; CONTRACTUAL LIMITATION OF CARRIER'S LIABILITY

(a) A carrier that issues a bill of lading, whether negotiable or nonnegotiable, shall exercise the degree of care in relation to the goods which

a reasonably careful person would exercise under similar circumstances. This subsection does not affect any statute, regulation, or rule of law that imposes liability upon a common carrier for damages not caused by its negligence.

(b) Damages may be limited by a term in the bill of lading or in a transportation agreement that the carrier's liability may not exceed a value stated in the bill or transportation agreement if the carrier's rates are dependent upon value and the consignor is afforded an opportunity to declare a higher value and the consignor is advised of the opportunity. However, such a limitation is not effective with respect to the carrier's liability for conversion to its own use.

(c) Reasonable provisions as to the time and manner of presenting claims and commencing actions based on the shipment may be included in a bill of lading or a transportation agreement.

Part 4. Warehouse Receipts and Bills of Lading:
General Obligations

§ 7-401. IRREGULARITIES IN ISSUE OF RECEIPT OR BILL OR CONDUCT OF ISSUER

The obligations imposed by this article on an issuer apply to a document of title even if:

(1) the document does not comply with the requirements of this article or of any other statute, rule, or regulation regarding its issuance, form, or content;

(2) the issuer violated laws regulating the conduct of its business;

(3) the goods covered by the document were owned by the bailee when the document was issued; or

(4) the person issuing the document is not a warehouse but the document purports to be a warehouse receipt.

§ 7-402. DUPLICATE DOCUMENT OF TITLE; OVERISSUE

A duplicate or any other document of title purporting to cover goods already represented by an outstanding document of the same issuer does not confer any right in the goods, except as provided in the case of tangible bills of lading in a set of parts, overissue of documents for fungible goods, substitutes for lost, stolen, or destroyed documents, or substitute documents issued pursuant to section 7-105 of this title. The issuer is liable for damages caused by its overissue or failure to identify a duplicate document by a conspicuous notation.

§ 7-403. OBLIGATION OF BAILEE TO DELIVER; EXCUSE

(a) A bailee shall deliver the goods to a person entitled under a document of title if the person complies with subsections (b) and (c) of this section, unless and to the extent that the bailee establishes any of the following:

(1) delivery of the goods to a person whose receipt was rightful as against the claimant;

(2) damage to or delay, loss, or destruction of the goods for which the bailee is not liable;

(3) previous sale or other disposition of the goods in lawful enforcement of a lien or on a warehouse's lawful termination of storage;

(4) the exercise by a seller of its right to stop delivery pursuant to section 2-705 of this title or by a lessor of its right to stop delivery pursuant to section 2A-526 of this title;

(5) a diversion, reconsignment, or other disposition pursuant to section 7-303 of this title;

(6) release, satisfaction, or any other personal defense against the claimant; or

(7) any other lawful excuse.

(b) A person claiming goods covered by a document of title shall satisfy the bailee's lien if the bailee so requests or if the bailee is prohibited by law from delivering the goods until the charges are paid.

(c) Unless a person claiming the goods is a person against which the document of title does not confer a right under subsection 7-503(a) of this title:

(1) the person claiming under a document shall surrender possession or control of any outstanding negotiable document covering the goods for cancellation or indication of partial deliveries; and

(2) the bailee shall cancel the document or conspicuously indicate in the document the partial delivery or the bailee is liable to any person to which the document is duly negotiated.

§ 7-404. NO LIABILITY FOR GOOD-FAITH DELIVERY PURSUANT TO DOCUMENT OF TITLE

A bailee that in good faith has received goods and delivered or otherwise disposed of the goods according to the terms of a document of title or pursuant to this article is not liable for the goods even if:

(1) the person from which the bailee received the goods did not have authority to procure the document or to dispose of the goods; or

(2) the person to which the bailee delivered the goods did not have authority to receive the goods.

Part 5. Warehouse Receipts And Bills Of Lading:
Negotiation And Transfer

§ 7-501. FORM OF NEGOTIATION AND REQUIREMENTS OF DUE NEGOTIATION

(a) The following rules apply to a negotiable tangible document of title:

(1) If the document's original terms run to the order of a named person, the document is negotiated by the named person's indorsement and delivery. After the named person's indorsement in blank or to bearer, any person may negotiate the document by delivery alone.

(2) If the document's original terms run to bearer, it is negotiated by delivery alone.

(3) If the document's original terms run to the order of a named person and it is delivered to the named person, the effect is the same as if the document had been negotiated.

(4) Negotiation of the document after it has been indorsed to a named person requires indorsement by the named person and delivery.

(5) A document is duly negotiated if it is negotiated in the manner stated in this subsection to a holder that purchases it in good faith, without notice of any defense against or claim to it on the part of any person, and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves receiving the document in settlement or payment of a monetary obligation.

(b) The following rules apply to a negotiable electronic document of title:

(1) If the document's original terms run to the order of a named person or to bearer, the document is negotiated by delivery of the document to another person. Indorsement by the named person is not required to negotiate the document.

(2) If the document's original terms run to the order of a named person and the named person has control of the document, the effect is the same as if the document had been negotiated.

(3) A document is duly negotiated if it is negotiated in the manner stated in this subsection to a holder that purchases it in good faith, without notice of any defense against or claim to it on the part of any person, and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves taking delivery of the document in settlement or payment of a monetary obligation.

(c) Indorsement of a nonnegotiable document of title neither makes it negotiable nor adds to the transferee's rights.

(d) The naming in a negotiable bill of lading of a person to be notified of the arrival of the goods does not limit the negotiability of the bill or constitute notice to a purchaser of the bill of any interest of that person in the goods.

§ 7-502. RIGHTS ACQUIRED BY DUE NEGOTIATION

(a) Subject to sections 7-205 and 7-503 of this title, a holder to which a negotiable document of title has been duly negotiated acquires thereby:

(1) title to the document;

(2) title to the goods;

(3) all rights accruing under the law of agency or estoppel, including rights to goods delivered to the bailee after the document was issued; and

(4) the direct obligation of the issuer to hold or deliver the goods according to the terms of the document free of any defense or claim by the issuer except those arising under the terms of the document or under this article, but in the case of a delivery order, the bailee's obligation accrues only upon the bailee's acceptance of the delivery order and the obligation acquired by the holder is that the issuer and any indorser will procure the acceptance of the bailee.

(b) Subject to section 7-503 of this title, title and rights acquired by due negotiation are not defeated by any stoppage of the goods represented by the document of title or by surrender of the goods by the bailee and are not impaired even if:

(1) the due negotiation or any prior due negotiation constituted a breach of duty;

(2) any person has been deprived of possession of a negotiable tangible document or control of a negotiable electronic document by misrepresentation, fraud, accident, mistake, duress, loss, theft, or conversion; or

(3) a previous sale or other transfer of the goods or document has been made to a third person.

§ 7-503. DOCUMENT OF TITLE TO GOODS DEFEATED IN CERTAIN CASES

(a) A document of title confers no right in goods against a person that before issuance of the document had a legal interest or a perfected security interest in the goods and that did not:

(1) deliver or entrust the goods or any document of title covering the goods to the bailor or the bailor's nominee with:

(A) actual or apparent authority to ship, store, or sell;

(B) power to obtain delivery under section 7-403 of this title; or

(C) power of disposition under section 2-403, subdivisions 2A-304(2) or 2A-305(2), section 9-320, or subsection 9-321(c) of this title or other statute or rule of law; or

(2) acquiesce in the procurement by the bailor or its nominee of any document.

(b) Title to goods based upon an unaccepted delivery order is subject to the rights of any person to which a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. That title may be defeated under section 7-504 of this title to the same extent as the rights of the issuer or a transferee from the issuer.

(c) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of any person to which a bill issued by the freight forwarder is duly negotiated. However, delivery by the carrier in accordance with part 4 of this article pursuant to its own bill of lading discharges the carrier's obligation to deliver.

§ 7-504. RIGHTS ACQUIRED IN ABSENCE OF DUE NEGOTIATION; EFFECT OF DIVERSION; STOPPAGE OF DELIVERY

(a) A transferee of a document of title, whether negotiable or nonnegotiable, to which the document has been delivered but not duly negotiated, acquires the title and rights that its transferor had or had actual authority to convey.

(b) In the case of a transfer of a nonnegotiable document of title, until but not after the bailee receives notice of the transfer, the rights of the transferee may be defeated:

(1) by those creditors of the transferor which could treat the transfer as void under section 2-402 or 2A-308 of this title;

(2) by a buyer from the transferor in ordinary course of business if the bailee has delivered the goods to the buyer or received notification of the buyer's rights;

(3) by a lessee from the transferor in ordinary course of business if the bailee has delivered the goods to the lessee or received notification of the lessee's rights; or

(4) as against the bailee, by good-faith dealings of the bailee with the transferor.

(c) A diversion or other change of shipping instructions by the consignor in a nonnegotiable bill of lading which causes the bailee not to deliver the goods to the consignee defeats the consignee's title to the goods if the goods have been delivered to a buyer in ordinary course of business or a lessee in ordinary course of business and, in any event, defeats the consignee's rights against the bailee.

(d) Delivery of the goods pursuant to a nonnegotiable document of title may be stopped by a seller under section 2-705 of this title or a lessor under section 2A-526 of this title, subject to the requirements of due notification in those sections. A bailee that honors the seller's or lessor's instructions is entitled to be indemnified by the seller or lessor against any resulting loss or expense.

§ 7-505. INDORSER NOT GUARANTOR FOR OTHER PARTIES

The indorsement of a tangible document of title issued by a bailee does not make the indorser liable for any default by the bailee or previous indorsers.

§ 7-506. DELIVERY WITHOUT INDORSEMENT: RIGHT TO COMPEL INDORSEMENT

The transferee of a negotiable tangible document of title has a specifically enforceable right to have its transferor supply any necessary indorsement, but the transfer becomes a negotiation only as of the time the indorsement is supplied.

§ 7-507. WARRANTIES ON NEGOTIATION OR DELIVERY OF DOCUMENT OF TITLE

If a person negotiates or delivers a document of title for value, otherwise than as a mere intermediary under section 7-508 of this title, unless otherwise agreed, the transferor, in addition to any warranty made in selling or leasing the goods, warrants to its immediate purchaser only that:

(1) the document is genuine;

(2) the transferor does not have knowledge of any fact that would impair the document's validity or worth; and

(3) the negotiation or delivery is rightful and fully effective with respect to the title to the document and the goods it represents.

§ 7-508. WARRANTIES OF COLLECTING BANK AS TO DOCUMENTS OF TITLE

A collecting bank or other intermediary known to be entrusted with

documents of title on behalf of another or with collection of a draft or other claim against delivery of documents warrants by the delivery of the documents only its own good faith and authority even if the collecting bank or other intermediary has purchased or made advances against the claim or draft to be collected.

§ 7-509. ADEQUATE COMPLIANCE WITH COMMERCIAL CONTRACT

Whether a document of title is adequate to fulfill the obligations of a contract for sale, a contract for lease, or the conditions of a letter of credit is determined by article 2, 2A, or 5 of this title.

Part 6. Warehouse Receipts and Bills of Lading:
Miscellaneous Provisions

§ 7-601. LOST, STOLEN, OR DESTROYED DOCUMENTS OF TITLE

(a) If a document of title is lost, stolen, or destroyed, a court may order delivery of the goods or issuance of a substitute document and the bailee may without liability to any person comply with the order. If the document was negotiable, a court may not order delivery of the goods or issuance of a substitute document without the claimant's posting security unless it finds that any person that may suffer loss as a result of nonsurrender of possession or control of the document is adequately protected against the loss. If the document was nonnegotiable, the court may require security. The court may also order payment of the bailee's reasonable costs and attorney's fees in any action under this subsection.

(b) A bailee that, without a court order, delivers goods to a person claiming under a missing negotiable document of title is liable to any person injured thereby. If the delivery is not in good faith, the bailee is liable for conversion. Delivery in good faith is not conversion if the claimant posts security with the bailee in an amount at least double the value of the goods at the time of posting to indemnify any person injured by the delivery which files a notice of claim within one year after the delivery.

§ 7-602. JUDICIAL PROCESS AGAINST GOODS COVERED BY NEGOTIABLE DOCUMENT OF TITLE

Unless a document of title was originally issued upon delivery of the goods by a person that did not have power to dispose of them, a lien does not attach by virtue of any judicial process to goods in the possession of a bailee for which a negotiable document of title is outstanding unless possession or control of the document is first surrendered to the bailee or the document's negotiation is enjoined. The bailee may not be compelled to deliver the goods pursuant to process until possession or control of the document is surrendered to the bailee or to the court. A purchaser of the document for value without

notice of the process or injunction takes free of the lien imposed by judicial process.

§ 7-603. CONFLICTING CLAIMS; INTERPLEADER

If more than one person claims title to or possession of the goods, the bailee is excused from delivery until the bailee has a reasonable time to ascertain the validity of the adverse claims or to commence an action for interpleader. The bailee may assert an interpleader either in defending an action for nondelivery of the goods or by original action.

Sec. B.4. 9A V.S.A. article 1 is amended to read:

ARTICLE 1. GENERAL PROVISIONS

* * *

§ 1-201. GENERAL DEFINITIONS

* * *

(b) Subject to definitions contained in other articles of this title that apply to particular articles or parts thereof:

* * *

(5) "Bearer" means a person in control of a negotiable electronic document of title or a person in possession of a negotiable instrument, negotiable tangible document of title, or certificated security that is payable to bearer or indorsed in blank.

(6) "Bill of lading" means a document of title evidencing the receipt of goods for shipment issued by a person engaged in the business of directly or indirectly transporting or forwarding goods. The term does not include a warehouse receipt.

* * *

(15) "Delivery," with respect to an electronic document of title means voluntary transfer of control and with respect to an instrument, a tangible document of title, or chattel paper, means voluntary transfer of possession.

(16) "Document of title" ~~includes bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other document which~~ means a record (i) that in the regular course of business or financing is treated as adequately evidencing that the person in possession or control of the record ~~it~~ is entitled to receive, control, hold, and dispose of the ~~document~~ record and the goods ~~it~~ the record covers and (ii) that purports to be issued by or addressed to a bailee and to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass The

term includes a bill of lading, transport document, dock warrant, dock receipt, warehouse receipt, and order for delivery of goods. ~~To be a document of title, a document must purport to be issued by or addressed to a bailee and purport to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass~~ An electronic document of title means a document of title evidenced by a record consisting of information stored in an electronic medium. A tangible document of title means a document of title evidenced by a record consisting of information that is inscribed on a tangible medium.

* * *

(21) "Holder" means:

(A) the person in possession of a negotiable instrument that is payable either to bearer or to an identified person that is the person in possession; ~~or~~

(B) the person in possession of a negotiable tangible document of title if the goods are deliverable either to bearer or to the order of the person in possession; or

(C) the person in control of a negotiable electronic document of title.

* * *

(42) "Warehouse receipt" means a ~~receipt~~ document of title issued by a person engaged in the business of storing goods for hire.

* * *

Sec. B.5. 9A V.S.A. article 2 is amended to read:

ARTICLE 2. SALES

* * *

§ 2-103. DEFINITIONS AND INDEX OF DEFINITIONS

* * *

(3) ~~The~~ "Control" as provided in section 7-106 of this title and the following definitions in other articles apply to this article:

"Check". Section 3-104.

"Consignee". Section 7-102.

"Consignor". Section 7-102.

"Consumer goods". Section 9-102.

"Dishonor". Section 3-502.

"Draft". Section 3-104.

* * *

§ 2-104. DEFINITIONS: "MERCHANT"; "BETWEEN MERCHANTS"; "FINANCING AGENCY"

* * *

(2) "Financing agency" means a bank, finance company or other person who in the ordinary course of business makes advances against goods or documents of title or who by arrangement with either the seller or the buyer intervenes in ordinary course to make or collect payment due or claimed under the contract for sale, as by purchasing or paying the seller's draft or making advances against it or by merely taking it for collection whether or not documents of title accompany or are associated with the draft. "Financing agency" includes also a bank or other person who similarly intervenes between persons who are in the position of seller and buyer in respect to the goods (§ 2-707).

* * *

§ 2-310. OPEN TIME FOR PAYMENT OR RUNNING OF CREDIT; AUTHORITY TO SHIP UNDER RESERVATION

Unless otherwise agreed:

(a) payment is due at the time and place at which the buyer is to receive the goods even though the place of shipment is the place of delivery; and

(b) if the seller is authorized to send the goods he or she may ship them under reservation, and may tender the documents of title, but the buyer may inspect the goods after their arrival before payment is due unless such inspection is inconsistent with the terms of the contract (§ 2-513); and

(c) if delivery is authorized and made by way of documents of title otherwise than by subsection (b) of this section then payment is due regardless of where the goods are to be received (i) at the time and place at which the buyer is to receive delivery of the tangible documents or ~~regardless of where the goods are to be received~~ (ii) at the time the buyer is to receive delivery of the electronic documents and at the seller's place of business, or if none, the seller's residence; and

(d) where the seller is required or authorized to ship the goods on credit the credit period runs from the time of shipment but post-dating the invoice or delaying its dispatch will correspondingly delay the starting of the credit period.

* * *

§ 2-323. FORM OF BILL OF LADING REQUIRED IN OVERSEAS SHIPMENT; "OVERSEAS"

* * *

(2) Where in a case within subsection (1) of this section a tangible bill of lading has been issued in a set of parts, unless otherwise agreed if the documents are not to be sent from abroad the buyer may demand tender of the full set; otherwise only one part of the bill of lading need be tendered. Even if the agreement expressly requires a full set:

* * *

§ 2-401. PASSING OF TITLE; RESERVATION FOR SECURITY; LIMITED APPLICATION OF THIS SECTION

* * *

(3) Unless otherwise explicitly agreed where delivery is to be made without moving the goods:

(a) if the seller is to deliver a tangible document of title, title passes at the time when and the place where he or she delivers such documents and if the seller is to deliver an electronic document of title, title passes when the seller delivers the document; or

(b) if the goods are at the time of contracting already identified and no documents of title are to be delivered, title passes at the time and place of contracting.

* * *

§ 2-503. MANNER OF SELLER'S TENDER OF DELIVERY

* * *

(4) Where goods are in the possession of a bailee and are to be delivered without being moved:

(a) tender requires that the seller either tender a negotiable document of title covering such goods or procure acknowledgment by the bailee of the buyer's right to possession of the goods; but

(b) tender to the buyer of a ~~non-negotiable~~ nonnegotiable document of title or of a ~~written direction to~~ record directing the bailee to deliver is sufficient tender unless the buyer seasonably objects, and except as otherwise provided in article 9 of this title receipt by the bailee of notification of the buyer's rights fixes those rights as against the bailee and all third persons; but risk of loss of the goods and of any failure by the bailee to honor the ~~non-negotiable~~ nonnegotiable document of title or to obey the direction

remains on the seller until the buyer has had a reasonable time to present the document or direction, and a refusal by the bailee to honor the document or to obey the direction defeats the tender.

(5) Where the contract requires the seller to deliver documents:

(a) he or she must tender all such documents in correct form, except as provided in this article with respect to bills of lading in a set (§ 2-323(2)); and

(b) tender through customary banking channels is sufficient and dishonor of a draft accompanying or associated with the documents constitutes ~~non-acceptance~~ nonacceptance or rejection.

§ 2-505. SELLER'S SHIPMENT UNDER RESERVATION

(1) Where the seller has identified goods to the contract by or before shipment:

(a) his or her procurement of a negotiable bill of lading to his or her own order or otherwise reserves in him a security interest in the goods. His or her procurement of the bill to the order of a financing agency or of the buyer indicates in addition only the seller's expectation of transferring that interest to the person named.

(b) a non-negotiable bill of lading to himself or herself or his or her nominee reserves possession of the goods as security but except in a case of conditional delivery (§ 2-507(2)) a ~~non-negotiable~~ nonnegotiable bill of lading naming the buyer as consignee reserves no security interest even though the seller retains possession or control of the bill of lading.

(2) When shipment by the seller with reservation of a security interest is in violation of the contract for sale it constitutes an improper contract for transportation within the preceding section but impairs neither the rights given to the buyer by shipment and identification of the goods to the contract nor the seller's powers as a holder of a negotiable document of title.

§ 2-506. RIGHTS OF FINANCING AGENCY

* * *

(2) The right to reimbursement of a financing agency which has in good faith honored or purchased the draft under commitment to or authority from the buyer is not impaired by subsequent discovery of defects with reference to any relevant document which was apparently regular ~~on its face~~.

* * *

§ 2-509. RISK OF LOSS IN THE ABSENCE OF BREACH

* * *

(2) Where the goods are held by a bailee to be delivered without being moved, the risk of loss passes to the buyer:

(a) on his or her receipt of possession or control of a negotiable document of title covering the goods; or

(b) on acknowledgment by the bailee of the buyer's right to possession of the goods; or

(c) after his or her receipt of possession or control of a ~~non-negotiable~~ nonnegotiable document of title or other ~~written~~ direction to deliver in a record, as provided in ~~§~~ subdivision 2-503(4)(b) of this title.

* * *

§ 2-605. WAIVER OF BUYER'S OBJECTIONS BY FAILURE TO PARTICULARIZE

* * *

(2) Payment against documents made without reservation of rights precludes recovery of the payment for defects apparent ~~on the face of~~ in the documents.

* * *

§ 2-705. SELLER'S STOPPAGE OF DELIVERY IN TRANSIT OR OTHERWISE

* * *

(2) As against such buyer the seller may stop delivery until:

(a) receipt of the goods by the buyer; or

(b) acknowledgment to the buyer by any bailee of the goods except a carrier that the bailee holds the goods for the buyer; or

(c) such acknowledgment to the buyer by a carrier by reshipment or as ~~warehouseman~~ a warehouse; or

(d) negotiation to the buyer of any negotiable document of title covering the goods.

(3)(a) To stop delivery the seller must so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.

(b) After such notification the bailee must hold and deliver the goods according to the directions of the seller but the seller is liable to the bailee for any ensuing charges or damages.

(c) If a negotiable document of title has been issued for goods the bailee is not obliged to obey a notification to stop until surrender of possession or control of the document.

* * *

Sec. B.6. 9A V.S.A. article 2A is amended to read:

ARTICLE 2A. LEASES

* * *

§ 2A-103. DEFINITIONS AND INDEX OF DEFINITIONS

(1) In this article unless the context otherwise requires:

(a) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale to him or her is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for cash or by exchange of other property or on secured or unsecured credit and includes ~~receiving~~ acquiring goods or documents of title under a ~~pre-existing~~ preexisting contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

* * *

(o) "Lessee in ordinary course of business" means a person who in good faith and without knowledge that the lease to him ~~(or her)~~ or her is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, leases in ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and includes ~~receiving~~ acquiring goods or documents of title under a ~~pre-existing~~ preexisting lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

* * *

§ 2A-514. WAIVER OF LESSEE'S OBJECTIONS

* * *

(2) A lessee's failure to reserve rights when paying rent or other consideration against documents precludes recovery of the payment for defects apparent ~~on the face of~~ in the documents.

* * *

§ 2A-526. LESSOR'S STOPPAGE OF DELIVERY IN TRANSIT OR OTHERWISE

* * *

(2) In pursuing its remedies under subsection (1) of this section, the lessor may stop delivery until:

(a) receipt of the goods by the lessee;

(b) acknowledgment to the lessee by any bailee of the goods, except a carrier, that the bailee holds the goods for the lessee; or

(c) such an acknowledgment to the lessee by a carrier via reshipment or as ~~warehouseman~~ a warehouse.

* * *

Sec. B.7. 9A V.S.A. article 4 is amended to read:

ARTICLE 4. BANK DEPOSITS AND COLLECTIONS

* * *

§ 4-104. DEFINITIONS AND INDEX OF DEFINITIONS

* * *

(c) ~~The~~ "Control" as provided in section 7-106 of this title and the following definitions in other articles apply to this article:

"Acceptance" § 3-409

"Alteration" § 3-407

"Cashier's check" § 3-104

"Certificate of deposit" § 3-104

"Certified check" § 3-409

"Check" § 3-104

"Demand draft" § 3-104

"Holder in due course" § 3-302

"Instrument" § 3-104

"Notice of dishonor" § 3-503

"Order" § 3-103

"Ordinary care" § 3-103

"Person entitled to enforce" § 3-301

"Presentment" § 3-501

"Promise" § 3-103

"Prove" § 3-103

"Teller's check" § 3-104

"Unauthorized signature" § 3-403

* * *

§ 4-210. SECURITY INTEREST OF COLLECTING BANK IN ITEMS, ACCOMPANYING DOCUMENTS AND PROCEEDS

* * *

(c) Receipt by a collecting bank of a final settlement for an item is a realization on its security interest in the item, accompanying documents, and proceeds. So long as the bank does not receive final settlement for the item or give up possession of the item or possession or control of the accompanying documents for purposes other than collection, the security interest continues to that extent and is subject to ~~Article~~ article 9 of this title, but:

(1) no security agreement is necessary to make the security interest enforceable (§ 9-203(b)(3)(A));

(2) no filing is required to perfect the security interest; and

(3) the security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

* * *

Sec. B.8. 9A V.S.A. article 8 is amended to read:

ARTICLE 8. INVESTMENT SECURITIES

* * *

§ 8-102. DEFINITIONS

(a) In this article:

* * *

(9) "Financial asset," except as otherwise provided in section 8-103 of this title, means:

(i) a security;

(ii) an obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or

(iii) any property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this article.

As the context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.

* * *

§ 8-103. RULES FOR DETERMINING WHETHER CERTAIN OBLIGATIONS AND INTERESTS ARE SECURITIES OR FINANCIAL ASSETS

* * *

(g) A document of title is not a financial asset unless subdivision 8-102(a)(9)(iii) of this title applies.

* * *

Sec. B.9. 9A V.S.A. article 9 is amended to read:

ARTICLE 9. SECURED TRANSACTIONS

* * *

§ 9-102. DEFINITIONS AND INDEX OF DEFINITIONS

(a) In this article:

* * *

(30) "Document" means a document of title or a receipt of the type described in ~~subdivision 7-201(2)~~ subsection 7-201(b) of this title.

* * *

(b) ~~The~~ "Control" as provided in section 7-106 of this title and the following definitions in other articles apply to this article:

"Applicant" Section 5-102.

"Beneficiary" Section 5-102.

"Broker" Section 8-102.

"Certificated security" Section 8-102.

"Check" Section 3-104.

"Clearing corporation" Section 8-102.

"Contract for sale" Section 2-106.

"Customer" Section 4-104.

"Entitlement holder" Section 8-102.

"Financial asset" Section 8-102.

"Holder in due course" Section 3-302.

"Issuer" (with respect to a letter of
credit or letter-of-credit right) Section 5-102.

"Issuer" (with respect to documents of title) Section 7-102.

"Issuer" (with respect to a security) Section 8-201.

"Lease" Section 2A-103.

"Lease agreement" Section 2A-103.

"Lease contract" Section 2A-103.

"Leasehold interest" Section 2A-103.

"Lessee" Section 2A-103.

"Lessee in ordinary course of business" Section 2A-103.

"Lessor" Section 2A-103.

"Lessor's residual interest" Section 2A-103.

"Letter of credit" Section 5-102.

"Merchant" Section 2-104.

"Negotiable instrument" Section 3-104.

"Nominated person" Section 5-102.

"Note" Section 3-104.

"Proceeds of a letter of credit" Section 5-114.

"Prove" Section 3-103.

"Sale" Section 2-106.

"Securities account" Section 8-501.

"Securities intermediary" Section 8-102.

"Security" Section 8-102.

"Security certificate" Section 8-102.

"Security entitlement" Section 8-102.

"Uncertificated security" Section 8-102.

(c) Article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

* * *

§ 9-203. ATTACHMENT AND ENFORCEABILITY OF SECURITY INTEREST; PROCEEDS; SUPPORTING OBLIGATIONS; FORMAL REQUISITES

* * *

(b) Except as otherwise provided in subsections (c) through (i) of this section, a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(1) value has been given;

(2) the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) one of the following conditions is met:

(A) the debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(B) the collateral is not a certificated security and is in the possession of the secured party under section 9-313 of this title pursuant to the debtor's security agreement;

(C) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under section 8-301 pursuant to the debtor's security agreement; or

(D) the collateral is deposit accounts, electronic chattel paper, investment property, ~~or~~ letter-of-credit rights, or electronic documents, and the secured party has control under section 7-106, 9-104, 9-105, 9-106, or 9-107 of this title pursuant to the debtor's security agreement.

* * *

§ 9-207. RIGHTS AND DUTIES OF SECURED PARTY HAVING POSSESSION OR CONTROL OF COLLATERAL

* * *

(c) Except as otherwise provided in subsection (d) of this section, a secured party having possession of collateral or control of collateral under section 7-106, 9-104, 9-105, 9-106, or 9-107 of this title:

(1) may hold as additional security any proceeds, except money or funds, received from the collateral;

(2) shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

(3) may create a security interest in the collateral.

* * *

§ 9-208. ADDITIONAL DUTIES OF SECURED PARTY HAVING CONTROL OF COLLATERAL

* * *

(b) Within 10 days after receiving an authenticated demand by the debtor:

* * *

(4) a secured party having control of investment property under section 8-106(d)(2) or 9-106(b) shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained an authenticated record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party; ~~and~~

(5) a secured party having control of a letter-of-credit right under section 9-107 shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party an authenticated release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party; and

(6) a secured party having control of an electronic document shall:

(A) give control of the electronic document to the debtor or its designated custodian;

(B) if the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic document is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(C) take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent of the secured party.

* * *

§ 9-301. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS

Except as otherwise provided in sections 9-303 through 9-306 of this title, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

* * *

(3) Except as otherwise provided in subdivision (4) of this section, while tangible negotiable documents, goods, instruments, money, or tangible chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

* * *

§ 9-310. WHEN FILING REQUIRED TO PERFECT SECURITY INTEREST OR AGRICULTURAL LIEN; SECURITY INTERESTS AND AGRICULTURAL LIENS TO WHICH FILING PROVISIONS DO NOT APPLY

* * *

(b) The filing of a financing statement is not necessary to perfect a security interest:

* * *

(5) in certificated securities, documents, goods, or instruments which is perfected without filing, control, or possession under section 9-312(e), (f), or (g);

(6) in collateral in the secured party's possession under section 9-313;

(7) in a certificated security which is perfected by delivery of the security certificate to the secured party under section 9-313;

(8) in deposit accounts, electronic chattel paper, electronic documents, investment property, or letter-of-credit rights which is perfected by control under section 9-314;

* * *

§ 9-312. PERFECTION OF SECURITY INTERESTS IN CHATTEL PAPER, DEPOSIT ACCOUNTS, DOCUMENTS, GOODS COVERED BY DOCUMENTS, INSTRUMENTS, INVESTMENT PROPERTY, LETTER-OF-CREDIT RIGHTS, AND MONEY; PERFECTION BY PERMISSIVE FILING; TEMPORARY PERFECTION WITHOUT FILING OR TRANSFER OF POSSESSION

* * *

(e) A security interest in certificated securities, negotiable documents, or instruments is perfected without filing or the taking of possession or control for a period of 20 days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement.

* * *

§ 9-313. WHEN POSSESSION BY OR DELIVERY TO SECURED PARTY PERFECTS SECURITY INTEREST WITHOUT FILING

(a) Perfection by possession or delivery. Except as otherwise provided in subsection (b), a secured party may perfect a security interest in tangible negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under section 8-301.

* * *

§ 9-314. PERFECTION BY CONTROL

(a) A security interest in investment property, deposit accounts, letter-of-credit rights, ~~or~~ electronic chattel paper, or electronic documents may be perfected by control of the collateral under section 7-106, 9-104, 9-105, 9-106, or 9-107.

(b) A security interest in deposit accounts, electronic chattel paper, ~~or~~ letter-of-credit rights, or electronic documents is perfected by control under section 7-106, 9-104, 9-105, or 9-107 when the secured party obtains control and remains perfected by control only while the secured party retains control.

* * *

§ 9-317. INTERESTS THAT TAKE PRIORITY OVER OR TAKE FREE OF SECURITY INTEREST OR AGRICULTURAL LIEN

* * *

(b) Except as otherwise provided in subsection (e) of this section, a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a certificated security takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(c) Except as otherwise provided in subsection (e) of this section, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(d) A licensee of a general intangible or a buyer, other than a secured party, of ~~collateral other than tangible chattel paper, tangible documents, goods, instruments, or~~ accounts, electronic chattel paper, electronic documents, general intangibles, or investment property other than a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

* * *

§ 9-338. PRIORITY OF SECURITY INTEREST OR AGRICULTURAL LIEN PERFECTED BY FILED FINANCING STATEMENT PROVIDING CERTAIN INCORRECT INFORMATION

If a security interest or agricultural lien is perfected by a filed financing statement providing information described in subdivision 9-516(b)(5) of this title which is incorrect at the time the financing statement is filed:

(1) the security interest or agricultural lien is subordinate to a conflicting perfected security interest in the collateral to the extent that the holder of the conflicting security interest gives value in reasonable reliance upon the incorrect information; and

(2) a purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of tangible chattel paper, tangible documents, goods, instruments, or a security certificate, receives delivery of the collateral.

* * *

§ 9-601. RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES

* * *

(b) A secured party in possession of collateral or control of collateral under section 7-106, 9-104, 9-105, 9-106, or 9-107 has the rights and duties provided in section 9-207.

* * *

C. Workforce Education, Training, and Development

* * * Vermont Strong Scholars and Internship Initiative * * *

Sec. C.1. VERMONT STRONG SCHOLARS LOAN FORGIVENESS FINDINGS; INTENT

The General Assembly finds that the fundamental fairness, integrity, and success of the Vermont Strong Scholars loan forgiveness program under

Sec. C.2 of this act, whereby graduating high school students will be counseled and encouraged to apply to Vermont schools, take certain courses, graduate and then take certain Vermont jobs, in exchange for student loan forgiveness, is critically dependent on the State providing reliable, sustainable, and adequate funding for the loan forgiveness that does not diminish resources for other State workforce education and training programs.

Sec. C.2. 16 V.S.A. § 2888 is amended to read:

§ 2888. VERMONT STRONG SCHOLARS ~~AND INTERNSHIP~~ INITIATIVE

(a) Creation.

(1) There is created a postsecondary loan forgiveness ~~and internship~~ initiative designed to forgive a portion of Vermont Student Assistance Corporation loans of students employed in ~~economic sectors~~ occupations identified as important to Vermont's economy and to build ~~internship~~ opportunities for students to gain work experience with Vermont employers.

(2) The initiative shall be known as the Vermont Strong Scholars ~~and Internship~~ Initiative and is designed to:

(A) encourage students to:

(i) consider ~~jobs in economic sectors~~ occupations that are critical to the Vermont economy;

(ii) enroll and remain enrolled in a Vermont postsecondary institution; and

(iii) live and work in Vermont upon graduation;

(B) reduce student loan debt for postsecondary ~~education in targeted fields~~ degrees involving a course of study related to, and resulting in, employment in target occupations; and

(C) ~~provide experiential learning through internship opportunities with Vermont employers; and~~

~~(D)~~ support a ~~pipeline~~ steady stream of qualified talent for ~~employment with~~ Vermont's employers.

(b) Vermont Strong Loan Forgiveness Program.

(1) ~~Economic sectors~~ Occupations; projections.

(A) Annually, on or before November 15, the Secretary of Commerce and Community Development and the Commissioner of Labor, in consultation with the Vermont State Colleges, the University of Vermont, the Association of Vermont Independent Colleges, the Vermont Student Assistance

Corporation, the Secretary of Human Services, and the Secretary of Education, shall identify ~~economic sectors~~ occupations, projecting at least four years into the future, that are or will be critical to the Vermont economy.

(B) Based upon the identified ~~economic sectors~~ occupations and the number of students anticipated to qualify for loan forgiveness under this section, the Secretary of Commerce and Community Development shall annually provide the General Assembly with the estimated cost of the Vermont Student Assistance Corporation's loan forgiveness awards under the Loan Forgiveness Program during the then-current fiscal year and each of the four following fiscal years.

(2) Eligibility. A graduate of a public or private Vermont postsecondary institution shall be eligible for forgiveness of a portion of his or her Vermont Student Assistance Corporation postsecondary education loans under this section if he or she:

(A) was a Vermont resident, as defined in subdivision 2822(7) of this title, at the time he or she was graduated;

(B) enrolled in his or her first year of study at a postsecondary institution on or after July 1, 2015 and completed an associate's degree within three years, or a bachelor's degree within six years of his or her enrollment date;

(C) becomes employed on a full-time basis in Vermont within 12 months of graduation in an ~~economic sector~~ occupation identified by the Secretary and Commissioner under subdivision (1) of this subsection;

(D) remains employed on a full-time basis in Vermont throughout the period of loan forgiveness in an ~~economic sector~~ occupation identified by the Secretary and Commissioner under subdivision (1) of this subsection; and

(E) remains a Vermont resident throughout the period of loan forgiveness.

(3) Loan forgiveness. An eligible individual shall have a portion of his or her Vermont Student Assistance Corporation loan forgiven as follows:

(A) ~~For~~ for an individual awarded an associate's degree, in an amount equal to the comprehensive in-state tuition rate for 15 credits at the Vermont State Colleges during the individual's final semester of enrollment, to be prorated over the three years following graduation.;

(B) ~~For~~ for an individual awarded a bachelor's degree, in an amount equal to the comprehensive in-state tuition rate for 30 credits at the Vermont State Colleges during the individual's final year of enrollment, to be prorated over the five years following graduation.;

(C) ~~Loan~~ loan forgiveness may be awarded on a prorated basis to an otherwise eligible Vermont resident who transfers to ~~and is graduated from~~ a Vermont postsecondary institution and graduates after July 1, 2017, with an associate's degree or after July 1, 2019, with a bachelor's degree.

(4) Management.

(A) The Secretary of Commerce and Community Development shall develop all organizational details of the Loan Forgiveness Program consistent with the purposes and requirements of this section.

(B) The Secretary shall enter into a memorandum of understanding with the Vermont Student Assistance Corporation for management of the Loan Forgiveness Program.

(C) The Secretary may adopt rules pursuant to 3 V.S.A. chapter 25 necessary to implement the Program.

(c) ~~Vermont Strong Internship Program.~~

~~(1) Internship Program management.~~

~~(A) The Commissioner of Labor and the Secretary of Commerce and Community Development shall jointly develop and implement the organizational details of the Internship Program consistent with the purposes and requirements of this section and may adopt rules pursuant to 3 V.S.A. chapter 25 necessary to implement the Internship Program.~~

~~(B) The Commissioner, in consultation with the Secretary, shall issue a request for proposals for a person to serve as an Internship Program Intermediary, who shall perform the duties and responsibilities pursuant to the terms of a performance contract negotiated by the Commissioner and the Intermediary.~~

~~(C) The Department of Labor, the Agency of Commerce and Community Development, the regional development corporations, and the Intermediary, shall have responsibility for building connections within the business community to ensure broad private sector participation in the Internship Program.~~

~~(D) The Program Intermediary shall:~~

~~(i) identify and foster postsecondary internships that are rigorous, productive, well-managed, and mentored;~~

~~(ii) cultivate relationships with employers, employer-focused organizations, and State and regional government bodies;~~

~~(iii) build relationships with Vermont postsecondary institutions and facilitate recruitment of students to apply for available internships;~~

~~(iv) create and maintain a registry of participating employers and associated internship opportunities;~~

~~(v) coordinate and provide support to the participating student, the employer, and the student's postsecondary institution;~~

~~(vi) develop and oversee a participation contract between each student and employer, including terms governing the expectations for the internship, a work plan, mentoring and supervision of the student, reporting by the employer and student, and compensation terms; and~~

~~(vii) carry out any additional activities and duties as directed by the Commissioner.~~

~~(2) Qualifying internships.~~

~~(A) Criteria. To qualify for participation in the Internship Program an internship shall at minimum:~~

~~(i) be with a Vermont employer as approved by the Intermediary in consultation with the Commissioner and Secretary;~~

~~(ii) pay compensation to an intern of at least the prevailing minimum wage; and~~

~~(iii) meet the quality standards and expectations as established by the Intermediary.~~

~~(B) Employment of interns. Interns shall be employed by the sponsoring employer except, with the approval of the Commissioner on a case-by-case basis, interns may be employed by the Intermediary and assigned to work with a participating Vermont employer, in which case the sponsoring employer shall contribute funds as determined by the Commissioner.~~

~~(3) Student eligibility. To participate in the Internship Program, an individual shall be:~~

~~(A) a Vermont resident enrolled in a postsecondary institution in or outside Vermont;~~

~~(B) a student who graduated from a postsecondary institution within 24 months of entering the program who was classified as a Vermont resident during that schooling or who is a student who attended a postsecondary institution in Vermont; or~~

~~(C) a student enrolled in a Vermont postsecondary institution.~~ [Repealed.]

(d) Funding.

(1) ~~Loan Forgiveness Program.~~

~~(A)~~ Loan forgiveness; State funding.

~~(i)~~(A) There is created a special fund to be known as the Vermont Strong Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, which shall be used and administered by the Secretary of Commerce and Community Development solely for the purposes of loan forgiveness pursuant to this section.

~~(ii)~~(B) The Fund shall consist of sums to be identified by the Secretary from any source accepted for the benefit of the Fund and interest earned from the investment of Fund balances.

~~(iii)~~(C) Any interest earned and any remaining balance at the end of the fiscal year shall be carried forward in the Fund.

~~(iv)~~(D) The availability and payment of loan forgiveness awards under this ~~subdivision~~ chapter is subject to State funding available for the awards.

~~(B)~~(2) Loan forgiveness; Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall have the authority to grant loan forgiveness pursuant to this section by using the private loan forgiveness capacity associated with bonds issued by the Corporation to raise funds for private loans that are eligible for forgiveness under this section, if available.

~~(2) Internship Program. Notwithstanding any provision of law to the contrary, the Commissioner of Labor shall have the authority to use funds allocated to the Workforce Education and Training Fund established in 10 V.S.A. § 543 to implement the Internship Program created in this section.~~

* * * Workforce Education and Training Fund * * *

Sec. C.3. 10 V.S.A. chapter 22A is amended to read:

CHAPTER 22A. WORKFORCE EDUCATION AND TRAINING

* * *

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

(a) Creation. There is created a Workforce Education and Training Fund in the Department of Labor to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) Purposes. The ~~Fund shall be used exclusively~~ Department shall use the Fund for the following purposes:

(1) training for Vermont workers, including those who are unemployed, underemployed, or in transition from one job or career to another; and

(2) internships to provide students with work-based learning opportunities with Vermont employers; ~~and~~

(3) ~~apprenticeship-related instruction~~ apprenticeship, preapprenticeship, and industry-recognized credential training; and

(4) other workforce development initiatives related to current and future job opportunities in Vermont as determined by the Commissioner of Labor.

(c) Administrative ~~Support~~ and other support. ~~Administrative~~ The Department of Labor shall provide administrative support for the grant award process ~~shall be provided by the Department of Labor. Technical support shall be provided whenever~~. When appropriate and reasonable ~~by~~ the State Workforce Investment Board and all other public entities involved in economic development and workforce education and training shall provide other support in the process.

(d) Eligible ~~Activities. Awards~~ activities.

(1) The Department shall grant awards from the Fund ~~shall be made~~ to employers and entities ~~that offer programs that require collaboration between employees and businesses~~, including private, public, and nonprofit entities, institutions of higher education, high schools, technical centers, and workforce education and training programs~~. Funding shall be for training programs and student internship programs~~ that:

(A) create jobs, offer education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, or work-based learning activities, or any combination;

(B) that employ ~~innovative intensive~~ student-oriented ~~competency-based or collaborative~~ approaches to workforce education and training; and

(C) that link workforce education and economic development strategies. ~~Training~~

(2) The Department may fund programs or projects that demonstrate actual increased income and economic opportunity for employees and employers ~~may be funded~~ for more than one year.

(3) ~~Student~~ The Department may fund student internships and training programs that involve the same employer ~~may be funded multiple times, provided that new students participate~~ in multiple years with approval of the Commissioner.

(e) [Repealed].

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce Investment Board, shall develop award criteria and may ~~make~~ grant awards to the following:

(1) Training Programs.

(A) Public, private, and nonprofit entities, including employers and education and training providers, for existing or new ~~innovative~~ training programs that enhance the skills of Vermont workers and:

(i) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;

(ii) do not duplicate, supplant, or replace other available ~~programs~~ training funded with public money;

(iii) ~~articulate clear goals and demonstrate readily accountable, reportable, and measurable results~~ provide a project timeline, including performance goals, and identify how the effectiveness and outcomes of the program will be measured, including for the individual participants, the employers, and the program as a whole; and

(iv) ~~demonstrate an integrated connection between training and specific new or continuing employment opportunities~~ articulate the need for the training and the direct connection between the training and the job.

(B) ~~Awards~~ The Department shall grant awards under this subdivision ~~shall be made~~ (1) to programs or projects that:

(i) offer innovative programs of intensive, student-centric, competency-based education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, or any combination of these;

(ii) address the needs of workers who are unemployed, underemployed, or are at risk of becoming unemployed ~~due to changing workplace demands by increasing productivity and developing new skills for incumbent workers~~, and workers who are in transition from one job or career to another; ~~or~~

(iii) address the needs of employers to hire new employees, or retrain incumbent workers, when the employer has demonstrated a need not within the normal course of business, with priority to training that results in new or existing job openings for which the employer intends to hire; or

(iv) in the discretion of the Commissioner, otherwise serve the purposes of this chapter.

(2) Vermont ~~Career~~ Strong Internship Program. Funding for eligible internship programs and activities under the Vermont ~~Career~~ Strong Internship Program established in section 544 of this title.

(3) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the Department of Labor.

(g) [Repealed.]

§ 544. VERMONT ~~CAREER~~ STRONG INTERNSHIP PROGRAM

(a)(1) The Department of Labor, in consultation with the Agency of Education, shall develop, and the Department shall implement, a statewide Vermont ~~Career~~ Strong Internship Program for ~~Vermonters~~ students who are in high school or in college and for those who are recent graduates of 24 months or less.

(2) The Department of Labor shall coordinate and provide funding to public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, colleges, and recent graduates of 24 months or less.

(3) Funding awarded through the Vermont ~~Career~~ Strong Internship Program may be used to build and administer an internship program and to provide participants with a stipend during the internship, based on need. Funds may be made only to programs or projects that ~~do all the following~~:

(A) do not replace or supplant existing positions;

(B) expose students to the workplace or create real workplace expectations and consequences;

(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;

(D) are designed to motivate and educate ~~secondary and postsecondary students and recent graduates~~ participants through work-based learning opportunities with Vermont employers ~~that are likely to lead to real employment~~;

(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools; ~~and~~ or

(F) offer participants a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont.

(4) As used in this section, "internship" means a learning experience working with an employer where the intern may, but does not necessarily, receive academic credit, financial remuneration, a stipend, or any combination of these.

(b) The Department of Labor, in collaboration with the Agencies of Agriculture, Food and Markets and of Education, State-funded postsecondary educational institutions, the State Workforce Investment Board, and other State agencies and departments that have workforce education and training and training monies, shall:

(1) identify new and existing funding sources that may be allocated to the Vermont ~~Career~~ Strong Internship Program;

(2) collect data and establish program goals and ~~quantifiable~~ performance measures that demonstrate program results for internship programs funded through the Vermont ~~Career~~ Strong Internship Program;

(3) develop or enhance a website that will connect students and graduates with internship opportunities with Vermont employers;

(4) engage appropriate agencies and departments of the State in the Internship Program to expand internship opportunities with State government and with entities awarded State contracts; and

(5) work with other public and private entities to develop and enhance internship programs, opportunities, and activities throughout the State.

Sec. C.4. [Reserved.]

* * * Vermont Governor's Committee on Employment of People with Disabilities * * *

Sec. C.5. 21 V.S.A. § 497a is amended to read:

§ 497a. COMMITTEE ESTABLISHED

There is hereby established a permanent committee to be known as the Vermont ~~governor's committee on employment of people with disabilities~~ Governor's Committee on Employment of People with Disabilities, to consist of ~~21~~ 23 members, including ~~a~~ one representative ~~of~~ each from the Vermont ~~employment service division~~ Department of Labor's Workforce Development Division and the Jobs for Veterans State Grant, one representative ~~of~~ from the ~~vocational rehabilitation division of the department of disabilities, aging, and independent living~~ Department of Disabilities, Aging, and Independent Living,

Vocational Rehabilitation Division and one from the Division for the Blind and Visually Impaired, one representative of the ~~veterans' administration, one representative of the veterans' employment service~~ U.S. Department of Veterans Affairs, one representative of the State of Vermont Office of Veterans Affairs, and 17 members to be appointed by the ~~governor~~ Governor. The appointive members shall hold office for the term specified or until their successors are named by the ~~governor~~ Governor. The members shall receive no salary for their services as such, but the necessary expenses of the ~~committee~~ Committee shall be paid by the ~~state~~ State. ~~Those persons acting as said committee on June 29, 1963 shall continue as such until their successors are appointed as herein provided.~~

* * * Vermont ABLE Savings Program * * *

Sec. C.6. PURPOSE

The purpose of this act is:

(1) to encourage and assist individuals and families in saving private funds for the purpose of supporting individuals with disabilities in maintaining health, independence, and quality of life.

(2) to provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, the Medicaid program under Title XIX of the Social Security Act, the supplemental security income program under Title XVI of such Act, the beneficiary's employment, and other sources.

Sec. C.7. 33 V.S.A. chapter 80 is added to read:

CHAPTER 80. VERMONT ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) SAVINGS PROGRAM

§ 8001. PROGRAM ESTABLISHED

(a) The State Treasurer or designee shall have the authority to establish the Vermont Achieving A Better Life Experience (ABLE) Savings Program consistent with the provisions of this chapter under which a person may make contributions for a taxable year, for the benefit of an individual who is an eligible individual for such taxable year, to an ABLE account which is established for the purpose of meeting the qualified disability expenses of the designated beneficiary of the account; and which:

(1) limits a designated beneficiary to one ABLE account for purposes of this section;

(2) allows for the establishment of an ABLE account only for a designated beneficiary who is a resident of Vermont or a resident of a contracting State; and

(3) meets the other requirements of this chapter.

(b)(1) The Treasurer or designee may solicit proposals from financial organizations to implement the Program as account depositories and managers.

(2) A financial organization that submits a proposal shall describe the investment instruments which will be held in accounts.

(3) The Treasurer shall select from among the applicants one or more financial organizations that demonstrate the most advantageous combination, both to potential program participants and this State, of the following criteria:

(A) the financial stability and integrity of the financial organization;

(B) the safety of the investment instrument offered;

(C) the ability of the financial organization to satisfy recordkeeping and reporting requirements;

(D) the financial organization's plan for promoting the program and the investment the organization is willing to make to promote the program;

(E) the fees, if any, proposed to be charged to the account owners;

(F) the minimum initial deposit and minimum contributions that the financial organization will require;

(G) the ability of the financial organization to accept electronic withdrawals, including payroll deduction plans; and

(H) other benefits to the State or its residents included in the proposal, including fees payable to the State to cover expenses of operation of the Program.

(c) The Treasurer or designee shall have the authority to adopt rules, policies, and procedures necessary to implement the provisions of this chapter and comply with applicable federal law.

§ 8002. DEFINITIONS

In this chapter:

(1) "ABLE account" means an account established by an eligible individual, owned by the eligible individual, and maintained under the Vermont ABLE Savings Program.

(2) "Designated beneficiary" means the eligible individual who establishes an ABLE account under this chapter and is the owner of the account.

(3) "Disability certification" means a certification to the satisfaction of the Secretary by the individual or the parent or guardian of the individual that:

(A) certifies that:

(i) the individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, or the individual is blind within the meaning of Section 1614(a)(2) of the Social Security Act, and

(ii) such blindness or disability occurred before the individual attained 26 years of age; and

(B) includes a copy of the individual's diagnosis relating to the individual's relevant impairment or impairments, signed by a physician meeting the criteria of Section 1861(r)(1) of the Social Security Act.

(4) "Eligible individual" means:

(A) a person who during a taxable year is entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act, and such blindness or disability occurred before the date on which the individual attained 26 years of age; or

(B) a person for whom a disability certification is filed with the Secretary for the taxable year.

(5) "Financial organization" means an organization authorized to do business in this State and that is:

(A) licensed or chartered by the Department of Financial Regulation;

(B) chartered by an agency of the federal government; or

(C) subject to the jurisdiction and regulation of the federal Securities and Exchange Commission.

(6) "Member of family" means a brother, sister, stepbrother, or stepsister of a designated beneficiary.

(7) "Qualified disability expense" means an expense related to the eligible individual's blindness or disability which is made for the benefit of an eligible individual who is the designated beneficiary, including the following expenses: education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention

and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses, which are approved by the Secretary under regulations and consistent with the purposes of this section.

(8) "Secretary" means the Secretary of the U.S. Department of the Treasury.

§ 8003. PROGRAM LIMITATIONS

(a) Cash contributions. The Treasurer or designee shall not accept a contribution:

(1) unless it is in cash; or

(2) except in the case of a contribution under 26 U.S.C. § 529A(c)(1)(C) (relating to a change in a designated beneficiary or program), if such contribution to an ABLE account would result in aggregate contributions from all contributors to the ABLE account for the taxable year exceeding the amount in effect under subsection 2503(b) of this title for the calendar year in which the taxable year begins.

(b) Separate accounting. The Treasurer or designee shall provide separate accounting for each designated beneficiary.

(c) Limited investment direction. A designated beneficiary may, directly or indirectly, direct the investment of any contributions to the Vermont ABLE Savings Program, or any earnings thereon, no more than two times in any calendar year.

(d) No pledging of interest as security. A person shall not use an interest in the Vermont ABLE Savings Program, or any portion thereof, as security for a loan.

(e) Prohibition on excess contributions. The Treasurer or designee shall adopt adequate safeguards under the Vermont ABLE Savings Program to prevent aggregate contributions on behalf of a designated beneficiary in excess of the limit established by the State pursuant to 26 U.S.C. § 529(b)(6).

§ 8004. REPORTS

(a) In general. The Treasurer or designee shall make such reports regarding the Program to the Secretary and to designated beneficiaries with respect to contributions, distributions, the return of excess contributions, and such other matters as the Secretary may require.

(b) Notice of establishment of account. The Treasurer or designee shall submit a notice to the Secretary upon the establishment of an ABLE account that includes the name and state of residence of the designated beneficiary and such other information as the Secretary may require.

(c) Electronic distribution statements. The Treasurer or designee shall submit electronically on a monthly basis to the Commissioner of Social Security, in the manner specified by the Commissioner, statements on relevant distributions and account balances from all ABLE accounts created under the Vermont ABLE Savings Program.

(d) Requirements. The Treasurer or designee shall file the reports and notices required under this section at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by the Secretary.

Sec. C.8. VERMONT ABLE TASK FORCE; REPORTS

The State Treasurer shall convene a Vermont ABLE Task Force to include representatives of the Department of Disabilities, Aging. and Independent Living, the Vermont Developmental Disabilities Council, Vermont Center for Independent Living; Green Mountain Self-Advocates, and other stakeholders with relevant expertise, to provide recommendations on or before January 15, 2016 to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs on planning and delivery of the ABLE Savings Program, including:

(1) promotion and marketing of the Program;

(2) rules governing operation of ABLE accounts, including mechanisms for consumer convenience;

(3) fees charged to account owners;

(4) future enhancements to protect from the loss of State benefits as may be necessary to fulfill the intent of the ABLE Act;

(5) the composition and charge of an ABLE Advisory Board; and

(6) a progress update on implementation of the Program consistent with U.S. Treasury Department Rules, the Internal Revenue Code, and the federal ABLE Act (P.L. 113-295 of 2014).

* * * Enhancing Eligibility and Work Incentives for the Medicaid for Working Persons with Disabilities Program * * *

Sec. C.9. MEDICAID FOR WORKING PEOPLE WITH DISABILITIES; RULEMAKING

(a) On or before October 1, 2015, the Agency of Human Services shall request permission from the Centers for Medicare and Medicaid Services (CMS) in order to increase to $10,000.00 per individual and $15,000.00 per couple the asset limit for eligibility for the Medicaid for Working People with Disabilities program. Within 30 days following CMS approval of the

increased asset limit, the Agency of Human Services shall commence the rulemaking process pursuant to 3 V.S.A. chapter 25 to amend its rules accordingly.

(b) On or before October 1, 2015, the Agency of Human Services shall request permission from CMS to disregard the income of a spouse who is a Medicaid for Working People with Disabilities beneficiary when calculating the eligibility of the other spouse to receive traditional Medicaid benefits. Within 30 days following CMS approval of the income disregard, the Agency of Human Services shall commence the rulemaking process pursuant to 3 V.S.A. chapter 25 to amend its rules accordingly.

(c) On or before October 1, 2015, the Agency of Human Services shall request permission from CMS to disregard the income of an applicant's or beneficiary's spouse when determining the applicant's or beneficiary's eligibility for the Medicaid for Working People with Disabilities program, after a determination has been made that the applicant's or beneficiary's net family income is below 250 percent of the federal poverty level for a family of the applicable size. Within 30 days following CMS approval of the income disregard, the Agency of Human Services shall commence the rulemaking process pursuant to 3 V.S.A. chapter 25 to amend its rules accordingly.

(d) On or before October 1, 2015, the Agency of Human Services shall request permission from CMS to disregard Social Security retirement income for the purpose of calculating eligibility for the Medicaid for Working People with Disabilities program for beneficiaries who have reached the Social Security retirement age and whose Social Security Disability Insurance benefits have automatically converted to Social Security retirement benefits. Within 30 days following CMS approval of the income disregard, the Agency of Human Services shall commence the rulemaking process pursuant to 3 V.S.A. chapter 25 to amend its rules accordingly.

(e) The Agency of Human Services shall engage the assistance of benefits counselors at public and nonprofit organizations to increase public awareness of the Medicaid for Working People with Disabilities program and of other work incentives for individuals with disabilities.

(f) On or before January 15, 2016, the Agency of Human Services shall provide a report on the implementation of this section to the House Committees on Commerce and Economic Development and on Human Services and to the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare.

* * * Vermont Career Technical Education * * *

Sec. C.10. VERMONT CAREER TECHNICAL EDUCATION

(a). Findings and intent.

(1) The "on time" graduation rate for high school students in Vermont is 86.6 percent (2013).

(2) The postsecondary continuation rate for 12th grade graduates is approximately 60 percent. Many states have set a target of 80 percent for students graduating from high school and transitioning to further education or training, or both.

(3) According to the Vermont Department of Labor, in 2014 the total number of people considered as "underutilized" labor in Vermont was 31,700.

(4) Vermont's workforce is aging, with 27.7 percent of all workers over 55 years of age.

(5) According to a report issued by the McClure Foundation, with assistance from the Vermont Department of Labor, Labor Market Information Division, there are currently, and will be, many high-wage, high-skill job openings in Vermont between now and 2020.

(6) In order to support the creation and growth of high paid jobs in Vermont, we must provide our students with the needed education, skills, and competencies for these positions.

(7) Vermont's Career and Technical Education Centers (CTEs) are a key resource in preparing Vermonters for careers and meeting the workforce needs of Vermont employers.

(8) CTE learning is designed to prepare students to be ready for their next step, including further training, college, jobs, and careers.

(9) Vermont's CTEs do not currently offer enough programs of study of the size, scope, and quality necessary to prepare high school students for these current and anticipated high-skill, high-wage, high-demand job openings.

(10) Due to the demands and complexity of these jobs, CTE programming should provide new courses in a sequence from grades 9-12, including dual enrollment, with smooth transitions to postsecondary training or further education, or both.

(11) There is an approved project within the Vermont Comprehensive Economic Development Strategies (CEDS) that identifies six high-priority cluster programs of study which the Agency of Education is currently implementing: Travel/Tourism and Business Systems (Culinary, Hospitality, Accounting, Management, Entrepreneurship); Manufacturing/Engineering

(STEM); Construction/Green Building and Design; Agriculture, Local Food Systems, Natural Resources; Information Technology (Networking, Software Development, Website Design); Health/Medical.

(12) The CEDS project for high-priority CTE programs of study will provide uniform high-quality programs at the centers throughout the State.

(13) The Vermont Department of Labor, the Agency of Commerce and Community Development, the Agency of Education, and the Vermont State Colleges should collaborate more closely to develop high school CTE programs of study, including adult technical education programs, aligned with the needs of Vermont's employers.

(14) In some cases, the funding models for the CTEs act as a disincentive for school districts to send their students to regional technical centers.

(15) The purpose of this section is to direct the Department of Labor, the Agency of Commerce and Community Development, the Agency of Education, and the Vermont State Colleges to collaborate on how to better utilize Vermont's CTEs.

(b) Study and report. The Agency of Education, the Department of Labor, the Agency of Commerce and Community Development, and the Vermont State Colleges shall convene, develop suggestions, and report on or before December 1, 2015 to the House Committees on Commerce and Economic Development and on Education and the Senate Committees on Economic Development, Housing and General Affairs and on Education on how Vermont's CTEs can be better utilized to provide training aligned with high-wage, high-skills, high-demand employment opportunities in Vermont, including:

(1) how the Agency of Education will develop priority pathway programs of study with regional CTEs in collaboration with the Department of Labor, the Agency of Commerce and Community Development, and the Vermont State Colleges;

(2) how these programs can include opportunities for post-secondary enrollment in apprenticeships, internships, approved training programs, sub-baccalaureate programs, and adult technical education programs;

(3) how to ensure equitable and appropriate access to CTE programs of study developed and implemented in grades 9 through 12;

(4) what barriers or challenges exist to the development and implementation of high-quality priority pathways as described in the CEDS approved project; and

(5) one or more recommendations to address the financial disincentive for school districts to send students to the CTEs created by the CTE funding model.

D. Tourism and Economic Development Marketing

D.1. FINDINGS AND PURPOSE

(a) The General Assembly finds:

(1) The State of Vermont is a worldwide leader in the global tourism market. Visitors from around the world come to Vermont to recreate and the Vermont brand is now recognized and admired throughout the world.

(2) Vermont is rapidly developing a reputation as a place where entrepreneurs and innovators can succeed, and where they can come to start and grow great businesses.

(3) The Department of Tourism and Marketing should continue its very successful tourism marketing efforts in order to maintain our standing in the global tourism market.

(4) The Department should also develop an economic development marketing program, highlighting the many positive features that make Vermont a great place to live, work, and do business, including:

(A) Vermont's long history of innovation, including agricultural, business, and technical innovation; product design; and entrepreneurship;

(B) the multitude and diversity of successful start-up businesses in environmental technology, health technology, advanced manufacturing, services technology, biotechnology, recreation technology, and social technology;

(C) the benefits of Vermont's size, scale, and accessibility to government officials and resources, which make Vermont a state where business can start, grow, and prosper; and

(D) the benefits of Vermont's educational and workforce development resources, and its highly skilled and highly educated population.

(b) The purpose of Secs. D.2 and D.3 of this act is to expand the mission of the Department of Tourism and Marketing to ensure a focus on economic development marketing.

Sec. D.2. 3 V.S.A. chapter 47 is amended to read:

CHAPTER 47: COMMERCE AND COMMUNITY DEVELOPMENT

* * *

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY ~~AFFAIRS~~ DEVELOPMENT

(a) The ~~department of housing and community affairs is created within the agency of commerce and community development~~ Department of Housing and Community Development is created within the Agency of Commerce and Community Development. The ~~department~~ Department shall:

(1) Be the central ~~state~~ State agency to coordinate, consolidate, and operate, to the extent possible, all housing programs enacted hereafter by the ~~general assembly~~ General Assembly or created by executive order of the ~~governor~~ Governor.

(2) Be the central ~~state~~ State agency for local and regional planning and coordination.

(3) Administer the community development block grant program pursuant to 10 V.S.A. chapter 29. When awarding municipal planning grants prior to fiscal year 2012, the ~~department~~ Department shall give priority to grants for downtowns, new town centers, growth centers, and Vermont neighborhoods.

(4) In partnership with the ~~division for historic preservation~~ Division of Historic Preservation, direct, supervise, and administer the Vermont downtown program, and any other program designed to preserve the continued economic vitality of the ~~state's~~ State's traditional commercial districts.

(b) Neither the Vermont ~~state housing authority~~ State Housing Authority or the Vermont ~~home mortgage guarantee board agency~~ Housing Finance Agency shall be considered part of the ~~department of housing and community affairs~~ Department, but shall keep the ~~department~~ Department advised of programs and activities being conducted.

* * *

§ 2473. DIVISION FOR HISTORIC PRESERVATION

The ~~division for historic preservation~~ Division of Historic Preservation is created within the ~~department of housing and community affairs~~ Department of Housing and Community Development as the successor to and the continuation of the ~~board of historic sites~~ Board of Historic Sites and the ~~division of historic sites~~ Division of Historic Sites.

* * *

§ 2476. DEPARTMENT OF TOURISM AND MARKETING

(a) ~~The department of tourism and marketing of the agency is created, as successor to the department of travel~~ The Department of Tourism and

Marketing is created within the Agency of Commerce and Community Development. The ~~department~~ Department shall be administered by a ~~commissioner~~ Commissioner.

(b) Tourism marketing. The ~~department of tourism and marketing~~ Department shall be responsible for ~~the promotion of Vermont goods and services as well as~~ the promotion of Vermont's travel, recreation, and cultural attractions through advertising and other informational programs, and for provision of travel and recreation information and services to visitors to the ~~state~~ State, in coordination with other agencies of ~~state~~ State government, chambers of commerce and travel associations, and the private sector in order to increase the benefits of tourism marketing, including:

(1) enhancing Vermont's image as a tourist destination in the regional, national, and global marketplace;

(2) increasing occupancy rates;

(3) increasing visitor spending throughout the State; and

(4) increasing State revenues generated through the rooms and meals tax.

(c) Economic development marketing. The Department shall be responsible for the promotion of Vermont as great place to live, work, and do business in order to increase the benefits of economic development marketing, including:

(1) attracting additional private investment in Vermont businesses;

(2) recruiting new businesses;

(3) attracting more innovators and entrepreneurs to locate in Vermont;

(4) attracting, recruiting, and growing the workforce to fill existing vacancies in growing businesses; and

(5) promoting and supporting Vermont businesses, goods, and services.

(d) On and after July 1, 1997, all departments engaging in marketing activities shall submit to and coordinate marketing plans with the ~~commissioner of the department of tourism and marketing~~ Commissioner.

~~(d) [Repealed.]~~

(e) The ~~department of tourism and marketing~~ Department may conduct direct marketing activities pursuant to this chapter or ~~chapter 27 of Title~~ 10 V.S.A. chapter 27, ~~but~~ and shall ~~make best reasonable efforts~~ work to increase marketing activities conducted in partnership with one or more private sector partners to maximize State marketing resources and to enable Vermont

businesses to align their own brand identities with the Vermont brand, enhancing the reputations of both the business and the State.

(f) Building on established, successful collaboration with private partners in travel and tourism, agriculture, and other industry sectors, the ~~department should~~ Department shall have the authority ~~undertake reasonable efforts~~ to extend its marketing and promotional resources to include partners in the arts and humanities, as well as other partners that depend on tourism for a significant part of their annual revenue.

(g) The Department shall expand its outreach and information-gathering procedures to allow Vermont businesses and other interested stakeholders to comment on the design and implementation of its tourism marketing and economic development marketing initiatives and also to provide ongoing feedback to the Department on the effectiveness of its initiatives.

Sec. D.3. DEPARTMENT OF TOURISM AND MARKETING; ECONOMIC DEVELOPMENT MARKETING; LEGISLATIVE PROPOSAL AND REPORT TO DEFINE PROGRAM GOALS, TARGETS, PERFORMANCE MEASURES, AND RESULTS

(a) On or before January 15, 2016, the Department of Tourism and Marketing shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs to identify the goals, targets, performance measures, and results of its economic development marketing programs, including testimony or a written report addressing:

(1) Department functions, including:

(A) the mission and objectives of the Department and its programs;

(B) measurable goals for success;

(C) a profile of specific target audiences;

(D) research necessary to engage those audiences;

(E) strategies to identify and document Vermont's unique offerings and benefits to those audiences; and

(F) tactics to accomplish each strategy.

(2) Desired goals, including:

(A) new people, employees, and businesses relocate and invest in Vermont; and

(B) current Vermonters and businesses stay and prosper here.

(3) Measurable targets, including an increase in:

(A) student applications to Vermont schools;

(B) workforce participants;

(C) employment opportunities and jobs;

(D) number of businesses;

(E) investment in Vermont businesses; and

(F) the number of homeowners.

(4) Methods for identifying and collecting data indicators, and analyzing results.

* * * Domestic Export Program * * *

Sec. D.5. 6 V.S.A. chapter 207 is amended to read:

CHAPTER 207. PROMOTION AND MARKETING OF VERMONT FOODS AND PRODUCTS

* * *

Subchapter 3. Agricultural Exports

§ 4621. DOMESTIC EXPORT PROGRAM

(a) The Secretary of Agriculture, Food and Markets, in collaboration with the Agency of Commerce and Community Development and the Chief Marketing Officer, shall have the authority to create a Domestic Export Program, the purpose of which may include:

(1) connecting Vermont producers with brokers, buyers, and distributors in other U.S. state and regional markets;

(2) providing technical and marketing assistance to Vermont producers to convert these connections into increased sales and sustainable commercial relationships; and

(3) providing one-time matching grants to attend trade shows and similar events to expand producers' market presence in other U.S. states, subject to available funding.

(b) The Secretary shall collect data on the activities and outcomes of the program authorized under this section and submit his or her findings and recommendations in a report on or before January 15 of each year to the House Committees on Agriculture and Forest Products and on Commerce and Economic Development and to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs.

Sec. D.6. IMPLEMENTATION; DOMESTIC EXPORT PROGRAM

The Secretary of Agriculture, Food and Markets shall pursue grants, funding, and other resources, and shall continue to identify operational efficiencies within the Agency, in order to sustain adequately the creation and implementation of activities under the domestic export program authorized in 6 V.S.A. § 4621.

E. Access to Capital

* * * Vermont Economic Development Authority (VEDA); Lending; Green Manufacture of Microbead Alternatives * * *

Sec. E.1. 10 V.S.A. § 280bb is amended to read:

§ 280bb. VERMONT ENTREPRENEURIAL LENDING PROGRAM

(a) There is created the Vermont Entrepreneurial Lending Program to be administered by the Vermont Economic Development Authority. The Program shall seek to meet the working capital and capital-asset financing needs of Vermont-based businesses in seed, start-up, and growth stages. The Program shall specifically seek to fulfill capital requirement needs that are unmet in Vermont, including:

(1) loans ~~up to $100,000.00~~ to manufacturing businesses and software developers with innovative products that typically reflect long-term, organic growth;

(2) loans up to $1,000,000.00 in growth-stage companies that do not meet the underwriting criteria of other public and private entrepreneurial financing sources; ~~and~~

(3) loans to businesses that are unable to access adequate capital resources because the primary assets of these businesses are typically intellectual property or similar nontangible assets; and

(4) loans to advanced manufacturers and other Vermont businesses for product development and intellectual property design.

(b) The Authority shall adopt regulations, policies, and procedures for the Program as are necessary to increase the amount of investment funds available to Vermont businesses whose capital requirements are not being met by conventional lending sources.

(c) When considering entrepreneurial lending through the Program, the Authority shall give additional consideration and weight to an application of a business whose business model and practices will have a demonstrable effect in achieving other public policy goals of the State, including:

(1) The business will create jobs in strategic sectors such as the knowledge-based economy, renewable energy, advanced manufacturing, wood products manufacturing, and value-added agricultural processing.

(2) The business is located in a designated downtown, village center, growth center, industrial park, or other significant geographic location recognized by the State.

(3) The business adopts energy and thermal efficiency practices in its operations or otherwise operates in a way that reflects a commitment to green energy principles.

(4) The business will create jobs that pay a livable wage and significant benefits to Vermont employees.

(5) The business will create environmental benefits or will manufacture environmentally responsible products.

(d) The Authority shall include provisions in the terms of a loan made under the Program to ensure that a loan recipient shall maintain operations within the State for a minimum of five years from the date on which the recipient receives the loan funds from the Authority or shall otherwise be required to repay the outstanding funds in full.

Sec. E.2. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter:

* * *

(6) "Eligible facility" or "eligible project" means any industrial, commercial, or agricultural enterprise or endeavor approved by the authority that meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under section 280b of this title, including land and rights in land, air, or water, buildings, structures, machinery, and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of state, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to housing. Such enterprises or endeavors may include:

(A) quarrying, mining, manufacturing, processing, including the further processing of agricultural products, assembling, or warehousing of goods or materials for sale or distribution or the maintenance of safety standards in connection therewith, and including Vermont-based

manufacturers that are adversely impacted by the State's regulation or ban of products as they transition from the manufacture of the regulated or banned products to the design and manufacture of environmentally sound substitutes.

* * *

* * * Vermont State Treasurer; Local Investments * * *

Sec. E.3. Sec. 25 of Act 199 of 2014 (sunset of Treasurer's credit facility for local investments and Treasurer's local investment advisory committee) is amended to read:

Sec. 25. SUNSET

Secs. 23–24 of this act shall be repealed on July 1, ~~2015~~ 2016.

* * * Licensed Lender Exemption for Commercial Loans * * *

Sec. E.4. 8 V.S.A. § 2201 is amended to read:

§ 2201. LICENSES REQUIRED

* * *

(d) No lender license, mortgage broker license, or sales finance company license shall be required of:

* * *

(10) Persons who lend, other than residential mortgage loans, an aggregate of less than ~~$75,000.00~~ $250,000.00 in any one year at rates of interest of no more than 12 percent per annum.

* * *

Sec. E.5. PEER-TO-PEER LENDING; STUDY; REPORT

(a) The Department of Financial Regulation, in collaboration with the Agency of Commerce and Community Development, shall conduct a study and analysis of models for peer-to-peer lending and investment that will enable established entrepreneurs to connect with emerging entrepreneurs and increased lending, equity investment, and business mentoring while preserving adequate regulatory oversight and business consumer protection.

(b) The Department and the Agency shall report its findings and any recommendations for legislation on or before December 1, 2015, to the House Committee on Commerce and Community Development and to the Senate Committee on Economic Development, Housing and General Affairs.

Sec. E.6. MEDIA PRODUCTION DATABASE

(a) Subject to subsection (c) of this section, the Agency of Commerce and Community Development shall create and maintain a current database of media production resources in Vermont.

(b)(1) The database shall be a searchable directory of media production professionals, including location scouts, lighting resources, animation, studios, equipment rental, sites, editing equipment, independent contractors who work in production, acting, and photographers.

(2) The database shall be accessible to the public through the Agency website and other appropriate sources.

(c) Implementation of this section shall be contingent upon the Agency's successful creation of a partnership with one or more Vermont colleges, universities, or other internship programs to create and maintain the media production database.

F. Natural Resources, Land Use, and Planning

* * * Giving Deference to Regional Planning and Planners in Mitigating Adverse Economic Impacts of Major Employers * * *

Sec. F.1. 24 V.S.A. § 2787 is added to read:

§ 2787. ECONOMIC DEVELOPMENT STRATEGY; DEFERENCE TO REGIONAL PLANS; CEDS

In the event a major employer in an economic region announces a closure, relocation, or other significant action that will impact directly and indirectly jobs or wages in the region, and a regional planning commission has adopted a regional plan pursuant to section 4348 of this title or a Comprehensive Economic Development Strategy (CEDS) approved by the U.S. Economic Development Administration, or both, and the plan or CEDS, or both, includes mitigation strategies to address substantial local and regional economic and fiscal challenges related to that employer, including closure, relocation, or reduction in workforce, then:

(1) the Executive Branch shall defer to the regional plan and CEDS when using or distributing funds or other resources meant to mitigate anticipated local and regional economic and fiscal challenges, or shall provide the regional planning commission for the region with its basis for not deferring to the plan and the CEDS; and

(2) the Executive Branch shall involve the regional planning commission and regional development corporation for the region in decisions regarding the use or distribution of those funds or resources.

* * * Southern Vermont Economic Development Zone * * *

Sec. F.2. FINDINGS AND PURPOSE

(a) The General Assembly finds:

(1) the Agency of Commerce and Community Development projects that the 44 Vermont towns served by the two most Southern regional development corporations and regional planning commissions in Vermont will lose 3.5 percent of their population by 2030 and that the total population of individuals over 65 years of age in this combined region will increase from 17 percent in 2010 to 30 percent in 2030;

(2) the number of visitors to the Southern Vermont visitor center has decreased 25 percent since 2006;

(3) since 2006, growth in the region's rooms and meals tax is 10 percent, as compared to 25 percent in the Chittenden County region;

(4) the rate of residential construction in the region is currently half of the prerecession level;

(5) the two Southern Vermont regions have collaborated on business recovery programming after Tropical Storm Irene, including development of individualized downtown and village revitalization plans and development of the Southern Vermont Sustainable Marketing program; and

(6) the two regions, having also worked together on some workforce development and internship initiatives, are seeking to establish a more formal structure for their workforce and recruitment efforts.

(b) The purposes of Secs. F.3 and F.4 of this act are:

(1) to establish officially a Southern Vermont Economic Development Zone comprising of the geographic areas served by the Brattleboro Development Credit Corporation and the Bennington County Industrial Corporation; and

(2) to establish a study committee that will assist the General Assembly, the Governor, and partners within the Zone in establishing a replicable framework for regional cooperation by and between public sector and private sector partners concerning economic development initiatives; workforce training, retention, and recruitment; and sustainable business investment.

(c)(1) The General Assembly acknowledges the challenges in Southern Vermont and intends for this formal designation to accelerate economic development initiatives that are underway or are needed in the future.

(2) The General Assembly does not intend that the Zone in current or future years will be a recipient of General Fund appropriations. Rather, the

intent of the Zone is to coordinate targeted investment through public-private partnerships from other funding sources if available and to facilitate economic growth through regional cooperation.

Sec. F.3. 10 V.S.A. chapter 1 is amended to read:

CHAPTER 1: ~~THE FUTURE OF~~ ECONOMIC DEVELOPMENT

* * *

~~Subchapter 1: The Vermont Business Recruitment Partnership~~

§ 8. SOUTHERN VERMONT ECONOMIC DEVELOPMENT ZONE

There is created the Southern Vermont Economic Development Zone, comprising of the geographic areas served by the Brattleboro Development Credit Corporation and the Bennington County Industrial Corporation.

* * *

Sec. F.4. SOUTHERN VERMONT ECONOMIC DEVELOPMENT ZONE; STUDY COMMITTEE; REPORT

(a) There is created the Southern Vermont Economic Development Zone Study Committee the purpose of which shall be to reverse the decline in the workforce from 2000–2014 and to revitalize economic growth within the Southern Vermont Economic Development Zone created in 10 V.S.A. § 8.

(b) The Study Committee shall consist of the following members:

(A) five members who represent the interests of the private sector and represent a balance of geographic interests within the Zone:

(i) one member appointed by the Governor;

(ii) two members appointed by the Speaker of the House of Representatives; and

(iii) two members appointed by the Senate Committee on Committees;

(B) one member each from the Brattleboro Development Credit Corporation and the Bennington County Industrial Corporation; and

(C) one member each from the Windham Regional Commission and the Bennington County Regional Commission.

(c) On or before December 1, 2015, the Committee shall submit a report to the Secretary of the Agency of Commerce and Community Development, the House Committee on Commerce and Community Development, and the Senate Committee on Economic Development, Housing and General Affairs that includes proposals:

(1) to establish an integrated investment strategy for retaining businesses within and recruiting business to the Zone;

(2) to establish an implementation plan for the Southern Vermont Sustainable Recruitment and Marketing Project created in 2014 and contained in the Windham Region's federally recognized Comprehensive Economic Development Strategy;

(3) to outline the benefits and obstacles within the Zone involved in integrating internship and career exposure programs, workforce development programs, and young professional activities;

(4) to propose an organizational and operational structure of a public-private partnership with the mission of aggregating capital and coordinating investment in small- and medium-size businesses located within the Zone; and

(5) to recommend whether and in what configuration the Study Committee or other group should continue and its mission.

(d) Meetings.

(1) The members of the Committee who represent the regional development corporations shall jointly call the first meeting, to occur on or before August 1, 2015.

(2) The Committee shall select a chair from among the private sector members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on July 1, 2016.

* * *

* * * Act 250; Criterion 9(L) * * *

Sec. F.5. ACT 250; IMPLEMENTATION OF SETTLEMENT PATTERNS CRITERION

(a) The General Assembly finds that:

(1) 2014 Acts and Resolves No. 147, Sec. 2 amended 10 V.S.A. § 6086(a)(9)(L) (Criterion 9L) to become a settlement patterns criterion. The purpose of the amendment was to guide and accomplish coordinated, efficient, and economic development in the State that is consistent with Vermont's historic settlement pattern of compact centers separated by rural countryside.

(2) Effective on October 17, 2014, the Natural Resources Board (NRB) adopted a procedure to implement Criterion 9L (the Criterion 9L Procedure).

(b) The General Assembly determines that additional opportunity for public comment on the Criterion 9L Procedure, as well as additional education and improved guidance, would be beneficial in implementing the criterion.

(1) The NRB shall review the Criterion 9L Procedure in full collaboration with the Agency of Commerce and Community Development (ACCD) and the Agency of Natural Resources (ANR).

(A) As part of this review, the NRB shall solicit input from affected parties and the public, including planners, developers, municipalities, environmental advocacy organizations, regional planning commissions, regional development corporations, and business advocacy organizations such as State and regional chambers of commerce.

(B) Based on this review, the NRB shall adopt revisions in the form of a procedure under 3 V.S.A. chapter 25.

(2) ACCD shall work with the NRB and ANR to develop outreach material on Criterion 9L, including illustrative examples of appropriate development design, and implement a training plan on the criterion for local elected officials, municipal boards, State and regional organizations and associations, environmental groups, consultants, and developers.

* * * Municipal Land Use; Neighborhood Development Area * * *

Sec. F.6. 24 V.S.A. § 4471(e) is amended to read:

(e) ~~Vermont neighborhood~~ Neighborhood development area. Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel shall not be subject to appeal if the determination is that a proposed residential development within a designated downtown development district, designated growth center, ~~or~~ designated Vermont neighborhood, or designated neighborhood development area seeking conditional use approval will not result in an undue adverse effect on the character of the area affected~~, as provided in~~ under subdivision 4414(3)~~(A)(ii)~~ of this title.

* * * Act 250; Primary Agricultural Soils * * *

Sec. F.7. 10 V.S.A. § 6086(a)(9)(B) is amended to read:

(B) Primary agricultural soils. A permit will be granted for the development or subdivision of primary agricultural soils only when it is demonstrated by the applicant that, in addition to all other applicable criteria, either, the subdivision or development will not result in any reduction in the agricultural potential of the primary agricultural soils; or:

(i) the development or subdivision will not significantly interfere with or jeopardize the continuation of agriculture or forestry on adjoining lands or reduce their agricultural or forestry potential; ~~and~~

(ii) except in the case of an application for a project located in a designated ~~growth center~~ area listed in subdivision 6093(a)(1) of this title, there are no lands other than primary agricultural soils owned or controlled by the applicant which are reasonably suited to the purpose of the development or subdivision; ~~and~~

(iii) except in the case of an application for a project located in a designated ~~growth center~~ area listed in subdivision 6093(a)(1) of this title, the subdivision or development has been planned to minimize the reduction of agricultural potential of the primary agricultural soils through innovative land use design resulting in compact development patterns, so that the remaining primary agricultural soils on the project tract are capable of supporting or contributing to an economic or commercial agricultural operation; and

(iv) suitable mitigation will be provided for any reduction in the agricultural potential of the primary agricultural soils caused by the development or subdivision, in accordance with section 6093 of this title and rules adopted by the Natural Resources Board.

* * * Acquisition of Land by Public Agencies; Conservation Easements * * *

Sec. F.8. 10 V.S.A. § 6310 is added to read:

§ 6310. CONSERVATION EASEMENT HOLDER; NONMERGER

If a holder of a conservation easement is or becomes the owner in fee simple of property subject to the easement, the easement shall continue in effect and shall not be extinguished.

Sec. F.9. 30 V.S.A. § 248(q) is amended to read:

(q)(1) A certificate under this section shall be required for a plant using methane derived from an agricultural operation ~~shall be required~~ as follows:

(A) With respect to a plant that constitutes farming pursuant to 10 V.S.A. § 6001(22)(F), only for the equipment used to generate electricity from biogas, the equipment used to refine biogas into natural gas, the structures housing such equipment used to generate electricity or refine biogas, and the interconnection to electric and natural gas distribution and transmission systems. The certificate shall not be required for the methane digester, the digester influents and non-gas effluents, the buildings and equipment used to handle such influents and non-gas effluents, or the on-farm use of heat and exhaust produced by the generation of electricity, and these components shall not be subject to jurisdiction under this section.

(B) With respect to a plant that does not constitute farming pursuant to 10 V.S.A. § 6001(22)(F) but which receives feedstock from off-site farms, for all on-site components of the plant, for the transportation of feedstock to the plant from off-site contributing farms, and the transportation of effluent or digestate back to those farms. The certificate shall not regulate any farming activities conducted on the contributing farms that provide feedstock to a plant or use of effluent or digestate returned to the contributing farms from the plant.

* * *

G. Tax Credits and Business Incentives

* * * Vermont Employment Growth Incentive (VEGI) * * *

Sec. G.1. 32 V.S.A. § 5930a(c)(2) is amended to read:

(2) The new jobs should make a net positive contribution to employment ~~in the area, and meet or exceed the prevailing compensation level including wages and benefits, for the particular employment sector~~ consistent with the applicable wage threshold for the labor market area. The new jobs should offer benefits and opportunities for advancement and professional growth consistent with the employment sector.

Sec. G.2. 32 V.S.A. § 5930b is amended to read:

§ 5930b. VERMONT EMPLOYMENT GROWTH INCENTIVE

(a) Definitions. As used in this section:

* * *

(20) ~~"Qualifying jobs" means new, full-time Vermont jobs held by nonowners that meet the wage threshold.~~

"Qualifying job" means a new, full-time Vermont job held by a nonowner that meets the wage threshold and for which the employer provides at least three of the following:

(A) health care benefits with 50 percent or more of the premium paid by the employer;

(B) dental assistance;

(C) paid vacation;

(D) paid holidays;

(E) child care;

(F) other extraordinary employee benefits;

(G) retirement benefits;

(H) other paid time off, including paid sick days.

* * *

(24) "Wage threshold" means the minimum annualized Vermont gross wages and salaries paid, as determined by the Council, but not less than:

(A) 60 percent above the minimum wage at the time of application~~, in order for a new job to be a qualifying job under this section~~; or

(B) for a business located in a labor market area in which the average annual unemployment rate is higher than the average annual unemployment rate for the State, the greater of:

(i) 40 percent above the State minimum wage at the time of application; or

(ii) $13.00 per hour.

(25) "Labor market area" means a labor market area as designated by the Vermont Department of Labor.

(b) Authorization process.

(1) A business may apply to the Vermont Economic Progress Council for approval of a performance-based employment growth incentive to be paid out of the business's withholding account upon approval by the Department of Taxes pursuant to the conditions set forth in this section. Businesses shall not be permitted to deduct approved incentives from withholding liability payments otherwise due. In addition to any other information that the Council may require in order to fulfill its obligations under section 5930a of this title, an employment growth incentive application shall include all the following information:

(A) application base number of jobs;

(B) total jobs at time of application;

(C) application base payroll;

(D) total payroll at time of application;

(E) jobs target for each year in the award period;

(F) payroll target for each year in the award period;

(G) capital investment target for each year in the award period; and

(H) a statement signed by the president or chief executive officer or equivalent acknowledging that to the extent the applicant fails to meet the minimum capital investment by the end of the award period, any incentives remaining to be earned shall be limited, and any incentives taken shall be

subject to complete or partial reversal, pursuant to subdivisions (c)(10) and (11) of this section.

(2) The Council shall review each application in accordance with section 5930a of this title, except that the Council may provide for an initial approval pursuant to the conditions set forth in subsection 5930a(c), followed by a final approval at a later date, before December 31 of the calendar year in which the economic activity commences.

(3) Except as provided in subdivision (5) of this subsection, the value of the incentives will be dependent upon the net fiscal benefit resulting from projected qualifying payroll and qualifying capital investment. An incentive ratio shall be applied to the net fiscal benefit generated by the cost-benefit model in order to determine the maximum award the Council may authorize for each application it approves. The Council may establish a threshold for wages in excess of, but not less than, the wage threshold, as defined in subsection (a) of this section for individual applications the Council wishes to approve. The Council shall calculate an incentive percentage for each approved application as follows:

Authorized award amount ÷ the five-year sum of all payroll targets

(4) An approval shall specify: the application base jobs at the time of the application; total jobs at time of application; the application base payroll; total payroll at time of application; the incentive percentage; the wage threshold; the payroll thresholds; a job target for each year of the award period; a payroll target for each year of the award period; a capital investment target for each year of the award period and description sufficient for application of subdivisions (c)(10) and (11) of this section of the nature of qualifying capital investment over the award period upon which approval shall be conditioned; and the amount of the total award. The Council shall provide a copy of each approval to the Department of Taxes along with a copy of the application submitted by that applicant.

(5)(A) Notwithstanding subdivision (3) of this subsection, the Council may authorize incentives in excess of net fiscal benefit multiplied by the incentive ratio ~~not to exceed an annual authorization established by law~~ for awards to businesses located in a labor market area in which the average annual unemployment rate is greater than the average annual unemployment rate for the State or in which the average annual wage is below the average annual wage for the State.

(B)(i) Except as provided in subdivision (B)(ii) of this subdivision (5), the total amount of employment growth incentives the Vermont Economic Progress Council is authorized to approve under subdivision (A) of this subdivision (5) shall not exceed $1,000,000.00 from the General Fund.

(ii) The Council shall have the authority to exceed the cap imposed in subdivision (i) of this subdivision (5)(B) upon application to and approval by the Emergency Board.

(c) Claiming an employment growth incentive.

* * *

(6)(A) A business whose application is approved and, in the first, second, or third year of the award period, fails to meet or exceed its payroll target and one out of two of its jobs and capital investment targets may not claim incentives in that year. To the extent such business reaches its first, second, or third year award period targets within the succeeding two calendar year reporting periods immediately succeeding year one, two, or three of the award period, or within the extended period if an extension is granted under subdivision (B) of this subdivision (6), whichever is applicable, such business may claim incentives in five-year installments as provided in subdivisions (1) through (4) of this subsection. A business which fails to meet or exceed its payroll target and one of its two jobs and capital investment targets within this time frame shall forfeit all authority under this section to earn and claim incentives for award period year one, two, or three, as applicable, and any future award period years. The Department of Taxes shall notify the Vermont Economic Progress Council that the first, second, or third year award period targets have not been met within the prescribed period, and the Council shall rescind authority for the business to earn incentives for the activity in year one, two, or three, as applicable, and any future award period years.

(B)(i) Notwithstanding subdivision (A) of this subdivision (6), if a business determines that it may not reach its first or second year award period targets within the succeeding two calendar year reporting periods due to facts or circumstances beyond its control, the business may request that the Council extend the period to meet the targets for another two reporting periods, reviewed annually, for award year one, and one reporting period for award year two.

(ii) The Council may grant an extension pursuant to this subdivision (B) if it determines that the business failed to meets its targets due to facts or circumstances beyond the control of the business and that there is a reasonable likelihood the business will meet the award period targets within the extension period.

(iii) If the Council grants an extension pursuant to this subdivision (B), the Council shall recalculate the value of the incentive using the cost-benefit model and shall adjust the amount of the award as is necessary to account for the extension of the award period.

* * *

(h) Enhanced training incentive. Notwithstanding any provision of law to the contrary, the Council may award an enhanced training incentive as follows:

(1) A business whose incentive application is approved may elect to claim an enhanced training incentive at any time during the award period by:

(A) notifying the Council of its intent to pursue an enhanced training incentive and dedicate its incentive funds to training through the Vermont Training Program or a Workforce Education and Training Fund program; and

(B) applying for a grant from the Vermont Training Program or the Workforce Education and Training Fund to perform training for new employees who hold qualifying jobs.

(2) If a business is awarded a grant for training pursuant to subdivision (1) of this subsection, the Agency of Commerce and Community Development or the Department of Labor, as applicable, shall disburse grant funds for on-the-job training of not more than 75 percent of wages for each employee in training, or not more than 75 percent of trainer expense, and the business shall be responsible for the remaining 25 percent of the applicable training costs.

(3) If the business successfully completes its training and meets or exceeds its payroll target and either its jobs target or capital investment target, the Council shall approve the enhanced training incentive and notify the Department of Taxes.

(4) Upon notification by the Council, the Department of Taxes:

(A) shall disburse to the business a payment in an amount equal to 25 percent of the cost for training expenses pursuant to subdivision (3) of this subsection (h);

(B) shall disburse to the Agency of Commerce and Community Development or the Department of Labor, as applicable, a payment in an amount equal to 25 percent of the cost for training expenses pursuant to subdivision (3) of this subsection (h); and

(C) shall disburse the remaining value of the incentive award in annual installments pursuant to subdivision (c)(2) of this section.

(5)(A) If, during the utilization period for the incentive paid pursuant to this subsection (h), the business fails to maintain the qualifying jobs or qualifying payroll established in the award year, or does not reestablish qualifying jobs or qualifying payroll to 100 percent of the award year level, the Department of Taxes shall recapture the enhanced incentive pursuant to subsection (d) of this section.

(B) The amount of recapture shall equal the sum of the installments that the Department would have disbursed if it had paid the incentive in five-year installments pursuant to subdivision (c)(2) of this section for the years during the utilization period that the qualifying jobs or qualifying payroll were not maintained.

(i) Overall gross cap on total employment growth incentive and education tax incentive authorizations.

(1) For any calendar year, the total amount of employment growth incentives the Vermont Economic Progress Council is authorized to approve under this section and property tax stabilizations under subsection 5404a(a) of this title shall not exceed $10,000,000.00 from the General Fund and Education Fund combined each year.

(2) The Council shall have the authority to exceed the cap imposed in subdivision (1) of this subsection upon application to and approval by the Emergency Board.

Sec. G.3. 2006 Acts and Resolves No. 184, Sec. 11 is amended to read:

Sec. 11. ~~VEGI; ANNUAL CALENDAR YEAR CAPS~~

~~(a) Net negative awards cap. Notwithstanding any other provision of law, in any calendar year, the annual authorization for the total net fiscal cost of Vermont employment growth incentives that the Vermont economic progress council or the economic incentive review board may approve under 32 V.S.A. § 5930b(b)(5) shall not exceed $1,000,000.00 from the general fund.~~

~~(b) Restrictions to labor market area. Employment growth incentives within the annual authorization amount in subsection (a) of this section shall be granted solely for awards to businesses located in a labor market area of this state in which the rate of unemployment is greater than the average for the state or in which the average annual wage is below the average annual wage for the state. For the purposes of this section, a "labor market area" shall be as determined by the department of labor.~~

~~(c) Overall gross cap on total employment growth incentive and education tax incentive authorizations. For any calendar year, the total amount of employment growth incentives the Vermont economic progress council or the economic incentive review board is authorized to approve under 32 V.S.A. § 5930b and property tax stabilizations and allocations under 32 V.S.A. § 5404a(a) and (e) shall not exceed $10,000,000.00 from the general fund and education fund combined each year. This maximum annual amount may be exceeded by the Vermont economic progress council upon application to and approval by the Emergency Board.~~ [Repealed.]

Sec. G.4. 10 V.S.A. § 531(d) is amended to read:

(d) In order to avoid duplication of programs or services and to provide the greatest return on investment from training provided under this section, the Secretary of Commerce and Community Development shall:

(1) consult with the Commissioner of Labor regarding whether the grantee has accessed, or is eligible to access, other workforce education and training resources;

(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that, except for an award under an enhanced training incentive as provided in 32 V.S.A. § 5930b(h), a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training, or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

(3) use funds under this section only to supplement training efforts of employers and not to replace or supplant training efforts of employers.

* * * Employee Relocation Tax Credit Study * * *

Sec. G.5. EMPLOYEE RELOCATION TAX CREDIT; STUDY COMMITTEE; REPORT

(a) Creation. There is created an Employee Relocation Study Committee to research and develop one or more incentive programs to encourage employees who are qualified for high-demand, unfilled positions within Vermont businesses to relocate to Vermont.

(b) Membership. The Committee shall be composed of the following members:

(1) one current member of the House of Representatives appointed by the Speaker of the House;

(2) one current member of the Senate appointed by the Committee on Committees;

(3) one member who represents the interests of the regional development corporations, appointed by the Governor;

(4) one member who represents the interests of private business, appointed by the Speaker of the House;

(5) one member who represents the interests of private business, appointed by the Committee on Committees; and

(6) the Secretary of Commerce and Community Development.

(c) Powers and duties. The Committee shall study potential incentive programs, tax credits, or other mechanisms to encourage employee relocation, including the following issues:

(1) eligibility criteria for employees, employers, and employment positions;

(2) amount and conditions for incentives or credits;

(3) distribution of incentives or credits by region, employer, and by State-level or regional-level grantors; and

(4) data, and a mechanism for collecting data, to measure the effectiveness of any proposed program.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Agency of Commerce and Community Development.

(e) Report. On or before January 15, 2016, the Committee shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Agency of Commerce and Community Development shall call the first meeting of the Committee, to occur on or before September 1, 2015.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on January 16, 2016.

(g) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than four meetings.

(2) Other members of the Committee who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for no more than four meetings.

* * * VHFA; Down Payment Assistance Program * * *

Sec. G.6. DOWN PAYMENT ASSISTANCE PROGRAM; FINDINGS

The General Assembly finds:

(1) The Federal Bipartisan Policy Center's Housing Commission notes that homeownership can produce powerful economic, social, and civic benefits that serve the individual homeowner, the larger community, and the nation.

(2) Supporting more Vermonters to become homeowners allows them an opportunity to improve and invest in their neighborhoods and become stable members of their community's life and workforce.

(3) Homeownership, even with the recent decline in housing values, has continued to be the most reliable source of individual wealth accumulation and equity for the future.

(4) First-time homebuyers often delay purchasing a home due to the fees and down payment costs required at closing and need support to achieve their homeownership opportunity.

Sec. G.7. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) As used in this section:

(1) "Affordable housing project" or "project" means:

(A) a rental housing project identified in 26 U.S.C. § 42(g); or

(B) owner-occupied housing identified in 26 U.S.C. § 143~~(e) and (f) and eligible~~ (c)(1) or that qualifies under ~~the~~ Vermont Housing Finance Agency ~~allocation plan~~ criteria governing owner-occupied housing.

(2) "Affordable housing tax credits" means the tax credit provided by this subchapter.

(3) "Allocating agency" means the Vermont Housing Finance Agency.

(4) "Committee" means the Joint Committee on Tax Credits consisting of five members~~;~~: a representative from the Department of Housing and Community Affairs, the Vermont Housing and Conservation Board, the Vermont Housing Finance Agency, the Vermont State Housing Authority, and the Office of the Governor.

(5) "Credit certificate" means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax credits that can be applied against the taxpayer's individual or corporate income tax or franchise or insurance premium tax liability as provided in this subchapter.

(6) "Eligible applicant" means any municipality, private sector developer, ~~department of state government as defined in 10 V.S.A. § 6302(a),~~ State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing Finance Agency, or a nonprofit organization qualifying under 26 U.S.C. § 501(c)(3)~~,~~ or cooperative housing organization, the purpose of which is ~~the creation and retention of~~ to create and retain affordable housing for ~~lower income~~ Vermonters~~,~~ with lower income and ~~the~~ which has in its bylaws ~~that require~~ a requirement that ~~housing to~~ the housing the organization creates be maintained as affordable housing for ~~lower income~~ Vermonters with lower income on a perpetual basis.

(7) "Eligible cash contribution" means an amount of cash contributed to the owner, developer, or sponsor of an affordable housing project and determined by the allocating agency as eligible for affordable housing tax credits.

(8) "Section 42 credits" means tax credit provided by 26 U.S.C. §§ 38 and 42.

(9) "Allocation plan" means the plan recommended by the Committee and approved by the Vermont Housing Finance Agency, which sets forth the eligibility requirements and process for selection of eligible housing projects to receive affordable housing tax credits under this section. The allocation plan shall include:

(A) requirements for creation and retention of affordable housing for ~~low income~~ persons~~,~~ with low income; and

(B) requirements to ensure that eligible housing is maintained as affordable by subsidy covenant, as defined in 27 V.S.A. § 610 on a perpetual basis, and meets all other requirements of the Vermont Housing Finance Agency related to affordable housing.

(b) Eligible tax credit allocations.

(1) Affordable housing credit allocation.

(A) An eligible applicant may apply to the allocating agency for an allocation of affordable housing tax credits under this section related to an affordable housing project authorized by the allocating agency under the allocation plan. In the case of a specific affordable rental housing project, the eligible applicant ~~must~~ shall also be the owner or a person having the right to acquire ownership of the building and ~~must~~ shall apply prior to placement of the affordable housing project in service. In the case of owner-occupied housing units, the applicant ~~must apply prior to purchase of the unit and must~~ shall ensure that the allocated ~~funds will be used to ensure that the~~ housing ~~qualifies~~ or program funds remain as an affordable housing resource for ~~all~~

future owners ~~of the housing~~. The allocating agency shall issue a letter of approval if it finds that the applicant meets the priorities, criteria, and other provisions of subdivision ~~(2)~~(B) of this ~~subsection~~ subdivision (b)(1). The burden of proof shall be on the applicant.

~~(2)~~(B) Upon receipt of a completed application, the allocating agency shall award an allocation of affordable housing tax credits with respect to a project ~~under this section shall be granted~~ to an applicant, provided the applicant demonstrates to the satisfaction of the ~~committee~~ allocating agency all of the following:

~~(A)~~(i) The owner of the project has received from the allocating agency a binding commitment for, a reservation or allocation of, or an out-of-cap determination letter for, Section 42 credits, or meets the requirements of the allocation plan for development or financing of units to be owner-occupied~~;~~.

~~(B)~~(ii) The project has received community support.

(2) Down payment assistance program.

(A) The Vermont Housing Finance Agency shall have the authority to allocate affordable housing tax credits to finance down payment assistance loans that meet the following requirements:

(i) the loan is made in connection with a mortgage through an Agency program;

(ii) the borrower is a first-time homebuyer of an owner-occupied primary residence; and

(iii) the borrower uses the loan for the borrower's down payment or closing costs, or both.

(B) The Agency shall require the borrower to repay the loan upon the transfer or refinance of the residence.

(C) The Agency shall use the proceeds of loans made under the program for future down payment assistance.

(c) Amount of credit. A taxpayer who makes an eligible cash contribution shall be entitled to claim against the taxpayer's individual income, corporate, franchise, or insurance premium tax liability a credit in an amount specified on the taxpayer's credit certificate. The first-year allocation of a credit amount to a taxpayer shall also be deemed an allocation of the same amount in each of the following four years.

(d) Availability of credit. The amount of affordable housing tax credit allocated with respect to a project shall be available to the taxpayer every year

for five consecutive tax years, beginning with the tax year in which the eligible cash contribution is made. Total tax credits available to the taxpayer shall be the amount of the first-year allocation plus the succeeding four years' deemed allocations.

(e) Claim for credit. A taxpayer claiming affordable housing tax credits shall submit with each return on which such credit is claimed a copy of the allocating agency's credit allocation to the affordable housing project and the taxpayer's credit certificate. Any unused affordable housing tax credit may be carried forward to reduce the taxpayer's tax liability for no more than 14 succeeding tax years, following the first year the affordable housing tax credit is allowed.

(f) ~~[Deleted.]~~ [Repealed.]

(g)(1) In any fiscal year, the allocating agency may award up to:

(A) $400,000.00 in total first-year credit allocations to all applicants for rental housing projects, for a total aggregate limit of $2,000,000.00 over any given five-year period that credits are available under this subdivision; ~~and may award up to~~

(B) $300,000.00 ~~per year~~ in total first-year credit allocations for owner-occupied unit ~~applicants~~ financing or down payment loans consistent with the allocation plan, including for new construction and manufactured housing, for a total aggregate limit of $1,500,000.00 over any given five-year period that credits are available under this subdivision.

(2) In fiscal years 2016, 2017, and 2018, the allocating agency may award up to $125,000.00 in total first-year credit allocations for loans through the down payment assistance program created in subdivision (b)(2) of this section for a total aggregate limit of $375,000.00 over the five-year period that credits are available under this subdivision.

(h) ~~In any fiscal year, total first-year allocations plus succeeding-year deemed allocations shall not exceed $3,500,000.00~~ The aggregate limit for all credit allocations available under this section in any fiscal year is $3,875,000.00.

* * * Cloud Tax * * *

Sec. G.8. PREWRITTEN SOFTWARE ACCESSED REMOTELY

Charges for the right to access remotely prewritten software shall not be considered charges for tangible personal property under 32 V.S.A. § 9701(7).

* * * Wood Products Manufacturer Incentive * * *

Sec. G.9. 2014 Acts and Resolves No. 179, Sec. G.100(b) is amended to read:

(b) Sec. E.100.6 (wood products manufacture incentive) shall take effect retroactively on January 1, 2014 and apply to tax ~~year~~ years 2014 and 2015.

Sec. G.10. VERMONT ENTERPRISE FUND; FUNDS TRANSFER

(a) Transfers. The amount of $425,000.00 is transferred from the Vermont Enterprise Fund created in 2014 Acts and Resolves No. 179, Sec. E.100.5 as follows:

(1) $125,000.00 to the General Fund for the Down Payment Assistance Program established in Sec. G.7 of this act.

(2) $100,000.00 to the Agency of Commerce and Community Development to implement a targeted marketing and business expansion initiative for Quebec-based businesses, including conducting business outreach activities, promoting partnerships with Vermont businesses throughout the State, and facilitating site selection and collocation at sites throughout the State.

(3) $200,000.00 to the Agency of Commerce and Community Development for the purpose of implementing economic development marketing pursuant to Secs. D.1–D.3 of this act.

(b) Reports.

(1) On or before September 30, 2015 and on or before March 31, 2016, the Vermont Housing Finance Agency shall deliver a status report to the House Committee on Commerce and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs on the activities in the Down Payment Assistance Program funded in subdivision (a)(1) of this section.

(2) On or before September 30, 2015 and on or before March 31, 2016, the Agency of Commerce and Community Development shall deliver a status report to the House Committee on Commerce and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs on the marketing and business expansion initiative for Quebec-based businesses funded in subdivision (a)(2) of this section.

Sec. G.11. 2014 Acts and Resolves No. 179, Sec. E.100.5 is amended to read:

Sec. E.100.5 VERMONT ENTERPRISE FUND

* * *

(h) This section shall sunset on June 30, ~~2016~~ 2017 and any remaining balance in the Fund shall be transferred to the General Fund.

H. Effective Dates

Sec. H.1. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. A.3 (blockchain technology study);

(2) Sec. B.1 (Uniform Commercial Code, Article 4A);

(3) Secs. C.1–C.2 (Vermont Strong Scholars);

(4) Sec. C.5 (Vermont Governor's Committee on Employment of People with Disabilities);

(5) Secs. C.6–C.8 (Vermont ABLE Savings Program);

(6) Sec. C.9 (Medicaid for working people with disabilities);

(7) Sec. C.10 (Vermont career technical education report);

(8) Secs. D.5–D.6 (Domestic Export Program);

(9) Secs. E.1–E.2 (Vermont Economic Development Authority);

(10) Sec. E.3 (extending sunset of Treasurer's credit facility for local investments and Treasurer's local investment advisory committee);

(11) Sec. F.1 (deference to regional planning);

(12) Secs. F.2–F.4 (Southern Vermont Economic Development Zone);

(13) Sec. F.5 (Act 250; implementation of settlement patterns criteria; criterion 9(L)); and

(14) Sec. F.9 (certificate of public good; methane digesters).

(b) The following sections shall take effect on July 1, 2015:

(1) Sec. A.1 (business rapid response to declared State disasters);

(2) Sec. A.16 (Vermont liquor control system study)

(3) Sec. C.3 (Workforce Education and Training Fund revisions);

(4) Secs. D.1–D.3 (Tourism and Marketing initiative);

(5) Secs. E.4 (increase in license exemption for commercial lending);

(6) Sec. E.5 (peer-to-peer lending study);

(7) Sec. E.6 (media production database);

(8) Sec. F.6 (municipal land use; neighborhood development area);

(9) Sec. F.7 (Act 250; primary agricultural soils);

(10) Sec. F.8 (conservation easements);

(11) Sec. G.5 (employee relocation tax credit study);

(12) Secs. G.6–G.7 (Down Payment Assistance Program);

(13) Sec. G.8 (prewritten software accessed remotely);

(14) Sec. G.9 (wood products manufacturer incentive); and

(15) Secs. G.10–G.11 (Vermont Enterprise Fund).

(c) In Sec. A.4, in 7 V.S.A. § 2, subdivisions (27) (definition; "special events permit"), (28) (definition; "fourth-class license"), and (39) (definition, "public library or museum permit") shall take effect on July 1, 2015. The remaining provisions of Sec. A.4 (alcoholic beverages; definitions) shall take effect on January 1, 2016.

(d) Secs. A.5–A.15 (fortified wines) shall take effect on January 1, 2016.

(e) Secs. B.2–B.9 (Uniform Commercial Code; Article 7) shall take effect on passage and shall apply as follows:

(1) This act shall apply to a document of title that is issued or a bailment that arises on or after the effective date of this act.

(2) This act does not apply to a document of title that is issued or a bailment that arises before the effective date of this act even if the document of title or bailment would be subject to this act if the document of title had been issued or bailment had arisen on or after the effective date of this act.

(3) This act does not apply to a right of action that has accrued before the effective date of this act.

(4) A document of title issued or a bailment that arises before the effective date of this act and the rights, obligations, and interests flowing from that document or bailment are governed by any statute or other rule amended or repealed by this act as if amendment or repeal had not occurred and may be terminated, completed, consummated, or enforced under that statute or other rule.

(f)(1) Notwithstanding 1 V.S.A. § 214, other than 32 V.S.A. § 5930b(c) (extension of time to meet first or second year award targets), Secs. G.1–G.4 (Vermont Employment Growth Incentive) shall take effect retroactively as of January 1, 2015.

(2) In Sec. G.2, 32 V.S.A. § 5930b(c)(extension of time to meet first or second year award targets) shall take effect on July 1, 2015.

KEVIN J. MULLIN
REBECCA A. BALINT
JOHN F. CAMPBELL

Committee on the part of the Senate

WILLIAM G. F. BOTZOW
MICHAEL J. MARCOTTE
SAMUEL R. YOUNG

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 26, Nays 0.

Senator Mullin having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Benning, Bray, Campbell, Campion, Collamore, Cummings, Degree, Doyle, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pollina, Sears, Sirotkin, Starr, Westman, White, Zuckerman.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Flory, McAllister, Rodgers, Snelling.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Bill Messaged

H. 489.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to revenue.

Was taken up for immediate consideration.

Senator Ashe, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

H. 489. An act relating to revenue.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Secretary of State * * *

* * * Office of Professional Regulation * * *

* * * Osteopathy * * *

Sec. 1. 26 V.S.A. § 1794 is amended to read:

§ 1794. FEES

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

(1) Application	
(A) Licensure	$500.00
(B) Limited temporary license	$50.00
(2) Biennial license renewal	~~$500.00~~ $350.00
(3) Annual limited temporary license renewal	$100.00

* * * Real Estate Brokers and Salespersons * * *

Sec. 2. 26 V.S.A. § 2255 is amended to read:

§ 2255. FEES

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

* * *

(7) Education course review	$100.00

* * *

* * * Veterinary Medicine * * *

Sec. 3. 26 V.S.A. § 2414 is amended to read:

§ 2414. FEES

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

(1) Application	$ 100.00
(2) Biennial renewal	~~$ 250.00~~ $200.00

* * * Land Surveyors * * *

Sec. 4. 26 V.S.A. § 2597 is amended to read:

§ 2597. FEES

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

(1) Application	$200.00
(2) Biennial renewal of license	~~$400.00~~ $300.00

* * * Real Estate Appraisers * * *

Sec. 5. 26 V.S.A. § 3316 is amended to read:

§ 3316. LICENSING AND REGISTRATION FEES

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

(1) Application	$125.00
(2) Initial license	$150.00
(3) Biennial renewal	~~$315.00~~ $200.00
(4) Temporary license	$150.00
(5) Prelicensing course review	$100.00
(6) Continuing education course review	$100.00
(7) Appraiser trainee annual registration	$100.00
(8) Appraisal management company registration application	$125.00
(9) Appraisal management company registration renewal	~~$500.00~~ $400.00

* * * Agency of Education * * *

Sec. 6. 16 V.S.A. § 1697 is amended to read:

§ 1697. FEES

(a) Each individual applicant and licensee shall be subject to the following fees:

(1) ~~Initial processing~~ Processing of application	~~$40.00~~ $50.00 per application
(2) Issuance of ~~initial~~ Level I license for the term of the license	~~$40.00~~ $50.00 per year

(3) ~~Renewal~~ Issuance of Level II license ~~$40.00~~ $50.00 per year for the term of the renewal

(4) ~~Replacement of license~~ Official copy of licenses $10.00

(5) [Repealed.]

(6) Issuance of provisional, emergency, or apprenticeship license $50.00 per year for term of license

~~(6)~~(7) Peer review process $1,200.00 one-time fee

* * *

* * * Speech–Language Pathologists and Audiologists * * *

Sec. 7. 26 V.S.A. § 4459 is amended to read:

§ 4459. FEES

(a) Each applicant and licensee shall be subject to the following fees:

(1) ~~Initial processing~~ Processing of application ~~$35.00~~ $50.00

(2) Issuance of ~~initial~~ license ~~$35.00~~ $50.00 per year for the term of the license

(3) ~~Renewal~~ Issuance of license ~~$35.00~~ $50.00 per year for the term of the renewal

(4) ~~Replacement~~ Official copy of license $10.00

~~(5) Duplicate license $3.00~~

(b) Fees collected under this section shall be credited to special funds established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and shall be available to the ~~department~~ Agency to offset the costs of providing those services.

Sec. 7a. CONTINGENT EFFECTIVE DATE OF SPEECH-LANGUAGE PATHOLOGIST AND AUDIOLOGIST LICENSE FEES

The amendments to 26 V.S.A. § 4459 (fees for speech-language pathologists and audiologists) set forth in Sec. 7 of this act shall not take effect if during the 2015 legislative session, the General Assembly enacts legislation to transfer the licensure of speech-language pathologists and audiologists from the Agency of Education to the Office of Professional Regulation.

* * * Department of Health * * *

* * * X-ray Equipment Fees * * *

Sec. 8. 18 V.S.A. § 1652(e) is amended to read:

(e) Applicants for registration of X-ray equipment shall pay an annual registration fee of ~~$45.00~~ $85.00 per piece of equipment.

* * * Food and Lodging Establishment Fees * * *

Sec. 9. 18 V.S.A. § 4353 is amended to read:

§ 4353. FEES

(a) The following fees shall be paid annually to the ~~board~~ Board at the time of making the application according to the following schedules:

(1) Restaurant I – Seating capacity of 0 to 25; ~~$85.00~~ $105.00

II — Seating capacity of 26 to 50; ~~$145.00~~ $180.00

III — Seating capacity of 51 to 100; ~~$245.00~~ $300.00

IV — Seating capacity of 101 to 200; ~~$305.00~~ $385.00

V — Seating capacity of ~~over 200~~ 201 to 599; ~~$390.00~~ $450.00

VI — Seating capacity 600 and over; $1,000.00

~~VI~~ VII — Home Caterer; ~~$95.00~~ $155.00

~~VII~~ VIII — Commercial Caterer; ~~$200.00~~ $260.00

~~VIII~~ IX — Limited Operations; ~~$95.00~~ $140.00

~~IX~~ X — Fair Stand; ~~$70.00~~ $125.00; if operating for four or more days per year; ~~$160.00~~ $230.00

(2) Lodging I — Lodging capacity of 1 to 10; ~~$80.00~~ $130.00

II — Lodging capacity of 11 to 20; ~~$135.00~~ $185.00

III — Lodging capacity of 21 to 50; ~~$200.00~~ $250.00

IV — Lodging capacity of ~~over 50~~ 51 to 200; ~~$340.00~~ $390.00

V — Lodging capacity of over 200; $1,000.00

(3) Food processor - a fee for any person or persons that process food for resale to restaurants, stores, or individuals according to the following schedule:

(A) - Gross receipts of $10,001.00 to $50,000.00; ~~$115.00~~ $175.00

(B) - Gross receipts of over $50,000.00; ~~$155.00~~ $275.00

(4) Seafood vending facility – ~~$125.00~~ $200.00, unless operating pursuant to another license issued by the ~~department of health~~ Department of

Health and generating less than $40,000.00 in seafood gross receipts annually. If generating more than $40,000.00 in seafood gross receipts annually, the fee is to be paid regardless of whether the facility is operating pursuant to another license issued by the ~~department of health~~ Department of Health.

(5) Shellfish reshippers and repackers – ~~$285.00~~ $375.00.

(b) The ~~commissioner of the department of health~~ Commissioner of Health will be the final authority on definition of categories contained herein.

* * *

Sec. 10. 18 V.S.A. § 4446 is amended to read:

§ 4446. FEE

(a) A person owning or conducting a bakery as specified in sections 4441 and 4444 of this title shall pay to the ~~board~~ Board a fee for each certificate and renewal thereof in accordance with the following schedule:

Bakery I – Home Bakery;	~~$55.00~~ $100.00
II – Small Commercial;	~~$125.00~~ $200.00
III – Large Commercial;	~~$250.00~~ $350.00
IV – Camps;	~~$90.00~~ $150.00

(b) The ~~commissioner of the department of health~~ Commissioner of Health will be the final authority on definition of categories contained herein.

* * *

Sec. 11. REPORT TO GENERAL ASSEMBLY; COMBINATION LICENSES FOR FOOD AND LODGING ESTABLISHMENTS

(a) On or before January 15, 2016, the Commissioner of Health shall submit to the House Committee on Human Services, the House Committee on Ways and Means, and the Senate Committee on Finance a report with recommendations designed to achieve licensing efficiencies, including risk-based inspections and combination licenses for food retailers and food and lodging establishments. The report shall include:

(1) a summary of how other New England states license such establishments and identify any other state that has a valuable model;

(2) a description of available models that include risk-based inspections and combination licenses;

(3) any recommendation of revenue-neutral fee structure changes that would improve efficiency for both the Department and licensees.

(b) Recommendations for combination licenses or fee changes shall be included in the fiscal year 2017 Executive Branch Fee Bill.

* * * Board of Medical Practice Fees * * *

* * * Podiatry * * *

Sec. 12. 26 V.S.A. § 374 is amended to read:

§ 374. FEES; LICENSES

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

(1) Application for licensure, ~~$625.00~~ $650.00; the ~~board~~ Board shall use at least $25.00 of this fee to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public.

(2) Biennial renewal, ~~$500.00~~ $525.00; the ~~board~~ Board shall use at least $25.00 of this fee to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public.

* * * Medicine * * *

Sec. 13. 26 V.S.A. § 1401a is amended to read:

§ 1401a. FEES

(a) The ~~department of health~~ Department of Health shall collect the following fees:

(1) Application for licensure, ~~$625.00~~ $650.00; the ~~board~~ Board shall use at least $25.00 of this fee to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public.

(2) Biennial renewal, ~~$500.00~~ $525.00; the ~~board~~ Board shall use at least $25.00 of this fee to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public.

(3) Initial limited temporary license; annual renewal ~~$70.00~~ $75.00.

* * *

* * * Anesthesiologist Assistants * * *

Sec. 14. 26 V.S.A. § 1662 is amended to read:

§ 1662. FEES

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

(1)(A)(i) Original application for certification, ~~$115.00~~ $120.00;

(ii) Each additional application, ~~$50.00~~ $55.00;

(B) The ~~board~~ Board shall use at least $10.00 of these fees to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public.

(2)(A)(i) Biennial renewal, ~~$115.00~~ $120.00;

(ii) Each additional renewal, ~~$50.00~~ $55.00;

(B) The ~~board~~ Board shall use at least $10.00 of these fees to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public. In addition to the fee, an applicant for certification renewal shall submit evidence in a manner acceptable to the ~~board~~ Board that he or she continues to meet the certification requirements of the NCCAA.

(3) Transfer of certification, ~~$15.00~~ $20.00.

* * * Physician Assistants * * *

Sec. 15. 26 V.S.A. § 1740 is amended to read:

§ 1740. FEES

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

(1) Original application for licensure, ~~$170.00~~ $225.00; the ~~board~~ Board shall use at least $10.00 of this fee to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public.

(2) Biennial renewal, ~~$170.00~~ $215.00; the ~~board~~ Board shall use at least $10.00 of this fee to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public.

* * * Radiologist Assistants * * *

Sec. 16. 26 V.S.A. § 2862 is amended to read:

§ 2862. FEES

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

(1)(A)(i) Original application for certification ~~$115.00~~ $120.00;

(ii) Each additional application ~~$ 50.00~~ $55.00;

(B) The ~~board~~ Board shall use at least $10.00 of these fees to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public.

(2)(A)(i) Biennial renewal ~~$115.00~~ $120.00;

(ii) Each additional renewal ~~$ 50.00~~ $55.00;

(B) The ~~board~~ Board shall use at least $10.00 of these fees to support the cost of maintaining the Vermont ~~practitioner recovery network~~ Practitioner Recovery Network which monitors recovering chemically dependent licensees for the protection of the public. In addition to the fee, an applicant for certification renewal shall submit evidence in a manner acceptable to the ~~board~~ Board that he or she continues to meet the certification requirements of the ARRT and is licensed as a radiologic technologist under chapter 51 of this title.

(3) Transfer of certification ~~$15.00~~ $20.00.

* * * Agency of Natural Resources/Natural Resource Board * * *

Sec. 17. 30 V.S.A. § 248b is added to read:

§ 248b. FEES; AGENCY OF NATURAL RESOURCES; PARTICIPATION IN SITING PROCEEDINGS

(a) Establishment. This section establishes fees for the purpose of supporting the role of the Agency of Natural Resources (the Agency) in reviewing applications for in-state facilities under sections 248 and 248a of this title.

(b) Payment. The applicant shall pay the fee into the State Treasury at the time the application for a certificate of public good is filed with the Public Service Board in an amount calculated in accordance with this section. The fee shall be deposited into the Natural Resources Management Fund and allocated to the Agency.

(c) Definitions. In this section:

(1) "kW," "MW" and "plant capacity" shall have the same meaning as in section 8002 of this title.

(2) "Natural gas facility" shall have the same meaning as in section 248 of this title.

(3) "Telecommunications facility" shall have the same meaning as in section 248a of this title.

(d) Electric and natural gas facilities. This subsection sets fees for applications under section 248 of this title.

(1) There shall be no fee for an electric generation facility less than or equal to 139 kW in plant capacity or for an application filed under subsection 248(k), (l), or (n) of this title.

(2) The fee for electric generation facilities greater than 139 kW through five MW in plant capacity shall be calculated as follows, except that in no event shall the fee exceed $15,000.00:

(A) An electric generation facility from 140 kW through 450 kW in plant capacity, $3.00 per kW.

(B) An electric generation facility from 451 kW through 2.2 MW in plant capacity, $4.00 per kW.

(C) An electric generation facility from 2.201 MW through five MW in plant capacity, $5.00 per kW.

(3) The fee shall be equal to $2.50 for each $1,000.00 of construction costs, but in no event greater than $100,000.00 per application, for a new electric generation facility greater than five MW in capacity, and for a new electric transmission facility or new natural gas facility not eligible for treatment under subsection 248(j) of this title.

(4) The fee shall be $2,500.00 for an application under subsection 248(j) of this title for a facility that is not electric generation and for an application or that portion of an application under section 248 of this title that consists of upgrading an existing facility within its existing development footprint, reconductoring of an electric transmission line on an existing structure, or the addition of an electric transmission line to an existing structure.

(e) Telecommunications facilities. For an application under section 248a of this title proposing a wireless telecommunications facility that includes a new support structure, the fee shall be equal to $2.50 for each $1,000.00 of construction costs, but in no event greater than $15,000.00.

(f) Exercise of duties. The Agency of Natural Resources shall exercise its duties under this title in a manner consistent with implementation of State policy and goals under sections 202a and 202c and chapter 89 of this title. In exercising its duties, the Agency shall establish procedures and work flow goals for the timely review of applications under sections 248 and 248a of this title. On or before the third Tuesday of each annual legislative session, the Agency shall submit a report to the General Assembly by electronic submission. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to this report. The report shall: list the fees collected under this section during the preceding fiscal year; discuss the Agency's performance in exercising its duties under this title during that year; identify areas that hinder the Agency's effective performance of these duties and summarize changes made to improve such performance; and, with respect to the Agency's exercise of these duties, discuss the Agency's staffing needs during the coming fiscal year and the future goals and objectives of the Agency.

Sec. 17a. 30 V.S.A. § 21 is amended to read:

§ 21. PARTICULAR PROCEEDINGS; ASSESSMENT OF COSTS

(a) The Board, the Department, or the Agency of Natural Resources may allocate the portion of the expense incurred or authorized by it in retaining additional personnel for the particular proceedings authorized in section 20 of this title to the applicant or the public service company or companies involved in those proceedings.

(1) The Board shall upon petition of an applicant or public service company to which costs are proposed to be allocated, review and determine, after opportunity for hearing, having due regard for the size and complexity of the project, the necessity and reasonableness of such costs, and may amend or revise such allocations. Nothing in this section shall confer authority on the Board to select or decide the personnel, the expenses of whom are being allocated, unless such personnel are retained by the Board. Prior to allocating costs, the Board shall make a determination of the purpose and use of the funds to be raised hereunder, identify the recipient of the funds, provide for allocation of costs among companies to be assessed, indicate an estimated duration of the proceedings, and estimate the total costs to be imposed. With the approval of the Board, such estimates may be revised as necessary. From time to time during the progress of the work of such additional personnel, the Board, the Department, or the Agency of Natural Resources shall render to the company detailed statements showing the amount of money expended or contracted for in the work of such personnel, which statements shall be paid by the applicant or the public service company into the State Treasury at such

time and in such manner as the Board, the Department, or the Agency of Natural Resources may reasonably direct.

(2) In any proceeding under section 248 of this title, the Agency of Natural Resources may allocate the portion of the expense incurred in retaining additional staff authorized in subsection 21(a) of this title only if the following apply:

(A) the Agency does not have the expertise and the retention of such expertise is required to fulfill the Agency's statutory obligations in the proceeding; and

(B) the Agency allocates only that portion of the cost for such expertise that exceeds the fee paid by the applicant under section 248b of this title.

(b) When regular employees of the Board, the Department, or the Agency of Natural Resources are employed in the particular proceedings described in section 20 of this title, the Board, the Department, or the Agency of Natural Resources may also allocate the portion of their costs and expenses to the applicant or the public service company or companies involved in the proceedings. The costs of regular employees shall be computed on the basis of working days within the salary period. The manner of assessment and of making payments shall otherwise be as provided for additional personnel in subsection (a) of this section. However, with respect to proceedings under section 248 of this title, the Agency shall not allocate the costs of regular employees.

* * *

(d) The Agency of Natural Resources may allocate expenses under this section only for costs in excess of the amount specified in 3 V.S.A. § 2809(d)~~(2)~~(1)(A).

Sec. 18. 10 V.S.A. § 6083a is amended to read:

§ 6083a. ACT 250 FEES

(a) All applicants for a land use permit under section 6086 of this title shall be directly responsible for the costs involved in the publication of notice in a newspaper of general circulation in the area of the proposed development or subdivision and the costs incurred in recording any permit or permit amendment in the land records. In addition, applicants shall be subject to the following fees for the purpose of compensating the State of Vermont for the direct and indirect costs incurred with respect to the administration of the Act 250 program:

(1) For projects involving construction, ~~$5.40~~ $6.65 for each $1,000.00 of the first $15,000,000.00 of construction costs, and ~~$2.50~~ $3.12 for each $1,000.00 of construction costs above $15,000,000.00. An additional $0.75 for each $1,000.00 of the first $15,000,000.00 of construction costs shall be paid to the Agency of National Resources to account for the Agency of Natural Resources' review of Act 250 applications.

(2) For projects involving the creation of lots, ~~$100.00~~ $125.00 for each lot.

(3) For projects involving exploration for or removal of oil, gas, and fissionable source materials, a fee as determined under subdivision (1) of this subsection or $1,000.00 for each day of Commission hearings required for such projects, whichever is greater.

(4) For projects involving the extraction of earth resources, including ~~but not limited to~~ sand, gravel, peat, topsoil, crushed stone, or quarried material, the greater of: a fee as determined under subdivision (1) of this subsection; or a fee equivalent to the rate of $0.02 per cubic yard of the first million cubic yards of the total volume of earth resources to be extracted over the life of the permit, and $.01 per cubic yard of any such earth resource extraction above one million cubic yards. Extracted material that is not sold or does not otherwise enter the commercial marketplace shall not be subject to the fee. The fee assessed under this subdivision for an amendment to a permit shall be based solely upon any additional volume of earth resources to be extracted under the amendment.

(5) For projects involving the review of a master plan, a fee equivalent to $0.10 per ~~$1,000~~ $1,000.00 of total estimated construction costs in current dollars in addition to the fee established in ~~subdivisions~~ subdivision (1) of this subsection for any portion of the project seeing construction approval

(6) In no event shall a permit application fee exceed ~~$150,000.00~~ $165,000.00.

(b) Notwithstanding the provisions of subsection (a) of this section, there shall be a minimum fee of ~~$150.00~~ $187.50 for original applications and ~~$50.00~~ $62.50 for amendment applications, in addition to publication and recording costs. These costs shall be in addition to any other fee established by statute, unless otherwise expressly stated.

* * *

Sec. 19. 3 V.S.A. § 2809(d)(4) is amended to read:

(4) All funds collected from applicants under the provisions of this section shall be paid into the ~~State Treasury~~ Environmental Permit Fund

established pursuant to 10 V.S.A. § 2805, except that funds collected under provisions of subdivision (a)(2) of this section shall be paid into the Natural Resources Management Fund established pursuant to 23 V.S.A. § 3106(d).

Sec. 20. AGENCY OF NATURAL RESOURCES REPORT ON FEE FOR MOORINGS

On or before January 15, 2016, the Secretary of Natural Resources shall submit to the House Committee on Ways and Means, the Senate Committee on Finance, the House Committee on Fish, Wildlife and Water Resources, and the Senate Committee on Natural Resources and Energy a report regarding whether the State should charge a fee for moorings located in waters of the State. The report shall:

(1) provide a detailed estimate of the number of moorings located in waters of the State and address whether other entities, public or private, are collecting fees associated with those moorings; and

(2) recommend:

(A) whether a fee should be charged for moorings or subcategories of moorings, such as private moorings versus commercial moorings;

(B) the amount the State should charge;

(C) how the fee should be charged, collected, and noncompliance enforced; and

(D) what new or existing program the fee revenue would support.

* * * Department for Environmental Conservation * * *

Sec. 21. 3 V.S.A. § 2822 is amended to read:

§ 2822. BUDGET AND REPORT; POWERS

* * *

(i) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. ~~In addition, the persons who are exempt under 32 V.S.A. § 710 are also exempt from the application fees for stormwater operating permits specified in subdivisions (j)(2)(A)(iii)(I) and (II) of this section if they otherwise meet the requirements of 32 V.S.A. § 710.~~ Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), ~~(2),~~ (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall be subject to the payment of fees prescribed in subdivisions (j)(2), (10),

(11), (12), and (26), except that a municipality shall also be exempt from those fees for ~~orphan~~ stormwater systems prescribed in subdivisions (j)(2)(A)(iii) and (2)(B)(iv)(I) or (II) of this section ~~when a municipality agrees to become an applicant or co-applicant for an orphan stormwater system under 10 V.S.A. § 1264c~~ for which a municipality has assumed full legal responsibility for the permit pursuant to 10 V.S.A. § 1264.

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

(1) For air pollution control permits or registrations issued under 10 V.S.A. chapter 23:

* * *

~~(B) Any person required to register an air contaminant source under 10 V.S.A. § 555(c) shall submit an annual registration fee in accordance with the following registration fee schedule, where the sum of a source's emissions of the following air contaminants is greater than five tons per year: sulfur dioxide, particulate matter, carbon monoxide, nitrogen oxides, and hydrocarbons:~~

~~Registration: $0.0335 per pound of emissions of any of these contaminants. Where the sum of a source's emission of these contaminants is greater than ten tons per year, provided that a plant producing renewable energy as defined in 30 V.S.A. § 8002 shall pay an annual fee not exceeding $64,000.00:~~

~~Base registration fee $1,500.00; and $0.0335 per pound of emissions of any of these contaminants.~~

(B) Annual registration. Any person required to register an air contaminant source under 10 V.S.A. § 555(c) shall annually pay the following:

(i) A base fee where the sum of a source's emissions of sulfur dioxide, particulate matter, carbon monoxide, nitrogen oxides, and hydrocarbons is:

(I) ten tons or greater: $1,500.00;

(II) less than ten tons but greater than or equal to five tons: $1,000.00; and

(III) less than five tons: $500.00.

(ii) Where the sum of a source's emissions of sulfur dioxide, particulate matter, carbon monoxide, nitrogen oxides, and hydrocarbons is greater than or equal to five tons: an annual registration fee that is $0.0335 per

pound of such emissions except that a plant producing renewable energy as defined in 30 V.S.A. § 8002 shall pay an annual fee not exceeding $64,000.00.

(2) For discharge permits issued under 10 V.S.A. chapter 47 and orders issued under 10 V.S.A. § 1272, an administrative processing fee of $120.00 shall be paid at the time of application for a discharge permit in addition to any application review fee and any annual operating fee, except for permit applications under subdivisions (2)(A)(iii)(III) and (V) of this subsection:

(A) Application review fee.

* * *

(iv) Indirect discharge or underground injection control, excluding stormwater discharges.

(I) ~~Sewage~~ Indirect discharge.

(aa) Individual permit: original application; amendment for increased flows; amendment for modification or replacement of system.:	$1,755.00 plus $0.08 per gallon of design capacity above 6,500 gpd.
~~(bb) Renewal, transfer, or minor amendment of individual permit.~~	~~$0.00~~
~~(cc) General permit.~~	~~$0.00~~

(II) ~~Nonsewage~~ Underground injection; original permit.

(aa) ~~Individual permit: original application; amendment for increased flows; amendment for modification or replacement of system.~~ For applications where the discharge meets groundwater enforcement standards at the point of discharge:	~~$0.06 per gallon capacity design; minimum $400.00 per application.~~ $500.00 and $0.10 for each gallon per day over 2,000 gallons per day.
~~(bb) Renewal, transfer, or minor amendment of individual permit~~	~~$0.00~~

(bb) For applications where the discharge meets groundwater enforcement standards at the point of compliance:	$1,500.00 and $0.20 for each gallon per day over 2,000 gallons per day.
~~(cc) General permit.~~	~~$0.00.~~

(B) Annual operating fee.

* * *

(v) Indirect discharge or underground injection control, excluding stormwater discharges:	
(I) ~~Sewage~~ Indirect discharge.	
(aa) Individual permit: $400.00 plus $0.035 per gallon of design capacity above 6,500 gpd.	maximum $27,500.00.
(bb) Approval under general permit.:	$220.00.
(II) ~~Nonsewage~~ Underground injection control.	
(aa) ~~Individual permit $0.013 per gallon of design capacity. $250.00 minimum; maximum $5,500.00~~ For applications where the discharge meets groundwater enforcement standards at the point of discharge:	$500.00 and $0.02 for each gallon per day over 2,000 gallons per day.
(bb) For applications where the discharge meets groundwater enforcement standards at the point of compliance:	$1,500.00 and $0.02 for each gallon per day over 2,000 gallons per day.
(cc) Approval under general permit:	$220.00.

(C) The Secretary shall bill all persons who hold discharge permits for the required annual operating fee. Annual operating fees may be divided into semiannual or quarterly billings.

(3) [Repealed.]

(4) For potable water supply and wastewater permits issued under 10 V.S.A. chapter 64. Projects under this subdivision include: a wastewater system, including a sewerage connection; and a potable water supply, including a connection to a public water supply:

(A) Original applications, or major amendments for a project with the following proposed design flows. In calculating the fee, the highest proposed design flow whether wastewater or water shall be used:

(i) design flows 560 gpd or less: ~~$245.00~~ $306.25 per application.

(ii) design flows greater than 560 and less than or equal to 2,000 gpd: ~~$580.00~~ $870.00 per application.

(iii) design flows greater than 2,000 and less than or equal to 6,500 gpd: ~~$2,000.00~~ $3,000.00 per application.

(iv) design flows greater than 6,500 and less than or equal to 10,000 gpd: ~~$5,000.00~~ $7,500.00 per application.

(v) design flows greater than 10,000 gpd: ~~$9,500.00~~ $13,500.00 per application.

(B) Minor amendments: ~~$100.00.~~ $150.00.

~~(C) Special fees~~

~~(i) Original application or amendment solely for construction of grease trap, due to change in use, no increase in design flow.~~ ~~$135.00~~

~~(ii) Original application or amendment solely for construction of holding tank for nondomestic wastewater when nondomestic wastewater will be transported off site.~~ ~~$135.00.~~

~~(iii) Original application or amendment for initial connection by an existing building or structure to a municipal water or wastewater system at the time is first constructed where there is no increase in design~~ ~~$50.00~~

~~flow and where the connection and system has been reviewed and approved by the facilities engineering division of the agency or has been reviewed, approved, and certified by a licensed designer retained by the municipality.~~

~~(iv)(I)~~(C) Minor projects: ~~$180.00.~~ $270.00.

~~(II)~~ As used in this subdivision (j)(4)(C), "minor project" means a project that meets the following: there is an increase in design flow but no construction is required; there is no increase in design flow, but construction is required, excluding replacement potable water supplies and wastewater systems; or there is no increase in design flow and no construction is required, excluding applications that contain designs that require technical review.

(D) Notwithstanding the other provisions of this subdivision, when a project is located in a Vermont neighborhood, as designated under 24 V.S.A. chapter 76A, the fee shall be no more than $50.00 in situations in which the application has received an allocation for sewer capacity from an approved municipal system. This limitation shall not apply in the case of fees charged as part of a duly delegated municipal program.

* * *

(7) For public water supply and bottled water permits and approvals issued under 10 V.S.A. chapter 56 and interim groundwater withdrawal permits and approvals issued under 10 V.S.A. chapter 48:

(A) For public water supply construction permit and permit amendment applications:

~~$375.00 per application plus $0.0055 per gallon of design capacity. Amendments $150.00 per application.~~

(i) For public community and nontransient noncommunity water supplies: $900.00.

(ii) For transient noncommunity: $500.00.

(B) For water treatment plant applications, except those applications submitted by a municipality as defined in 1 V.S.A. § 126 or a consolidated water district established under 24 V.S.A. § 3342: $0.003 per gallon of design capacity. Amendments $150.00 per application.

* * *

(D) For public water supplies and bottled water facilities, annually:

(i) Transient noncommunity: ~~$50.00~~ $100.00.

(ii) Nontransient, noncommunity: $0.0355 per 1,000 gallons of water produced annually or $70.00, whichever is greater.

(iii) Community: ~~$0.0439~~ $0.05 per 1,000 gallons of water produced annually.

(iv) Bottled water: $1,390.00 per permitted facility.

(E) Amendment to bottled water facility permit, $150.00 per application.

(F) For facilities permitted to withdraw groundwater pursuant to 10 V.S.A. § 1418: $2,300.00 annually per facility.

(G) In calculating flow-based fees under this subsection, the Secretary will use metered production flows where available. When metered production flows are not available, the Secretary shall estimate flows based on the standard design flows for new construction.

(H) The Secretary shall bill public water supplies and bottled water companies for the required fee. Annual fees may be divided into semiannual or quarterly billings.

(8) For public water system operator certifications issued under 10 V.S.A. § 1674:

(A) For class IA and IB operators: $45.00 per initial certificate or renewal. ~~Operators who are also permittees under the transient noncommunity water system general permit are not subject to this fee.~~

(B) For all other classes: $80.00 per initial certificate or renewal.

(9)(A) For a solid waste hauler: ~~an annual operating fee of $50.00 per vehicle.~~

(i) $50.00 per vehicle for small vehicles with two axels, including pickup trucks, utility trailers, and stakebody trucks.

(ii) $75.00 per vehicle for vehicles with three or four axels, including packer trucks, dump trucks, and roll offs.

(iii) $100.00 per vehicle for tractors and any number axel tandem trailers.

(B) For a hazardous waste hauler: an annual operating fee of $125.00 per vehicle.

(10) For management of lakes and ponds permits issued under 29 V.S.A. chapter 11:

(A) Nonstructural erosion control:	$155.00 per application.
(B) Structural erosion control:	$250.00 per application
(C) All other encroachments: plus one percent of construction costs, not to exceed $20,000.00 per application.	$300.00 per application

* * *

(12)(A) For dam permits issued under 10 V.S.A. chapter 43: ~~0.525~~ 1.00 percent of construction costs, minimum fee of ~~$200.00~~ $1.000.00.

(B) For all dams capable of impounding 500,000 or more cubic feet of water or other liquid, an annual fee:

(i) For dams classified as low risk: $200.00 per year.

(ii) For dams classified as significant risk: $350.00 per year.

(iii) For dams classified as high risk: $1,000.00 per year.

(iv) For dams that have not been classified by the Department: $0.00 per year.

* * *

(k) ~~Commencing with registration year 1993 and for each year thereafter, any person required to pay a fee to register an air contaminant source under 10 V.S.A. § 555(c) in addition shall pay fees for any emissions of the following types of hazardous air contaminants. The following fees shall not be assessed for emissions resulting from the combustion of any fuels, except solid waste, in fuel burning or manufacturing process equipment.~~ Any person required to pay a fee to register an air contaminant source under 10 V.S.A. § 555(c) and who emits five or more tons per year shall pay fees as follows:

(1) ~~Contaminants which cause short-term irritant effects - $0.012 per pound of emissions;~~ Where the emissions are resulting from the combustion of any of the following fuels in fuel burning or manufacturing process equipment:

(A)(i) Wood - $0.1915 per ton burned; or

(ii) Wood burned in electric utility units with advanced particulate matter and nitrogen oxide reduction technologies - $0.0607 per ton burned;

(B) No. 4, 5, 6 grade fuel oil and used oil - $0.0015 per gallon burned;

(C) No. 2 grade fuel oil - $0.0005 per gallon burned;

(D) Propane - $0.0003 per gallon burned;

(E) Natural gas - $2.745 per million cubic feet burned;

(F) Diesel generator - $0.0055 per gallon burned;

(G) Gas turbine using No. 2 grade fuel oil - $0.0022 per gallon burned.

(2) ~~Contaminants which cause chronic systemic toxicity (low potency) - $0.0225 per pound of emissions;~~ For the emission of any hazardous air contaminant not subject to subdivision (1) of this subsection:

(A) Contaminants which cause short-term irritant effects - $0.02 per pound of emissions;

(B) Contaminants which cause chronic systemic toxicity - $0.04 per pound of emissions;

(C) Contaminants known or suspected to cause cancer - $0.95 per pound of emissions.

~~(3) Contaminants which cause chronic systemic toxicity (high potency) - $0.03 per pound of emissions;~~

~~(4) Contaminants known or suspected to cause cancer (low potency) - $0.825 per pound of emissions;~~

~~(5) Contaminants known or suspected to cause cancer (high potency) - $15.00 per pound of emissions.~~

(l) ~~Commencing with registration year 1993 and for each year thereafter, any person required to pay a fee to register an air contaminant source under 10 V.S.A. § 555(c) in addition shall pay the following fees for emissions of hazardous air contaminants resulting from the combustion of any of the following fuels in fuel burning or manufacturing process equipment.~~

~~(1) Coal - $0.645 per ton burned;~~

~~(2)(A) Wood - $0.155 per ton burned; or~~

~~(B) Wood burned with an operational electrostatic precipitator and NOx reduction technologies - $0.0375 per ton burned;~~

~~(3) No. 6 grade fuel oil - $0.00075 per gallon burned;~~

~~(4) No. 4 grade fuel oil - $0.0006 per gallon burned;~~

~~(5) No. 2 grade fuel oil - $0.0003 per gallon burned;~~

~~(6) Liquid propane gas - $0.0003 per gallon burned;~~

~~(7) Natural gas - $1.305 per million cubic feet burned.~~ [Repealed.]

* * *

Sec. 22. 10 V.S.A. § 6628(j) is amended to read:

(j) Fees shall be submitted annually on March 31. Fees shall be submitted to the Secretary and deposited into the hazardous waste management account of the Waste Management Assistance Fund established under section 6618 of this title. Fees shall be computed according to the following:

(1) ~~$350.00~~ $400.00 per toxic chemical identified pursuant to subdivision 6629(c)(4) of this title.

(2) ~~$350.00~~ $400.00 per hazardous waste stream identified pursuant to subdivision 6629(c)(3) of this title.

(3) Up to a maximum amount of:

(A) ~~$1,750.00~~ $2,000.00 per plan for Class A generators.

(B) ~~$350.00~~ $400.00 per plan for Class B generators.

(C) ~~$1,750.00~~ $2,000.00 per plan for large users.

(D) ~~$3,500.00~~ $4,000.00 per plan for Class A generators that are large users.

(E) ~~$1,050.00~~ $1,200.00 per plan for Class B generators that are large users.

Sec. 22a. 10 V.S.A. § 1976 is amended to read:

§ 1976. DELEGATION OF AUTHORITY TO MUNICIPALITIES

(a)(1) The Secretary may delegate to a municipality authority to:

(A) implement all sections of this chapter, except for sections 1975 and 1978 of this title; or

(B) implement permitting under this chapter for the subdivision of land, a building or structure, or a campground when the subdivision, building or structure, or campground is served by sewerage connections and water service lines, provided that:

(i) the lot, building or structure, or campground utilizes both a sanitary sewer service line and a water service line; and

(ii) the water main and sanitary sewer collection line that the water service line and sanitary sewer service line are connected to are owned and controlled by the delegated municipality.

(2) If a municipality submits a written request for delegation of this chapter, the ~~secretary~~ Secretary shall delegate authority to the municipality to implement and administer provisions of this chapter, the rules adopted under this chapter, and the enforcement provisions of chapter 201 of this title relating to this chapter, provided that the ~~secretary~~ Secretary is satisfied that the municipality:

(A) has established a process for accepting, reviewing, and processing applications and issuing permits, which shall adhere to the rules established by the ~~secretary~~ Secretary for potable water supplies and wastewater systems, including permits, by rule, for sewerage connections;

(B) has hired, appointed, or retained on contract, or will hire, appoint, or retain on contract, a licensed designer to perform technical work which must be done by a municipality under this section to grant permits;

(C) will take timely and appropriate enforcement actions pursuant to the authority of chapter 201 of this title;

(D) commits to reporting annually to the ~~secretary~~ Secretary on a form and date determined by the ~~secretary~~ Secretary; ~~and~~

(E) will only issue permits for water service lines and sanitary sewer service lines when there is adequate capacity in the public water supply system source, wastewater treatment facility, or indirect discharge system; and

(F) will comply with all other requirements of the rules adopted under section 1978 of this title.

~~(2) Notwithstanding the provisions of this subsection, there shall be no delegation of this section or of section 1975 or 1978 of this title.~~

* * *

Sec. 22b. 10 V.S.A. § 555 is amended to read:

§ 555. CLASSIFICATION, REPORTING, AND REGISTRATION

(a) The ~~secretary~~ Secretary, by rule, may classify air contaminant sources, which in his or her judgment may cause or contribute to air pollution, according to levels and types of emissions and other characteristics which relate to air pollution, and may require reporting by any class. Classifications made pursuant to this subsection may apply to the ~~state~~ State as a whole or to any designated area of the ~~state~~ State, and shall be made with special reference to effects on health, economic, and social factors, and physical effects on property.

* * *

(c)(1) Any person operating or responsible for the operation of an air contaminant source ~~emitting more than five tons of contaminants per year~~ shall register the source with the ~~secretary~~ Secretary and renew the registration annually if the source emits:

(A) more than or equal to five tons of contaminants per year; or

(B) less than five tons of contaminants per year and is a source specified in rule by the Secretary.

(2) Each day of operating an air contaminant source without a valid, current registration shall constitute a separate violation and subject the operator to a civil penalty not to exceed $100.00 per violation. The ~~secretary~~ Secretary shall, after notice and opportunity for public hearing, ~~promulgate~~ adopt rules to carry out this section.

Sec. 23. 10 V.S.A. § 6607a is amended to read:

§ 6607a. WASTE TRANSPORTATION

(a) A commercial hauler desiring to transport waste within the State shall apply to the Secretary for a permit to do so, by submitting an application on a form prepared for this purpose by the Secretary and by submitting the disclosure statement described in section 6605f of this title. These permits shall have a duration of five years and shall be renewed annually. The application shall indicate the nature of the waste to be hauled. The Secretary may specify conditions that the Secretary deems necessary to assure compliance with State law.

(b) As used in this section:

(1) "Commercial hauler" means:

(A) any person that transports regulated quantities of hazardous waste; and

(B) any person that transports solid waste for compensation in a vehicle.

(2) The commercial hauler required to obtain a permit under this section is the legal or commercial entity that is transporting the waste, rather than the individual employees and subcontractors of the legal or commercial entity. In the case of a sole proprietorship, the sole proprietor is the commercial entity.

(3) The Secretary shall not require a commercial hauler to obtain a permit under this section, comply with the disclosure requirements of this section, comply with the reporting and registration requirements of section 6608 of this title, or pay the fee specified in 3 V.S.A. § 2822, if:

(A) the commercial hauler does not transport more than four cubic yards of solid waste at any time; and

(B) the solid waste transportation services performed are incidental to other nonwaste transportation-related services performed by the commercial hauler.

* * *

(g)(1) Except as set forth in subdivisions (2) and (3) of this subsection, a ~~transporter certified under this section~~ commercial hauler that offers the collection of municipal solid waste shall:

* * *

(2) In a municipality that has adopted a solid waste management ordinance addressing the collection of mandated recyclables, leaf and yard residuals, or food residuals, a ~~transporter~~ commercial hauler in that municipality is not required to comply with the requirements of subdivision (1) of this subsection and subsection (h) of this section for the material addressed by the ordinance if the ordinance:

* * *

(3) A ~~transporter~~ commercial hauler is not required to comply with the requirements of subdivision (1)(A), (B), or (C) of this subsection in a specified area within a municipality if:

* * *

(h) A ~~transporter~~ commercial hauler certified under this section that offers the collection of municipal solid waste may not charge a separate line item fee on a bill to a residential customer for the collection of mandated recyclables, provided that a ~~transporter~~ commercial hauler may charge a fee for all service calls, stops, or collections at a residential property and a ~~transporter~~ commercial hauler may charge a tiered or variable fee based on the size of the collection container provided to a residential customer or the amount of waste

collected from a residential customer. A ~~transporter~~ commercial hauler certified under this section may incorporate the cost of the collection of mandated recyclables into the cost of the collection of solid waste and may adjust the charge for the collection of solid waste. A ~~transporter~~ commercial hauler certified under this section that offers the collection of solid waste may charge a separate fee for the collection of leaf and yard residuals or food residuals from a residential customer.

* * * Department of Fish and Wildlife * * *

Sec. 24. 10 V.S.A. § 4255 is amended to read:

§ 4255. LICENSE FEES

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

(1) Fishing license	~~$25.00~~ $26.00
(2) Hunting license	$25.00 $26.00
(3) Combination hunting and fishing license	$40.00 $41.00
(4) Big game licenses (all require a hunting license)	
(A) archery license	$23.00
(B) muzzle loader license	$23.00
(C) turkey license	$23.00
(D) second muzzle loader license	$17.00
(E) second archery license	$17.00
(F) moose license	$100.00
(G) season bear tag	$5.00
(H) additional deer archery tag	$23.00
(5) Trapping license	$20.00 $23.00
(6) Hunting license for persons aged 17 years of age or under	$8.00
(7) Trapping license for persons aged 17 years of age or under	$10.00
(8) Fishing license for persons aged 15 through 17 years of age	$8.00
(9) Super sport license	$150.00

(10) Three-day fishing license	$10.00	$11.00
(11) Combination hunting and fishing license for persons aged 17 years of age or under		$12.00
(12) Mentored hunting license		$10.00

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

(1) Fishing license	$50.00	$51.00
(2) One-day fishing license	$20.00	$21.00
(3) [Repealed.]		
(4) Hunting license		$100.00
(5) Combination hunting and fishing license		$135.00
(6) Big game licenses (all require a hunting license)		
(A) archery license		$38.00
(B) muzzle loader license		$40.00
(C) turkey license		$38.00
(D) [Repealed.]		
(E) [Repealed.]		
(F) moose license		$350.00
(G) early season bear tag		$15.00
(H) additional deer archery tag		$38.00
(7) Small game licenses		
(A) all season		$50.00
(B) [Repealed.]		
(8) Trapping license	$300.00	$305.00
(9) Hunting licenses for persons aged 17 years of age or under		$25.00
(10) Three-day fishing license	$22.00	$23.00
(11) Seven-day fishing license	$30.00	$31.00

* * *

* * * Labor * * *

* * * Workers' Compensation Fund * * *

Sec. 25. WORKERS' COMPENSATION RATE OF CONTRIBUTION

For fiscal year 2016, after consideration of the formula in 21 V.S.A. § 711(b) and historical rate trends, the General Assembly has established that the rate of contribution for the direct calendar year premium for workers' compensation insurance shall be set at the rate of 1.45 percent established in 2014 Acts and Resolves No. 191, Sec. 7, notwithstanding 21 V.S.A. § 711(a). The contribution rate for self-insured workers' compensation losses and workers' compensation losses of corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.

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

Sec. 26. 6 V.S.A. § 3022(b) is amended to read:

(b) Any person who is the owner of any bees, apiary, colony, or hive shall pay a $10.00 annual registration fee for each location of hives. The fee revenue~~, together with any other funds appropriated to the Agency for this purpose,~~ shall be collected by the Secretary and credited to the Weights and Measures Testing Fund to be used to offset the costs of inspection services and to provide educational services and technical assistance to beekeepers in the State.

Sec. 27. 9 V.S.A. § 2632(b) is amended to read:

(b) Fees and reimbursements of costs collected by the Agency of Agriculture, Food and Markets under the provisions of this chapter and 6 V.S.A. § 3022 shall be credited to a weights and measures special fund and shall be available to the Agency to offset the costs of implementing this chapter and 6 V.S.A. chapter 172.

* * * Agency of Commerce and Community Development * * *

Sec. 28. 10 V.S.A. § 128 is added to read:

§ 128. VERMONT CENTER FOR GEOGRAPHIC INFORMATION SPECIAL FUND

(a) A Special Fund is created for the operation of the Vermont Center for Geographic Information in the Agency of Commerce and Community Development. The Fund shall consist of revenues derived from the charges by the Agency of Commerce and Community Development pursuant to subsection (c) of this section for the provision of Geographic Information products and services, interest earned by the Fund, and sums which from time to time may be made available for the support of the Center and its operations.

The Fund shall be established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 and shall be available to the Agency to support activities of the Center.

(b) The receipt and expenditure of monies from the Special Fund shall be under the supervision of the Secretary of Commerce and Community Development.

(c) Notwithstanding 32 V.S.A. § 603, the Secretary of Commerce and Community Development is authorized to impose charges reasonably related to the costs of the products and services of the Vermont Center for Geographic Information, including the cost of personnel, equipment, supplies, and intellectual property.

* * * Consumer Protection * * *

* * * Charitable Solicitations * * *

Sec. 29. 9 V.S.A. § 2473 is amended to read:

§ 2473. NOTICE OF SOLICITATION

* * *

(f)(1) ~~In~~ For each calendar year in which a paid fundraiser solicits in this State on behalf of a charitable organization, the paid fundraiser shall pay ~~an annual~~ a registration fee of $500.00 to the Attorney General ~~with its first notice of~~ no later than ten days prior to its first solicitation in this State.

(2) Each notice of solicitation filed in accordance with this section shall be accompanied by a fee of $200.00. In the case of a campaign lasting more than 12 months, an additional $200.00 fee shall be paid annually on or before the date of the anniversary of the commencement of the campaign.

(3) Fees paid under this subsection shall be deposited in a special fund managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and shall be available to the Attorney General for the costs of administering sections 2471-2479 of this title.

* * *

* * * Motor Vehicles * * *

* * * All-terrain Vehicles * * *

Sec. 30. 23 V.S.A. § 3504 is amended to read:

§ 3504. REGISTRATION FEES AND PLATES

(a) The registration fee for all-terrain vehicles other than as provided for in subsection (b) of this section is ~~$25.00~~ $35.00. Duplicate registration certificates may be obtained upon payment of $5.00 to the Department.

* * *

* * * Department for Children and Families * * *

* * * Dog, Cat and Wolf Hybrid Spaying and Neutering Program * * *

Sec. 31. 20 V.S.A. § 3581(c)(1) is amended to read:

(c)(1) A mandatory license fee surcharge of ~~$3.00~~ $4.00 per license shall be collected by each city, town, or village for the purpose of funding the dog, cat, and wolf-hybrid spaying and neutering program established in subchapter 6 of chapter 193 of this title.

* * * Judiciary * * *

Sec. 32. 32 V.S.A. § 1434 is amended to read:

§ 1434. PROBATE CASES

(a) The following entry fees shall be paid to the Probate Division of the Superior Court for the benefit of the State, except for subdivisions (18) and (19) of this subsection which shall be for the benefit of the county in which the fee was collected:

(1) Estates of $10,000.00 or less	~~$30.00~~ $50.00
(2) Estates of more than $10,000.00 to not more than $50,000.00	~~$80.00~~ $110.00
(3) Estates of more than $50,000.00 to not more than $150,000.00	~~$210.00~~ $265.00
(4) Estates of more than $150,000.00 to not more than $500,000.00	~~$395.00~~ $500.00
(5) Estates of more than $500,000.000 to not more than $1,000,000.00	~~$660.00~~ $1,000.00
(6) Estates of more than $1,000,000.00 to not more than $5,000,000.00	~~$1,050.00~~ $1,750.00
(7) Estates of more than $5,000,000.00 to not more than $10,000,000.00	~~$1,575.00~~ $2,500.00
(8) Estates of more than $10,000,000.00	~~$1,840.00~~ $3,250.00
(9) For all petitions, other than those described in subdivision (11) of this subsection~~, where the corpus of~~	~~$160.00~~

~~the trust at the time the petition is filed is $100,000.00 or less, including petitions~~ to modify or terminate a trust, to remove or substitute a trustee or trustees, or seeking remedies for breach of trust:

(A) Trusts of $10,000.00 or less	$50.00
(B) Trusts of $10,001.00 to not more than $50,000.00	$110.00
(C) Trusts of $50,001.00 to not more than $150,000.00	$265.00
(D) Trusts of $150,001.00 to not more than $500,000.00	$500.00
(E) Trusts of $500,001.00 to not more than $1,000,000.00	$1,000.00
(F) Trusts of $1,000,001.00 to not more than $5,000,000.00	$1,750.00
(G) Trusts of $5,000,001.00 to not more than $10,000,000.00	~~$2,500.00~~
(H) Trust of more than $10,000,000.00	$3,250.00

(10) ~~For all trust petitions, other than those described in subdivision (11) of this subsection, where the corpus of the trust is more than $100,000.00, including petitions to modify or terminate a trust, to remove or substitute a trustee or trustees, or seeking remedies for breach of trust~~ [Repealed.] ~~$265.00~~

(11) Annual accounts on trusts ~~$35.00~~ $85.00

(12) Annual accounts on decedents' estates filed for any period ending more than one year following the opening of the estate ~~$30.00~~ $85.00

(13)	Adoptions and relinquishments as part of an adoption proceeding	~~$100.00~~ $150.00
(14)	Relinquishments, separate from adoptions	$100.00
(15)	Guardianships for minors	~~$90.00~~ $150.00
(16)	Guardianships for adults	~~$105.00~~ $150.00
(17)	Petitions for change of name	~~$135.00~~ $150.00
(18)	Filing of a will for safekeeping	~~$25.00~~ $30.00
(19)	Filing of subsequent will for safekeeping, same ~~probate division~~ Probate Division or transfer to another ~~probate division~~ Probate Division	~~$15.00~~ $30.00
(20)	Corrections for vital records	~~$30.00~~ $40.00
(21)	Orders of authorization pursuant to 18 V.S.A. § 5144	~~$30.00~~ $50.00
(22)	Conveyances of title to real estate pursuant to 14 V.S.A. § 1801, including petitions to clear title and release or discharge of mortgage	~~$55.00~~ $100.00
(23)	Petitions concerning advance directives pursuant to 18 V.S.A. § 9718	~~$80.00~~ $100.00
(24)	Civil actions brought pursuant to 18 V.S.A. chapter 107, subchapter 3.	~~$55.00~~ $100.00
(25)	Petitions for partial decree	$105.00
(26)	Petitions for license to sell real estate	~~$55.00~~ $100.00
(27)	Petition for license to sell personal property	$100.00
(28)	Petitions for minor settlement pursuant to 14 V.S.A. § 2643	~~$30.00~~ $90.00

(b) Pursuant to Rule 3.1 of the Vermont Rules of Civil Procedure, part of the filing fee may be waived if the Court finds the applicant is unable to pay it. The Court shall use procedures established in subsection 1431(h) of this title to

determine the fee. No fee shall be charged for necessary documents pertaining to the opening of estates, trusts, and guardianships, including the issuance of two certificates of appointment and respective letters. No fee shall be charged for the issuance of two certified copies of adoption decree and two certified copies of instrument changing name.

(c) A fee of $5.00 shall be paid for each additional certification of appointment of a fiduciary.

Sec. 33. 32 V.S.A. § 1431 is amended to read:

§ 1431. FEES IN SUPREME AND SUPERIOR COURTS

(a) Prior to the entry of any cause in the Supreme Court, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$265.00~~ $295.00 in lieu of all other fees not otherwise set forth in this section.

(b)(1) Except as provided in subdivisions (2)–(5) of this subsection, prior to the entry of any cause in the Superior Court, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$265.00~~ $295.00 in lieu of all other fees not otherwise set forth in this section.

(2) Prior to the entry of any divorce or annulment proceeding in the Superior Court, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$265.00~~ $295.00 in lieu of all other fees not otherwise set forth in this section. If the divorce or annulment complaint is filed with a stipulation for a final order, the fee shall be ~~$80.00~~ $90.00 if one or both of the parties are residents, and ~~$160.00~~ $180.00 if neither party is a resident, except that if the stipulation is not acceptable to the Court or if a matter previously agreed to becomes contested, the difference between the full fee and the reduced fee shall be paid to the Court prior to the issuance of a final order.

(3) Prior to the entry of any parentage or desertion and support proceeding brought under 15 V.S.A. chapter 5 in the Superior Court, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$105.00~~ $120.00 in lieu of all other fees not otherwise set forth in this section. If the parentage or desertion and support complaint is filed with a stipulation for a final order acceptable to the Court, the fee shall be ~~$30.00~~ $35.00 except that if the stipulation is not acceptable to the Court or if a matter previously agreed to becomes contested, the difference between the full fee and the reduced fee shall be paid to the Court prior to the issuance of a final order.

(4) Prior to the entry of any motion or petition to enforce a final order for parental rights and responsibilities, parent-child contact, property division, or maintenance in the Superior Court, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$80.00~~ $90.00 in lieu of all other fees not otherwise set forth in this section. Prior to the entry of any motion or

petition to vacate or modify a final order for parental rights and responsibilities, parent-child contact, or maintenance in the Superior Court, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$105.00~~ $120.00 in lieu of all other fees not otherwise set forth in this section. However, if the motion or petition is filed with a stipulation for an order, the fee shall be ~~$30.00~~ $35.00 except that if the stipulation is not acceptable to the Court or if a matter previously agreed to becomes contested, the difference between the full fee and the reduced fee shall be paid to the Court prior to the issuance of a final order. All motions or petitions filed by one party under this subsection at one time shall be assessed one fee equal to the highest of the filing fees associated with the motions or petitions involved. There are no filing fees for prejudgment motions or petitions filed before a final divorce, legal separation, dissolution of civil union, parentage, desertion, or nonsupport judgment issued.

(5) Prior to the entry of any motion or petition to vacate or modify an order for child support in the Superior Court, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$40.00~~ $45.00 in lieu of all other fees not otherwise set forth in this section. If the motion or petition is filed with a stipulation for an order, there shall be no fee except that if the stipulation is not acceptable to the Court or if a matter previously agreed to becomes contested, the difference between the full fee and the reduced fee shall be paid to the Court prior to the issuance of a final order. A motion or petition to enforce an order for child support shall require no fee. All motions or petitions filed by one party at one time shall be assessed one fee; if a simultaneous motion is filed by a party under subdivision (4) of this subsection, the fee under subdivision (4) shall be the only fee assessed. There are no filing fees for prejudgment motions or petitions filed before a final divorce, legal separation, dissolution of civil union, parentage, desertion, or nonsupport judgment has issued.

(6) Prior to the registration in Vermont of a child custody determination issued by a court of another state, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$80.00~~ $90.00 unless the request for registration is filed with a simultaneous motion for enforcement, in which event the fee for registration shall be ~~$35.00~~ $40.00 in addition to the fee for the motion as provided in subdivision (4) of this subsection.

(c)(1) Prior to the entry of a small claims action, there shall be paid to the clerk in lieu of all other fees not otherwise set forth in this section, a fee of ~~$80.00~~ $90.00 if the claim is for more than $1,000.00 and ~~$55.00~~ $65.00 if the claim is for $1,000.00 or less. Prior to the entry of any postjudgment motion in a small claims action, there shall be paid to the clerk a fee of ~~$55.00~~ $65.00. The fee for every counterclaim in small claims proceedings shall be ~~$30.00~~

$35.00, payable to the clerk, if the counterclaim is for more than $500.00, and ~~$20.00~~ $25.00 if the counterclaim is for $500.00 or less.

(2)(A) Except as provided in subdivision (B) of this subdivision (2), fees paid to the clerk pursuant to this subsection shall be divided as follows: 50 percent of the fee shall be for the benefit of the county and 50 percent of the fee shall be for the benefit of the State.

(B) In a county where court facilities are provided by the State, all fees paid to the clerk pursuant to this subsection shall be for the benefit of the State.

(d) Prior to the entry of any subsequent pleading which sets forth a claim for relief in the Supreme Court or the Superior Court, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$105.00~~ $120.00 for every appeal, cross-claim, or third-party claim and a fee of ~~$80.00~~ $90.00 for every counterclaim in the Superior Court in lieu of all other fees not otherwise set forth in this section. The fee for an appeal of a magistrate's decision in the Superior Court shall be ~~$105.00~~ $120.00. The filing fee for civil suspension proceedings filed pursuant to 23 V.S.A § 1205 shall be ~~$80.00~~ $90.00, which shall be taxed in the bill of costs in accordance with sections 1433 and 1471 of this title. This subsection does not apply to filing fees in the Family Division, except with respect to the fee for an appeal of a magistrate's decision.

(e) Prior to the filing of any postjudgment motion in the Civil, Criminal, or Environmental Division of the Superior Court, including motions to reopen civil suspensions and motions for sealing or expungement in the Criminal Division pursuant to 13 V.S.A. § 7602, there shall be paid to the clerk of the Court for the benefit of the State a fee of ~~$80.00~~ $90.00 except for small claims actions. A filing fee of $90.00 shall be paid to the clerk of the Court for a civil petition for minor settlements.

(f) The filing fee for all actions filed in the Judicial Bureau shall be ~~$55.00~~ $65.00; the State or municipality shall not be required to pay the fee; however, if the respondent denies the allegations on the ticket, the fee shall be taxed in the bill of costs in accordance with sections 1433 and 1471 of this title and shall be paid to the clerk of the Bureau for the benefit of the State.

(g) Prior to the filing of any postjudgment motion in the Judicial Bureau there shall be paid to the clerk of the Bureau, for the benefit of the State, a fee of ~~$40.00~~ $45.00. Prior to the filing of any appeal from the Judicial Bureau to the Superior Court, there shall be paid to the ~~Clerk~~ clerk of the Court, for the benefit of the State, a fee of ~~$105.00~~ $120.00.

(h) Pursuant to Vermont Rules of Civil Procedure 3.1 or Vermont Rules of Appellate Procedure 24(a), part or all of the filing fee may be waived if the

Court finds that the applicant is unable to pay it. The clerk of the Court or the clerk's designee shall establish the in forma pauperis fee in accordance with procedures and guidelines established by administrative order of the Supreme Court. If, during the course of the proceeding and prior to a final judgment, the Court determines that the applicant has the ability to pay all or a part of the waived fee, the Court shall require that payment be made prior to issuing a final judgment. If the applicant fails to pay the fee within a reasonable time, the Court may dismiss the proceeding.

* * * Administrative Provisions * * *

Sec. 34. 1 V.S.A. § 149 is added to read:

§ 149. SEMIWEEKLY

Unless a statute provides a more specific definition, "semiweekly" means twice per week.

Sec. 35. 7 V.S.A. § 302 is amended to read:

§ 302. APPLICATION

Application for such certificate of approval shall be made upon a form prescribed and furnished by the ~~liquor control board~~ Liquor Control Board, containing agreements to comply with the regulations of the ~~board and to file with the commissioner of taxes, on or before the 20th day of each month, a report under oath, on a form prescribed and furnished by the commissioner of taxes, showing the quantity of malt or vinous beverages sold or delivered by such manufacturer or distributor during the preceding calendar month to each holder of such bottler's or wholesale dealer's license,~~ Board and containing such further information as the ~~board~~ Board may deem necessary.

Sec. 36. 10 V.S.A. § 123(c) is amended to read:

(c) Within the limits of available resources, the Center shall operate a program of standards development, data dissemination, and quality assurance, and shall perform the following duties:

* * *

(12) Provide to regional planning commissions, State agencies, and the general public orthophotographic imagery of the State at a scale appropriate for the production and revision of town property maps. Periodically, such digital imagery shall be updated to capture land use changes, new settlement patterns, and such additional information as may have become available to the Director or the Center.

(A) The Center shall supply to each town such orthophotographic imagery as has been prepared by it of the total area of that town. Any image

shall be available, without charge, for public inspection in the office of the town clerk to whom the imagery was supplied.

(B) At a reasonable charge to be established by the Center and the Director, the Center shall supply to any person or agency other than a town clerk or lister a copy of any digital format orthophotographic imagery created under this section.

(C) Hard copy or nondigital format orthophotographic imagery created under this section shall be available for public review at the State Archives.

Sec. 37. 10 V.S.A. § 6608(c) is amended to read:

(c) Information obtained by the Secretary under this section shall be available to the public, unless the Secretary certifies such information as being proprietary. The Secretary may make such certification where any person shows, to the satisfaction of the Secretary, that the information, or parts thereof, would divulge methods or processes entitled to protection as trade secrets. Nothing in this section shall be construed as limiting the disclosure of information by the Secretary to office employees as authorized representatives of the State concerned with implementing the provisions of this chapter or to the Department of Taxes for purposes of enforcing the solid waste tax imposed by 32 V.S.A. chapter 151, subchapter 13.

Sec. 38. 13 V.S.A. § 2143(e) is amended to read:

(e) Games of chance shall be limited as follows:

* * *

(4) A nonprofit organization may offer a prize worth not more than $400.00 in value for a single game of chance, except that the nonprofit organization may offer a prize worth not more than $1,000.00 in value for one game per day, a prize worth not more than $5,000.00 in value for one game per calendar month and a prize of a motor vehicle, firearm, motorcycle, or watercraft worth not more than $50,000.00 for one game per calendar year. A nonprofit organization may exceed the above prize limitations on four days per calendar year, if the days are at least 20 days ~~a part~~ apart and the total prize money offered for all games executed on the day does not exceed ~~$20,000.00~~ $50,000.00.

* * *

Sec. 39. 32 V.S.A. § 3436(a) is amended to read:

(a) The Director shall ~~provide an~~ certify assessment education ~~program~~ programs for municipal listers and assessors at convenient times and places

during the year and is authorized to contract with one or more persons to provide part or all of the assessment instruction. ~~On an annual basis, the Director shall provide, to the extent allowed by available resources,~~ Certified programs may include instruction in lister duties, property inspection, data collection, valuation methods, mass appraisal techniques, ~~and~~ property tax administration, or such other subjects as the Director deems beneficial to listers and may be presented by Property Valuation and Review or a person pursuant to a contract with Property Valuation and Review, the International Association of Assessing Officials, the Vermont Assessors and Listers Association, or the Vermont League of Cities and Towns.

Sec. 40. [Deleted.]

* * * Collections * * *

Sec. 41. 32 V.S.A. § 3201(a) is amended to read:

(a) In the administration of taxes, the Commissioner may:

* * *

(9) Attach property pursuant to section 3207 of this title for payment of an amount collectible by the Commissioner under this title any time after 90 days have run from the end of any applicable administrative appeal period on the underlying tax liability.

(10) Garnish earnings pursuant to section 3208 of this title for payment of an amount collectible by the Commissioner under this title any time after 90 days have run from the end of any applicable administrative appeal period on the underlying tax liability.

Sec. 42. 32 V.S.A. § 3207 is added to read:

§ 3207. ADMINISTRATIVE ATTACHMENT

(a) Notwithstanding other statutes which provide for levy of execution, trustee process, and attachment, the Commissioner, pursuant to this section, may attach tangible and intangible property of a taxpayer to satisfy amounts collectible by the Commissioner under this title by transmitting a notice of attachment to a financial institution or person holding property belonging to or owed to a taxpayer.

(b) The Commissioner may contact a financial institution to obtain verification of the account number, the names, and Social Security numbers listed for an account, and account balances of accounts held by a delinquent taxpayer. A financial institution is immune from any liability for release of this information to the Commissioner.

(c) At least 30 days prior to attaching a taxpayer's property, the Commissioner shall demand payment from the taxpayer together with notice that the taxpayer is subject to attachment of property under this section. This notice shall be sent by first class mail to the taxpayer's last known address. The mailing of the notice shall be presumptive evidence of its receipt.

(d) A notice of attachment shall direct the financial institution or person to transmit all or a portion of the property in the taxpayer's accounts or owed to the taxpayer to the Commissioner up to the amount owed to the Commissioner. The notice shall identify the taxpayer by Social Security number or federal employer identification number. Upon receipt of the notice, the financial institution or person forthwith shall remit the amount stated in the notice or the amount held or owned by such financial institution or person, whichever is less, to the Commissioner. Notwithstanding the foregoing, any financial institution shall surrender any deposits in such bank only after 21 days after transmittal of the notice of attachment. During the 21-day hold period, the financial institution shall not release the attached funds to the taxpayer unless the Commissioner releases the attachment. A financial institution is immune from any liability due to compliance with the Commissioner's notice of attachment.

(e) A copy of the notice of attachment transmitted to the financial institution or person holding property due to the taxpayer shall be sent by certified mail to the taxpayer at the time it is transmitted to the financial institution or person. The taxpayer may, within 15 days of mailing, petition the Commissioner in writing for a hearing under this section. The Commissioner shall grant a hearing on the matter as provided in subsection 5885(a) of this title at which the taxpayer bears the burden of proof. The Commissioner shall notify the taxpayer in writing of his or her decision concerning the attachment and the taxpayer may appeal in the manner provided in subsection 5885(b) of this title, which shall be the taxpayer's exclusive remedy with respect to an attachment under this section.

(f) At a hearing under this section, the taxpayer may raise the following claims relating to the proposed attachment;

(1) whether the notice of attachment has identified the wrong taxpayer;

(2) whether the proposed attachment includes property that would be exempt from attachment and levy under 12 V.S.A. § 2740 in a judicial attachment;

(3) the statute of limitations to collect the liability expired before the notice of attachment was sent; and

(4) the taxpayer may propose a collection alternative, including a payment plan or offer in compromise, but only if there has been a change in the taxpayer's Vermont tax liability based on a change in his or her federal tax liability since the Vermont liability was assessed.

(g) The hearing under this section shall be conducted by an officer or employee who is not an employee of the Compliance Division of the Department of Taxes.

(h) If a hearing is requested in a timely manner under this section, the attachment shall be suspended and the financial institution shall not release the attached funds for the period during which the appeal is pending.

(i) After a hearing, the taxpayer may propose a collection alternative, including a payment plan or offer in compromise, but only if there has been a change in the taxpayer's federal tax liability or on a change in the amount that is subject to attachment as a result of the hearing.

(j) Attachment under this section and other collection measures provided by law are cumulative.

(k) The Commissioner forthwith shall notify the financial institution in writing and the financial institution shall cease attachment:

(1) upon full payment of the amounts collectible by the Commissioner; or

(2) when the attachment exceeds the amount permissible under 12 V.S.A. § 2740.

(l) A determination under subdivision 5888(1) of this title will be reflected in the amounts collectible by the Commissioner.

(m) As used in this section:

(1) "Financial institution" includes financial institutions as defined in 8 V.S.A. § 11101(32) and credit unions as defined in 8 V.S.A. § 30101(5).

(2) "Intangible property" means property that has no intrinsic value, but is merely the representative of value such as cash, accounts, rents, stocks, bonds, promissory notes, or other instruments that create a payment obligation.

(3) "Person" has the same meaning as in section 3001 of this title.

(n) The Commissioner shall contract with an outside independent organization or enter into a memorandum of understanding with a different State agency to provide advocate services to taxpayers subject to the provisions of this section. The organization or agency providing the services shall be independent of the Department of Taxes. The advocate services provided under this subsection shall include technical assistance and representation in the administrative processes and hearings under this section.

Sec. 43. 32 V.S.A. § 3208 is added to read:

§ 3208. ADMINISTRATIVE GARNISHMENT

(a) Notwithstanding other statutes which provide for levy or execution, trustee process, or attachment, the Commissioner may garnish a taxpayer's earnings pursuant to this section to satisfy amounts collectible by the Commissioner under this title, subject to the exemptions provided in 12 V.S.A. § 3170(a) and (b)(1).

(b) The Commissioner may contact an employer to obtain verification of a delinquent taxpayer's employment, earnings, deductions, and payment frequency as necessary to determine disposable earnings. The employer shall be immune from any liability for release of this information to the Commissioner.

(c) At least 30 days prior to initiating wage garnishment, the Commissioner shall demand payment from the taxpayer and notify the taxpayer that he or she is subject to garnishment under this section. This notice shall be sent by first class mail to the taxpayer's last known address. The mailing of notice shall be presumptive evidence of receipt.

(d) After 30 days, a notice of garnishment shall be sent by certified mail to the taxpayer, and the taxpayer may, within 15 days of mailing, petition the Commissioner in writing for a hearing under this section. The Commissioner shall grant a hearing on the matter as provided in subsection 5885(a) of this title at which the taxpayer bears the burden of proof. The Commissioner shall notify the taxpayer in writing of his or her decision concerning the garnishment and the taxpayer may appeal in the manner provided in subsection 5885(b) of this title. This shall be the taxpayer's exclusive remedy with respect to a garnishment under this section.

(e) If, after 15 days, the taxpayer has not petitioned for a hearing, a notice of garnishment shall direct an employer to transmit a specified portion of the taxpayer's disposable earnings to the Commissioner from each periodic payment that is due to the taxpayer until the taxpayer's obligation is paid in full. The notice shall identify the taxpayer by Social Security number.

(f) If a hearing is requested in a timely manner under this section, the garnishment which is the subject of the requested hearing shall be suspended for the period during which such appeal is pending. Fifteen days after an appeal is resolved, the notice of garnishment shall direct an employer to transmit a specified portion of the taxpayer's disposable earnings to the Commissioner from each periodic payment that is due to the taxpayer until the taxpayer's obligation is paid in full. The notice shall identify the taxpayer by Social Security number.

(g) At a hearing under this section, the taxpayer may raise any relevant issue relating to the unpaid tax or the proposed attachment:

(1) whether the notice of garnishment has identified the wrong taxpayer;

(2) whether the garnishment exceeds the exemption amount, which shall be 80 percent of the debtor's weekly disposable earnings, or 40 times the federal minimum hourly wage, whichever is greater;

(3) whether the garnishment exceeds the amount permissible under 12 V.S.A. § 3170(a); or

(4) the statute of limitations to collect the liability expired before the notice of attachment was sent.

(h) The hearing under this section shall be conducted by an officer or employee who is not an employee of the Compliance Division of the Department of Taxes.

(i) An employer's obligation to transmit garnished wages to the Commissioner shall begin with the first periodic payment of earnings following receipt of the notice of garnishment unless the notice is withdrawn by the Commissioner. An employer who fails to withhold and transmit the garnished earnings to the Commissioner shall be liable for such amounts and may be assessed in the same manner as withholding taxes are assessed under chapter 151 of this title. As soon as reasonably practicable, the employer shall notify the Commissioner of the termination of the taxpayer's employment. No taxpayer may be discharged from employment on account of garnishment under this section against the taxpayer's wages.

(j) The Commissioner forthwith shall notify the employer in writing and the employer shall cease withholding from the earnings of the taxpayer:

(1) upon full payment of the amounts collectible by the Commissioner; or

(2) when the garnishment exceeds the amount permissible under 12 V.S.A. § 3170(a) and (b)(1).

(k) Wage garnishment under this section and other collection measures provided by law are cumulative.

(l) A determination under subdivision 5888(1) of this title will be reflected in the amounts collectible by the Commissioner.

(m) As used in this section:

(1) "Disposable earnings" means that part of the earnings of any individual remaining after the deduction from those earnings of any amounts required by law to be withheld and the amount of any wage garnishment payable to the Office of Child Support.

(2) "Earnings" means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program and proceeds from the sale of milk with respect to an individual engaged in the occupation of farming, but does not include payments from sources which by law are exempt from attachment.

(n) The Commissioner shall contract with an outside independent organization or enter into a memorandum of understanding with a different State agency to provide advocate services to taxpayers subject to the provisions of this section. The organization or agency providing the services shall be independent of the Department of Taxes. The advocate services provided under this subsection shall include technical assistance and representation in the administrative processes and hearings under this section.

Sec. 44. 32V.S.A. § 3101(b) is amended to read:

(b) The Commissioner shall:

* * *

(5) Provide assistance and instruction to taxpayers and tax preparers, within the limits of available resources; provided, however, that in his or her communication with taxpayers, the Commissioner shall educate taxpayers about the available opportunities for resolving tax disputes through abatement, payment plans, offers in compromise, or any other possibilities for informal resolution before a final administrative decision on the merits of the dispute.

* * *

Sec. 45. 32 V.S.A. chapter 103, subchapter 7 is added to read:

Subchapter 7. Collections

§ 3301. COLLECTIONS UNIT

(a) There is established within the Department of Taxes a collections unit. The primary purpose of the Collections Unit is to enforce and collect debt owed the State, including tax debts and debts certified to the Department of Taxes from other branches, agencies, or subdivisions of government under this subchapter.

(b) The Collections Unit shall:

(1) employ such staff as is necessary, subject to the approval of the Commissioner of Taxes;

(2) adopt rules under 3 V.S.A. chapter 25 to provide for the uniform administration of the collection of State debt;

(3) collect tax deficiencies owed the State, including those under chapter 151, subchapters 8 and 9 of this title;

(4) administer the system of tax debt setoff in chapter 151, subchapter 12 of this title;

(5) administer the system of tax intercepts under section 3113 of this title; and

(6) collect debts referred from agencies or from other branches or subdivisions of State government under this subchapter.

§ 3302. DEBT REFERRAL

(a) An agency or any other branch or subdivision of State government may enter into an agreement with the Department of Taxes to collect any debt, other than debts related to property taxes under chapters 123 through 135 of this title, of $50.00 or more under the procedures established by this subchapter.

(b) Any agreement shall contain the following provisions:

(1) a process for ensuring that the debt is final, and not subject to any negotiation for settlement;

(2) a process for providing the Department with information necessary to identify each debtor and for certifying in writing the amount of each debt submitted to the Department for collection, along with any other information as the Commissioner shall require;

(3) a hierarchy of payments made from debts collected; and

(4) any other provisions necessary to allow the Department of Taxes to collect the referred debt.

§ 3303. COLLECTION POWERS AND PROCESS

The Collections Unit in collecting debt required under this chapter shall have the following enforcement powers at its disposal:

(1) any enforcement tool available to referring agency, in the name of that agency; and

(2) any enforcement tools for collection of tax debts under this title.

Sec. 46. TRANSITION

By July 1, 2016, the Department of Taxes shall adopt rules necessary to implement the creation of the Collections Unit under 32 V.S.A. chapter 103, subchapter 7. The rules shall include provisions for entering into referral agreements with referring agencies, branches, and subdivisions, and for exercising the enforcement powers provided under this subchapter.

Sec. 47. 32 V.S.A. § 3113(d) is amended to read:

(d) If the Commissioner determines that any person who has agreed to furnish goods, services, or real estate space to any agency has neglected or refused to pay any tax administered by the Commissioner and that the person's liability for such tax is not under appeal, or if under appeal, the Commissioner has determined that the tax or interest or penalty is in jeopardy, the Commissioner shall notify the agency and the person in writing of the amount owed by such person. Upon receipt of such notice, the agency shall thereafter transfer to the Commissioner any amounts that would otherwise be payable by the agency to the taxpayer, up to the amount certified by the Commissioner. The Commissioner may treat any such payment as if it were a payment received from the taxpayer. As used in this section, "any person who has agreed to furnish goods, services, or real estate space to any agency" includes a provider of Medicaid services that receives reimbursement from the State under Title 33.

* * * Current Use * * *

Sec. 48. 32 V.S.A. § 3757 is amended to read:

§ 3757. LAND USE CHANGE TAX

(a) Land which has been classified as agricultural land or managed forestland pursuant to this chapter shall be subject to a land use change tax upon the development of that land, as defined in section 3752 of this chapter. The tax shall be at the rate of ~~20~~ 10 percent of the full fair market value of the changed land determined without regard to the use value appraisal~~; or the tax shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of the Director that the parcel has been enrolled continuously more than 10 years~~. If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land ~~prorated on the basis of acreage~~ as a separate parcel, divided by the common level of appraisal. Such fair market value shall be determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

(b) Any owner of eligible land who wishes to withdraw land from use value appraisal shall ~~petition for a determination of the fair market value of the land at the time of the withdrawal~~ notify the Director, who shall in turn notify the local assessing official. In the alternative, if the Director determines that development has occurred, the Director shall notify the local assessing official

of his or her determination. Thereafter, land which has been withdrawn or developed shall be appraised and listed at its full fair market value in accordance with the provisions of chapter 121 of this title and subsection 3756(d) of this title, according to the appraisal model and land schedule of the municipality. ~~The determination of the fair market value shall be used in calculating the amount of the land use change tax that shall be due when and if the development of the land occurs.~~

(c) ~~The~~ For the purposes of the land use change tax, the determination of the fair market value of the land ~~as of the date the land is no longer eligible for a use value appraisal, or as of the time of the withdrawal of the land from use value appraisal,~~ shall be made by the ~~Director~~ local assessing officials in accordance with the provisions of subsection (b) of this section and divided by the municipality's most recent common level of appraisal as determined by the Director. The determination shall be made within 30 days after the Director notifies the local assessing officials of the date that the owner ~~or assessing officials petition for the determination and shall be effective on the date of dispatch to the owner~~ has petitioned for withdrawal from use value appraisal or that the Director or local assessing official has determined that development has occurred. The local assessing officials shall notify the Director and the owner of their determination, and the provisions for appeal relating to property tax assessments in chapter 131 of this title shall apply.

(d) The land use change tax shall be due and payable by the owner 30 days after the tax notice is mailed to the taxpayer. The tax shall be paid to the Commissioner ~~for deposit into the General Fund~~ who shall remit to the municipality the lesser of one-half the tax paid or $2,000.00, and who shall deposit the remainder of the tax paid into the General Fund. The Commissioner shall issue a form to the assessing officials which shall provide for a description of the land developed, the amount of tax payable, and the fair market value of the land at the time of development or withdrawal from use value appraisal. The owner shall fill out the form and shall sign it under the penalty of perjury. After receipt of payment, the Commissioner shall furnish the owner with one copy, shall retain one copy, and shall forward one copy to the local assessing officials ~~and~~, one copy to the register of deeds of the municipality in which the land is located, and one copy to the Secretary of Agriculture, Food and Markets if the land is agricultural land and in all other cases to the Commissioner of Forests, Parks and Recreation. ~~Thereafter, the land which has been developed shall be appraised and listed at its full fair market value in accordance with the provisions of chapter 121 of this title.~~

(e) The owner of any classified land receiving use value appraisal under this subchapter shall immediately notify the ~~director~~ Director, who in turn shall notify the local assessing officials and the Secretary of Agriculture, Food and

Markets if the land is agricultural land, and in all other cases the Commissioner of Forests, Parks and Recreation of:

* * *

(f) ~~The~~ When the application for use value appraisal of agricultural and forestland~~, once~~ has been approved by the State, the State shall ~~be recorded~~ record a lien against the enrolled land in the land records of the municipality ~~and~~ which shall constitute a lien to secure payment of the land use change tax to the State upon development. The landowner shall bear the recording cost. The land use change tax and any obligation to repay benefits paid in error shall not constitute a personal debt of the person liable to pay the same, but shall constitute a lien which shall run with the land. All of the administrative provisions of chapter 151 of this title, including those relating to collection and enforcement, shall apply to the land use change tax.

Sec. 49. 32 V.S.A. § 3757(d) is amended to read:

(d) The land use change tax shall be due and payable by the owner 30 days after the tax notice is mailed to the taxpayer. The tax shall be paid to the Commissioner who shall remit to the municipality the lesser of one-half the tax paid or $2,000.00~~, and who shall deposit the remainder of the tax paid into the General Fund~~. The Director shall deposit three-quarters of the remainder of the tax paid in the Education Fund, and one-quarter of the remainder of the tax paid in the General Fund. The Commissioner shall issue a form to the assessing officials which shall provide for a description of the land developed, the amount of tax payable, and the fair market value of the land at the time of development or withdrawal from use value appraisal. The owner shall fill out the form and shall sign it under the penalty of perjury. After receipt of payment, the Commissioner shall furnish the owner with one copy, shall retain one copy, and shall forward one copy to the local assessing officials, one copy to the register of deeds of the municipality in which the land is located, and one copy to the Secretary of Agriculture, Food and Markets if the land is agricultural land and in all other cases to the Commissioner of Forests, Parks and Recreation.

Sec. 50. 32 V.S.A. § 3756(d) is amended to read:

(d) The assessing officials shall appraise qualifying agricultural and managed forestland and farm buildings at use value appraisal as defined in subdivision 3752(12) of this title. If the land to be appraised is a portion of a parcel, ~~the assessing officials shall:~~

~~(1) determine the contributory value of each portion such that the fair market value of the total parcel is comparable with other similar parcels in the municipality; and~~

~~(2) notify the landowner according to the procedures for notification of change of appraisal. The portion of the parcel that is not to be appraised at use value shall be appraised at its fair market value~~ any portion not receiving a use value appraisal shall be valued at its fair market value as a stand-alone parcel, and, for the purposes of the payment under section 3760 of this chapter, the entire parcel shall be valued at its fair market value as other similar parcels in the municipality.

Sec. 51. 32 V.S.A. § 3752(12) is amended to read:

(12) "Use value appraisal" means, with respect to land, the price per acre which the land would command if it were required to remain henceforth in agriculture or forest use, as determined in accordance with the terms and provisions of this subchapter. With respect to farm buildings, "use value appraisal" means zero percent of fair market value. ~~The Director shall annually provide the assessing officials with a list of farm sales, including the town in which the farm is located, the acreage, sales price, and date of sale.~~

Sec. 52. 32 V.S.A. § 3756(i) is amended to read:

(i) ~~The~~ After providing 30 days' notice to the owner, the Director shall remove from use value appraisal an entire parcel of managed ~~forest land~~ forestland and notify the owner in accordance with the procedure in subsection (b) of this section when the Department of Forests, Parks and Recreation has not received a required management activity report or has received an adverse inspection report, unless the lack of conformance consists solely of the failure to make prescribed planned cutting. In that case, the Director may delay removal from use value appraisal for a period of one year at a time to allow time to bring the parcel into conformance with the plan.

Sec. 53. USE VALUE APPRAISAL "EASY-OUT"

(a) Notwithstanding any other provision of law, an owner of property enrolled in use value appraisal under 32 V.S.A. chapter 124 as of the passage of this act who elects to discontinue enrollment of the parcel, or a portion of a parcel, may be relieved of the first $50,000.00 of land use change tax imposed pursuant to 32 V.S.A. § 3757; provided that if the property owner does elect to discontinue enrollment and be relieved of the first $50,000.00 of land use change tax, the owner shall pay the full property tax, based upon the property's full fair market value, for the 2015 assessment, and no State reimbursement shall be paid for that land. No property owner shall be relieved of more than $50,000.00 in land use change tax under this provision.

(b) An election to discontinue enrollment under this provision is effective only if made in writing to the Director of Property Valuation and Review between July 1, 2015 and October 1, 2015; and an owner who elects to

discontinue enrollment under this section or any successor owner may not reenroll the entire withdrawn parcel, or any portion less than the entire withdrawn parcel, in the succeeding five years.

(c) The "easy-out" provided for in this section shall not be available for any land that has been developed, as that term is defined in 32 V.S.A. § 3752(5), prior to July 1, 2015.

Sec. 54. MUNICIPAL REIMBURSEMENT PAYMENTS

(a) There is created a Use Value Appraisal Municipal Reimbursement Study Committee to examine the existing formula for municipal reimbursement payments (hold harmless payments) to determine if the payments are equitable and appropriate in light of the reallocation of land use change tax payments under this act and, if not, to propose an alternative formula. The Committee shall issue a report on or before January 15, 2016, and the report shall be submitted to the House Committees on Agriculture and Forest Products and on Ways and Means and to the Senate Committees on Agriculture and on Finance. The members of the Study Committee shall be:

(1) the Director of Property Valuation and Review, who shall serve as the Chair of the Committee and shall call the first meeting of the Committee on or before September 1, 2015;

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

(3) the Commissioner of Forests, Parks and Recreation or designee;

(4) the Executive Director of the Vermont Assessors and Listers Association or designee;

(5) two representatives of the Vermont League of Cities and Towns, one from a rural community and one from an urban community, appointed by its Board of Directors;

(6) a member of the House appointed by the Speaker of the House;

(7) a member of the Senate appointed by the Committee on Committees; and

(8) a member of the public appointed by the Governor who shall be a land owner with land subject to use value appraisal.

(b) Members of the Committee who are not employees of the State of Vermont shall be entitled to compensation as provided in 32 V.S.A. § 1010. Legislative members of the Committee shall be entitled to the same per diem compensation and reimbursement for necessary expenses for attendance at a meeting when the General Assembly is not in session as provided to members of standing committees under 2 V.S.A. § 406.

Sec. 55. ASSESSMENT OF PROPERTY

On or before April 15, 2016, the Director of Property Valuation and Review shall publish guidance for the local assessing officials concerning:

(1) how to assess land permanently encumbered by a conservation easement;

(2) how to assess land subject to a use value appraisal; and

(3) how to apply the methodologies in subdivisions (1) and (2) of this section in a consistent manner across the State.

Sec. 56. 32 V.S.A. § 3760a is added to read:

§ 3760a. VALUATION AUDITS

(a) Annually, the Director shall conduct an audit of three towns with enrolled land to ensure that parcels with a use value appraisal are appraised by the local assessing officials consistent with the appraisals for nonenrolled parcels.

(b) In determining which towns to select for an audit, the Director shall consider factors that demonstrate a deviation from consistent valuations, including the following:

(1) the fair market value per acre of enrolled land in each town;

(2) the fair market value of enrolled land versus unenrolled land in the same town;

(3) the fair market value of enrolled farm buildings in each town; and

(4) the fair market value of enrolled farm buildings in relation to the fair market value of the associated land.

(c) For each town selected for an audit, the Director shall:

(1) conduct an independent appraisal of enrolled parcels and enrolled farm buildings in that town;

(2) compare the appraisals reached by the Director for each enrolled parcel with the appraisal reached by the local assessing officials; and

(3) review the land schedule and appraisal model applied by the town.

(d) If, as a result of an audit, the Director determines that an appraisal reached by the Director differs from the appraisal reached by the local assessing officials by more than 10 percent, then the Director shall substitute his or her appraisal of fair market value for the appraisal reached by the local assessing officials. A substitution of a fair market appraisal under this subsection shall be treated as a substitution by the Director under subsection 3760(b) of this title.

Sec. 57. AGRICULTURAL LANDS SUBJECT TO A USE VALUE APPRAISAL

On or before September 1, 2015 and annually thereafter, the owner of agricultural land or buildings enrolled in the use value program as agricultural land or buildings shall certify in writing under oath to the Commissioner that the agricultural land or buildings enrolled by that owner continue to meet the requirements for enrollment in the use value program at the time of the certification. The form of the certification shall be made on a form specified by the Director of Property Valuation and Review.

Sec. 58. COUNTY FORESTERS

(a) The Secretary of Natural Resources, in consultation with the Commissioner of Taxes and the Commissioner of Forest, Parks and Recreation, shall report to the Senate Committee on Finance and the House Committee on Ways and Means on whether the current number of county foresters is sufficient to oversee compliance of forestland subject to a use value appraisal under 32 V.S.A. chapter 124, given the increasing number of forestland parcels, and the increasing acreage of forestland, in the current use program. In addition to any issues the Secretary considers relevant to this report, he or she shall specifically consider whether any or all of the following would be appropriate to strengthening the current use program:

(1) providing an additional forester whose sole responsibility would be investigating alleged violations of the current use requirements and doing spot compliance checks for forestland parcels;

(2) adding additional foresters to reflect the growth in forestland parcels subject to a use value appraisal; and

(3) requiring consulting foresters to be licensed by the State.

(b) The report of the Secretary of Natural Resources under this section shall be due on January 15, 2016.

* * * Statewide Education Tax * * *

Sec. 59. 32 V.S.A. § 5401(7) is amended to read:

(7) "Homestead":

(A) "Homestead" means the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual ~~on April 1 and occupied~~ as the individual's domicile ~~for a minimum of~~ or owned and fully leased on April 1, provided the property is not leased for more than ~~183~~ 182 days out of the calendar year, or for purposes of the renter property tax adjustment under subsection 6066(b) of this title, rented and occupied by a resident individual as the individual's domicile.

* * *

Sec. 60. 32 V.S.A. § 5404a(a)(6) is amended to read:

(6) An exemption of a portion of the value of a qualified rental unit parcel. An owner of a qualified rental unit parcel shall be entitled to an exemption on the education property tax grand list of 10 percent of the grand list value of the parcel, multiplied by the ratio of square footage of improvements used for or related to residential rental purposes to total square footage of all improvements, multiplied by the ratio of qualified rental units to total residential rental units on the parcel. "Qualified rental units" means residential rental units which are subject to rent restriction under provisions of ~~state~~ State or federal law, but excluding units subject to rent restrictions under only one of the following programs: Section 8 moderate rehabilitation, Section 8 housing choice vouchers, or Section 236 or Section 515 rural development rental housing. A municipality shall allow the percentage exemption under this subsection upon presentation by the taxpayer to the municipality, by April 1, of a certificate of education grand list value exemption, obtained from the Vermont Housing Finance Agency (VHFA). VHFA shall issue a certificate of exemption upon presentation by the taxpayer of information which VHFA and the Commissioner shall require. ~~An exemption granted by a municipality~~ A certificate of exemption issues by VHFA under this subsection shall expire upon transfer of the building, upon expiration of the rent restriction, or after 10 years, whichever first occurs. The certificate of exemption may be renewed once after 10 years, if VHFA finds that the property continues to meet the requirements of this subsection.

Sec. 61. [Deleted.]

* * * Tax Increment Financing Districts * * *

Sec. 62. 24 V.S.A. § 1901(3) is amended to read:

(3) Annually:

(A) ensure that the tax increment financing district account required by section 1896 of this subchapter is subject to the annual audit prescribed in ~~section~~ sections 1681 and 1690 of this title. Procedures must include verification of the original taxable value and annual and total municipal and education tax increments generated, expenditures for debt and related costs, and current balance;

(B) on or before ~~January 15~~ February 15 of each year, on a form prescribed by the Council, submit an annual report to the Vermont Economic Progress Council and the Department of Taxes, including the information required by subdivision (2) of this section if not already submitted during the year, all information required by subdivision (A) of this subdivision (3), and

the information required by 32 V.S.A. § 5404a(i), including performance indicators and any other information required by the Council or the Department of Taxes.

Sec. 63. 24 V.S.A. § 1896(c) is amended to read:

(c) Notwithstanding any charter provision or other provision, all property taxes assessed within a district shall be subject to the provision of subsection (a) of this section. Special assessments levied under chapters 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the district, and not for improvements within the district, as defined in subsection 1891(4) of this title.

* * * Income Tax * * *

Sec. 64. 32 V.S.A. § 5811(21) is amended to read:

(21) "Taxable income" means federal taxable income determined without regard to 26 U.S.C. § 168(k) and:

(A) Increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations;

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; ~~and~~

(iii) the amount ~~in excess of $5,000.00~~ of State and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

(iv) the amount of total itemized deductions, other than deductions for State and local income taxes, medical and dental expenses, or charitable contributions, deducted from federal adjusted gross income for the taxable year, that is in excess of two and one half times the standard deduction allowable to the taxpayer; and

* * *

Sec. 65. 32 V.S.A. § 5822(a)(6) is added to read

(6) If the federal adjusted gross income of the taxpayer exceeds $150,000.00, then the tax calculated under this subsection shall be the greater of the tax calculated under subdivisions (1)–(5) of this subsection or three percent of the taxpayer's federal adjusted gross income.

Sec. 66. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2013~~ 2014, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 67. 32 V.S.A. § 5841(c) is added to read:

(c) Every person who is required under this subchapter to withhold income taxes from payments of income, except for the government of the United States, shall provide the aggregate cost of applicable employer-sponsored coverage required under 26 U.S.C. § 6051(a)(14) regardless of the number of W-2 forms filed.

Sec. 68. 32 V.S.A. § 5842(a)(2) is amended to read:

(2) In semiweekly payments, if the person ~~can reasonably expect the amount to be deducted and withheld during that quarter will exceed $9,000.00~~ is required to make semiweekly payments of federal withholding pursuant to the Internal Revenue Code. Semiweekly shall mean payment of tax withheld for pay dates on Wednesday, Thursday, or Friday is due by the following Wednesday, and tax withheld for pay dates on Saturday, Sunday, Monday, or Tuesday is due by the following Friday.

Sec. 69. 32 V.S.A. § 5852(a) is amended to read:

(a) Every individual, estate, and trust subject to taxation under section 5822 of this title~~,~~ (other than a person receiving at least two-thirds of his or her income from farming or fishing as defined under the laws of the United States) shall make installment payments of the taxpayer's estimated tax liability for each taxable year. The amount of each payment shall be 25 percent of the required annual payment. For any taxable year, payments shall be made on or before April 15, June 15, and September 15 of the taxable year and January 15 of the following taxable year. In applying this section to a taxable year beginning on any date other than January 1, there shall be substituted, for the months specified in this section, the months which correspond thereto.

Sec. 70. 32 V.S.A. § 5920(h) is added to read:

(h) Notwithstanding any provisions in this section, a publicly traded partnership as defined in 26 U.S.C. § 7704(b), that is treated as a partnership for the purposes of the Internal Revenue Code, is exempt from any income tax liability under subsection (c) of this section, if information required by the Commissioner is provided by the due date of the partnership's return. This information includes the name, address, taxpayer identification number, and

annual Vermont source of income greater than $500.00 for each partner who had an interest in the partnership during the tax year. This information shall be provided to the Commissioner in an electronic format, according to rules or procedures adopted by the Commissioner.

* * * Downtown Tax Credits * * *

Sec. 71. 32 V.S.A. § 5930aa(3) is amended to read:

(3) "Qualified code or technology improvement project" means a project:

(A)(i) to install or improve platform lifts suitable for transporting personal mobility devices, limited use/limited application elevators, elevators, sprinkler systems, and capital improvements in a qualified building, and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, and accessibility codes as determined by the Department of Public Safety; or

* * *

Sec. 72. 32 V.S.A. § 5930cc(c) is amended to read:

(c) Code or technology improvement tax credit. The qualified applicant of a qualified code or technology improvement project shall be entitled, upon the approval of the State Board, to claim against the taxpayer's State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of $12,000.00 for installation or improvement of a platform lift, a maximum credit of $40,000.00 for the installation or improvement of a limited use/limited application elevator, a maximum tax credit of $50,000.00 for installation or improvement of an elevator, a maximum tax credit of $50,000.00 for installation or improvement of a sprinkler system, a maximum tax credit of $30,000.00 for the combined costs of installation or improvement of data or network wiring or a heating, ventilating, or cooling system, and a maximum tax credit of ~~$25,000.00~~ $50,000.00 for the combined costs of all other qualified code improvements.

* * * Cigarette and Tobacco Taxes * * *

Sec. 73. 32 V.S.A. § 7734 is amended to read:

§ 7734. PENALTIES FOR SALES WITHOUT LICENSE

Any licensed wholesale dealer who shall sell, offer for sale, or possess with intent to sell any cigarettes, roll-your-own tobacco, little cigars, snuff, new smokeless tobacco, or other tobacco products, or ~~both~~ any combination thereof,

without having first obtained a license as provided in this subchapter shall be fined not more than $25.00 for the first offense and not more than $200.00 nor less than $25.00 for each subsequent offense.

Sec. 74. 32 V.S.A. § 7771(b) is amended to read:

(b) Payment of the tax on cigarettes under this section shall be evidenced by the affixing of stamps to the packages containing the cigarettes. Where practicable, the Commissioner may also require that stamps be affixed to packages containing little cigars or roll-your-own tobacco. Any cigarette, little cigar, or roll-your-own tobacco on which the tax imposed by this section has been paid, such payment being evidenced by the affixing of such stamp or such evidence as the Commissioner may require, shall not be subject to a further tax under this chapter. Nothing contained in this chapter shall be construed to impose a tax on any transaction the taxation of which by this State is prohibited by the constitution of the United States. The amount of taxes advanced and paid by a licensed wholesale dealer ~~or a retail dealer~~ as herein provided shall be added to and collected as part of the retail sale price on the cigarettes, little cigars, or roll-your-own tobacco.

Sec. 75. 32 V.S.A. § 7772 is amended to read:

§ 7772. FORM AND SALE OF STAMPS

(a) The Commissioner shall secure stamps of such designs and denominations as he or she shall prescribe to be affixed to packages of cigarettes as evidence of the payment to the tax imposed by this chapter. The Commissioner shall sell such stamps to licensed wholesale dealers ~~and retail dealers~~ at a discount of two and three-tenths percent of their face value for payment at time of sale.

(b) At the purchaser's request, the Commissioner may sell stamps to be affixed to packages of cigarettes as evidence of the payment to the tax imposed by this chapter to licensed wholesale dealers ~~and retail dealers~~ for payment within 10 days, at a discount of one and five-tenths percent of their face value if timely paid. In determining whether to sell stamps for payment within 10 days, the Commissioner shall consider the credit history of the dealer; and the filing and payment history, with respect to any tax administered by the Commissioner, of the dealer or any individual, corporation, partnership, or other legal entity with which the dealer is or was associated as principal, partner, officer, director, employee, agent, or incorporator.

(c) The Commissioner shall keep accurate records of all stamps sold to each wholesale dealer ~~and retail dealer~~, and shall pay over all receipts from the sale of stamps to the ~~state treasurer~~ State Treasurer.

Sec. 76. 32 V.S.A. § 7773 is amended to read:

§ 7773. USE AND REDEMPTION OF STAMPS

No licensed wholesale dealer ~~or retail dealer~~ shall sell or transfer any stamps issued under the provisions of this chapter. The Commissioner shall redeem at the amount paid therefor by the licensed wholesale or retail dealer any unused stamps issued under the provisions of this chapter, which are presented to him or her at his or her office in Montpelier.

Sec. 77. 32 V.S.A. § 7775 is amended to read:

§ 7775. ~~RETAILERS~~ RETAIL DEALERS

Within 24 hours after coming into possession of any cigarettes not bearing proper stamps evidencing payment of the tax imposed by this chapter and before selling the same, each retail dealer shall affix or cause to be affixed stamps of the proper denomination to each individual package of cigarettes as required by section 7771 of this title and in such manner as the Commissioner may specify in regulations issued pursuant to this chapter.

Sec. 78. 32 V.S.A. § 7777 is amended to read:

§ 7777. RECORDS REQUIRED; INSPECTION AND EXAMINATION; ASSESSMENT OF TAX DEFICIENCY

* * *

(d) If a licensed wholesale dealer ~~or retail dealer~~ has failed to timely pay for stamps obtained for payment within 10 days or to pay the tax imposed on roll-your-own tobacco, the dealer shall be subject to assessment, collection, and enforcement in the same manner as provided under subchapter 4 of this chapter.

* * *

Sec. 79. 32 V.S.A. § 7812 is amended to read:

§ 7812. LIABILITY FOR COLLECTION OF TAX

The ~~distributor~~ licensed wholesale dealer shall be liable for the payment of the tax on tobacco products which he or she imports or causes to be imported into the State, or which he or she manufactures in this State, and every ~~distributor~~ licensed wholesale dealer authorized by the Commissioner to make returns and pay the tax on tobacco products sold, shipped, or delivered by him or her to any person in the State, shall be liable for the collection and payment of the tax on all tobacco products sold, shipped, or delivered. Every retail dealer shall be liable for the collection of the tax on all tobacco products in his or her possession at any time, upon which the tax has not been paid by a ~~distributor~~ licensed wholesale dealer and the failure of any retail dealer to

produce and exhibit to the Commissioner or his or her authorized representative, upon demand, an invoice by a ~~distributor~~ licensed wholesale dealer for any tobacco products in his or her possession, shall be presumptive evidence that the tax thereon has not been paid and that such retail dealer is liable for the collection of the tax thereon. The amount of taxes advanced and paid by a ~~distributor~~ licensed wholesale dealer or retail dealer as hereinabove provided shall be added and collected as part of the sales price of the tobacco products.

Sec. 80. 32 V.S.A. § 7813 is amended to read:

§ 7813. RETURNS AND PAYMENT OF TAX BY ~~DISTRIBUTOR~~ LICENSED WHOLESALE DEALER

Every ~~distributor~~ licensed wholesale dealer shall, on or before the 15th day of each month, file with the Commissioner a return on forms to be prescribed and furnished by the Commissioner, showing the quantity and wholesale price of all tobacco products sold, shipped, or delivered by him or her to any person in the State during the preceding calendar month. Such returns shall contain such further information as the Commissioner of Taxes may require. Every ~~distributor~~ licensed wholesale dealer shall pay to the Commissioner with the filing of such return, the tax on tobacco products for such month imposed under this subchapter. When the ~~distributor or~~ licensed wholesale dealer files the return and pays the tax within the time specified in this section, he or she may deduct therefrom two percent of the tax due.

Sec. 81. 32 V.S.A. § 7819 is amended to read:

§ 7819. REFUNDS

Whenever any tobacco products upon which the tax has been paid have been sold and shipped into another state for sale or use there, or have become unfit for use and consumption or unsalable or have been destroyed, the licensed wholesale dealer shall be entitled to a refund of the actual amount of tax paid with respect thereto. If the Commissioner is satisfied that any licensed wholesale dealer is entitled to a refund, he or she shall so certify to the Commissioner of Finance and Management who shall issue his or her warrant in favor of the licensed wholesale dealer entitled to receive such refund.

Sec. 82. 32 V.S.A. § 7821 is amended to read:

§ 7821. CRIMINAL PENALTIES

Any ~~distributor or dealer~~ person who shall fail, neglect, or refuse to comply with or shall violate the provisions of this chapter relating to the tax on tobacco products or the rules and regulations ~~promulgated~~ adopted by the Commissioner under this chapter relating to such tax shall be guilty of a

misdemeanor and upon conviction for a first offense shall be sentenced to pay a fine of not more than $250.00 or to be imprisoned for not more than 60 days, or both such fine and imprisonment in the discretion of the Court; and for a second or subsequent offense shall be sentenced to pay a fine of not less than $250.00 nor more than $500.00, or be imprisoned for not more than six months, or both such fine and imprisonment in the discretion of the Court. This section shall not apply to violations of sections 7731–7734 and 7776 of this title.

Sec. 83. 33 V.S.A. § 1916 is amended to read:

§1916. DEFINITIONS

As used in this subchapter:

* * *

(4) "~~Distributor~~ Wholesale dealer" shall have the same meaning as in 32 V.S.A. § 7702~~(4)~~(16).

* * *

(10) ~~"Stamping agent" shall mean a person or entity that is required to secure a license pursuant to 32 V.S.A. § 7731 or that is required to pay a tax on cigarettes imposed pursuant to 32 V.S.A. chapter 205.~~ [Repealed.]

* * *

Sec. 84. 33 V.S.A. § 1917(a) is amended to read:

(a) Every tobacco product manufacturer whose cigarettes are sold in this State, whether directly or through a ~~distributor,~~ licensed wholesale dealer, retailer, or similar intermediary or intermediaries, shall execute and deliver on a form prescribed by the Attorney General a certification to the Attorney General no later than April 30 each year certifying under penalty of perjury that, as of the date of such certification, such tobacco product manufacturer either is a participating manufacturer or is in full compliance with subchapter 1A of this chapter, including all quarterly installment payments required by section 1922 of this title.

Sec. 85. 33 V.S.A. § 1918(c) and (d) are amended to read:

(c) Unless otherwise provided by agreement between a ~~stamping agent~~ licensed wholesale dealer and a tobacco product manufacturer, a ~~stamping agent~~ licensed wholesale dealer shall be entitled to a refund from a tobacco product manufacturer for any money paid by the ~~stamping agent~~ licensed wholesale dealer to the tobacco product manufacturer for any cigarettes of that tobacco product manufacturer still in the possession of the ~~stamping agent~~ licensed wholesale dealer on the date of the Attorney General's removal from

the directory of that tobacco product manufacturer or the individual styles or brands of cigarettes of that tobacco product manufacturer. Also, unless otherwise provided by agreement between a retail dealer and a ~~distributor~~ licensed wholesale dealer or a tobacco product manufacturer, a retail dealer shall be entitled to a refund from either a ~~distributor~~ licensed wholesale dealer or a tobacco product manufacturer for any money paid by the retail dealer to the ~~distributor~~ licensed wholesale dealer or tobacco product manufacturer for any cigarettes of that ~~distributor~~ licensed wholesale dealer or tobacco product manufacturer still in the possession of the retail dealer on the date of the Attorney General's removal from the directory of that tobacco product manufacturer or the individual styles or brands of cigarettes of that tobacco product manufacturer. The Attorney General shall not restore to the directory a tobacco product manufacturer or any individual styles or brands or cigarettes or, if applicable, brand families of that tobacco product manufacturer until the tobacco product manufacturer has paid all ~~stamping agents~~ licensed wholesale dealers any refund due pursuant to this section.

(d) The Commissioner shall refund to a ~~retailer dealer or stamping agent~~ licensed wholesale dealer any tax paid under 32 V.S.A. chapter 205 on products no longer saleable in the State under this subchapter.

Sec. 86. 33 V.S.A. § 1921 is amended to read:

§ 1921. REPORTING AND SHARING OF INFORMATION

(a) At the date specified in 32 V.S.A. § 7785 or 7813, for monthly reports from licensed wholesale dealers ~~or distributors~~, or at such date and frequency as the Commissioner may require for other ~~stamping agents~~ licensed wholesale dealers, which will be at least quarterly, each ~~stamping agent~~ licensed wholesale dealer shall submit such information as the Commissioner requires to facilitate compliance with subchapter 1A of this chapter and this subchapter, including a list by brand family of the total number of cigarettes, or, in the case of roll-your-own tobacco, the equivalent stick count, as determined pursuant to the formula set forth in subchapter 1A of this chapter, for which the ~~stamping agent~~ licensed wholesale dealer affixed stamps during the reporting period or otherwise paid the tax due for such cigarettes. ~~Stamping agents~~ Licensed wholesale dealers shall maintain, and make available to the Commissioner, all documentation and other information relied upon in reporting to the Commissioner for a period of six years.

* * *

(c) The Attorney General may require a ~~stamping agent~~ licensed wholesale dealer or tobacco product manufacturer to submit any additional information, including samples of the packaging or labeling of each brand family, as is necessary to enable the Attorney General to determine whether a tobacco

product manufacturer is in compliance with this subchapter and subchapter 1A of this chapter.

* * *

* * * Corporation Taxes * * *

Sec. 87. 32 V.S.A. § 8146 is amended to read:

§ 8146. ADDITIONAL TAX; REFUNDS

When the Commissioner finds that owing to the incorrectness of a return or any other cause, a tax paid pursuant to this chapter is too small, he or she shall assess an additional tax sufficient to cover the deficit and shall forthwith notify the parties so assessed. ~~If the additional assessment is not paid within 30 days after such notice, the person or corporation against whom it is assessed shall be liable to the same penalties as for neglect to pay annual or semiannual taxes.~~ The administrative provisions of chapter 103 and 151 shall apply to assessments and refund claims under this chapter, including those provisions governing interest and penalty, appeals, and collection of assessments.

* * * Meals and Rooms Taxes * * *

Sec. 88. 32 V.S.A. § 9202 is amended to read:

§ 9202. DEFINITIONS

(10) "Taxable meal" means:

(A) Any food or beverage furnished within the ~~state~~ State by a restaurant for which a charge is made, including admission and minimum charges, whether furnished for consumption on or off the premises.

(B) Where furnished by other than a restaurant, any nonprepackaged food or beverage furnished within the ~~state~~ State and for which a charge is made, including admission and minimum charges, whether furnished for consumption on or off the premises. Fruits, vegetables, candy, flour, nuts, coffee beans, and similar unprepared grocery items sold self-serve for take-out from bulk containers are not subject to tax under this subdivision.

(C) Regardless where sold and whether or not prepackaged:

(i) sandwiches of any kind except frozen;

(ii) food or beverage furnished from a salad bar;

(iii) heated food or beverage;

(iv) food or beverage sold through a vending machine.

* * *

(19) "Vending machine" means a machine operated by coin, currency, credit card, slug, token, coupon, or similar device that dispenses food or beverages.

Sec. 89. 32 V.S.A. § 9271 is amended to read:

§ 9271. LICENSES REQUIRED

Each operator prior to commencing business shall register with the Commissioner each place of business within the ~~state~~ State where he or she operates a hotel or sells taxable meals or alcoholic beverages; provided however, that an operator who sells taxable meals through a vending machine shall not be required to hold a license for each individual machine. Upon receipt of an application in such form and containing such information as the Commissioner may require for the proper administration of this chapter, the Commissioner shall issue without charge a license for each such place in such form as he or she may determine, attesting that such registration has been made. No person shall engage in serving taxable meals or alcoholic beverages or renting hotel rooms without the license provided in this section. The license shall be nonassignable and nontransferable and shall be surrendered to the Commissioner~~,~~ if the business is sold or transferred or if the registrant ceases to do business at the place named.

Sec. 90. 32 V.S.A. § 9245 is amended to read:

§ 9245. OVERPAYMENT; REFUNDS

Upon application by an operator, if the Commissioner determines that any tax, interest, or penalty has been paid more than once, or has been erroneously or illegally collected or computed, the same shall be credited by the Commissioner on any taxes then due from the operator under this chapter, and the balance shall be refunded to the operator or his or her successors, administrators, executors, or assigns, together with interest at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title. That interest shall be computed from the latest of 45 days after the date the return was filed, ~~or from~~ 45 days after the date the return was due, including any extensions of time thereto, with respect to which the excess payment was made, ~~whichever is the later date~~ or, if the taxpayer filed an amended return or otherwise requested a refund, 45 days after the date such amended return or request was filed. Provided, however, no such credit or refund shall be allowed after three years from the date the return was due.

* * * Sales and Use Tax * * *

Sec. 91. 32 V.S.A. § 9701 is amended to read:

§ 9701. DEFINITIONS

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

* * *

(31) "Food and food ingredients" means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. "Food and food ingredients" does not include alcoholic beverages ~~or~~, tobacco, or soft drinks.

* * *

(54) "Soft drink" means nonalcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or greater than 50 percent of vegetable or fruit juice by volume.

Sec. 92. 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.

* * *

(13) Sales of ~~food, food stamps, purchases made with food stamps, food products and beverages,~~ food and food ingredients sold for human consumption off the premises where sold, and sales of eligible foods that are purchased with benefits under the Supplemental Nutrition Assistance Program or any successor program, consistent with federal law.

Sec. 93. [Deleted.]

Sec. 94. SALES TAX ANALYSIS

(a) The General Assembly concludes that the structural deficiencies in Vermont's current revenue and budgeting structure, combined with a change in the State economy from an economy based on goods to an economy based on services, requires an examination and rethinking of Vermont's current sales tax base.

(b) On or before January 15, 2016, the Commissioner of Taxes shall report to the Senate Committee on Finance and House Committee on Ways and Means on how the Department of Taxes would implement an extension of Vermont's sales and use tax to select consumer services, not to include business to business services, most commonly taxed in other states. The extension of the sales and use tax modeled in the report shall provide two scenarios designed to raise both $15 million and $30 million in revenue in Vermont on an annual basis. The report shall include a draft of proposed rules which shall identify specific services by industry type that are taxable or not taxable.

(c) On or before January 15, 2016, the economists for the Legislative and Executive Branches, with the assistance of the Joint Fiscal Office and the Department of Taxes, shall file a joint report to the Senate Committee on Finance and the House Committee on Ways and Means on the fiscal impact of further extending Vermont's sales and use tax to a broader range of consumer services. The report shall analyze the short- and long-term economic impacts to the State of Vermont of such an extension, and contrast those impacts with the short- and-long term projections of Vermont's current sales and use tax revenues without the changes in the proposal.

Sec. 95. 32 V.S.A. § 5870 is amended to read:

§ 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX RETURNS

The Commissioner of Taxes shall provide that individuals report use tax on their State individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability under chapter 233 of this title for the period of the tax return. Alternatively, they may elect to report an amount that is ~~0.10~~ 0.15 percent of their Vermont adjusted gross income, as shown on a table published by the Commissioner of Taxes; and use tax liability arising from the purchase of each item with a purchase price in excess of $1,000.00 shall be added to the table amount.

Sec. 96. 32 V.S.A. § 5870 is amended to read:

§ 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX RETURNS

(a) The Commissioner of Taxes shall provide that individuals report use tax on their State individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability under chapter 233 of this title for the period of the tax return. Alternatively, they may elect to report an amount that is ~~0.15 percent~~ a percentage of their Vermont adjusted gross income~~,~~ indexed annually under subsection (b) of this section, as shown on a table published by the

Commissioner of Taxes; and use tax liability arising from the purchase of each item with a purchase price in excess of $1,000.00 shall be added to the table amount.

(b) The amount of use tax a taxpayer may elect to report under subsection (a) of this section shall be 0.20 percent of their Vermont adjusted gross income in tax year 2016, increased for each subsequent tax year by a percentage that is twice the change in the annual national Consumer Price Index for goods and services published by the U.S. Bureau of Labor Statistics, from tax year 2016 to the tax year in which the indexing calculation is being made.

* * * Lottery Products * * *

Sec. 97. 31 V.S.A. § 654 is amended to read:

§ 654. POWERS AND DUTIES

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

* * *

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

* * *

* * * Repeals * * *

Sec. 98. REPEALS

The following are repealed:

(1) 32 V.S.A. § 3409 (preparation of property maps).

(2) 32 V.S.A. § 5925 (definitions for expired section) and 10 V.S.A. § 697(a) (cross-reference).

* * * Effective Dates * * *

Sec. 99. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Secs. 1–5 (Office of Professional Regulation), 6–7 (Agency of Education), 8–11 (Department of Health), 12–16 (Board of Medical Practice), 17–22a and 23 (Agency of Natural Resources), 22b (classification, reporting

and registration of air contaminants), 25 (Workers' Compensation Fund), 27 (apiaries), 30 (Motor Vehicles), 31 (VSNIP surcharge and language), 32–33 (Probate fees and Superior and Supreme Court fees), 47 (Medicaid Services), 67 (W-2 information), 68 (semiweekly withholding), 88 (vending), 89 (licensing), 91 (sales tax definitions) and 92 (sales tax food exemption) shall take effect on July 1, 2015.

(2) Sec. 24 (Department of Fish and Wildlife) shall take effect on January 1, 2016.

(3) Notwithstanding 1 V.S.A. § 214, Sec. 28 (VCGI Special Fund) shall take effect on passage and apply retroactively as of February 8, 2015.

(4) Secs. 41–44 (administrative attachment and garnishment) shall take effect on July 1, 2015; provided, however, that prior to that date, the Commissioner of Taxes shall convene a meeting of interested stakeholders to discuss implementation issues; and provided however, that the Commissioner may not initiate any administrative attachments or garnishments under these sections until the administrative advocate services required by 32 V.S.A. §§ 3207(n) and 3208(n) are available to taxpayers.

(5) Sec. 45 (collections unit) shall take effect on July 1, 2016.

(6) Secs. 48 (land use change tax) and 50 (value of portions of a parcel) shall take effect on October 2, 2015.

(7) Sec. 49 (deposit of funds) shall take effect on July 1, 2016 and apply to fiscal year 2017 and forward.

(8) Secs. 51 (use value appraisals), 52 (notice), 53 (current use easy out), 54 (municipal reimbursements), and 55 (assessment guidance) shall take effect on July 1, 2015.

(9) Sec. 60 (qualified housing exemption), notwithstanding 1 V.S.A. § 214, shall take effect retroactively on January 1, 2014.

(10) Sec. 63 (special assessments) shall take effect on July 1, 2015, and apply to special assessments enacted after that date.

(11) Secs. 64 (taxable income), 65 (minimum tax), and 66 (annual update), notwithstanding 1 V.S.A. § 214, shall take effect retroactively to January 1, 2015, and apply to taxable years beginning on and after January 1, 2014.

(12) Sec. 69 (obligation of estates and trusts to make estimated payments) shall take effect on passage and apply to taxable years beginning on and after January 1, 2016.

(13) Sec. 95 (use tax reporting) shall take effect on January 1, 2016, and apply to tax year 2015 returns.

(14) Sec. 96 (use tax reporting) shall take effect January 1, 2017, and apply to tax year 2016 returns and after.

(15) Sec. 97 (lottery products) shall take effect July 1, 2016.

TIMOTHY R. ASHE
MARK A. MACDONALD

Committee on the part of the Senate

JANET ANCEL
JAMES O. CONDON

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 18, Nays 8.

Senator Campbell having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Bray, Campbell, Campion, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Pollina, Sears, Sirotkin, White, Zuckerman.

Those Senators who voted in the negative were: Benning, Collamore, Degree, Doyle, Flory, Mullin, Starr, Westman.

Those Senators absent and not voting were: Cummings, McAllister, Rodgers, Snelling.

Thereupon, on motion of Senator Campbell, the rules were suspended, and the bill was ordered messaged to the House forthwith on a roll call, Yeas 24, Nays 2.

Senator Campbell having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Benning, Bray, Campbell, Campion, Collamore, Doyle, Flory, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pollina, Sears, Sirotkin, Starr, White, Zuckerman.

Those Senators who voted in the negative were: Degree, Westman.

Those Senators absent and not voting were: Cummings, McAllister, Rodgers, Snelling.

Recess

On motion of Senator Campbell the Senate recessed until eight o'clock and fifteen minutes in the evening.

Evening

The Senate was called to order by the President.

Joint Senate Resolution Adopted on the Part of the Senate; Rules Suspended; Resolution Messaged

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senator Campbell,

J.R.S. 29. Joint resolution relating to final adjournment of the General Assembly 2015.

Resolved by the Senate and House of Representatives

That when the President of the Senate and the Speaker of the House of Representatives adjourn their respective houses on the sixteenth day of May, 2015 they shall do so to reconvene on the twenty-third day of June, 2015, at ten o'clock in the forenoon if the Governor should fail to approve and sign any bill and should he return it to the house of origin with his objections in writing after such adjournment, or to reconvene on the thirtieth day of June, 2015, at ten o'clock in the forenoon on the joint call of the President *pro tempore* of the Senate and the Speaker of the House, or on the fifth day of January, 2016, at ten o'clock in the forenoon, if not so jointly called and if the Governor should *not* so return any bill to either house.

Thereupon, on motion of Senator Campbell, the rules were suspended, and the joint resolution was ordered messaged to the House forthwith.

Message from the House No. 78

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

S. 139. An act relating to pharmacy benefit managers and hospital observation status.

And has adopted the same on its part.

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

H. 489. An act relating to revenue.

And has adopted the same on its part.

Recess

On motion of Senator Campbell the Senate recessed until nine o'clock and thirty minutes.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 139.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to pharmacy benefit managers and hospital observation status.

Was taken up for immediate consideration.

Senator Ayer, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

S. 139. An act relating to pharmacy benefit managers and hospital observation status.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Cost Containment Measures * * *

Sec. 1. ALL-PAYER MODEL; SCOPE

The Secretary of Administration or designee and the Green Mountain Care Board shall jointly explore an all-payer model, which may be achieved through a waiver from the Centers for Medicare and Medicaid Services. The Secretary or designee and the Board shall consider a model that includes payment for a broad array of health services, a model applicable to hospitals only, and a model that enables the State to establish global hospital budgets for each hospital licensed in Vermont.

* * * Pharmacy Benefit Managers * * *

Sec. 2. 18 V.S.A. § 9471 is amended to read:

§ 9471. DEFINITIONS

As used in this subchapter:

* * *

(6) "Maximum allowable cost" means the per unit drug product reimbursement amount, excluding dispensing fees, for a group of equivalent multisource generic prescription drugs.

Sec. 3. 18 V.S.A. § 9473 is amended to read:

§ 9473. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES WITH RESPECT TO PHARMACIES

* * *

(c) For each drug for which a pharmacy benefit manager establishes a maximum allowable cost in order to determine the reimbursement rate, the pharmacy benefit manager shall do all of the following:

(1) Make available, in a format that is readily accessible and understandable by a pharmacist, the actual maximum allowable cost for each drug and the source used to determine the maximum allowable cost.

(2) Update the maximum allowable cost at least once every seven calendar days. In order to be subject to maximum allowable cost, a drug must be widely available for purchase by all pharmacies in the State, without limitations, from national or regional wholesalers and must not be obsolete or temporarily unavailable.

(3) Establish or maintain a reasonable administrative appeals process to allow a dispensing pharmacy provider to contest a listed maximum allowable cost.

(4) Respond in writing to any appealing pharmacy provider within 10 calendar days after receipt of an appeal, provided that a dispensing pharmacy provider shall file any appeal within 10 calendar days from the date its claim for reimbursement is adjudicated.

* * * Notice of Hospital Observation Status * * *

Sec. 4. 18 V.S.A. § 1905 is amended to read:

§ 1905. LICENSE REQUIREMENTS

Upon receipt of an application for license and the license fee, the licensing agency shall issue a license when it determines that the applicant and hospital facilities meet the following minimum standards:

* * *

(22) All hospitals shall provide oral and written notices to each individual that the hospital places in observation status as required by section 1911a of this title.

Sec. 5. 18 V.S.A. § 1911a is added to read:

1911a. NOTICE OF HOSPITAL OBSERVATION STATUS

(a)(1) Each hospital shall provide oral and written notice to each Medicare beneficiary that the hospital places in observation status as soon as possible but no later than 24 hours following such placement, unless the individual is discharged or leaves the hospital before the 24-hour period expires. The written notice shall be a uniform form developed by the Department of Health, in consultation with interested stakeholders, for use in all hospitals.

(2) If a patient is admitted to the hospital as an inpatient before the notice of observation has been provided, and under Medicare rules the observation services may be billed as part of the inpatient stay, the hospital shall not be required to provide notice of observation status.

(b) Each oral and written notice shall include:

(1) a statement that the individual is under observation as an outpatient and is not admitted to the hospital as an inpatient;

(2) a statement that observation status may affect the individual's Medicare coverage for hospital services, including medications and pharmaceutical supplies, and for rehabilitative or skilled nursing services at a skilled nursing facility if needed upon discharge from the hospital; and

(3) a statement that the individual may contact the Office of the Health Care Advocate or the Vermont State Health Insurance Assistance Program to understand better the implications of placement in observation status.

(c) Each written notice shall include the name and title of the hospital representative who gave oral notice; the date and time oral and written notice were provided; the means by which written notice was provided, if not provided in person; and contact information for the Office of the Health Care Advocate and the Vermont State Health Insurance Assistance Program.

(d) Oral and written notice shall be provided in a manner that is understandable by the individual placed in observation status or by his or her representative or legal guardian.

(e) The hospital representative who provided the written notice shall request a signature and date from the individual or, if applicable, his or her representative or legal guardian, to verify receipt of the notice. If a signature and date were not obtained, the hospital representative shall document the reason.

Sec. 6. NOTICE OF OBSERVATION STATUS FOR PATIENTS WITH COMMERCIAL INSURANCE

The General Assembly requests that the Vermont Association of Hospitals and Health Systems and the Office of the Health Care Advocate consider the appropriate notice of hospital observation status that patients with commercial insurance should receive and the circumstances under which such notice should be provided. The General Assembly requests that the Vermont Association of Hospitals and Health Systems and the Office of the Health Care Advocate provide their findings and recommendations to the House Committee on Health Care and the Senate Committee on Health and Welfare on or before January 15, 2016.

* * * Green Mountain Care Board; Duties * * *

Sec. 7. 18 V.S.A. § 9375(b) is amended to read:

(b) The Board shall have the following duties:

(1) Oversee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs and maintain health care quality in Vermont, including ensuring that the payment reform pilot projects set forth in this chapter are consistent with such reforms.

(A) Implement by rule, pursuant to 3 V.S.A. chapter 25, methodologies for achieving payment reform and containing costs that may include the participation of Medicare and Medicaid, which may include the creation of health care professional cost-containment targets, global payments, bundled payments, global budgets, risk-adjusted capitated payments, or other

uniform payment methods and amounts for integrated delivery systems, health care professionals, or other provider arrangements.

(i) The Board shall work in collaboration with providers to develop payment models that preserve access to care and quality in each community.

(ii) The rule shall take into consideration current Medicare designations and payment methodologies, including critical access hospitals, prospective payment system hospitals, graduate medical education payments, Medicare dependent hospitals, and federally qualified health centers.

(iii) The payment reform methodologies developed by the Board shall encourage coordination and planning on a regional basis, taking into account existing local relationships between providers and human services organizations.

* * *

(2)(A) Review and approve Vermont's statewide Health Information Technology Plan pursuant to section 9351 of this title to ensure that the necessary infrastructure is in place to enable the State to achieve the principles expressed in section 9371 of this title. In performing its review, the Board shall consult with and consider any recommendations regarding the plan received from the Vermont Information Technology Leaders, Inc. (VITL).

(B) Review and approve the criteria required for health care providers and health care facilities to create or maintain connectivity to the State's health information exchange as set forth in section 9352 of this title. Within 90 days following this approval, the Board shall issue an order explaining its decision.

(C) Annually review the budget and all activities of VITL and approve the budget, consistent with available funds, and the core activities associated with public funding, which shall include establishing the interconnectivity of electronic medical records held by health care professionals and the storage, management, and exchange of data received from such health care professionals, for the purpose of improving the quality of and efficiently providing health care to Vermonters. This review shall take into account VITL's responsibilities pursuant to section 9352 of this title and the availability of funds needed to support those responsibilities.

* * *

Sec. 8. 18 V.S.A. § 9376(b)(2) is amended to read:

(2) Nothing in this subsection shall be construed to:

(A) limit the ability of a health care professional to accept less than the rate established in subdivision (1) of this subsection from a patient without health insurance or other coverage for the service or services received; or

(B) reduce or limit the covered services offered by Medicare or Medicaid.

* * * Vermont Information Technology Leaders * * *

Sec. 9. 18 V.S.A. § 9352 is amended to read:

§ 9352. VERMONT INFORMATION TECHNOLOGY LEADERS

(a)(1) Governance. The ~~General Assembly and the Governor shall each appoint one representative to the~~ Vermont Information Technology Leaders, Inc. (VITL) Board of Directors shall consist of no fewer than nine nor more than 14 members. The term of each member shall be two years, except that of the members first appointed, approximately one-half shall serve a term of one year and approximately one-half shall serve a term of two years, and members shall continue to hold office until their successors have been duly appointed. The Board of Directors shall comprise the following:

(A) one member of the General Assembly, appointed jointly by the Speaker of the House and the President Pro Tempore of the Senate, who shall be entitled to the same per diem compensation and expense reimbursement pursuant to 2 V.S.A. § 406 as provided for attendance at sessions of the General Assembly;

(B) one individual appointed by the Governor;

(C) one representative of the business community;

(D) one representative of health care consumers;

(E) one representative of Vermont hospitals;

(F) one representative of Vermont physicians;

(G) one practicing clinician licensed to practice medicine in Vermont;

(H) one representative of a health insurer licensed to do business in Vermont;

(I) the President of VITL, who shall be an ex officio, nonvoting member;

(J) two individuals familiar with health information technology, at least one of whom shall be the chief technology officer for a health care provider; and

(K) two at-large members.

(2) Except for the members appointed pursuant to subdivisions (1)(A) and (B) of this subsection, whenever a vacancy on the Board occurs, the members of the Board of Directors then serving shall appoint a new member who shall meet the same criteria as the member he or she replaces.

(b) Conflict of interest. In carrying out their responsibilities under this section, Directors of VITL shall be subject to conflict of interest policies established by the Secretary of Administration to ensure that deliberations and decisions are fair and equitable.

(c)(1) Health information exchange operation. VITL shall be designated in the Health Information Technology Plan pursuant to section 9351 of this title to operate the exclusive statewide health information exchange network for this State. ~~The~~ After the Green Mountain Care Board approves VITL's core activities and budget pursuant to chapter 220 of this title, the Secretary of Administration or designee shall enter into procurement grant agreements with VITL pursuant to 8 V.S.A. § 4089k. Nothing in this chapter shall impede local community providers from the exchange of electronic medical data.

(2) Notwithstanding any provision of 3 V.S.A. § 2222 or 2283b to the contrary, upon request of the Secretary of Administration, the Department of Information and Innovation shall review VITL's technology for security, privacy, and interoperability with State government information technology, consistent with the State's health information technology plan required by section 9351 of this title.

* * *

(f) Funding authorization. VITL is authorized to seek matching funds to assist with carrying out the purposes of this section. In addition, it may accept any and all donations, gifts, and grants of money, equipment, supplies, materials, and services from the federal or any local government, or any agency thereof, and from any person, firm, foundation, or corporation for any of its purposes and functions under this section and may receive and use the same, subject to the terms, conditions, and regulations governing such donations, gifts, and grants. VITL shall not use any State funds for health care consumer advertising, marketing, or similar services unless necessary to comply with the terms of a contract or grant that requires a contribution of State funds.

* * * Ambulance Reimbursement * * *

Sec. 10. MEDICAID; AMBULANCE REIMBURSEMENT

The Department of Vermont Health Access shall evaluate the methodology

used to determine reimbursement amounts for ambulance and emergency medical services delivered to Medicaid beneficiaries to determine the basis for the current reimbursement amounts and the rationale for the current level of reimbursement, and shall consider any possible adjustments to revise the methodology in a way that is budget neutral or of minimal fiscal impact to the Agency of Human Services for fiscal year 2016. On or before December 1, 2015, the Department shall report its findings and recommendations to the House Committees on Health Care and on Human Services, the Senate Committee on Health and Welfare, and the Health Reform Oversight Committee.

* * * Direct Enrollment for Individuals * * *

Sec. 11. 33 V.S.A. § 1803(b)(4) is amended to read:

(4) To the extent permitted by the U.S. Department of Health and Human Services, the Vermont Health Benefit Exchange shall permit qualified individuals and qualified employers to purchase qualified health benefit plans through the Exchange website, through navigators, by telephone, or directly from a health insurer under contract with the Vermont Health Benefit Exchange.

Sec. 12. 33 V.S.A. § 1811(b) is amended to read:

(b)(1) ~~No person may provide a health benefit plan to an individual unless the plan is offered through the Vermont Health Benefit Exchange~~ To the extent permitted by the U.S. Department of Health and Human Services, an individual may purchase a health benefit plan through the Exchange website, through navigators, by telephone, or directly from a registered carrier under contract with the Vermont Health Benefit Exchange, if the carrier elects to make direct enrollment available. A registered carrier enrolling individuals in health benefit plans directly shall comply with all open enrollment and special enrollment periods applicable to the Vermont Health Benefit Exchange.

(2) To the extent permitted by the U.S. Department of Health and Human Services, a small employer or an employee of a small employer may purchase a health benefit plan through the Exchange website, through navigators, by telephone, or directly from a ~~health insurer~~ registered carrier under contract with the Vermont Health Benefit Exchange.

(3) No person may provide a health benefit plan to an individual or small employer unless the plan complies with the provisions of this subchapter.

* * * Large Group Insurance Market * * *

Sec. 13. 33 V.S.A. § 1802 is amended to read:

§ 1802. DEFINITIONS

As used in this subchapter:

* * *

(5) "Qualified employer":

(A) means an entity which employed an average of not more than 50 employees on working days during the preceding calendar year and which:

(i) has its principal place of business in this State and elects to provide coverage for its eligible employees through the Vermont Health Benefit Exchange, regardless of where an employee resides; or

(ii) elects to provide coverage through the Vermont Health Benefit Exchange for all of its eligible employees who are principally employed in this State.

(B) on and after January 1, 2016, shall include an entity which:

(i) employed an average of not more than 100 employees on working days during the preceding calendar year; and

(ii) meets the requirements of subdivisions (A)(i) and (A)(ii) of this subdivision (5).

(C) on and after January 1, ~~2017~~ 2018, shall include all employers meeting the requirements of subdivisions (A)(i) and (ii) of this subdivision (5), regardless of size.

* * *

Sec. 14. 33 V.S.A. § 1804(c) is amended to read:

(c) On and after January 1, ~~2017~~ 2018, a qualified employer shall be an employer of any size which elects to make all of its full-time employees eligible for one or more qualified health plans offered in the Vermont Health Benefit Exchange, and the term "qualified employer" includes self-employed persons. A full-time employee shall be an employee who works more than 30 hours per week.

Sec. 15. LARGE GROUP MARKET; IMPACT ANALYSIS

The Green Mountain Care Board, in consultation with the Department of Financial Regulation, shall analyze the projected impact on rates in the large group health insurance market if large employers are permitted to purchase qualified health plans through the Vermont Health Benefit Exchange beginning

in 2018. The analysis shall estimate the impact on premiums for employees in the large group market if the market were to transition from experience rating to community rating beginning with the 2018 plan year.

* * * Universal Primary Care * * *

Sec. 16. PURPOSE

The purpose of Secs. 16 through 19 of this act is to establish the administrative framework and reduce financial barriers as preliminary steps to the implementation of the principles set forth in 2011 Acts and Resolves No. 48 to enable Vermonters to receive necessary health care and examine the cost of providing primary care to all Vermonters without deductibles, coinsurance, or co-payments or, if necessary, with limited cost-sharing.

Sec. 17. DEFINITION OF PRIMARY CARE

As used in Secs. 16 through 19 of this act, "primary care" means health services provided by health care professionals who are specifically trained for and skilled in first-contact and continuing care for individuals with signs, symptoms, or health concerns, not limited by problem origin, organ system, or diagnosis, and includes pediatrics, internal and family medicine, gynecology, primary mental health services, and other health services commonly provided at federally qualified health centers. Primary care does not include dental services.

Sec. 18. COST ESTIMATES FOR UNIVERSAL PRIMARY CARE

(a) On or before October 15, 2015, the Secretary of Administration or designee, in consultation with the Green Mountain Care Board and the Joint Fiscal Office, shall provide to the Joint Fiscal Office a draft estimate of the costs of providing primary care to all Vermont residents, with and without cost-sharing by the patient, beginning on January 1, 2017. The Joint Fiscal Office shall conduct an independent review of the draft estimate and shall provide its comments and feedback to the Secretary or designee on or before December 2, 2015. On or before December 16, 2015, the Secretary of Administration or designee shall provide to the Joint Fiscal Committee, the Health Reform Oversight Committee, the House Committees on Appropriations, on Health Care, and on Ways and Means, and the Senate Committees on Appropriations, on Health and Welfare, and on Finance a finalized report of the costs of providing primary care to all Vermont residents, with and without cost-sharing by the patient, beginning on January 1, 2017. The Joint Fiscal Office shall present its independent review to the same committees by January 6, 2016.

(b) The report shall include an estimate of the cost of primary care to those Vermonters who access it if a universal primary care plan is not implemented,

and the sources of funding for that care, including employer-sponsored and individual private insurance, Medicaid, Medicare, and other government-sponsored programs, and patient cost-sharing such as deductibles, coinsurance, and co-payments.

(c) The Secretary of Administration or designee, in collaboration with the Joint Fiscal Office, shall arrange for the actuarial services needed to perform the estimates and analysis required by this section. Departments and agencies of State government and the Green Mountain Care Board shall provide such data to the Joint Fiscal Office as needed to permit the Joint Fiscal Office to perform the estimates and analysis. If necessary, the Joint Fiscal Office may enter into confidentiality agreements with departments, agencies, and the Board to ensure that confidential information provided to the Office is not further disclosed.

Sec. 19. APPROPRIATION

Up to $100,000.00 is appropriated from the General Fund to the Agency of Administration, Secretary's Office in fiscal year 2016 to be used for assistance in the calculation of the cost estimates required in Sec. 18 of this act; provided, however, that the appropriation shall be reduced by the amount of any external funds received to carry out the estimates and analysis required by Sec. 18.

* * * Consumer Information * * *

Sec. 20. 18 V.S.A. § 9413 is added to read:

§ 9413. HEALTH CARE QUALITY AND PRICE COMPARISON

Each health insurer with more than 200 covered lives in this State shall establish an Internet-based tool to enable its members to compare the price of health care in Vermont by service or procedure, including office visits, emergency care, radiologic services, and preventive care such as mammography and colonoscopy. The tool shall include provider quality information as available and to the extent consistent with other applicable laws and regulations. The tool shall allow members to compare price by selecting a specific service or procedure and a geographic region of the State. Based on the criteria specified, the tool shall provide the member with an estimate for each provider of the amount the member would pay for the service or procedure, an estimate of the amount the insurance plan would pay, and an estimate of the combined payments. The price information shall reflect the cost-sharing applicable to a member's specific plan, as well as any remaining balance on the member's deductible for the plan year.

Sec. 21. CONSUMER INFORMATION AND PRICE TRANSPARENCY

The Green Mountain Care Board shall evaluate potential models for allowing consumers to compare information about the cost and quality of health care services available across the State, including a consideration of the models used in Maine, Massachusetts, and New Hampshire, as well as the platforms developed or under development by health insurers pursuant to 18 V.S.A. § 9413. On or before October 1, 2015, the Board shall report its findings and a proposal for a robust Internet-based consumer health care information system to the House Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, and the Health Reform Oversight Committee.

* * * Public Employees' Health Benefits * * *

Sec. 22. PUBLIC EMPLOYEES' HEALTH BENEFITS; REPORT

(a) The Director of Health Care Reform in the Agency of Administration shall identify options and considerations for providing health care coverage to all public employees, including State and judiciary employees, school employees, municipal employees, and State and teacher retirees, in a cost-effective manner that will not trigger the excise tax on high-cost, employer-sponsored health insurance plans imposed pursuant to 26 U.S.C. § 4980I. One of the options to be considered shall be an intermunicipal insurance agreement, as described in 24 V.S.A. chapter 121, subchapter 6.

(b) The Director shall consult with representatives of the Vermont-NEA, the Vermont School Boards Association, the Vermont Education Health Initiative, the Vermont State Employees' Association, the Vermont Troopers Association, the Vermont League of Cities and Towns, the Department of Human Resources, the Office of the Treasurer, and the Joint Fiscal Office.

(c) On or before November 1, 2015, the Director shall report his or her findings and recommendations to the House Committees on Appropriations, on Education, on General, Housing and Military Affairs, on Government Operations, on Health Care, and on Ways and Means; the Senate Committees on Appropriations, on Education, on Economic Development, Housing and General Affairs, on Government Operations, on Health and Welfare, and on Finance; and the Health Reform Oversight Committee.

* * * Payment Reform; Differential Payments to Providers * * *

Sec. 23. PAYMENT REFORM AND DIFFERENTIAL PAYMENTS TO PROVIDERS

(a) In implementing an all-payer model and provider rate-setting, the Green Mountain Care Board shall consider:

(1) the benefits of prioritizing and expediting payment reform in primary care that shifts away from fee-for-service models;

(2) the impact of hospital acquisitions of independent physician practices on the health care system costs, including any disparities between reimbursements to hospital-owned practices and reimbursements to independent physician practices;

(3) the effects of differential reimbursement for professional services provided by health care providers employed by academic medical centers and by other health care providers and methods for reducing or eliminating such differences, as appropriate;

(4) the effects of differential reimbursement for different types of providers when providing the same services billed under the same codes; and

(5) the advantages and disadvantages of allowing health care providers to continue to set their own rates for customers without health insurance or other health care coverage.

(b) The Board shall require any health insurer, as defined in 18 V.S.A. § 9402, with more than 5,000 covered lives for major medical insurance to develop and submit to the Board, on or before July 1, 2016, an implementation plan for providing fair and equitable reimbursement amounts for professional services provided by academic medical centers and other professionals. Each plan shall ensure that proposed changes to reimbursement create no increase in health insurance premiums or public funding of health care. The Board may direct a health insurer to submit modifications to its plan and shall approve, modify, or reject the plan. Upon approval of a plan pursuant to this section, the Board shall require any Vermont academic medical center to accept the reimbursements included in the plan, through the hospital budget process and other appropriate enforcement mechanisms.

(c) The Board shall include a description of its progress on the issues identified in this section in the annual report required by 18 V.S.A. § 9375(d).

* * * Reports * * *

Sec. 24. VERMONT HEALTH CARE INNOVATION PROJECT; UPDATES

The Project Director of the Vermont Health Care Innovation Project (VHCIP) shall provide an update at least quarterly to the House Committees on Health Care and on Ways and Means, the Senate Committees on Health and Welfare and on Finance, and the Health Reform Oversight Committee regarding VHCIP implementation and the use of the federal State Innovation Model (SIM) grant funds. The Project Director's update shall include information regarding:

(1) the VHCIP pilot projects and other initiatives undertaken using SIM grant funds, including a description of the projects and initiatives, the timing of their implementation, the results achieved, and the replicability of the results;

(2) how the VHCIP projects and initiatives fit with other payment and delivery system reforms planned or implemented in Vermont;

(3) how the VHCIP projects and initiatives meet the goals of improving health care access and quality and reducing costs;

(4) how the VHCIP projects and initiatives will reduce administrative costs;

(5) how the VHCIP projects and initiatives compare to the principles expressed in 2011 Acts and Resolves No. 48;

(6) what will happen to the VHCIP projects and initiatives when the SIM grant funds are no longer available; and

(7) how to protect the State's interest in any health information technology and security functions, processes, or other intellectual property developed through the VHCIP.

Sec. 25. REDUCING DUPLICATION OF SERVICES; REPORT

(a) The Agency of Human Services shall evaluate the services offered by each entity licensed, administered, or funded by the State, including the designated agencies, to provide services to individuals receiving home- and community-based long-term care services or who have developmental disabilities, mental health needs, or substance use disorder. The Agency shall determine areas in which there are gaps in services and areas in which programs or services are inconsistent with the Health Resource Allocation Plan or are overlapping, duplicative, or otherwise not delivered in the most efficient, cost-effective, and high-quality manner and shall develop recommendations for consolidation or other modification to maximize high-quality services, efficiency, service integration, and appropriate use of public funds.

(b) On or before January 15, 2016, the Agency shall report its findings and recommendations to the House Committee on Human Services and the Senate Committee on Health and Welfare.

Sec. 26. BLUEPRINT FOR HEALTH; REPORTS

(a) The 2016 annual report of the Blueprint for Health shall present an analysis of the value-added benefits and return on investment to the Medicaid program of the new funds appropriated in the fiscal year 2016 budget, including the identification of any costs avoided that can be directly attributed to those funds, and the means of the analysis that was used to draw any such conclusions.

(b) The Blueprint for Health shall explore and report back to the General Assembly on or before January 15, 2016 on potential wellness incentives.

* * * Medicaid Rates * * *

Sec. 27. PROVIDER RATE SETTING; MEDICAID

(a) The Department of Disabilities, Aging, and Independent Living and the Division of Rate Setting in the Agency of Human Services shall review current reimbursement rates for providers of enhanced residential care, assistive community care, and other long-term home- and community-based care services and shall consider ways to:

(1) ensure that rates are reviewed regularly and are sustainable, reasonable, and adequately reflect economic conditions, new home- and community-based services rules, and health system reforms; and

(2) encourage providers to accept residents without regard to their source of payment.

(b) On or before January 15, 2016, the Department and the Agency shall provide their findings and recommendations to the House Committee on Human Services and the Senate Committees on Health and Welfare and on Finance.

* * * Designated Agency Budgets * * *

Sec. 28. GREEN MOUNTAIN CARE BOARD; DESIGNATED AGENCY BUDGETS

The Green Mountain Care Board shall analyze the budget and Medicaid rates of one or more designated agencies providing services to Vermont residents using criteria similar to the Board's review of hospital budgets pursuant to 18 V.S.A. § 9456. The Board shall also consider whether to include designated and specialized service agencies in the all-payer model. On or before January 31, 2016, the Board shall recommend to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations, on Health and Welfare, and on Finance whether the Board should be responsible for the annual review of all designated agency budgets and whether designated and specialized service agencies should be included in the all-payer model.

* * * Presuit Mediation for Medical Malpractice Claims * * *

Sec. 29. 12 V.S.A. chapter 215, subchapter 2 is added to read:

Subchapter 2. Mediation Prior to Filing a Complaint of Malpractice

§ 7011. PURPOSE

The purpose of mediation prior to filing a medical malpractice case is to identify and resolve meritorious claims and reduce areas of dispute prior to litigation, which will reduce the litigation costs, reduce the time necessary to resolve claims, provide fair compensation for meritorious claims, and reduce malpractice-related costs throughout the system.

§ 7012. PRESUIT MEDIATION; SERVICE

(a) A potential plaintiff may serve upon each known potential defendant a request to participate in presuit mediation prior to filing a civil action in tort or in contract alleging that an injury or death resulted from the negligence of a health care provider and to recover damages resulting from the personal injury or wrongful death.

(b) Service of the request required in subsection (a) of this section shall be in letter form and shall be served on all known potential defendants by certified mail. The date of mailing such request shall toll all applicable statutes of limitations.

(c) The request to participate in presuit mediation shall name all known potential defendants, contain a brief statement of the facts that the potential plaintiff believes are grounds for relief, and be accompanied by a certificate of merit prepared pursuant to section 1051 of this title, and may include other documents or information supporting the potential plaintiff's claim.

(d) Nothing in this chapter precludes potential plaintiffs and defendants from presuit negotiation or other presuit dispute resolution to settle potential claims.

§ 7013. MEDIATION RESPONSE

(a) Within 60 days of service of the request to participate in presuit mediation, each potential defendant shall accept or reject the potential plaintiff's request for presuit mediation by mailing a certified letter to counsel or if the party is unrepresented to the potential plaintiff.

(b) If the potential defendant agrees to participate, within 60 days of the service of the request to participate in presuit mediation, each potential defendant shall serve a responsive certificate on the potential plaintiff by mailing a certified letter indicating that he or she, or his or her counsel, has consulted with a qualified expert within the meaning of section 1643 of this

title and that expert is of the opinion that there are reasonable grounds to defend the potential plaintiff's claims of medical negligence. Notwithstanding the potential defendant's acceptance of the request to participate, if the potential defendant does not serve such a responsive certificate within the 60-day period, then the potential plaintiff need not participate in the presuit mediation under this title and may file suit. If the potential defendant is willing to participate, presuit mediation may take place without a responsive certificate of merit from the potential defendant at the plaintiff's election.

§ 7014. PROCESS; TIME FRAMES

(a) The mediation shall take place within 60 days of the service of all potential defendants' acceptance of the request to participate in presuit mediation. The parties may agree to an extension of time. If in good faith the mediation cannot be scheduled within the 60-day time period, the potential plaintiff need not participate and may proceed to file suit.

(b) If presuit mediation is not agreed to, the mediator certifies that mediation is not appropriate, or mediation is unsuccessful, the potential plaintiff may initiate a civil action as provided in the Vermont Rules of Civil Procedure. The action shall be filed:

(1) within 90 days of the potential plaintiff's receipt of the potential defendant's letter refusing mediation, the failure of the potential defendant to file a responsive certificate of merit within the specified time period, or the mediator's signed letter certifying that mediation was not appropriate or that the process was complete; or

(2) prior to the expiration of the applicable statute of limitations, whichever is later.

(c) If presuit mediation is attempted unsuccessfully, the parties shall not be required to participate in mandatory mediation under Rule 16.3 of the Vermont Rules of Civil Procedure.

§ 7015. CONFIDENTIALITY

All written and oral communications made in connection with or during the mediation process set forth in this chapter shall be confidential. The mediation process shall be treated as a settlement negotiation under Rule 408 of the Vermont Rules of Evidence.

Sec. 30. REPORT

On or before December 1, 2019, the Secretary of Administration or designee shall report to the Senate Committees on Health and Welfare and on Judiciary and the House Committees on Health Care and on Judiciary on the impacts of 12 V.S.A. § 1042 (certificate of merit) and 12 V.S.A. chapter 215,

subchapter 2 (presuit mediation). The report shall address the impacts that these reforms have had on:

(1) consumers, physicians, and the provision of health care services;

(2) the rights of consumers to due process of law and to access to the court system; and

(3) any other service, right, or benefit that was or may have been affected by the establishment of the medical malpractice reforms in 12 V.S.A. § 1042 and 12 V.S.A. chapter 215, subchapter 2.

* * * Transferring Department of Financial Regulation Duties * * *

Sec. 31. 8 V.S.A. § 4062 is amended to read:

§ 4062. FILING AND APPROVAL OF POLICY FORMS AND PREMIUMS

* * *

(e) Within ~~30 calendar days after making the rate filing and analysis available to the public pursuant to subsection (d)~~ the time period set forth in subdivision (a)(2)(A) of this section, the Board shall:

(1) conduct a public hearing, at which the Board shall:

(A) call as witnesses the Commissioner of Financial Regulation or designee and the Board's contracting actuary, if any, unless all parties agree to waive such testimony; and

(B) provide an opportunity for testimony from the insurer; the Office of the Health Care Advocate; and members of the public;

(2) at a public hearing, announce the Board's decision of whether to approve, modify, or disapprove the proposed rate; and

(3) issue its decision in writing.

* * *

(h)(1) The authority of the Board under this section shall apply only to the rate review process for policies for major medical insurance coverage and shall not apply to the policy forms for major medical insurance coverage or to the rate and policy form review process for policies for specific disease, accident, injury, hospital indemnity, dental care, vision care, disability income, long-term care, student health insurance coverage, Medicare supplemental coverage, or other limited benefit coverage, or to benefit plans that are paid directly to an individual insured or to his or her assigns and for which the amount of the benefit is not based on potential medical costs or actual costs incurred. Premium rates and rules for the classification of risk for Medicare

supplemental insurance policies shall be governed by sections 4062b and 4080e of this title.

* * *

(3) ~~Medicare supplemental insurance policies shall be exempt only from the requirement in subdivisions (a)(1) and (2) of this section for the Green Mountain Care Board's approval on rate requests and shall be subject to the remaining provisions of this section.~~ [Repealed.]

* * *

Sec. 32. 8 V.S.A. § 4089b(g) is amended to read:

(g) ~~On or before July 15 of each year, health insurance companies doing business in Vermont whose individual share of the commercially insured Vermont market, as measured by covered lives, comprises at least five percent of the commercially insured Vermont market, shall file with the Commissioner, in accordance with standards, procedures, and forms approved by the Commissioner:~~

~~(1) A report card on the health insurance plan's performance in relation to quality measures for the care, treatment, and treatment options of mental and substance abuse conditions covered under the plan, pursuant to standards and procedures adopted by the Commissioner by rule, and without duplicating any reporting required of such companies pursuant to Rule H-2009-03 of the Division of Health Care Administration and regulation 95-2, "Mental Health Review Agents," of the Division of Insurance, as amended, including:~~

~~(A) the discharge rates from inpatient mental health and substance abuse care and treatment of insureds;~~

~~(B) the average length of stay and number of treatment sessions for insureds receiving inpatient and outpatient mental health and substance abuse care and treatment;~~

~~(C) the percentage of insureds receiving inpatient and outpatient mental health and substance abuse care and treatment;~~

~~(D) the number of insureds denied mental health and substance abuse care and treatment;~~

~~(E) the number of denials appealed by patients reported separately from the number of denials appealed by providers;~~

~~(F) the rates of readmission to inpatient mental health and substance abuse care and treatment for insureds with a mental condition;~~

~~(G) the level of patient satisfaction with the quality of the mental health and substance abuse care and treatment provided to insureds under the health insurance plan; and~~

~~(H) any other quality measure established by the Commissioner.~~

~~(2) The health insurance plan's revenue loss and expense ratio relating to the care and treatment of mental conditions covered under the health insurance plan. The expense ratio report shall list amounts paid in claims for services and administrative costs separately. A managed care organization providing or administering coverage for treatment of mental conditions on behalf of a health insurance plan shall comply with the minimum loss ratio requirements pursuant to the Patient Protection and Affordable Care Act of 2010, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, applicable to the underlying health insurance plan with which the managed care organization has contracted to provide or administer such services. The health insurance plan shall also bear responsibility for ensuring the managed care organization's compliance with the minimum loss ratio requirement pursuant to this subdivision.~~ [Repealed.]

Sec. 33. 18 V.S.A. § 9402 is amended to read:

§ 9402. DEFINITIONS

As used in this chapter, unless otherwise indicated:

* * *

(4) ~~"Division" means the division of health care administration.~~ [Repealed.]

* * *

(10) "Health resource allocation plan" means the plan adopted by the ~~commissioner of financial regulation~~ Green Mountain Care Board under section 9405 of this title.

* * *

Sec. 34. 18 V.S.A. § 9404 is amended to read:

§ 9404. ADMINISTRATION

(a) The Commissioner and the Green Mountain Care Board shall supervise and direct the execution of all laws vested in the Department and the Board, respectively, by this chapter, and shall formulate and carry out all policies relating to this chapter.

(b) The Commissioner and the Board may:

(1) apply for and accept gifts, grants, or contributions from any person for purposes consistent with this chapter;

(2) adopt rules necessary to implement the provisions of this chapter; and

(3) enter into contracts and perform such acts as are necessary to accomplish the purposes of this chapter.

(c) ~~There is hereby created a fund to be known as the Health Care Administration Regulatory and Supervision Fund for the purpose of providing the financial means for the Commissioner of Financial Regulation to administer this chapter and 33 V.S.A. § 6706. All fees and assessments received by the Department pursuant to such administration shall be credited to this Fund. All fines and administrative penalties, however, shall be deposited directly into the General Fund.~~

~~(1) All payments from the Health Care Administration Regulatory and Supervision Fund for the maintenance of staff and associated expenses, including contractual services as necessary, shall be disbursed from the State Treasury only upon warrants issued by the Commissioner of Finance and Management, after receipt of proper documentation regarding services rendered and expenses incurred.~~

~~(2) The Commissioner of Finance and Management may anticipate receipts to the Health Care Administration Regulatory and Supervision Fund and issue warrants based thereon.~~ [Repealed.]

Sec. 35. 18 V.S.A. § 9410 is amended to read:

§ 9410. HEALTH CARE DATABASE

(a)(1) The Board shall establish and maintain a unified health care database to enable the ~~Commissioner and the~~ Board to carry out ~~their~~ its duties under this chapter, chapter 220 of this title, and Title 8, including:

(A) determining the capacity and distribution of existing resources;

(B) identifying health care needs and informing health care policy;

(C) evaluating the effectiveness of intervention programs on improving patient outcomes;

(D) comparing costs between various treatment settings and approaches;

(E) providing information to consumers and purchasers of health care; and

(F) improving the quality and affordability of patient health care and health care coverage.

(2)~~(A) The program authorized by this section shall include a consumer health care price and quality information system designed to make available to consumers transparent health care price information, quality information, and such other information as the Board determines is necessary to empower individuals, including uninsured individuals, to make economically sound and medically appropriate decisions.~~

~~(B) The Commissioner may require a health insurer covering at least five percent of the lives covered in the insured market in this State to file with the Commissioner a consumer health care price and quality information plan in accordance with rules adopted by the Commissioner.~~

~~(C) The Board shall adopt such rules as are necessary to carry out the purposes of this subdivision. The Board's rules may permit the gradual implementation of the consumer health care price and quality information system over time, beginning with health care price and quality information that the Board determines is most needed by consumers or that can be most practically provided to the consumer in an understandable manner. The rules shall permit health insurers to use security measures designed to allow subscribers access to price and other information without disclosing trade secrets to individuals and entities who are not subscribers. The rules shall avoid unnecessary duplication of efforts relating to price and quality reporting by health insurers, health care providers, health care facilities, and others, including activities undertaken by hospitals pursuant to their community report obligations under section 9405b of this title.~~ [Repealed.]

* * *

(i) On or before January 15, ~~2008~~ 2018 and every three years thereafter, the Commissioner of Health shall submit a recommendation to the General Assembly for conducting a survey of the health insurance status of Vermont residents. 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.

* * *

Sec. 36. 18 V.S.A. § 9414 is amended to read:

§ 9414. QUALITY ASSURANCE FOR MANAGED CARE ORGANIZATIONS

(a) The ~~commissioner~~ Commissioner shall have the power and responsibility to ensure that each managed care organization provides quality health care to its members, in accordance with the provisions of this section.

* * *

(4) The Commissioner or designee may resolve any consumer complaint arising out of this subsection as though the managed care organization were an insurer licensed pursuant to Title 8.

* * *

(d)(1) In addition to its internal quality assurance program, each managed care organization shall evaluate the quality of health and medical care provided to members. The organization shall use and maintain a patient record system which will facilitate documentation and retrieval of statistically meaningful clinical information.

(2) A managed care organization may evaluate the quality of health and medical care provided to members through an independent accreditation organization~~, provided that the commissioner has established criteria for such independent evaluations~~.

(e) ~~The commissioner shall review a managed care organization's performance under the requirements of this section at least once every three years and more frequently as the commissioner deems proper. If upon review the commissioner determines that the organization's performance with respect to one or more requirements warrants further examination, the commissioner shall conduct a comprehensive or targeted examination of the organization's performance. The commissioner may designate another organization to conduct any evaluation under this subsection. Any such independent designee shall have a confidentiality code acceptable to the commissioner, or shall be subject to the confidentiality code adopted by the commissioner under subdivision (f)(3) of this section. In conducting an evaluation under this subsection, the commissioner or the commissioner's designee shall employ, retain, or contract with persons with expertise in medical quality assurance.~~ [Repealed.]

(f)(1) For the purpose of evaluating a managed care organization's performance under the provisions of this section, the ~~commissioner~~ Commissioner may examine and review information protected by the provisions of the patient's privilege under 12 V.S.A. § 1612(a), or otherwise required by law to be held confidential~~, except that the commissioner's access to and use of minutes and records of a peer review committee established under subsection (c) of this section shall be governed by subdivision (2) of this subsection~~.

(2) ~~Notwithstanding the provisions of 26 V.S.A. § 1443, for the sole purpose of reviewing a managed care organization's internal quality assurance program, and enforcing compliance with the provisions of subsection (c) of~~

~~this section, the commissioner or the commissioner's designee shall have reasonable access to the minutes or records of any peer review or comparable committee required by subdivision (c)(6) of this section, provided that such access shall not disclose the identity of patients, health care providers, or other individuals.~~ [Repealed.]

* * *

(i) ~~Upon review of the managed care organization's clinical data, or after consideration of claims or other data, the commissioner may:~~

~~(1) identify quality issues in need of improvement; and~~

~~(2) direct the managed care organization to propose quality improvement initiatives to remediate those issues.~~ [Repealed.]

Sec. 37. 18 V.S.A. § 9418(l) is amended to read:

(l) Nothing in this section shall be construed to prohibit a health plan from applying payment policies that are consistent with applicable federal or State laws and regulations, or to relieve a health plan from complying with payment standards established by federal or State laws and regulations~~, including rules adopted by the Commissioner pursuant to section 9408 of this title relating to claims administration and adjudication standards, and rules adopted by the Commissioner pursuant to section 9414 of this title and 8 V.S.A. § 4088h relating to pay for performance or other payment methodology standards~~.

Sec. 38. 18 V.S.A. § 9418b(f) is amended to read:

(f) Nothing in this section shall be construed to prohibit a health plan from applying payment policies that are consistent with applicable federal or State laws and regulations, or to relieve a health plan from complying with payment standards established by federal or State laws and regulations~~, including rules adopted by the Commissioner pursuant to section 9408 of this title, relating to claims administration and adjudication standards, and rules adopted by the Commissioner pursuant to section 9414 of this title and 8 V.S.A. § 4088h, relating to pay for performance or other payment methodology standards~~.

Sec. 39. 18 V.S.A. § 9420 is amended to read:

§ 9420. CONVERSION OF NONPROFIT HOSPITALS

(a) Policy and purpose. The ~~state~~ State has a responsibility to assure that the assets of nonprofit entities, which are impressed with a charitable trust, are managed prudently and are preserved for their proper charitable purposes.

(b) Definitions. As used in this section:

* * *

(2) ~~"Commissioner" is the commissioner of financial regulation.~~ [Repealed.]

* * *

(10) "Green Mountain Care Board" or "Board" means the Green Mountain Care Board established in chapter 220 of this title.

(c) Approval required for conversion of qualifying amount of charitable assets. A nonprofit hospital may convert a qualifying amount of charitable assets only with the approval of the ~~commissioner~~ Green Mountain Care Board, and either the ~~attorney general~~ Attorney General or the ~~superior court~~ Superior Court, pursuant to the procedures and standards set forth in this section.

(d) Exception for conversions in which assets will be owned and controlled by a nonprofit corporation:

(1) Other than subsection (q) of this section and subdivision (2) of this subsection, this section shall not apply to conversions in which the party receiving assets of a nonprofit hospital is a nonprofit corporation.

(2) In any conversion that would have required an application under subsection (e) of this section but for the exception set forth in subdivision (1) of this subsection, notice to or written waiver by the ~~attorney general~~ Attorney General shall be given or obtained as if required under 11B V.S.A. § 12.02(g).

(e) Application. Prior to consummating any conversion of a qualifying amount of charitable assets, the parties shall submit an application to the ~~attorney general~~ Attorney General and the ~~commissioner~~ Green Mountain Care Board, together with any attachments complying with subsection (f) of this section. If any material change occurs in the proposal set forth in the filed application, an amendment setting forth such change, together with copies of all documents and other material relevant to such change, shall be filed with the ~~attorney general~~ Attorney General and the ~~commissioner~~ Board within two business days, or as soon thereafter as practicable, after any party to the conversion learns of such change. If the conversion involves a hospital system, and one or more of the hospitals in the system desire to convert charitable assets, the ~~attorney general~~ Attorney General, in consultation with the ~~commissioner~~ Board, shall determine whether an application shall be required from the hospital system.

(f) Completion and contents of application.

(1) Within 30 days of receipt of the application, or within 10 days of receipt of any amendment thereto, whichever is longer, the ~~attorney general~~ Attorney General, with the ~~commissioner's~~ Green Mountain Care Board's

agreement, shall determine whether the application is complete. The Attorney General shall promptly notify the parties of the date the application is deemed complete, or of the reasons for a determination that the application is incomplete. A complete application shall include the following:

* * *

(N) any additional information the ~~attorney general~~ Attorney General or ~~commissioner~~ Green Mountain Care Board finds necessary or appropriate for the full consideration of the application.

(2) The parties shall make the contents of the application reasonably available to the public prior to any hearing for public comment described in subsection (g) of this section to the extent that they are not otherwise exempt from disclosure under 1 V.S.A. § 317(b).

(g) Notice and hearing for public comment on application.

(1) The ~~attorney general~~ Attorney General and ~~commissioner~~ the Green Mountain Care Board shall hold one or more public hearings on the transaction or transactions described in the application. A record shall be made of any hearing. The hearing shall commence within 30 days of the determination by the ~~attorney general~~ Attorney General that the application is complete. If a hearing is continued or multiple hearings are held, any hearing shall be completed within 60 days of the ~~attorney general's~~ Attorney General's determination that an application is complete. In determining the number, location, and time of hearings, the ~~attorney general~~ Attorney General, in consultation with the ~~commissioner~~ Board, shall consider the geographic areas and populations served by the nonprofit hospital and most affected by the conversion and the interest of the public in commenting on the application.

(2) The ~~attorney general~~ Attorney General shall provide reasonable notice of any hearing to the parties, the ~~commissioner~~ Board, and the public, and may order that the parties bear the cost of notice to the public. Notice to the public shall be provided in newspapers having general circulation in the region affected and shall identify the applicants and the proposed conversion. A copy of the public notice shall be sent to the ~~state~~ State health care and long-term care ombudspersons and to the ~~senators~~ Senators and members of the ~~house of representatives~~ House of Representatives representing the county and district and to the clerk, chief municipal officer, and legislative body, of the municipality in which the nonprofit hospital is principally located. Upon receipt, the clerk shall post notice in or near the clerk's office and in at least two other public places in the municipality. Any person may testify at a hearing under this section and, within such reasonable time as the ~~attorney general~~ Attorney General may prescribe, file written comments with the

~~attorney general~~ Attorney General and ~~commissioner~~ Board concerning the proposed conversion.

(h) Determination by ~~commissioner~~ the Green Mountain Care Board.

(1) The ~~commissioner~~ Green Mountain Care Board shall consider the application, together with any report and recommendations from the Board's staff ~~of the department~~ requested by the ~~commissioner~~ Board, and any other information submitted into the record, and approve or deny it within 50 days following the last public hearing held pursuant to subsection (g) of this section, unless the ~~commissioner~~ Board extends such time up to an additional 60 days with notice prior to its expiration to the ~~attorney general~~ Attorney General and the parties.

(2) The ~~commissioner~~ Board shall approve the proposed transaction if the ~~commissioner~~ Board finds that the application and transaction will satisfy the criteria established in section 9437 of this title. For purposes of applying the criteria established in section 9437, the term "project" shall include a conversion or other transaction subject to the provisions of this subchapter.

(3) A denial by the ~~commissioner~~ Board may be appealed to the ~~supreme court~~ Supreme Court pursuant to ~~the procedures and standards set forth in 8 V.S.A. § 16~~ section 9381 of this title. If no appeal is taken or if the ~~commissioner's~~ Board's order is affirmed by the ~~supreme court~~ Supreme Court, the application shall be terminated. A failure of the ~~commissioner~~ Board to approve of an application in a timely manner shall be considered a final order in favor of the applicant.

(i) Determination by ~~attorney general~~ Attorney General. The ~~attorney general~~ Attorney General shall make a determination as to whether the conversion described in the application meets the standards provided in subsection (j) of this section.

(1) If the ~~attorney general~~ Attorney General determines that the conversion described in the application meets the standards set forth in subsection (j) of this section, the ~~attorney general~~ Attorney General shall approve the conversion and so notify the parties in writing.

(2) If the ~~attorney general~~ Attorney General determines that the conversion described in the application does not meet such standards, the ~~attorney general~~ Attorney General may not approve the conversion and shall so notify the parties of such disapproval and the basis for it in writing, including identification of the standards listed in subsection (j) of this section that the ~~attorney general~~ Attorney General finds not to have been met by the proposed conversion. Nothing in this subsection shall prevent the parties from amending

the application to meet any objections of the ~~attorney general~~ Attorney General.

(3) The notice of approval or disapproval by the ~~attorney general~~ Attorney General under this subsection shall be provided no later than either 60 days following the date of the last hearing held under subsection (g) of this section or ten days following approval of the conversion by the ~~commissioner~~ Board, whichever is later. The ~~attorney general~~ Attorney General, for good cause, may extend this period an additional 60 days.

(j) Standards for ~~attorney general's~~ Attorney General's review. In determining whether to approve a conversion under subsection (i) of this section, the ~~attorney general~~ Attorney General shall consider whether:

* * *

(7) the application contains sufficient information and data to permit the ~~attorney general~~ Attorney General and ~~commissioner~~ the Green Mountain Care Board to evaluate the conversion and its effects on the public's interests in accordance with this section; and

(8) the conversion plan has made reasonable provision for reports, upon request, to the ~~attorney general~~ Attorney General on the conduct and affairs of any person that, as a result of the conversion, is to receive charitable assets or proceeds from the conversion to carry on any part of the public purposes of the nonprofit hospital.

(k) Investigation by ~~attorney general~~ Attorney General. The ~~attorney general~~ Attorney General may conduct an investigation relating to the conversion pursuant to the procedures set forth generally in 9 V.S.A. § 2460. The ~~attorney general~~ Attorney General may contract with such experts or consultants the ~~attorney general~~ Attorney General deems appropriate to assist in an investigation of a conversion under this section. The ~~attorney general~~ Attorney General may order any party to reimburse the ~~attorney general~~ Attorney General for all reasonable and actual costs incurred by the ~~attorney general~~ Attorney General in retaining outside professionals to assist with the investigation or review of the conversion.

(l) Superior ~~court~~ Court action. If the ~~attorney general~~ Attorney General does not approve the conversion described in the application and any amendments, the parties may commence an action in the ~~superior court~~ Superior Court of Washington County, or with the agreement of the ~~attorney general~~ Attorney General, of any other county, within 60 days of the ~~attorney general's~~ Attorney General's notice of disapproval provided to the parties under subdivision (i)(2) of this section. The parties shall notify the ~~commissioner~~ Green Mountain Care Board of the commencement of an action

under this subsection. The ~~commissioner~~ Board shall be permitted to request that the ~~court~~ Court consider the ~~commissioner's~~ Board's determination under subsection (h) of this section in its decision under this subsection.

(m) Court determination and order.

* * *

(4) Nothing herein shall prevent the ~~attorney general~~ Attorney General, while an action brought under subsection (l) of this section is pending, from approving the conversion described in the application, as modified by such terms as are agreed between the parties, the ~~attorney general~~ Attorney General, and the ~~commissioner~~ Green Mountain Care Board to bring the conversion into compliance with the standards set forth in subsection (j) of this section.

(n) Use of converted assets or proceeds of a conversion approved pursuant to this section. If at any time following a conversion, the ~~attorney general~~ Attorney General has reason to believe that converted assets or the proceeds of a conversion are not being held or used in a manner consistent with information provided to the ~~attorney general~~ Attorney General, the ~~commissioner~~ Board, or a court in connection with any application or proceedings under this section, the ~~attorney general~~ Attorney General may investigate the matter pursuant to procedures set forth generally in 9 V.S.A. § 2460 and may bring an action in Washington ~~superior court~~ Superior Court or in the ~~superior court~~ Superior Court of any county where one of the parties has a principal place of business. The ~~court~~ Court may order appropriate relief in such circumstances, including avoidance of the conversion or transfer of the converted assets or proceeds or the amount of any private inurement to a person or party for use consistent with the purposes for which the assets were held prior to the conversion, and the award of costs of investigation and prosecution under this subsection, including the reasonable value of legal services.

(o) Remedies and penalties for violations.

(1) The ~~attorney general~~ Attorney General may bring or maintain a civil action in the Washington ~~superior court~~ Superior Court, or any other county in which one of the parties has its principal place of business, to enjoin, restrain, or prevent the consummation of any conversion which has not been approved in accordance with this section or where approval of the conversion was obtained on the basis of materially inaccurate information furnished by any party to the ~~attorney general~~ Attorney General or the ~~commissioner~~ Board.

* * *

(p) Conversion of less than a qualifying amount of assets.

(1) The ~~attorney general~~ Attorney General may conduct an investigation relating to a conversion pursuant to the procedures set forth generally in 9 V.S.A. § 2460 if the ~~attorney general~~ Attorney General has reason to believe that a nonprofit hospital has converted or is about to convert less than a qualifying amount of its assets in such a manner that would:

(A) if it met the qualifying amount threshold, require an application under subsection (e) of this section; and

(B) constitute a conversion that does not meet one or more of the standards set forth in subsection (j) of this section.

(2) The ~~attorney general~~ Attorney General, in consultation with the ~~commissioner~~ Green Mountain Care Board, may bring an action with respect to any conversion of less than a qualifying amount of assets, according to the procedures set forth in subsection (n) of this section. The ~~attorney general~~ Attorney General shall notify the ~~commissioner~~ Board of any action commenced under this subsection. The ~~commissioner~~ Board shall be permitted to investigate and determine whether the transaction satisfies the criteria established in subdivision (g)(2) of this section, and to request that the ~~court~~ Court consider the ~~commissioner's~~ Board's recommendation in its decision under this subsection. In such an action, the ~~superior court~~ Superior Court may enjoin or void any transaction and may award any other relief as provided under subsection (n) of this section.

(3) In any action brought by the ~~attorney general~~ Attorney General under this subdivision, the ~~attorney general~~ Attorney General shall have the burden to establish that the conversion:

(A) violates one or more of the standards listed in subdivision (j)(1), (3), (4), or (6); or

(B) substantially violates one or more of the standards set forth in subdivisions (j)(2) and (5) of this section.

(q) Other preexisting authority.

(1) Nothing in this section shall be construed to limit the authority of the ~~commissioner~~ Green Mountain Care Board, ~~attorney general~~ Attorney General, ~~department of health~~ Department of Health, or a court of competent jurisdiction under existing law, or the interpretation or administration of a charitable gift under 14 V.S.A. § 2328.

(2) This section shall not be construed to limit the regulatory and enforcement authority of the ~~commissioner~~ Board, or exempt any applicant or other person from requirements for licensure or other approvals required by law.

Sec. 40. 18 V.S.A. § 9440 is amended to read:

§ 9440. PROCEDURES

* * *

(c) The application process shall be as follows:

(1) Applications shall be accepted only at such times as the Board shall establish by rule.

(2)(A) Prior to filing an application for a certificate of need, an applicant shall file an adequate letter of intent with the Board no less than 30 days or, in the case of review cycle applications under section 9439 of this title, no less than 45 days prior to the date on which the application is to be filed. The letter of intent shall form the basis for determining the applicability of this subchapter to the proposed expenditure or action. A letter of intent shall become invalid if an application is not filed within six months of the date that the letter of intent is received or, in the case of review cycle applications under section 9439 of this title, within such time limits as the Board shall establish by rule. ~~Except for requests for expedited review under subdivision (5) of this subsection,~~ The Board shall post public notice of such letters of intent ~~shall be provided in newspapers having general circulation in the region of the State affected by the letter of intent~~ on its website electronically within five business days of receipt. The public notice shall identify the applicant, the proposed new health care project, and the date by which a competing application or petition to intervene must be filed. ~~In addition, a copy of the public notice shall be sent to the clerk of the municipality in which the health care facility is located. Upon receipt, the clerk shall post the notice in or near the clerk's office and in at least two other public places in the municipality.~~

(B) Applicants who agree that their proposals are subject to jurisdiction pursuant to section 9434 of this title shall not be required to file a letter of intent pursuant to subdivision (A) of this subdivision (2) and may file an application without further process. Public notice of the application shall be ~~provided upon filing~~ posted electronically on the Board's website as provided for in subdivision (A) of this subdivision (2) for letters of intent.

* * *

(5) An applicant seeking expedited review of a certificate of need application may simultaneously file ~~a letter of intent and~~ with the Board a request for expedited review and an application ~~with the Board~~. ~~Upon~~ After receiving the request and an application, the Board shall issue public notice of the request and application in the manner set forth in subdivision (2) of this subsection. At least 20 days after the public notice was issued, if no competing application has been filed and no party has sought and been granted, nor is

likely to be granted, interested party status, the Board, upon making a determination that the proposed project may be uncontested and does not substantially alter services, as defined by rule, or upon making a determination that the application relates to a health care facility affected by bankruptcy proceedings, ~~the Board shall issue public notice of the application and the request for expedited review and identify a date by which a competing application or petition for interested party status must be filed. If a competing application is not filed and no person opposing the application is granted interested party status, the Board~~ may formally declare the application uncontested and may issue a certificate of need without further process, or with such abbreviated process as the Board deems appropriate. If a competing application is filed or a person opposing the application is granted interested party status, the applicant shall follow the certificate of need standards and procedures in this section, except that in the case of a health care facility affected by bankruptcy proceedings, the Board after notice and an opportunity to be heard may issue a certificate of need with such abbreviated process as the Board deems appropriate, notwithstanding the contested nature of the application.

* * *

Sec. 41. 18 V.S.A. § 9445 is amended to read:

§ 9445. ENFORCEMENT

(a) Any person who offers or develops any new health care project within the meaning of this subchapter without first obtaining a certificate of need as required herein, or who otherwise violates any of the provisions of this subchapter, may be subject to the following administrative sanctions by the Board, after notice and an opportunity to be heard:

(1) The Board may order that no license or certificate permitted to be issued by ~~the Department or~~ any ~~other~~ State agency may be issued to any health care facility to operate, offer, or develop any new health care project for a specified period of time, or that remedial conditions be attached to the issuance of such licenses or certificates.

(2) The Board may order that payments or reimbursements to the entity for claims made under any health insurance policy, subscriber contract, or health benefit plan offered or administered by any public or private health insurer, including the Medicaid program and any other health benefit program administered by the State be denied, reduced, or limited, and in the case of a hospital that the hospital's annual budget approved under subchapter 7 of this chapter be adjusted, modified, or reduced.

(b) In addition to all other sanctions, if any person offers or develops any new health care project without first having been issued a certificate of need or certificate of exemption for the project, or violates any other provision of this subchapter or any lawful rule adopted pursuant to this subchapter, the Board, ~~the Commissioner,~~ the Office of the Health Care Advocate, the State Long-Term Care Ombudsman, and health care providers and consumers located in the State shall have standing to maintain a civil action in the Superior Court of the county in which such alleged violation has occurred, or in which such person may be found, to enjoin, restrain, or prevent such violation. Upon written request by the Board, it shall be the duty of the Vermont Attorney General to furnish appropriate legal services and to prosecute an action for injunctive relief to an appropriate conclusion, which shall not be reimbursed under subdivision (a)(2) of this section.

* * *

Sec. 42. 18 V.S.A. § 9456(h) is amended to read:

(h)(1) If a hospital violates a provision of this section, the Board may maintain an action in the Superior Court of the county in which the hospital is located to enjoin, restrain, or prevent such violation.

* * *

(3)(A) The Board shall require the officers and directors of a hospital to file under oath, on a form and in a manner prescribed by the ~~Commissioner~~ Board, any information designated by the Board and required pursuant to this subchapter. The authority granted to the Board under this subsection is in addition to any other authority granted to the Board under law.

(B) A person who knowingly makes a false statement under oath or who knowingly submits false information under oath to the Board or to a hearing officer appointed by the Board or who knowingly testifies falsely in any proceeding before the Board or a hearing officer appointed by the Board shall be guilty of perjury and punished as provided in 13 V.S.A. § 2901.

Sec. 43. SUSPENSION; PROHIBITION ON MODIFICATION OF UNIFORM FORMS

The Department of Financial Regulation shall not modify the existing common forms, procedures, and rules based on 18 V.S.A. §§ 9408, 9408a(b), 9408a(e), and 9418(f) prior to January 1, 2017. The Commissioner of Financial Regulation may review and examine, at his or her own discretion or in response to a complaint, a managed care organization's administrative policies and procedures, quality management and improvement procedures, credentialing practices, members' rights and responsibilities, preventive health services, medical records practices, member services, financial incentives or

disincentives, disenrollment, provider contracting, and systems and data reporting capacities described in 18 V.S.A. § 9414(a)(1).

Sec. 44. UNIFORM FORMS; MENTAL HEALTH QUALITY ASSURANCE; EVALUATION

(a) The Director of Health Care Reform in the Agency of Administration, in collaboration with the Green Mountain Care Board and the Department of Financial Regulation, shall evaluate:

(1) the necessity of maintaining provisions regarding common claims forms and procedures, uniform provider credentialing, and suspension of interest accrual for failure to pay claims if the failure was not within the insurer's control, as those provisions are codified in 18 V.S.A. §§ 9408, 9408a(b), 9408a(e), and 9418(f);

(2) the necessity of maintaining provisions requiring the Commissioner to review and examine a managed care organization's administrative policies and procedures, quality management and improvement procedures, credentialing practices, members' rights and responsibilities, preventive health services, medical records practices, member services, financial incentives or disincentives, disenrollment, provider contracting, and systems and data reporting capacities, as those provisions are codified in 18 V.S.A. § 9414(a)(1);

(3) the necessity of maintaining provisions directing the Commissioner to require health insurance companies to submit materials related to mental health quality assurance pursuant to 8 V.S.A. § 4089b(g);

(4) the appropriate entity to assume responsibility for any such function that should be retained and the appropriate enforcement process; and

(5) the requirements in federal law applicable to the Department of Vermont Health Access in its role as a public managed care organization in order to identify opportunities for greater alignment between federal law and 18 V.S.A. § 9414(a)(1).

(b) In performing the evaluation required by subsection (a) of this section, the Director shall consult regularly with interested stakeholders, including health insurance and managed care organizations, as defined in 18 V.S.A. § 9402; health care providers; and the Office of the Health Care Advocate.

(c) On or before December 15, 2015, the Director shall provide his or her findings and recommendations to the House Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, and the Health Reform Oversight Committee.

* * * Telemedicine * * *

Sec. 45. 33 V.S.A. § 1901i is added to read:

§ 1901i. MEDICAID COVERAGE FOR PRIMARY CARE TELEMEDICINE

(a) Beginning on October 1, 2015, the Department of Vermont Health Access shall provide reimbursement for Medicaid-covered primary care consultations delivered through telemedicine to Medicaid beneficiaries outside a health care facility. The Department shall reimburse health care professionals for telemedicine consultations in the same manner as if the services were provided through in-person consultation. Coverage provided pursuant to this section shall comply with all federal requirements imposed by the Centers for Medicare and Medicaid Services.

(b) Medicaid shall only provide coverage for services delivered through telemedicine outside a health care facility that have been determined by the Department's Chief Medical Officer to be clinically appropriate. The Department shall not impose limitations on the number of telemedicine consultations a Medicaid beneficiary may receive or on which Medicaid beneficiaries may receive primary care consultations through telemedicine that exceed limitations otherwise placed on in-person Medicaid covered services.

(c) As used in this section:

(1) "Health care facility" shall have the same meaning as in 18 V.S.A. § 9402.

(2) "Health care provider" means a physician licensed pursuant to 26 V.S.A. chapter 23 or 33, a naturopathic physician licensed pursuant to 26 V.S.A. chapter 81, an advanced practice registered nurse licensed pursuant to 26 V.S.A. chapter 28, subchapter 3, or a physician assistant licensed pursuant to 26 V.S.A. chapter 31.

(3) "Telemedicine" means the delivery of health care services such as diagnosis, consultation, or treatment through the use of live interactive audio and video over a secure connection that complies with the requirements of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191. Telemedicine does not include the use of audio-only telephone, e-mail, or facsimile.

Sec. 46. TELEMEDICINE; IMPLEMENTATION REPORT

On or before April 15, 2016, the Department of Vermont Health Access shall submit to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance a report providing data regarding the first six months of implementation of Medicaid coverage for

primary care consultations delivered through telemedicine outside a health care facility. The report shall include demographic information regarding Medicaid beneficiaries receiving the telemedicine services, the types of services received, and an analysis of the effects of providing primary care consultations through telemedicine outside a health care facility on health care costs, quality, and access.

* * * Analysis of Hospital Budgets * * *

Sec. 47. REPURPOSING EXCESS HOSPITAL FUNDS

(a) The 2014 Vermont Household Health Insurance Survey indicates that the number of uninsured Vermonters has decreased from 6.8 percent in 2012 to 3.7 percent in 2014, which is a 46 percent reduction in the rate of uninsured. Over the same time, however, hospital funds to support the uninsured have not declined in a manner that is proportionate to the reduction in the number of uninsured the funds are intended to support. Disproportionate Share Hospital (DSH) payments have remained unchanged and will total $38,289,419.00 in fiscal year 2015, and the amount of "free care" charges in approved hospital budgets was $53,034,419.00 in fiscal year 2013 and $58,652,440.00 in fiscal year 2015. The reduction in the number of uninsured Vermonters has increased costs to the General Fund, but the funds allocated in hospital budgets to serve those Vermonters have not "followed the customer." In essence, these funds are stranded in the hospital budgets to pay for "phantom" uninsured patients.

(b) The Green Mountain Care Board, in its fiscal year 2016 hospital budget review process, shall analyze proposed hospital budgets to identify any stranded dollars and shall report its findings on or before October 15, 2015 to the House Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, the Health Reform Oversight Committee, and the Joint Fiscal Committee. It is the intent of the General Assembly to repurpose the stranded dollars to enhance State spending on the Blueprint for Health.

* * * Positions * * *

Sec. 48. GREEN MOUNTAIN CARE BOARD; POSITIONS

(a) On July 1, 2015, two classified positions are created for the Green Mountain Care Board.

(b) On July 1, 2015, one exempt position, attorney, is created for the Green Mountain Care Board.

* * * Cigarette and Tobacco Taxes * * *

Sec. 49. 32 V.S.A. § 7771 is amended to read:

§ 7771. RATE OF TAX

* * *

(d) The tax imposed under this section shall be at the rate of ~~137.5~~ 154 mills per cigarette or little cigar and for each 0.0325 ounces of roll-your-own tobacco. The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. 50. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the U.S. Armed Forces operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at ~~$2.29~~ $2.57 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of ~~$2.29~~ $2.57 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of ~~$2.75~~ $3.08 per package, and cigars with a wholesale price greater than $2.17, which shall be taxed at the rate of $2.00 per cigar if the wholesale price of the cigar is greater than $2.17 and less than $10.00, and at the rate of $4.00 per cigar if the wholesale price of the cigar is $10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 51. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff. A floor stock tax is hereby imposed upon every retail dealer of snuff in this State in the amount by which the new tax exceeds the amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the retail dealer at 12:01 a.m. on July 1, ~~2014~~ 2015, but shall not apply to retail dealers who hold less than $500.00 in wholesale value of such snuff. Each retail dealer subject to the tax shall, on or before July 25, ~~2014~~ 2015, file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. on July 1, ~~2014~~ 2015, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before August 25, ~~2014~~ 2015, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco in this State who is either a wholesaler, or a retailer who at 12:01 a.m. on July 1, ~~2014~~ 2015, has more than 10,000 cigarettes or little cigars or who has $500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or retail dealer at 12:01 a.m. on July 1, ~~2014~~ 2015, and on which cigarette stamps have been affixed before July 1, ~~2014~~ 2015. A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. on July 1, ~~2014~~ 2015, and not yet affixed to a cigarette package, and the tax shall be at the rate of ~~$0.13~~ $0.33 per stamp. Each wholesaler and retail dealer subject to the tax shall, on or before July 25, ~~2014~~ 2015, file a report to the Commissioner in such form as the Commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. on July 1, ~~2014~~ 2015, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before July 25, ~~2014~~ 2015, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the wholesaler or retail dealer may deduct from the tax due two and three-tenths of one percent of the tax. Any cigarettes, little cigars, or

roll-your-own tobacco with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

* * * Appropriations * * *

Sec. 52. AREA HEALTH EDUCATION CENTERS

The sum of $667,111.00 in Global Commitment funds is appropriated to the Department of Health in fiscal year 2016 for a grant to the Area Health Education Centers for repayment of educational loans for health care providers and health care educators.

Sec. 53. OFFICE OF THE HEALTH CARE ADVOCATE; APPROPRIATION; INTENT

(a) The Office of the Health Care Advocate has a critical function in Vermont's health care system. The Health Care Advocate provides information and assistance to Vermont residents who are navigating the health care system and represents their interests in interactions with health insurers, health care providers, Medicaid, the Green Mountain Care Board, the General Assembly, and others. The continuation of the Office of the Health Care Advocate is necessary to achieve additional health care reform goals.

(b) The sum of $40,000.00 is appropriated from the General Fund to the Agency of Administration in fiscal year 2016 for its contract with the Office of the Health Care Advocate.

(c) It is the intent of the General Assembly that, beginning with the 2017 fiscal year budget, the Governor's budget proposal developed pursuant to 32 V.S.A. chapter 5 should include a separate provision identifying the aggregate sum to be appropriated from all State sources to the Office of the Health Care Advocate.

Sec. 54. MAINTAINING EXCHANGE COST-SHARING SUBSIDIES

The sum of $761,308.00 is appropriated from the General Fund to the Department of Vermont Health Access in fiscal year 2016 for Exchange cost-sharing subsidies for individuals at the actuarial levels in effect on January 1, 2015.

Sec. 55. GREEN MOUNTAIN CARE BOARD; ALL-PAYER WAIVER; RATE-SETTING; VITL OVERSIGHT

(a) The following appropriations and adjustments are made to the Green Mountain Care Board in fiscal year 2016 for positions, contracts, and operating expenses related to the Board's provider rate-setting authority, the all-payer model, and the Medicaid cost shift:

(1) $83,054.00 is appropriated from the General Fund;

(2) $268,524.00 is appropriated from special funds;

(3) $97,968.00 is appropriated from federal funds;

(4) a negative adjustment in the amount of −$35,919.00 is made to the Global Commitment funds appropriated; and

(5) a negative adjustment in the amount of −$128,693.00 is made to the interdepartmental transfer funds appropriated.

(b) The sum of $60,000.00 is appropriated from the Health-IT Fund to the Green Mountain Care Board in fiscal year 2016 to provide oversight of the budget and activities of the Vermont Information Technology Leaders, Inc.

Sec. 56. BLUEPRINT FOR HEALTH INCREASES

(a) The sum of $2,446,075.00 in Global Commitment funds is appropriated to the Department of Vermont Health Access in fiscal year 2016 to increase payments to patient-centered medical homes and community health teams pursuant to 18 V.S.A. § 702 beginning on July 1, 2015.

(b) In its use of the funds appropriated in this section, the Blueprint for Health shall work collaboratively to begin including family-centered approaches and adverse childhood experience screenings consistent with the report entitled "Integrating ACE-Informed Practice into the Blueprint for Health." Considerations should include prevention, early identification, and screening, as well as reducing the impact of adverse childhood experiences through trauma-informed treatment and suicide prevention initiatives.

Sec. 57. INVESTING IN PRIMARY CARE SERVICES

The sum of $1,000,667.00 in Global Commitment funds is appropriated to the Department of Vermont Health Access in fiscal year 2016 to increase reimbursement rates to primary care providers beginning on July 1, 2015 for services provided to Medicaid beneficiaries.

Sec. 58. RATE INCREASES FOR OTHER MEDICAID PROVIDERS

(a) The sum of $833,969.00 in Global Commitment funds is appropriated to the Agency of Human Services in fiscal year 2016 for the purpose of increasing reimbursement rates beginning on July 1, 2015 for providers under contract with the Departments of Disabilities, Aging, and Independent Living, of Mental Health, of Corrections, of Health, and for Children and Families to provide services to Vermont Medicaid beneficiaries. In allocating the Global Commitment funds appropriated pursuant to this section, the Agency shall direct:

(1) $290,186.00 to the Department of Mental Health;

(2) $69,875.00 to the Department of Health, Division of Alcohol and Drug Abuse Programs;

(3) $358,480.00 to the Department of Disabilities, Aging, and Independent Living for developmental disability services; and

(4) the remaining $115,427.00 for distribution to other departments' appropriation line items within the Agency for Medicaid-eligible services from contract providers.

(b) The sum of $175,818.00 in Global Commitment funds is appropriated to the Department of Vermont Health Access in fiscal year 2016 for the purpose of increasing reimbursement rates for home- and community-based services in the Global Commitment and Choices for Care programs beginning on July 1, 2015.

Sec. 59. INDEPENDENT MENTAL HEALTH AND SUBSTANCE ABUSE TREATMENT PROFESSIONALS

The sum of $111,185.00 in Global Commitment funds is appropriated to the Department of Vermont Health Access in fiscal year 2016 for the purpose of increasing Medicaid reimbursement rates beginning on July 1, 2015 to mental health and substance abuse treatment professionals not affiliated with a designated agency who provide mental health or substance abuse services, or both, to Medicaid beneficiaries.

Sec. 60. AGENCY OF HUMAN SERVICES; GLOBAL COMMITMENT APPROPRIATION

(a) The following appropriations and adjustments are made to ensure that the Agency of Human Services' Global Commitment budget line item comports with the appropriations made in Secs. 52–59 of this act:

(1) the sum of $3,200,000.00 is appropriated from the State Health Care Resources Fund in fiscal year 2016;

(2) the sum of $3,180,724.00 is appropriated from federal funds in fiscal year 2016; and

(3) a negative adjustment in the amount of −$801,308.00 to the General Funds appropriated in fiscal year 2016.

(b) The appropriations and adjustments made in Secs. 52–59 of this act shall be in addition to or applied to amounts appropriated for fiscal year 2016 in other acts of the 2015 legislative session and shall be reconciled to the greatest extent possible. Where it is not possible to reconcile, the provisions of this act shall supersede conflicting appropriations and adjustments for fiscal year 2016 in other acts of the 2015 legislative session.

* * * Repeals * * *

Sec. 61. REPEALS

(a) 18 V.S.A. §§ 9411 (other powers and duties of the Commissioner of Financial Regulation) and 9415 (allocation of expenses) are repealed.

(b) 12 V.S.A. chapter 215, subchapter 2 shall be repealed on July 1, 2020.

* * * Effective Dates * * *

Sec. 62. EFFECTIVE DATES

(a) Secs. 1 (all-payer model), 2 and 3 (pharmacy benefit managers), 6 (report on observation status), 7 and 8 (Green Mountain Care Board duties), 9 (VITL), 10 (ambulance reimbursement), 11 and 12 (direct enrollment in Exchange plans), 13–15 (large group market), 16–18 (universal primary care study), 21 (GMCB consumer price comparison), 22 (public employees' health benefits), 23 (payment reform), 24–26 (reports), 27 (provider rate setting), 28 (designated agency budgets), 29 and 30 (presuit mediation), 47 (excess hospital funds), and this section shall take effect on passage.

(b) Secs. 19 (universal primary care appropriation), 31–42 (transfer of DFR duties), 43 and 44 (suspension and review of uniform forms), 48 (positions), 49–51 (cigarette and tobacco taxes), 52–60 (appropriations), and 61 (repeals) shall take effect on July 1, 2015.

(c) Secs. 45 and 46 (telemedicine) shall take effect on October 1, 2015.

(d) Secs. 4 and 5 (notice of hospital observation status) shall take effect on December 1, 2015.

(e) Sec. 20 (insurers' consumer price comparison) shall take effect on July 1, 2016.

And that after passage the title of the bill be amended to read:

An act relating to health care.

CLAIRE D. AYER
M. JANE KITCHEL
TIMOTHY R. ASHE

Committee on the part of the Senate

WILLIAM J. LIPPERT
CHRISTOPHER A. PEARSON
JANET ANCEL

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Bill Messaged

H. 490.

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to making appropriations for the support of government.

Was taken up for immediate consideration.

Senator Kitchel, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

H. 490. An act relating to making appropriations for the support of government.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2016 Appropriations Act.

Sec. A.100.1 INTENT

(a) This fiscal year 2016 appropriations bill represents the beginning of a multiyear process to align State spending and bring revenues and spending into a long-term balance. The fiscal year 2016 Appropriations Bill contains difficult choices; however, these types of decisions will continue to occur annually without a concerted effort to create a sustainable budget.

(b) It is the intent to move forward on the following goals:

(1) reduce the reliance on one-time funding for base budget needs;

(2) create an ongoing expectation that Administration and Legislative proposals for budget changes and new programs contain a multiyear analysis of what the changes will cost;

(3) move toward budgeting based on using less than 100 percent of forecasted revenue to build a reserve which can help offset the variability of

revenues that comes with a progressive tax system and the risk of reliance on federal funds;

(4) explore moving to a two-year budgeting cycle where the budget proposed by the Governor includes at least one subsequent fiscal year base funding estimate; and

(5) extend the inclusion of key performance measures that demonstrate program results comprehensively across programs, in order to support the relevant population-level outcomes set forth in 3 V.S.A. § 2311.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2016. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2015. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2016 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serve as the primary source and reference for appropriations for fiscal year 2016.

(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the appropriations are to continue, the appropriations are single-year appropriations and only for the purpose indicated and shall be paid from funds shown as the source of funds. If in this act there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the Commissioner of Finance and Management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2016.

Sec. A.103 DEFINITIONS

(a) As used in this act:

(1) "Encumbrances" means a portion of an appropriation reserved for the subsequent payment of existing purchase orders or contracts. The Commissioner of Finance and Management shall make final decisions on the appropriateness of encumbrances.

(2) "Grants" means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the State for services or supplies and means cash or other direct assistance, including pension contributions.

(3) "Operating expenses" means property management, repair and maintenance, rental expenses, insurance, postage, travel, energy and utilities, office and other supplies, equipment, including motor vehicles, highway materials, and construction, expenditures for the purchase of land and construction of new buildings and permanent improvements, and similar items.

(4) "Personal services" means wages and salaries, fringe benefits, per diems, and contracted third-party services, and similar items.

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the State appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2016, the Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may accept federal funds available to the State of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2016, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2015 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for no more than 45 days prior to Legislative or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint

Fiscal Committee shall meet in an expedited manner to review the Governor's request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized State positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2016 except for new positions authorized by the 2015 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction, nor shall positions created pursuant to the Position Pilot Program authorized in 2014 Acts and Resolves No. 179, Sec. E.100(d).

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds for the upcoming budget year. The sections between E.100 and E.9999 contain language that relates to specific appropriations or government functions, or both. The function areas by section numbers are as follows:

B.100–B.199 and E.100–E.199	General Government
B.200–B.299 and E.200–E.299	Protection to Persons and Property
B.300–B.399 and E.300–E.399	Human Services
B.400–B.499 and E.400–E.499	Labor
B.500–B.599 and E.500–E.599	General Education
B.600–B.699 and E.600–E.699	Higher Education
B.700–B.799 and E.700–E.799	Natural Resources
B.800–B.899 and E.800–E.899	Commerce and Community Development
B.900–B.999 and E.900–E.999	Transportation
B.1000–B.1099 and E.1000–E.1099	Debt Service
B.1100–B.1199 and E.1100–E.1199	One-time and other appropriation actions

(b) The C sections contain any amendments to the current fiscal year and the D sections contain fund transfers and reserve allocations for the upcoming budget year.

Sec. B.100 Secretary of administration - secretary's office

Personal services	3,054,675
Operating expenses	132,239
Total	3,186,914
Source of funds	
General fund	1,371,774
Interdepartmental transfers	1,815,140
Total	3,186,914

Sec. B.101 Secretary of administration - finance

Personal services	1,310,972
Operating expenses	132,091
Total	1,443,063
Source of funds	
Interdepartmental transfers	1,443,063
Total	1,443,063

Sec. B.102 Secretary of administration - workers' compensation insurance

Personal services	1,218,587
Operating expenses	282,937
Total	1,501,524
Source of funds	
Internal service funds	1,501,524
Total	1,501,524

Sec. B.103 Secretary of administration - general liability insurance

Personal services	243,597
Operating expenses	63,231
Total	306,828
Source of funds	
Internal service funds	306,828
Total	306,828

Sec. B.104 Secretary of administration - all other insurance

Personal services	13,677
Operating expenses	19,263
Total	32,940
Source of funds	
Internal service funds	32,940
Total	32,940

Sec. B.104.1 Secretary of administration - VTHR operations

Personal services	1,825,561
Operating expenses	623,105
Total	2,448,666
Source of funds	
Internal service funds	2,448,666
Total	2,448,666

Sec. B.105 Information and innovation - communications and information technology

Personal services	18,249,018
Operating expenses	16,924,990
Total	35,174,008
Source of funds	
Internal service funds	35,174,008
Total	35,174,008

Sec. B.106 Finance and management - budget and management

Personal services	1,120,501
Operating expenses	256,147
Total	1,376,648
Source of funds	
General fund	1,109,412
Interdepartmental transfers	267,236
Total	1,376,648

Sec. B.107 Finance and management - financial operations

Personal services	2,324,110
Operating expenses	495,220
Total	2,819,330
Source of funds	
Internal service funds	2,819,330
Total	2,819,330

Sec. B.108 Human resources - operations

Personal services	7,205,166
Operating expenses	1,074,570
Total	8,279,736
Source of funds	
General fund	1,863,255
Special funds	244,912
Internal service funds	5,634,261

Interdepartmental transfers	537,308
Total	8,279,736

Sec. B.109 Human resources - employee benefits & wellness

Personal services	1,200,821
Operating expenses	559,846
Total	1,760,667
Source of funds	
Internal service funds	1,760,667
Total	1,760,667

Sec. B.110 Libraries

Personal services	1,757,183
Operating expenses	1,658,074
Grants	165,576
Total	3,580,833
Source of funds	
General fund	2,342,682
Special funds	102,563
Federal funds	1,040,195
Interdepartmental transfers	95,393
Total	3,580,833

Sec. B.111 Tax - administration/collection

Personal services	14,064,412
Operating expenses	3,927,031
Total	17,991,443
Source of funds	
General fund	16,477,989
Special funds	1,370,888
Interdepartmental transfers	142,566
Total	17,991,443

Sec. B.112 Buildings and general services - administration

Personal services	678,557
Operating expenses	106,104
Total	784,661
Source of funds	
Interdepartmental transfers	784,661
Total	784,661

Sec. B.113 Buildings and general services - engineering

Personal services	2,689,779
Operating expenses	878,012
Total	3,567,791
Source of funds	
Interdepartmental transfers	3,567,791
Total	3,567,791

Sec. B.114 Buildings and general services - information centers

Personal services	3,557,425
Operating expenses	1,208,041
Grants	33,000
Total	4,798,466
Source of funds	
General fund	680,248
Transportation fund	4,034,714
Special funds	83,504
Total	4,798,466

Sec. B.115 Buildings and general services - purchasing

Personal services	1,060,369
Operating expenses	168,790
Total	1,229,159
Source of funds	
General fund	1,229,159
Total	1,229,159

Sec. B.116 Buildings and general services - postal services

Personal services	659,813
Operating expenses	139,700
Total	799,513
Source of funds	
General fund	83,221
Internal service funds	716,292
Total	799,513

Sec. B.117 Buildings and general services - copy center

Personal services	682,547
Operating expenses	155,713
Total	838,260
Source of funds	

Internal service funds	838,260
Total	838,260

Sec. B.118 Buildings and general services - fleet management services

Personal services	811,437
Operating expenses	185,822
Total	997,259
Source of funds	
Internal service funds	997,259
Total	997,259

Sec. B.119 Buildings and general services - federal surplus property

Personal services	937
Operating expenses	15,399
Total	16,336
Source of funds	
Enterprise funds	16,336
Total	16,336

Sec. B.120 Buildings and general services - state surplus property

Personal services	224,967
Operating expenses	104,471
Total	329,438
Source of funds	
Internal service funds	305,454
Enterprise funds	23,984
Total	329,438

Sec. B.121 Buildings and general services - property management

Personal services	1,010,552
Operating expenses	1,175,607
Total	2,186,159
Source of funds	
Internal service funds	2,186,159
Total	2,186,159

Sec. B.122 Buildings and general services - fee for space

Personal services	14,777,935
Operating expenses	13,947,277
Total	28,725,212
Source of funds	
Internal service funds	28,725,212
Total	28,725,212

Sec. B.124 Executive office - governor's office

Personal services	1,599,215
Operating expenses	473,014
Total	2,072,229
Source of funds	
General fund	1,658,841
Interdepartmental transfers	413,388
Total	2,072,229

Sec. B.125 Legislative council

Personal services	3,410,872
Operating expenses	689,954
Total	4,100,826
Source of funds	
General fund	4,100,826
Total	4,100,826

Sec. B.126 Legislature

Personal services	3,725,991
Operating expenses	3,417,835
Total	7,143,826
Source of funds	
General fund	7,143,826
Total	7,143,826

Sec. B.127 Joint fiscal committee

Personal services	1,508,581
Operating expenses	112,793
Total	1,621,374
Source of funds	
General fund	1,621,374
Total	1,621,374

Sec. B.128 Sergeant at arms

Personal services	574,589
Operating expenses	71,767
Total	646,356
Source of funds	
General fund	646,356
Total	646,356

Sec. B.129 Lieutenant governor

Personal services	155,084
Operating expenses	30,380
Total	185,464
Source of funds	
General fund	185,464
Total	185,464

Sec. B.130 Auditor of accounts

Personal services	3,523,421
Operating expenses	159,831
Total	3,683,252
Source of funds	
General fund	394,171
Special funds	53,145
Internal service funds	3,235,936
Total	3,683,252

Sec. B.131 State treasurer

Personal services	3,194,143
Operating expenses	250,778
Total	3,444,921
Source of funds	
General fund	998,306
Special funds	2,338,561
Interdepartmental transfers	108,054
Total	3,444,921

Sec. B.132 State treasurer - unclaimed property

Personal services	870,217
Operating expenses	268,976
Total	1,139,193
Source of funds	
Private purpose trust funds	1,139,193
Total	1,139,193

Sec. B.133 Vermont state retirement system

Personal services	7,716,353
Operating expenses	1,108,471
Total	8,824,824
Source of funds	

Pension trust funds	8,824,824
Total	8,824,824
Sec. B.134 Municipal employees' retirement system	
Personal services	2,585,489
Operating expenses	655,390
Total	3,240,879
Source of funds	
Pension trust funds	3,240,879
Total	3,240,879
Sec. B.135 State labor relations board	
Personal services	197,431
Operating expenses	43,972
Total	241,403
Source of funds	
General fund	231,827
Special funds	6,788
Interdepartmental transfers	2,788
Total	241,403
Sec. B.136 VOSHA review board	
Personal services	44,903
Operating expenses	15,403
Total	60,306
Source of funds	
General fund	30,153
Interdepartmental transfers	30,153
Total	60,306
Sec. B.137 Homeowner rebate	
Grants	18,200,000
Total	18,200,000
Source of funds	
General fund	18,200,000
Total	18,200,000
Sec. B.138 Renter rebate	
Grants	9,700,000
Total	9,700,000
Source of funds	
General fund	2,910,000

Education fund	6,790,000
Total	9,700,000

Sec. B.139 Tax department - reappraisal and listing payments

Grants	3,425,000
Total	3,425,000
Source of funds	
Education fund	3,425,000
Total	3,425,000

Sec. B.140 Municipal current use

Grants	14,978,851
Total	14,978,851
Source of funds	
General fund	14,978,851
Total	14,978,851

Sec. B.141 Lottery commission

Personal services	1,882,272
Operating expenses	1,222,671
Grants	150,000
Total	3,254,943
Source of funds	
Enterprise funds	3,254,943
Total	3,254,943

Sec. B.142 Payments in lieu of taxes

Grants	6,400,000
Total	6,400,000
Source of funds	
Special funds	6,400,000
Total	6,400,000

Sec. B.143 Payments in lieu of taxes - Montpelier

Grants	184,000
Total	184,000
Source of funds	
Special funds	184,000
Total	184,000

Sec. B.144 Payments in lieu of taxes - correctional facilities

Grants	40,000
Total	40,000

Source of funds	
Special funds	40,000
Total	40,000

Sec. B.145 Total general government

Source of funds	
General fund	78,257,735
Transportation fund	4,034,714
Special funds	10,824,361
Education fund	10,215,000
Federal funds	1,040,195
Internal service funds	86,682,796
Interdepartmental transfers	9,207,541
Enterprise funds	3,295,263
Pension trust funds	12,065,703
Private purpose trust funds	1,139,193
Total	216,762,501

Sec. B.200 Attorney general

Personal services	8,491,876
Operating expenses	1,223,677
Total	9,715,553
Source of funds	
General fund	4,232,072
Special funds	2,017,819
Tobacco fund	348,000
Federal funds	829,609
Interdepartmental transfers	2,288,053
Total	9,715,553

Sec. B.201 Vermont court diversion

Grants	1,996,483
Total	1,996,483
Source of funds	
General fund	1,396,486
Special funds	599,997
Total	1,996,483

Sec. B.202 Defender general - public defense

Personal services	9,875,845
Operating expenses	1,027,999
Total	10,903,844
Source of funds	

General fund	10,265,292
Special funds	638,552
Total	10,903,844

Sec. B.203 Defender general - assigned counsel

Personal services	4,799,403
Operating expenses	49,819
Total	4,849,222
Source of funds	
General fund	4,849,222
Total	4,849,222

Sec. B.204 Judiciary

Personal services	35,186,260
Operating expenses	8,683,467
Grants	76,030
Total	43,945,757
Source of funds	
General fund	38,439,850
Special funds	2,667,462
Tobacco fund	39,871
Federal funds	473,301
Interdepartmental transfers	2,325,273
Total	43,945,757

Sec. B.205 State's attorneys

Personal services	11,190,808
Operating expenses	1,807,815
Total	12,998,623
Source of funds	
General fund	10,328,495
Special funds	102,785
Federal funds	31,000
Interdepartmental transfers	2,536,343
Total	12,998,623

Sec. B.206 Special investigative unit

Personal services	88,000
Grants	1,590,000
Total	1,678,000
Source of funds	
General fund	1,678,000
Total	1,678,000

Sec. B.207 Sheriffs

Personal services	3,827,009
Operating expenses	445,493
Total	4,272,502
Source of funds	
General fund	4,272,502
Total	4,272,502

Sec. B.208 Public safety - administration

Personal services	2,495,022
Operating expenses	2,669,588
Total	5,164,610
Source of funds	
General fund	3,367,381
Federal funds	296,229
Interdepartmental transfers	1,501,000
Total	5,164,610

Sec. B.209 Public safety - state police

Personal services	49,451,041
Operating expenses	8,542,245
Grants	896,000
Total	58,889,286
Source of funds	
General fund	28,998,898
Transportation fund	22,750,000
Special funds	3,265,856
Federal funds	2,294,098
Interdepartmental transfers	1,580,434
Total	58,889,286

Sec. B.210 Public safety - criminal justice services

Personal services	7,871,533
Operating expenses	2,503,895
Total	10,375,428
Source of funds	
General fund	7,056,952
Special funds	1,719,236
Federal funds	1,240,065
Interdepartmental transfers	359,175
Total	10,375,428

Sec. B.211 Public safety - emergency management and homeland security

Personal services	3,935,145
Operating expenses	1,302,179
Grants	14,754,210
Total	19,991,534
Source of funds	
General fund	621,885
Federal funds	19,189,575
Interdepartmental transfers	180,074
Total	19,991,534

Sec. B.212 Public safety - fire safety

Personal services	5,865,973
Operating expenses	2,091,159
Grants	107,000
Total	8,064,132
Source of funds	
General fund	633,349
Special funds	7,028,803
Federal funds	356,980
Interdepartmental transfers	45,000
Total	8,064,132

Sec. B.214 Radiological emergency response plan

Personal services	352,238
Operating expenses	235,710
Grants	1,051,195
Total	1,639,143
Source of funds	
Special funds	1,639,143
Total	1,639,143

Sec. B.215 Military - administration

Personal services	682,752
Operating expenses	354,292
Grants	100,000
Total	1,137,044
Source of funds	
General fund	1,137,044
Total	1,137,044

Sec. B.216 Military - air service contract

Personal services	4,896,594
Operating expenses	935,308
Total	5,831,902
Source of funds	
General fund	471,320
Federal funds	5,360,582
Total	5,831,902

Sec. B.217 Military - army service contract

Personal services	6,304,421
Operating expenses	6,805,910
Total	13,110,331
Source of funds	
Federal funds	13,110,331
Total	13,110,331

Sec. B.218 Military - building maintenance

Personal services	678,770
Operating expenses	819,404
Total	1,498,174
Source of funds	
General fund	1,498,174
Total	1,498,174

Sec. B.219 Military - veterans' affairs

Personal services	722,415
Operating expenses	184,693
Grants	118,984
Total	1,026,092
Source of funds	
General fund	796,084
Special funds	130,008
Federal funds	100,000
Total	1,026,092

Sec. B.220 Center for crime victim services

Personal services	1,497,512
Operating expenses	253,927
Grants	8,840,240
Total	10,591,679

Source of funds	
General fund	1,264,008
Special funds	4,914,287
Federal funds	4,413,384
Total	10,591,679

Sec. B.221 Criminal justice training council

Personal services	1,096,826
Operating expenses	1,409,569
Total	2,506,395
Source of funds	
General fund	2,372,753
Interdepartmental transfers	133,642
Total	2,506,395

Sec. B.222 Agriculture, food and markets - administration

Personal services	1,324,661
Operating expenses	249,202
Grants	189,722
Total	1,763,585
Source of funds	
General fund	944,681
Special funds	488,972
Federal funds	329,932
Total	1,763,585

Sec. B.223 Agriculture, food and markets - food safety and consumer protection

Personal services	3,586,427
Operating expenses	737,012
Grants	2,600,000
Total	6,923,439
Source of funds	
General fund	2,696,919
Special funds	3,296,653
Federal funds	888,939
Global Commitment fund	34,006
Interdepartmental transfers	6,922
Total	6,923,439

Sec. B.224 Agriculture, food and markets - agricultural development

Personal services	1,246,225
Operating expenses	690,516

Grants	936,562
Total	2,873,303
Source of funds	
General fund	1,743,909
Special funds	609,016
Federal funds	478,711
Interdepartmental transfers	41,667
Total	2,873,303

Sec. B.225 Agriculture, food and markets - agricultural resource management and environmental stewardship

Personal services	3,205,184
Operating expenses	681,603
Grants	1,203,080
Total	5,089,867
Source of funds	
General fund	1,940,380
Special funds	1,793,932
Federal funds	1,071,852
Global Commitment fund	56,272
Interdepartmental transfers	227,431
Total	5,089,867

Sec. B.225.1 Agriculture, food and markets - Vermont Agriculture and Environmental Lab

Personal services	1,298,702
Operating expenses	508,830
Total	1,807,532
Source of funds	
General fund	776,525
Special funds	1,031,007
Total	1,807,532

Sec. B.226 Financial regulation - administration

Personal services	1,915,204
Operating expenses	169,190
Total	2,084,394
Source of funds	
Special funds	2,084,394
Total	2,084,394

Sec. B.227 Financial regulation - banking

Personal services	1,617,418
Operating expenses	309,540
Total	1,926,958
Source of funds	
Special funds	1,926,958
Total	1,926,958

Sec. B.228 Financial regulation - insurance

Personal services	5,058,364
Operating expenses	503,064
Total	5,561,428
Source of funds	
Special funds	5,383,512
Federal funds	110,716
Interdepartmental transfers	67,200
Total	5,561,428

Sec. B.229 Financial regulation - captive insurance

Personal services	3,893,968
Operating expenses	485,238
Total	4,379,206
Source of funds	
Special funds	4,379,206
Total	4,379,206

Sec. B.230 Financial regulation - securities

Personal services	768,759
Operating expenses	176,701
Total	945,460
Source of funds	
Special funds	945,460
Total	945,460

Sec. B.232 Secretary of state

Personal services	7,843,350
Operating expenses	2,158,749
Total	10,002,099
Source of funds	
Special funds	8,994,697
Federal funds	932,402

Interdepartmental transfers	75,000
Total	10,002,099

Sec. B.233 Public service - regulation and energy

Personal services	10,430,192
Operating expenses	2,047,077
Grants	3,791,667
Total	16,268,936
Source of funds	
Special funds	14,964,433
Federal funds	1,002,268
ARRA funds	238,000
Interdepartmental transfers	41,667
Enterprise funds	22,568
Total	16,268,936

Sec. B.234 Public service board

Personal services	3,027,893
Operating expenses	452,288
Total	3,480,181
Source of funds	
Special funds	3,480,181
Total	3,480,181

Sec. B.235 Enhanced 9-1-1 Board

Personal services	3,511,243
Operating expenses	283,587
Grants	810,000
Total	4,604,830
Source of funds	
Special funds	4,604,830
Total	4,604,830

Sec. B.236 Human rights commission

Personal services	441,968
Operating expenses	74,904
Total	516,872
Source of funds	
General fund	450,152
Federal funds	66,720
Total	516,872

Sec. B.237 Liquor control - administration

Personal services	3,529,058
Operating expenses	497,522
Total	4,026,580
Source of funds	
Enterprise funds	4,026,580
Total	4,026,580

Sec. B.238 Liquor control - enforcement and licensing

Personal services	2,461,479
Operating expenses	520,453
Total	2,981,932
Source of funds	
Special funds	154,500
Tobacco fund	218,444
Federal funds	254,841
Interdepartmental transfers	46,000
Enterprise funds	2,308,147
Total	2,981,932

Sec. B.239 Liquor control - warehousing and distribution

Personal services	1,041,590
Operating expenses	457,706
Total	1,499,296
Source of funds	
Enterprise funds	1,499,296
Total	1,499,296

Sec. B.240 Total protection to persons and property

Source of funds	
General fund	132,232,333
Transportation fund	22,750,000
Special funds	78,861,699
Tobacco fund	606,315
Federal funds	52,831,535
ARRA funds	238,000
Global Commitment fund	90,278
Interdepartmental transfers	11,454,881
Enterprise funds	7,856,591
Total	306,921,632

Sec. B.300 Human services - agency of human services - secretary's office

Personal services	16,664,613
Operating expenses	3,866,535
Grants	3,226,454
Total	23,757,602
Source of funds	
General fund	6,082,747
Special funds	91,017
Tobacco fund	25,000
Federal funds	12,396,153
Global Commitment fund	499,667
Interdepartmental transfers	4,663,018
Total	23,757,602

Sec. B.301 Secretary's office - global commitment

Operating expenses	4,541,736
Grants	1,372,464,147
Total	1,377,005,883
Source of funds	
General fund	208,728,673
Special funds	26,550,179
Tobacco fund	28,747,141
State health care resources fund	270,712,781
Federal funds	842,227,109
Interdepartmental transfers	40,000
Total	1,377,005,883

Sec. B.302 Rate setting

Personal services	898,044
Operating expenses	98,596
Total	996,640
Source of funds	
Global Commitment fund	996,640
Total	996,640

Sec. B.303 Developmental disabilities council

Personal services	246,454
Operating expenses	67,012
Grants	248,388
Total	561,854
Source of funds	

Federal funds	561,854
Total	561,854

Sec. B.304 Human services board

Personal services	693,325
Operating expenses	89,986
Total	783,311
Source of funds	
General fund	223,361
Federal funds	262,858
Interdepartmental transfers	297,092
Total	783,311

Sec. B.305 AHS - administrative fund

Personal services	350,000
Operating expenses	4,650,000
Total	5,000,000
Source of funds	
Interdepartmental transfers	5,000,000
Total	5,000,000

Sec. B.306 Department of Vermont health access - administration

Personal services	159,623,571
Operating expenses	4,538,736
Grants	18,136,469
Total	182,298,776
Source of funds	
General fund	1,447,997
Special funds	797,332
Federal funds	84,243,588
Global Commitment fund	86,608,315
Interdepartmental transfers	9,201,544
Total	182,298,776

Sec. B.307 Department of Vermont health access - Medicaid program - global commitment

Grants	659,633,970
Total	659,633,970
Source of funds	
Global Commitment fund	659,633,970
Total	659,633,970

Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver

Grants	210,124,188
Total	210,124,188
Source of funds	
General fund	94,492,829
Federal funds	115,631,359
Total	210,124,188

Sec. B.309 Department of Vermont health access - Medicaid program - state only

Grants	39,415,040
Total	39,415,040
Source of funds	
General fund	31,425,153
Global Commitment fund	7,989,887
Total	39,415,040

Sec. B.310 Department of Vermont health access - Medicaid non-waiver matched

Grants	45,030,389
Total	45,030,389
Source of funds	
General fund	18,868,848
Federal funds	26,161,541
Total	45,030,389

Sec. B.311 Health - administration and support

Personal services	7,070,805
Operating expenses	3,280,471
Grants	2,595,000
Total	12,946,276
Source of funds	
General fund	2,579,027
Special funds	1,022,719
Federal funds	5,668,282
Global Commitment fund	3,676,248
Total	12,946,276

Sec. B.312 Health - public health

Personal services	37,391,426
Operating expenses	8,229,404

Grants	39,972,373
Total	85,593,203
Source of funds	
General fund	8,544,109
Special funds	16,854,895
Tobacco fund	2,461,377
Federal funds	38,184,687
Global Commitment fund	18,401,274
Interdepartmental transfers	1,121,861
Permanent trust funds	25,000
Total	85,593,203

Sec. B.313 Health - alcohol and drug abuse programs

Personal services	3,995,245
Operating expenses	392,203
Grants	43,932,842
Total	48,320,290
Source of funds	
General fund	2,873,238
Special funds	442,829
Tobacco fund	1,386,234
Federal funds	9,865,175
Global Commitment fund	33,752,814
Total	48,320,290

Sec. B.314 Mental health - mental health

Personal services	28,575,903
Operating expenses	3,927,176
Grants	184,730,008
Total	217,233,087
Source of funds	
General fund	1,703,391
Special funds	434,904
Federal funds	4,881,255
Global Commitment fund	210,193,537
Interdepartmental transfers	20,000
Total	217,233,087

Sec. B.316 Department for children and families - administration & support services

Personal services	45,539,991
Operating expenses	10,743,788
Grants	1,242,998

Total	57,526,777
Source of funds	
General fund	21,705,290
Special funds	638,986
Federal funds	21,060,049
Global Commitment fund	13,456,637
Interdepartmental transfers	665,815
Total	57,526,777

Sec. B.317 Department for children and families - family services

Personal services	27,279,227
Operating expenses	4,144,297
Grants	68,290,537
Total	99,714,061
Source of funds	
General fund	29,264,732
Special funds	1,691,637
Federal funds	23,442,723
Global Commitment fund	45,178,915
Interdepartmental transfers	136,054
Total	99,714,061

Sec. B.318 Department for children and families - child development

Personal services	6,160,505
Operating expenses	712,850
Grants	74,243,412
Total	81,116,767
Source of funds	
General fund	29,743,122
Special funds	1,820,000
Federal funds	38,248,914
Global Commitment fund	11,304,731
Total	81,116,767

Sec. B.319 Department for children and families - office of child support

Personal services	10,216,130
Operating expenses	3,515,641
Total	13,731,771
Source of funds	
General fund	3,430,564
Special funds	455,718
Federal funds	9,457,889

Interdepartmental transfers	387,600
Total	13,731,771

Sec. B.320 Department for children and families - aid to aged, blind and disabled

Personal services	2,221,542
Grants	11,217,094
Total	13,438,636
Source of funds	
General fund	9,688,636
Global Commitment fund	3,750,000
Total	13,438,636

Sec. B.321 Department for children and families - general assistance

Grants	6,087,010
Total	6,087,010
Source of funds	
General fund	4,680,025
Federal funds	1,111,320
Global Commitment fund	295,665
Total	6,087,010

Sec. B.322 Department for children and families - 3SquaresVT

Grants	28,217,770
Total	28,217,770
Source of funds	
Federal funds	28,217,770
Total	28,217,770

Sec. B.323 Department for children and families - reach up

Operating expenses	86,891
Grants	42,534,036
Total	42,620,927
Source of funds	
General fund	12,308,629
Special funds	23,401,676
Federal funds	4,152,222
Global Commitment fund	2,758,400
Total	42,620,927

Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP

Grants	17,351,664
Total	17,351,664
Source of funds	
Federal funds	17,351,664
Total	17,351,664

Sec. B.325 Department for children and families - office of economic opportunity

Personal services	285,158
Operating expenses	28,069
Grants	8,605,335
Total	8,918,562
Source of funds	
General fund	4,729,667
Special funds	57,990
Federal funds	3,928,417
Global Commitment fund	202,488
Total	8,918,562

Sec. B.326 Department for children and families - OEO - weatherization assistance

Personal services	404,273
Operating expenses	53,717
Grants	8,649,961
Total	9,107,951
Source of funds	
Special funds	8,107,951
Federal funds	1,000,000
Total	9,107,951

Sec. B.327 Department for children and families - Woodside rehabilitation center

Personal services	4,143,010
Operating expenses	656,181
Total	4,799,191
Source of funds	
General fund	913,411
Global Commitment fund	3,788,780
Interdepartmental transfers	97,000
Total	4,799,191

Sec. B.328 Department for children and families - disability determination services

Personal services	5,691,593
Operating expenses	524,133
Total	6,215,726
Source of funds	
Federal funds	5,959,659
Global Commitment fund	256,067
Total	6,215,726

Sec. B.329 Disabilities, aging, and independent living - administration & support

Personal services	29,024,981
Operating expenses	4,985,917
Total	34,010,898
Source of funds	
General fund	11,213,165
Special funds	1,390,457
Federal funds	12,992,255
Global Commitment fund	5,740,234
Interdepartmental transfers	2,674,787
Total	34,010,898

Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants

Grants	20,560,309
Total	20,560,309
Source of funds	
General fund	7,862,665
Federal funds	6,992,730
Global Commitment fund	5,534,924
Interdepartmental transfers	169,990
Total	20,560,309

Sec. B.331 Disabilities, aging, and independent living - blind and visually impaired

Grants	1,411,457
Total	1,411,457
Source of funds	
General fund	349,154
Special funds	223,450
Federal funds	593,853

Global Commitment fund	245,000
Total	1,411,457

Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation

Grants	8,972,255
Total	8,972,255
Source of funds	
General fund	1,371,845
Special funds	70,000
Federal funds	4,552,523
Global Commitment fund	7,500
Interdepartmental transfers	2,970,387
Total	8,972,255

Sec. B.333 Disabilities, aging, and independent living - developmental services

Grants	185,990,025
Total	185,990,025
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857
Global Commitment fund	185,459,580
Total	185,990,025

Sec. B.334 Disabilities, aging, and independent living - TBI home and community based waiver

Grants	5,647,336
Total	5,647,336
Source of funds	
Global Commitment fund	5,647,336
Total	5,647,336

Sec. B.335 Corrections - administration

Personal services	2,335,909
Operating expenses	218,683
Total	2,554,592
Source of funds	
General fund	2,554,592
Total	2,554,592

Sec. B.336 Corrections - parole board

Personal services	241,447
Operating expenses	80,783
Total	322,230
Source of funds	
General fund	322,230
Total	322,230

Sec. B.337 Corrections - correctional education

Personal services	3,252,135
Operating expenses	530,774
Total	3,782,909
Source of funds	
Education fund	3,554,425
Interdepartmental transfers	228,484
Total	3,782,909

Sec. B.338 Corrections - correctional services

Personal services	106,340,950
Operating expenses	21,691,183
Grants	9,872,638
Total	137,904,771
Source of funds	
General fund	131,165,662
Special funds	483,963
Federal funds	470,962
Global Commitment fund	5,387,869
Interdepartmental transfers	396,315
Total	137,904,771

Sec. B.339 Corrections - Correctional services-out of state beds

Personal services	8,009,061
Total	8,009,061
Source of funds	
General fund	8,009,061
Total	8,009,061

Sec. B.340 Corrections - correctional facilities - recreation

Personal services	541,428
Operating expenses	345,501
Total	886,929
Source of funds	

Special funds	886,929
Total	886,929

Sec. B.341 Corrections - Vermont offender work program

Personal services	1,267,964
Operating expenses	548,231
Total	1,816,195
Source of funds	
Internal service funds	1,816,195
Total	1,816,195

Sec. B.342 Vermont veterans' home - care and support services

Personal services	16,173,696
Operating expenses	4,852,498
Total	21,026,194
Source of funds	
General fund	4,482,923
Special funds	8,732,204
Federal funds	7,400,081
Global Commitment fund	410,986
Total	21,026,194

Sec. B.343 Commission on women

Personal services	273,960
Operating expenses	82,404
Total	356,364
Source of funds	
General fund	351,364
Special funds	5,000
Total	356,364

Sec. B.344 Retired senior volunteer program

Grants	151,096
Total	151,096
Source of funds	
General fund	151,096
Total	151,096

Sec. B.345 Green Mountain Care Board

Personal services	8,508,778
Operating expenses	637,600
Total	9,146,378
Source of funds	

General fund	921,851
Special funds	1,412,836
Federal funds	928,466
Global Commitment fund	3,154,685
Interdepartmental transfers	2,728,540
Total	9,146,378

Sec. B.346 Total human services

Source of funds	
General fund	662,344,182
Special funds	95,588,135
Tobacco fund	32,619,752
State health care resources fund	270,712,781
Education fund	3,554,425
Federal funds	1,328,305,215
Global Commitment fund	1,314,332,149
Internal service funds	1,816,195
Interdepartmental transfers	30,798,487
Permanent trust funds	25,000
Total	3,740,096,321

Sec. B.400 Labor - programs

Personal services	26,785,755
Operating expenses	7,609,922
Grants	330,482
Total	34,726,159
Source of funds	
General fund	3,264,327
Special funds	3,363,869
Federal funds	26,941,460
Interdepartmental transfers	1,156,503
Total	34,726,159

Sec. B.401 Total labor

Source of funds	
General fund	3,264,327
Special funds	3,363,869
Federal funds	26,941,460
Interdepartmental transfers	1,156,503
Total	34,726,159

Sec. B.500 Education - finance and administration

Personal services	8,452,624
Operating expenses	2,409,879
Grants	15,811,200
Total	26,673,703
Source of funds	
General fund	3,338,940
Special funds	16,656,256
Education fund	962,145
Federal funds	4,778,175
Global Commitment fund	938,187
Total	26,673,703

Sec. B.501 Education - education services

Personal services	16,454,867
Operating expenses	1,382,706
Grants	114,299,730
Total	132,137,303
Source of funds	
General fund	5,440,726
Special funds	2,425,480
Federal funds	123,005,164
Interdepartmental transfers	1,265,933
Total	132,137,303

Sec. B.502 Education - special education: formula grants

Grants	179,823,434
Total	179,823,434
Source of funds	
Education fund	179,823,434
Total	179,823,434

Sec. B.503 Education - state-placed students

Grants	16,400,000
Total	16,400,000
Source of funds	
Education fund	16,400,000
Total	16,400,000

Sec. B.504 Education - adult education and literacy

Grants	7,351,468
Total	7,351,468

Source of funds	
General fund	787,995
Education fund	5,800,000
Federal funds	763,473
Total	7,351,468

Sec. B.505 Education - adjusted education payment

Grants	1,289,600,000
Total	1,289,600,000
Source of funds	
Education fund	1,289,600,000
Total	1,289,600,000

Sec. B.506 Education - transportation

Grants	17,734,913
Total	17,734,913
Source of funds	
Education fund	17,734,913
Total	17,734,913

Sec. B.507 Education - small school grants

Grants	7,615,000
Total	7,615,000
Source of funds	
Education fund	7,615,000
Total	7,615,000

Sec. B.508 Education - capital debt service aid

Grants	122,000
Total	122,000
Source of funds	
Education fund	122,000
Total	122,000

Sec. B.509 Education - tobacco litigation

Personal services	101,707
Operating expenses	29,115
Grants	635,719
Total	766,541
Source of funds	
Tobacco fund	766,541
Total	766,541

Sec. B.510 Education - essential early education grant

Grants	6,356,188
Total	6,356,188
Source of funds	
Education fund	6,356,188
Total	6,356,188

Sec. B.511 Education - technical education

Grants	13,331,162
Total	13,331,162
Source of funds	
Education fund	13,331,162
Total	13,331,162

Sec. B.512 Education - Act 117 cost containment

Personal services	1,086,783
Operating expenses	148,207
Grants	91,000
Total	1,325,990
Source of funds	
Special funds	1,325,990
Total	1,325,990

Sec. B.513 Appropriation and transfer to education fund

Grants	303,343,381
Total	303,343,381
Source of funds	
General fund	303,343,381
Total	303,343,381

Sec. B.514 State teachers' retirement system

Grants	73,102,909
Total	73,102,909
Source of funds	
General fund	73,102,909
Total	73,102,909

Sec. B.514.1 State teachers' retirement system administration

Personal services	7,978,983
Operating expenses	1,325,835
Total	9,304,818
Source of funds	

Pension trust funds	9,304,818
Total	9,304,818

Sec. B.515 Retired teachers' health care and medical benefits

Grants	15,576,468
Total	15,576,468
Source of funds	
General fund	15,576,468
Total	15,576,468

Sec. B.516 Total general education

Source of funds	
General fund	401,590,419
Special funds	20,407,726
Tobacco fund	766,541
Education fund	1,537,744,842
Federal funds	128,546,812
Global Commitment fund	938,187
Interdepartmental transfers	1,265,933
Pension trust funds	9,304,818
Total	2,100,565,278

Sec. B.600 University of Vermont

Grants	42,509,093
Total	42,509,093
Source of funds	
General fund	38,462,876
Global Commitment fund	4,046,217
Total	42,509,093

Sec. B.601 Vermont Public Television

Grants	271,103
Total	271,103
Source of funds	
General fund	271,103
Total	271,103

Sec. B.602 Vermont state colleges

Grants	24,300,464
Total	24,300,464
Source of funds	
General fund	24,300,464
Total	24,300,464

Sec. B.603 Vermont state colleges - allied health

Grants	1,157,775
Total	1,157,775
Source of funds	
General fund	748,314
Global Commitment fund	409,461
Total	1,157,775

Sec. B.605 Vermont student assistance corporation

Grants	19,414,588
Total	19,414,588
Source of funds	
General fund	19,414,588
Total	19,414,588

Sec. B.606 New England higher education compact

Grants	84,000
Total	84,000
Source of funds	
General fund	84,000
Total	84,000

Sec. B.607 University of Vermont - Morgan Horse Farm

Grants	1
Total	1
Source of funds	
General fund	1
Total	1

Sec. B.608 Total higher education

Source of funds	
General fund	83,281,346
Global Commitment fund	4,455,678
Total	87,737,024

Sec. B.700 Natural resources - agency of natural resources - administration

Personal services	3,450,486
Operating expenses	2,144,118
Grants	125,510
Total	5,720,114
Source of funds	
General fund	4,701,176

Special funds	491,800
Federal funds	270,000
Interdepartmental transfers	257,138
Total	5,720,114

Sec. B.701 Natural resources - state land local property tax assessment

Operating expenses	2,285,299
Total	2,285,299
Source of funds	
General fund	1,863,799
Interdepartmental transfers	421,500
Total	2,285,299

Sec. B.702 Fish and wildlife - support and field services

Personal services	16,199,539
Operating expenses	5,399,047
Grants	2,145,000
Total	23,743,586
Source of funds	
General fund	5,162,155
Special funds	100,000
Fish and wildlife fund	9,291,075
Federal funds	8,991,856
Interdepartmental transfers	197,500
Permanent trust funds	1,000
Total	23,743,586

Sec. B.703 Forests, parks and recreation - administration

Personal services	1,090,003
Operating expenses	663,990
Grants	1,822,730
Total	3,576,723
Source of funds	
General fund	1,099,310
Special funds	1,307,878
Federal funds	1,169,535
Total	3,576,723

Sec. B.704 Forests, parks and recreation - forestry

Personal services	5,230,313
Operating expenses	685,288
Grants	500,700
Total	6,416,301

Source of funds	
General fund	3,848,398
Special funds	1,130,403
Federal funds	1,300,000
Interdepartmental transfers	137,500
Total	6,416,301

Sec. B.705 Forests, parks and recreation - state parks

Personal services	6,845,755
Operating expenses	2,622,212
Total	9,467,967
Source of funds	
General fund	637,328
Special funds	8,830,639
Total	9,467,967

Sec. B.706 Forests, parks and recreation - lands administration

Personal services	508,184
Operating expenses	1,195,754
Total	1,703,938
Source of funds	
General fund	437,559
Special funds	197,629
Federal funds	1,050,000
Interdepartmental transfers	18,750
Total	1,703,938

Sec. B.707 Forests, parks and recreation - youth conservation corps

Grants	520,689
Total	520,689
Source of funds	
General fund	48,307
Special funds	188,382
Federal funds	94,000
Interdepartmental transfers	190,000
Total	520,689

Sec. B.708 Forests, parks and recreation - forest highway maintenance

Personal services	94,000
Operating expenses	85,925
Total	179,925
Source of funds	

General fund	179,925
Total	179,925

Sec. B.709 Environmental conservation - management and support services

Personal services	5,608,526
Operating expenses	790,399
Grants	111,280
Total	6,510,205
Source of funds	
General fund	354,188
Special funds	445,630
Federal funds	1,110,742
Interdepartmental transfers	4,599,645
Total	6,510,205

Sec. B.710 Environmental conservation - air and waste management

Personal services	10,423,688
Operating expenses	8,315,978
Grants	2,044,754
Total	20,784,420
Source of funds	
General fund	442,163
Special funds	16,555,651
Federal funds	3,634,737
Interdepartmental transfers	151,869
Total	20,784,420

Sec. B.711 Environmental conservation - office of water programs

Personal services	16,578,032
Operating expenses	4,911,506
Grants	1,672,015
Total	23,161,553
Source of funds	
General fund	8,240,152
Special funds	6,864,180
Federal funds	6,722,123
Interdepartmental transfers	1,335,098
Total	23,161,553

Sec. B.712 Environmental conservation - tax-loss Connecticut river flood control

Operating expenses	34,700
Total	34,700

Source of funds	
General fund	3,470
Special funds	31,230
Total	34,700

Sec. B.713 Natural resources board

Personal services	2,733,698
Operating expenses	236,618
Total	2,970,316
Source of funds	
General fund	639,419
Special funds	2,330,897
Total	2,970,316

Sec. B.714 Total natural resources

Source of funds	
General fund	27,657,349
Special funds	38,474,319
Fish and wildlife fund	9,291,075
Federal funds	24,342,993
Interdepartmental transfers	7,309,000
Permanent trust funds	1,000
Total	107,075,736

Sec. B.800 Commerce and community development - agency of commerce and community development - administration

Personal services	2,794,805
Operating expenses	813,675
Grants	4,322,627
Total	7,931,107
Source of funds	
General fund	3,391,307
Special funds	3,569,800
Federal funds	800,000
Interdepartmental transfers	170,000
Total	7,931,107

Sec. B.801 Economic development

Personal services	3,293,135
Operating expenses	1,016,566
Grants	1,921,821
Total	6,231,522
Source of funds	

General fund	4,563,634
Special funds	929,650
Federal funds	738,238
Total	6,231,522

Sec. B.802 Housing & community development

Personal services	6,938,851
Operating expenses	892,571
Grants	1,441,987
Total	9,273,409
Source of funds	
General fund	2,536,040
Special funds	4,530,732
Federal funds	2,064,555
Interdepartmental transfers	142,082
Total	9,273,409

Sec. B.804 Community development block grants

Grants	6,174,938
Total	6,174,938
Source of funds	
Federal funds	6,174,938
Total	6,174,938

Sec. B.805 Downtown transportation and capital improvement fund

Personal services	88,815
Grants	335,151
Total	423,966
Source of funds	
Special funds	423,966
Total	423,966

Sec. B.806 Tourism and marketing

Personal services	1,220,033
Operating expenses	1,841,289
Grants	167,530
Total	3,228,852
Source of funds	
General fund	3,128,852
Interdepartmental transfers	100,000
Total	3,228,852

Sec. B.807 Vermont life	
Personal services	806,790
Operating expenses	61,990
Total	868,780
Source of funds	
Enterprise funds	868,780
Total	868,780
Sec. B.808 Vermont council on the arts	
Grants	645,307
Total	645,307
Source of funds	
General fund	645,307
Total	645,307
Sec. B.809 Vermont symphony orchestra	
Grants	141,214
Total	141,214
Source of funds	
General fund	141,214
Total	141,214
Sec. B.810 Vermont historical society	
Grants	947,620
Total	947,620
Source of funds	
General fund	947,620
Total	947,620
Sec. B.811 Vermont housing and conservation board	
Grants	21,935,605
Total	21,935,605
Source of funds	
Special funds	10,682,396
Federal funds	11,253,209
Total	21,935,605
Sec. B.812 Vermont humanities council	
Grants	217,959
Total	217,959
Source of funds	

General fund	217,959
Total	217,959

Sec. B.813 Total commerce and community development

Source of funds	
General fund	15,571,933
Special funds	20,136,544
Federal funds	21,030,940
Interdepartmental transfers	412,082
Enterprise funds	868,780
Total	58,020,279

Sec. B.900 Transportation - finance and administration

Personal services	11,125,599
Operating expenses	2,359,830
Grants	245,000
Total	13,730,429
Source of funds	
Transportation fund	12,690,489
Federal funds	1,039,940
Total	13,730,429

Sec. B.901 Transportation - aviation

Personal services	2,669,668
Operating expenses	11,883,200
Grants	204,000
Total	14,756,868
Source of funds	
Transportation fund	4,667,668
Federal funds	9,954,000
Local match	135,200
Total	14,756,868

Sec. B.902 Transportation - buildings

Operating expenses	2,000,000
Total	2,000,000
Source of funds	
Transportation fund	2,000,000
Total	2,000,000

Sec. B.903 Transportation - program development

Personal services	45,225,656
Operating expenses	195,303,472

Grants	35,813,117
Total	276,342,245
Source of funds	
Transportation fund	38,361,065
TIB fund	11,033,002
Special funds	25,000
Federal funds	225,808,772
Local match	1,114,406
Total	276,342,245

Sec. B.904 Transportation - rest areas construction

Operating expenses	625,000
Total	625,000
Source of funds	
Transportation fund	62,500
Federal funds	562,500
Total	625,000

Sec. B.905 Transportation - maintenance state system

Personal services	43,784,445
Operating expenses	43,190,139
Grants	95,000
Total	87,069,584
Source of funds	
Transportation fund	82,469,447
Federal funds	4,500,137
Interdepartmental transfers	100,000
Total	87,069,584

Sec. B.906 Transportation - policy and planning

Personal services	3,209,333
Operating expenses	685,773
Grants	6,112,542
Total	10,007,648
Source of funds	
Transportation fund	2,065,384
Federal funds	7,942,264
Total	10,007,648

Sec. B.907 Transportation - rail

Personal services	4,746,680
Operating expenses	30,032,151
Grants	370,000

Total	35,148,831
Source of funds	
Transportation fund	15,414,997
TIB fund	564,364
Federal funds	19,169,470
Total	35,148,831

Sec. B.908 Transportation - public transit

Personal services	1,100,718
Operating expenses	187,326
Grants	25,833,991
Total	27,122,035
Source of funds	
Transportation fund	7,669,114
Federal funds	19,452,921
Total	27,122,035

Sec. B.909 Transportation - central garage

Personal services	4,508,403
Operating expenses	15,801,157
Total	20,309,560
Source of funds	
Internal service funds	20,309,560
Total	20,309,560

Sec. B.910 Department of motor vehicles

Personal services	17,566,584
Operating expenses	9,426,323
Total	26,992,907
Source of funds	
Transportation fund	25,303,741
Federal funds	1,689,166
Total	26,992,907

Sec. B.911 Transportation - town highway structures

Grants	9,483,500
Total	9,483,500
Source of funds	
Transportation fund	9,483,500
Total	9,483,500

Sec. B.912 Transportation - town highway local technical assistance program

Grants	394,700
Total	394,700
Source of funds	
Transportation fund	239,700
Federal funds	155,000
Total	394,700

Sec. B.913 Transportation - town highway class 2 roadway

Grants	7,248,750
Total	7,248,750
Source of funds	
Transportation fund	7,248,750
Total	7,248,750

Sec. B.914 Transportation - town highway bridges

Personal services	4,250,000
Operating expenses	18,681,001
Grants	25,000
Total	22,956,001
Source of funds	
Transportation fund	1,058,925
TIB fund	1,901,221
Federal funds	18,671,176
Local match	1,324,679
Total	22,956,001

Sec. B.915 Transportation - town highway aid program

Grants	25,982,744
Total	25,982,744
Source of funds	
Transportation fund	25,982,744
Total	25,982,744

Sec. B.916 Transportation - town highway class 1 supplemental grants

Grants	128,750
Total	128,750
Source of funds	
Transportation fund	128,750
Total	128,750

Sec. B.917 Transportation - town highway: state aid for nonfederal disasters

Grants	1,150,000
Total	1,150,000
Source of funds	
Transportation fund	1,150,000
Total	1,150,000

Sec. B.918 Transportation - town highway: state aid for federal disasters

Grants	1,440,000
Total	1,440,000
Source of funds	
Transportation fund	160,000
Federal funds	1,280,000
Total	1,440,000

Sec. B.919 Transportation - municipal mitigation grant program

Grants	650,000
Total	650,000
Source of funds	
Transportation fund	440,000
Federal funds	180,000
Interdepartmental transfers	30,000
Total	650,000

Sec. B.920 Transportation - public assistance grant program

Grants	33,865,000
Total	33,865,000
Source of funds	
Special funds	1,965,000
Federal funds	31,900,000
Total	33,865,000

Sec. B.921 Transportation board

Personal services	193,548
Operating expenses	30,886
Total	224,434
Source of funds	
Transportation fund	224,434
Total	224,434

Sec. B.922 Total transportation

Source of funds	
Transportation fund	236,821,208
TIB fund	13,498,587
Special funds	1,990,000
Federal funds	342,305,346
Internal service funds	20,309,560
Interdepartmental transfers	130,000
Local match	2,574,285
Total	617,628,986

Sec. B.1000 Debt service

Operating expenses	73,569,975
Total	73,569,975
Source of funds	
General fund	67,337,515
Transportation fund	1,946,969
TIB debt service fund	2,504,913
Special funds	628,420
ARRA funds	1,152,158
Total	73,569,975

Sec. B.1001 Total debt service

Source of funds	
General fund	67,337,515
Transportation fund	1,946,969
TIB debt service fund	2,504,913
Special funds	628,420
ARRA funds	1,152,158
Total	73,569,975

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2016, $2,993,000 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of $1,552,500 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of $992,500 is transferred to the Vermont Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this

amount, $350,000 shall be allocated for competitive grants for internships through the Vermont Career Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Technical Education Programs. The amount of $360,000 is appropriated to the Department of Labor in consultation with the State Workforce Investment Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of $200,000 is appropriated to the Agency of Commerce and Community Development to issue performance grants to the University of Vermont and the Vermont Center for Emerging Technologies for patent development and commercialization of technology and to enhance the development of high technology businesses and Next Generation employment opportunities throughout Vermont.

(2) Loan repayment. The amount of $171,000 as follows:

(A) Large animal veterinarians' loan forgiveness. The amount of $30,000 is appropriated to the Agency of Agriculture, Food and Markets for a loan forgiveness program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(B) Science Technology Engineering and Math (STEM) incentive. The amount of $141,000 is appropriated to the Agency of Commerce and Community Development for an incentive payment pursuant to 2011 Acts and Resolves No. 52, Sec. 6.

(3) Scholarships and grants. The amount of $1,269,500 as follows:

(A) Nondegree VSAC grants. The amount of $494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed $3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of $150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs and need-based stipend. The amount of $625,000 is appropriated to the Agency of Education for dual enrollment

programs consistent with 16 V.S.A. § 944(f)(2) of which amount $25,000 is transferred to the Vermont Student Assistance Corporation for need based stipends pursuant to Sec. E.605.1 of this act.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2017 NEXT GENERATION FUND DISTRIBUTION

(a) The Department of Labor, in coordination with the Agency of Commerce and Community Development, the Agency of Human Services, and the Agency of Education, and in consultation with the State Workforce Investment Board, shall recommend to the Governor on or before December 1, 2015 how $2,993,000 from the Next Generation Fund should be allocated or appropriated in fiscal year 2017 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The State agencies and departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

Sec. B.1101 VERMONT VETERANS' HOME; TRANSITION FUNDING

(a) In fiscal year 2016, $1,000,000 of general funds is appropriated to the Vermont Veterans' Home. The funds are in addition to the appropriation in Sec. B.342 of this act and are intended to provide one-time bridge funding for the Vermont Veterans' Home.

Sec. B.1102 SPECIAL FUND APPROPRIATION FOR TAX COMPUTER SYSTEMS

(a) The amount of $15,500,000 is appropriated to the Department of Taxes from the Tax Computer System Modernization Special Fund established pursuant to 2007 Acts and Resolves No. 65, Sec. 282, as amended by 2011 Acts and Resolves No. 63, Sec. C.103 and 2013 Acts and Resolves No.1, Sec. 65, and as further amended by 2014 Acts and Resolves No. 95, Sec. 62. This appropriation shall carry forward through fiscal year 2024. The Commissioner of Finance and Management may anticipate receipts in accordance with 32 V.S.A. § 588(4)(C).

Sec. B.1103 FISCAL YEAR 2016 STATEWIDE OPERATIONAL REDUCTIONS

(a) Information Technology Charges: In fiscal year 2016 the Secretary of Administration shall reduce the general funds appropriated statewide, to include all branches of State government by a total amount of $400,000. This reduction reflects reductions in the internal services charged to agencies as a result of actions taken in the Department of Information and Innovation to provide general services or specific projects in a more cost-effective manner to its State government customers.

(b) Human Resources: In fiscal year 2016 the Secretary of Administration shall reduce the general funds appropriated to the Executive Branch of State government by a total amount of $44,000. This reduction reflects the reduction in human resources internal services charged to agencies specifically related to maintaining the supervisory training unit at fiscal year 2015 staffing levels and postponing full implementation of this new initiative.

(c) Buildings and General Services: In fiscal year 2016 the Secretary of Administration shall reduce the general funds appropriated statewide to include all branches of State government by a total amount of $470,000 from the internal services charged by the Department of Buildings and General Services programs as follows:

(1) Facilities operations efficient use of space: $300,000 of which $120,000 is General Fund. The Commissioner is authorized to undertake consolidations of owned or leased space, and the sale of State-owned lands or buildings not currently used and not slated for reuse. In fiscal year 2016, proceeds from the sale of State-owned real property made as a result of this section shall be reserved for future expenses identified within an overall State space/facilities strategic plan that aligns future space operating costs with a sustainable budget.

(2) Energy efficiency: Resulting from the initiative in Sec. E.112 of this act, a total of $100,000 is General Fund.

(3) Fleet and mileage reimbursement: $625,000 of which $250,000 is General Fund. From more efficient management of the assets of the fleet program which may include longer life cycles for the assets, a lower cost basis for newly acquired assets, and management control of travel resulting in reduced reimbursement for miles traveled in private vehicles.

(d) Fuel Pricing: In fiscal year 2016 the Secretary of Administration shall reduce the appropriated general funds, and other funds transferrable to the General Fund, in all branches of State government, by a total amount of $1,000,000 for fuel, gasoline, and other expenses.

Sec. B.1104 SECRETARY OF ADMINISTRATION; FISCAL YEAR 2016 PERSONNEL AND LABOR COST SAVINGS

(a) The Secretary of Administration shall reduce fiscal year 2016 appropriations and make transfers to the General Fund for a total of $5,000,000 and the Transportation Fund for a total of $1,500,000 from personnel and labor cost savings.

Sec. B.1104.1 STATE EMPLOYEE RETIREMENT INCENTIVE

(a)(1) An individual who is employed by the Executive Branch of State government on July 1, 2015 and participates in either the defined benefit or defined contribution plan, was hired prior to July 1, 2008, and has at least 30 years of service or is age 62 with at least five years of service as of August 1, 2015, and does not initiate the purchase of any additional service credit after May 1, 2015, shall be eligible for the retirement incentive set forth in this section.

(2) An individual who is employed by the Executive Branch of State government on July 1, 2015 and participates in either the defined benefit or defined contribution plan, was hired on or after July 1, 2008, and has a combination of years of service and age that equals 87 or more, or is age 65 with at least five years of service as of August 1, 2015, and does not initiate the purchase of any additional service credit after May 1, 2015, shall be eligible for the retirement incentive set forth in this section.

(3) The Retirement Division of the State Treasurer's Office shall offer the retirement incentive to all eligible employees. If more than 300 eligible employees apply, the Retirement Division shall utilize a lottery system to limit the incentive to no more than 300 employees.

(4) If an employee applies for retirement by August 31, 2015 for a retirement effective October 1, 2015, the employee shall be entitled to:

(A) $750 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service;

(B) $1,000 per year of service if the employee has 15 years of creditable service or more.

(b) Upon approval from the Secretary of Administration, an agency or department with multiple retiring employees may request authority to stagger the retirement dates of individual employees in order to continue the normal operation of business. However, no retirement date shall be later than March 1, 2016.

(c) The incentive set forth in subsection (a) of this section shall not exceed $15,000 per employee. An employee shall receive the retirement incentive in two equal payments in fiscal years 2016 and 2017. The first payment shall be made within 90 days of the retirement date. The second payment shall be made within 30 days of the one-year anniversary of the retirement date. The retirement incentive shall not be paid from the Vermont State Retirement Fund as set forth in 3 V.S.A. § 473.

(d) No employee who receives the incentive set forth in subsection (a) of this section may return to State employment for at least one year from his or her retirement date unless otherwise approved by the Secretary of Administration.

(e) The Joint Fiscal Committee shall be notified of any employees who have received the incentive set forth in subsection (a) of this section and who returns to State employment within one year of the retirement date.

(f) The retirement incentive set forth in subsection (a) of this section shall be considered severance pay that shall disqualify the individual receiving it from unemployment compensation benefits under 21 V.S.A. § 1344(a)(5)(C).

(g) The Joint Fiscal Committee may vote to increase the number of individuals who are eligible for the retirement incentive set forth in this section.

(h) The State Treasurer shall report the number of individuals applying for the retirement incentive set forth in this section by agency to the Joint Fiscal Committee by September 8, 2015.

(i) Members of the Vermont State Retirement System who are not employed by the State of Vermont shall not be eligible for the retirement incentive set forth in this section.

(j) In order to realize cost savings to State government, at least three-fourths of the number of positions vacated as a result of this retirement incentive program must remain vacant and unfunded. No later than January 15, 2016, the Secretary of Administration shall report to the General Assembly a listing of those positions which will remain vacant and unfunded.

Sec. B.1105 2014 Acts and Resolves No.160, Sec. 9 is amended to read:

Sec. 9. PAY ACT APPROPRIATIONS

* * *

(a)(2)(A) General Fund. The amount of ~~$8,480,001.00~~ $2,868,165.00 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2016 collective bargaining agreements and the requirements of this act.

* * *

(b)(2)(B) Fiscal Year 2016. The amount of ~~$1,044,179.00~~ $944,000.00 is appropriated from the General Fund to the Judiciary to fund the fiscal year 2016 collective bargaining agreement and the requirements of this act.

* * *

(c)(2) Fiscal Year 2016. The amount of ~~$283,000.00~~ $183,000.00 is appropriated from the General Fund to the Legislative Branch.

Sec. B.1106 FISCAL YEAR 2016 PERSONNEL, LABOR, AND ADMINISTRATIVE COST SAVINGS; RECOMMENDATIONS

(a) For purposes of carrying out the personnel, labor, and administrative cost reductions provided for in sections B.1104, B.1104.1, and B.1105 of this act as it relates to the Executive Branch of State government, the General Assembly encourages the Administration to do the following:

(1) target positions for layoff that are distributed proportionally across management, supervisory, and line positions and across exempt and classified positions in any reduction in force;

(2) provide that exempt salary increases are targeted to benefit those who earn average or below average wages;

(3) reduce the amount of employee travel and encourage telephone and Internet meeting technologies whenever possible;

(4) reduce the amount of overtime that State employees are authorized to work;

(5) identify and reduce nonessential operating expenses; and

(6) identify opportunities to reduce personnel costs through increasing or decreasing the number of State employees or the use of outsourcing.

(b) The Secretary of Administration shall provide a report to the Joint Fiscal Committee in November 2015 on the progress of meeting personnel, labor, and other cost reductions and the uptake of the retirement incentive in Sec. B.1104.1 of this act.

Sec. B.1107 VERMONT INTERACTIVE TECHNOLOGIES FUNDING THROUGH DECEMBER 31, 2015

(a) Vermont Interactive Technologies is anticipated to cease operations on December 31, 2015. State funding for the period of July 1, 2015 through December 31, 2015 is provided as follows:

(1) $220,000 as provided in the capital construction bill (H.492) of 2015.

(2) $220,000 is appropriated in fiscal year 2016 from the Global Commitment Fund to the Agency of Human Services and shall be granted to Vermont State Colleges for the health care education and training programming conducted through Vermont Interactive Technologies between July 1, 2015 and December 31, 2015. The State match for this appropriation is made in Sec. C.104 of this act.

Sec. B.1108 32 V.S.A. § 1282 is added to read:

§ 1282. OFFICER COMPENSATION; VOLUNTARY DECREASE

An officer whose compensation is established by this chapter may choose to be compensated at a lower rate.

Sec. B.1109 32 V.S.A. § 1002 is amended to read:

§ 1002. SALARY OF GOVERNOR-ELECT

* * *

(b) The Governor-Elect shall be entitled to receive a salary of 70 percent of the regular weekly salary of the Governor for the period before a new Governor qualifies for office. This amount shall be reduced by the amount the Governor-Elect receives from the State during this period for services performed in fulfilling the duties of any office to which he or she was elected or appointed.

Sec. B.1110 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

* * *

(c) The ~~annual salaries of the~~ officers of the Judicial Branch named below shall be entitled to annual salaries as follows:

* * *

Sec. B.1111 32 V.S.A. § 1012 is amended to read:

§ 1012. PUBLIC SERVICE BOARD

The ~~annual salary of the Chairperson~~ Chair of the Public Service Board shall be entitled to an annual salary that is the same ~~as fixed for~~ annual salary to which each Superior Court judge is entitled. The ~~annual salary of each of the~~ other members of the Public Service Board, each of whom shall serve on a part-time basis, shall be entitled to an annual salary equal to two-thirds of ~~that of~~ the annual salary to which the ~~Chairperson~~ Chair is entitled. The annual salary of the clerk of such Board shall be fixed by the Board with the approval of the Governor.

Sec. B.1112 32 V.S.A. § 1051 is amended to read:

§ 1051. SPEAKER OF THE HOUSE; PRESIDENT PRO TEMPORE

(a) The Speaker of the House and the President Pro Tempore of the Senate shall be entitled to receive annual compensation of $10,080.00 for the 2005 Biennial Session and thereafter to be paid in biweekly payments; provided that, beginning on January 1, 2007, the annual compensation shall be adjusted

annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement. In addition to the annual compensation, the Speaker and President Pro Tempore shall be entitled to receive:

* * *

Sec. B.1112.1 2 V.S.A. § 63 is amended to read:

§ 63. SALARY

(a) The base salary for the ~~sergeant-at-arms~~ Sergeant at Arms shall be ~~$42,675.00 as of July 8, 2007~~ $47,917.00 as of January 1, 2015 provided that, beginning on July 1, 2015 and annually thereafter, this compensation shall be adjusted by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement.

(b) The ~~joint rules committee~~ Joint Rules Committee may establish the starting salary for the ~~sergeant at arms~~ Sergeant at Arms, ranging from the base salary to a salary ~~which~~ that is 30 percent above the base salary. The maximum salary for the ~~sergeant at arms~~ Sergeant at Arms shall be 50 percent above the base salary.

Sec. B.1113 32 V.S.A. § 1141 is amended to read:

§ 1141. ASSISTANT JUDGES

(a)(1) ~~The compensation of each~~ Each assistant judge of the Superior Court shall be entitled to receive compensation in the amount of $156.49 a day as of July 13, 2014 and $161.65 a day as of July 12, 2015 for time spent in the performance of official duties and necessary expenses as allowed to classified State employees. Compensation under this section shall be based on a two-hour minimum and hourly thereafter.

(2)(A) The compensation paid to an assistant judge pursuant to this section shall be paid by the State except as provided in subdivision (B) of this subdivision (2).

(B) The compensation paid to an assistant judge pursuant to this section shall be paid by the county at the State rate established in subdivision (a)(1) of this section when an assistant judge is sitting with a presiding Superior judge in the Civil or Family Division of the Superior Court.

(b) Assistant judges of the Superior Court shall be entitled to receive pay for such days as they attend Court when it is in actual session, or during a Court recess when engaged in the special performance of official duties.

Sec. B.1114 32 V.S.A. § 1142 is amended to read:

§ 1142. PROBATE JUDGES

(a) The ~~annual salaries of the~~ Probate judges in the several Probate Districts shall be entitled to receive the following annual salaries, which shall be paid by the State in lieu of all fees or other compensation~~, shall be as follows~~:

* * *

(b) Probate judges shall be entitled to be paid by the State for their actual and necessary expenses under the rules and regulations pertaining to classified State employees. The compensation for the Probate judge of the Chittenden District shall be for full-time service.

* * *

Sec. B.1115 32 V.S.A. § 1182 is amended to read:

§ 1182. SHERIFFS

(a) The ~~annual salaries of the~~ sheriffs of all counties except Chittenden shall be entitled to receive salaries in the amount of $72,508.00 as of July 13, 2014 and $74,901.00 as of July 12, 2015. The ~~annual salary of the sheriff~~ Sheriff of Chittenden County shall be entitled to an annual salary in the amount of $76,732.00 as of July 13, 2014 and $79,264.00 as of July 12, 2015.

* * *

Sec. B.1116 32 V.S.A. § 1183 is amended to read:

§ 1183. STATE'S ATTORNEYS

(a) The ~~annual salaries of~~ State's Attorneys shall be entitled to receive annual salaries as follows:

* * *

Sec. B.1117 PSAP; TRANSITION FUNDING

(a) In addition to the PSAP funding in Sec. B.235 of this act, in fiscal year 2016, $425,000 of E-911 funds is appropriated to the Department of Public Safety for the purposes of Sec. E.208.1 of this act.

Sec. C.100 2014 Acts and Resolves No. 179, Sec. C.108 is amended to read:

Sec. C.108 INTERIM STUDY ON THE FEASIBILITY OF ESTABLISHING A PUBLIC RETIREMENT PLAN

* * *

(d) Report. By January 15, ~~2015~~ 2016, the Committee shall report to the General Assembly its findings and any recommendations for legislative action.

In its report, the Committee shall state its findings as to every factor set forth in subdivision (c)(1)(A) of this section, whether it recommends that a public retirement plan be created, and the reasons for that recommendation. If the Committee recommends that a public retirement plan be created, the Committee's report shall include specific recommendations as to the factors listed in subdivision (c)(1)(B) of this section.

(e) Meetings; term of Committee; chair. The Committee may meet no more than six times and shall cease to exist on January 15, ~~2015~~ 2016. The State Treasurer shall serve as Chair of the Committee and shall call the first meeting.

* * *

Sec. C.101 BLUE RIBBON COMMISSION ON FINANCING HIGH QUALITY, AFFORDABLE CHILD CARE

(a) Creation. The Secretary of Administration shall establish a Blue Ribbon Commission on Financing High Quality, Affordable Child Care.

(b) Purpose. The purposes of the Commission are as follows:

(1) to inventory and review reports and recommendations issued over the past 10 years relating to high quality, affordable child care;

(2) to determine the elements inherent in all quality child care programs; and

(3) to make recommendations to the General Assembly and the Governor on the most effective use of existing public funding and additional opportunities.

(c) The Blue Ribbon Commission will collaborate and work to support goals and strategies within the Vermont Early Childhood Framework and the accompanying Vermont Early Childhood Action Plan.

(d) The goals of the Commission are as follows:

(1) To determine the total costs of providing equal access to voluntary, high quality, early care and education for all Vermont children, ages birth through five. The Commission shall consider the needs and preferences of families, which may range along a continuum from partial day or partial year services to full day or full year services and include nontraditional work hours as well as usual business hours or a combination of these. The Commission shall also consider various family compositions and income levels, and recommend the amount that families should pay toward the costs of high quality, early care and education based on a sliding scale.

(2) To work in coordination with the ongoing efforts of Vermont's Early Learning Challenge – Race to the Top grant, Vermont's PreK Expansion Grant, and Vermont's implementation of 2014 Acts and Resolves No. 166 – Universal PreK.

(3) To examine current policies in Vermont's Child Care Financial Assistance Program (CCFAP) in relation to national trends and innovation in subsidy practice, as well as the relationship between CCFAP and other public benefits, taking into consideration the overall impact on families, and recommend changes to maximize the use of CCFAP to support affordable access to high quality, early care and education for eligible families.

(4) To review and identify all potentially available funding for high quality, affordable early care and education.

(5) To explore possible funding sources for equal access to voluntary, high quality, early care and education for all of Vermont children, ages birth through five, including investigating child care tax credits, identifying possible revenue from health care reform, from changes in the education system, from possible funding generating systems such as fees, and possible reallocation or expansion of tax and fee revenues.

(e) Membership. The Commission shall consist of members to be selected as follows:

(1) the Secretary of Education or designee;

(2) the Secretary of Administration or designee;

(3) the Secretary of Human Services or designee;

(4) the following members appointed by the Governor:

(A) a representative from the Department for Children and Families, Child Development Division;

(B) a representative from higher education;

(C) three representatives of the Vermont business community;

(D) a representative of the financial services industry in the State;

(E) a representative of licensed and registered home-based early learning and development programs in the State;

(F) a representative of licensed center-based early learning and development programs in the State;

(G) a representative of Head Start;

(H) a representative of the Parent Child Centers;

(I) two parents of children enrolled in an early care and education program in the State, one of whom is serving in the military;

(J) a representative of a child advocacy group; and

(K) a representative from the Building Bright Futures State Council.

(f) The Chair shall be the Secretary of Administration or designee and the first meeting of the Commission shall be held on or before July 15, 2015.

(g) The Commission shall have the administrative, technical, and legal assistance of the Secretary of Administration.

(h) The Commission shall report on its findings to the Governor and to the Senate Committees on Education, on Finance, and on Health and Welfare and to the House Committees on Education, on Human Services, and on Ways and Means on or before November 1, 2016.

Sec. C.102 2015 Acts and Resolves No. 4, Sec. 61(a)(4) is amended to read:

(4) The following amounts shall be transferred to the Transportation Infrastructure Bond Fund from the Transportation Fund: ~~3,150,000.00~~ 2,500,000.00

Sec. C.102.1 CONTINGENT SPENDING AUTHORITY; DELAYED PROJECTS; PAVING PROGRAM ACTIVITIES

(a) As used in this section:

(1) The phrase "net balance" means an overall positive balance consisting of either the sum of any unreserved monies in the Transportation Fund and TIB Fund remaining at the end of fiscal year 2015, or the overall positive balance in either Fund at the end of fiscal year 2015 after subtracting any deficit in the other Fund.

(2) The phrase "net increase" means an overall increase in forecasted revenues under the July 2015 consensus revenue forecast over the January 2015 consensus revenue forecast for fiscal year 2016, consisting of either the sum of forecasted increases in Transportation Fund and TIB Fund revenues, or an overall increase in forecasted revenues after subtracting a forecasted downgrade in either Fund.

(b) Subject to the funding of the Transportation Fund Stabilization Reserve in accordance with 32 V.S.A. § 308a and to the limitations of 19 V.S.A. § 11f (Transportation Infrastructure Bond Fund), and notwithstanding 32 V.S.A. § 308c (Transportation Fund Balance Reserve), if any net balance exists at the end of fiscal year 2015, or if there is a net increase in the July 2015 consensus revenue forecast for fiscal year 2016, up to a total amount of $3,000,000.00 of the net balance and the net increase, and up to a total amount of

$12,000,000.00 in matching federal funds, is hereby appropriated to be used on a project that otherwise would be required to be delayed under the terms of the fiscal year 2016 Transportation Program approved by the General Assembly.

(c) If the full amount of any net balance and net increase is not expended under subsection (b) of this section, the remaining amount is hereby appropriated to advance Paving Program projects or to increase Statewide Paving Program activities authorized in fiscal year 2016 in the Transportation Program approved by the General Assembly.

(d) If the Agency expends funds under the authority of this section, it shall notify the House and Senate Committees on Transportation when the General Assembly is in session, or the Joint Transportation Oversight Committee when the General Assembly is not in session.

Sec. C.103 32 V.S.A. § 704 is amended to read:

§ 704. INTERIM BUDGET AND APPROPRIATION ADJUSTMENTS

(a) The General Assembly recognizes that acts of appropriations and their sources of funding reflect the priorities for expenditures of public funds enacted by the Legislature, and that major reductions or ~~adjustments~~ transfers, when required by reduced State revenues or other reasons, ought to be made whenever possible by an act of the Legislature reflecting its revisions of those priorities. Nevertheless, ~~if~~ the General Assembly also recognizes that when it is not in session, it may be necessary to reduce authorized appropriations and their sources of funding ~~may be adjusted~~, and funds may need to be transferred, to maintain a balanced State budget. Under these limited circumstances, it is the intent of the General Assembly that appropriations may be reduced and funds transferred when the General Assembly is not in session pursuant to the provisions of this section.

(b)(1) ~~If the official State revenue estimates of the Emergency Board for the General Fund, the Transportation Fund, or federal funds, determined under section 305a of this title have been reduced by one percent or more from the estimates determined and assumed for purposes of the general appropriations act or budget adjustment act, and if the General Assembly is not in session, in order to adjust appropriations and their sources of funding under this subdivision, the Secretary shall prepare a plan for approval by the Joint Fiscal Committee, and authorized appropriations and their sources of funding may be adjusted and funds transferred pursuant to a plan approved under this section~~ Except as otherwise provided in subsection (f) of this section, in each instance that the official State revenue estimate for the General Fund, the Transportation Fund, or federal funds has been reduced by one percent or more from the estimates determined and assumed for purposes of the current fiscal year's appropriations, the Secretary of Administration shall prepare an

expenditure reduction plan for approval by the Joint Fiscal Committee, provided that any total reductions in appropriations and transfers of funds are not greater than the reductions in the official State revenue estimate.

(2) ~~If the Secretary of Administration determines that the current fiscal year revenues for the General Fund, Transportation Fund, or federal funds are likely to be reduced from the official revenue estimates by less than one percent, the Secretary may prepare and implement an expenditure reduction plan, and implement appropriations reductions in accordance with the plan. The Secretary may implement a plan under this subdivision without the approval of the Joint Fiscal Committee if reductions to any individual appropriation do not exceed five percent of the appropriation's amount for personal services, operating expenses, grants, and other categories, and provided that the plan is designed to minimize any negative effects on the delivery of services to the public, and shall not have any unduly disproportionate effect on any single function, program, service, benefit, or county. Plans not requiring the approval of the Joint Fiscal Committee shall be filed with the Joint Fiscal Office prior to implementation. If the Secretary's plan consists of disproportionate reductions greater than five percent in any line item, such plan shall not be implemented without the approval of the Joint Fiscal Committee~~ In each instance that the official State revenue estimate for the General Fund, the Transportation Fund, or federal funds has been reduced by less than one percent from the estimates determined and assumed for purposes of the current fiscal year's appropriations, the Secretary of Administration may prepare and implement an expenditure reduction plan without the approval of the Joint Fiscal Committee, provided that any total reductions in appropriations and transfers of funds are not greater than the reductions in the official State revenue estimate. The Secretary may implement an expenditure reduction plan under this subdivision if plan reductions to the total amount appropriated in any section or subsection do not exceed five percent, the plan is designed to minimize any negative effects on the delivery of services to the public, and the plan does not have any unduly disproportionate effect on any single function, program, service, benefit, or county. Plans not requiring the approval of the Joint Fiscal Committee shall be filed with the Joint Fiscal Office prior to implementation. If the Secretary's plan consists of reductions greater than five percent to the total amount appropriated in any section or subsection, such plan shall only be implemented in the manner provided for in subdivision (1) of this subsection.

(c) ~~A~~ An expenditure reduction plan prepared by the Secretary shall indicate:

(1) the amounts to be ~~adjusted~~ reduced in each appropriation~~, and~~ by funding source, and the amounts to be transferred;

(2) in personal services, operating expenses, grants, and other categories, ~~shall indicate~~ the effect of each ~~adjustment~~ reduction in appropriations and their sources of funding, and each fund transfer, on the primary purposes of the program~~, and~~;

(3) ~~shall indicate~~ how it is designed to minimize any negative effects on the delivery of services to the public~~,~~; and

(4) any unduly disproportionate effect the plan may have on any single function, program, service, benefit, or county.

(d) An expenditure reduction plan implemented under subdivision (b)(2) of this section shall not include any reduction in:

(1) appropriations authorized and necessary to fulfill the State's debt obligations;

(2) appropriations authorized for the Judicial or Legislative Branch, except that the plan may recommend reductions for consideration by the Judicial or Legislative Branch; or

(3) appropriations for the salaries of elected officers of the Executive Branch listed in subsection 1003(a) of this title.

(e)(1) The Joint Fiscal Committee shall have 21 days from the date of submission of ~~a~~ any expenditure reduction plan under subdivision (b)(1) of this section to consider the plan, and may approve or disapprove the plan upon a vote of a majority of the members of the Committee. If the Committee vote results in a tie, the plan shall be deemed disapproved; and if the Committee fails for any other reason to take final action on such plan within 21 days of its submission to the Committee, it shall be deemed to be disapproved. During the 21-day period for consideration of the plan, the Committee shall conduct a public hearing and provide an opportunity for public comment on the plan.

(2) If the plan is disapproved, then in order to communicate the priorities of the General Assembly, the Committee shall make recommendations to the Secretary for amendments to the plan. Within seven days after the Committee notifies the Secretary of its disapproval of a plan, the Secretary may submit a final plan to the Committee. The Committee shall have 14 days from the date of submission of a final plan to consider that plan and to vote by a majority of the members of the Committee to approve or disapprove the plan; but if the Committee fails to approve or disapprove the plan by a majority vote, the plan shall be deemed disapproved. If the Secretary's final plan includes any changes from the original plan other than those recommended by the Committee, then during the 14-day period for consideration of the final plan, the Committee shall conduct a public hearing

and provide an opportunity for public comment, with the scope of the hearing and the comments limited to the changes from the original plan.

(3) In determining whether to approve a plan submitted by the Secretary under this subsection, the Committee shall consider whether the plan minimizes any negative effects on the delivery of services to the public, and whether the plan will have any unduly disproportionate effect on any single function, program, service, benefit, or county.

(4) Any plan disapproved under subdivision (b)(1) of this section shall not be implemented.

(5) For purposes of this section, the Committee shall be convened at the call of the Chair or at the request of at least three members of the Committee.

(f) In the event of a reduction in the official revenue estimate of one percent or more and the Joint Fiscal Committee does not approve the Secretary's final expenditure reduction plan prepared under subdivision (b)(1) of this section, the Secretary may implement an expenditure reduction plan in the manner provided for in subdivision (b)(2) of this section, provided that the ~~reduction in appropriations~~ expenditure reduction plan is not greater than one percent of the prior official revenue estimate. If the Secretary implements an expenditure reduction plan under the authority of this subsection, any subsequent expenditure reduction plan that is required to address the remaining imbalance under the current official State revenue estimate may only be implemented in the manner provided for in subdivision (b)(1) of this section.

(g) No expenditure reduction plan may be approved or implemented under this section which:

(1) ~~would reduce appropriations from any fund by more than the cumulative reductions in the official State revenue estimates of the Emergency Board for the General Fund, the Transportation Fund, or federal funds, determined under section 305a of this title, from the estimate originally determined and assumed for purposes of the general appropriations act or budget adjustment act; minus the total reductions in appropriations already taken under this section in that fund in the fiscal year;~~

~~(2)~~ would result in total reductions ~~under this section~~ in appropriations ~~in the fiscal year~~ from any fund, or transfers to that fund, by more than four percent of the estimate originally determined and assumed for purposes of the ~~general~~ current fiscal year's appropriations ~~act or budget adjustment act~~; or

~~(3)~~(2) would ~~adjust~~ reduce expenditures or transfer revenues ~~or expenditures~~ of the Education Fund as prescribed by law.

(h) ~~The provisions of this section shall apply to each~~ An expenditure reduction plan may only be implemented under subsection (b) of this section

subsequent to an official State revenue estimate ~~of the Emergency Board in the fiscal year~~ and when the General Assembly is not in session.

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

(j) In each instance that cumulative revenue collections during the month of September or October are four percent or more below the respective cumulative monthly revenue targets, the Emergency Board shall convene in the manner provided for in subsection 305a(b) of this title to determine whether to revise the official State revenue estimate.

(k) As used in this section:

(1) "Cumulative monthly revenue targets" means monthly revenue targets adopted based on the most current official State revenue estimates, as agreed upon by the Legislative Joint Fiscal Office and the Secretary.

(2) "Expenditure reduction plan" means a rescission plan that includes reducing and adjusting appropriations and their sources of funding, and transferring and adjusting funds, from the amounts authorized in the current fiscal year's appropriations.

(3) "Official State revenue estimates" means a revenue estimate determined by the Emergency Board, as provided in section 305a of this title. An official State revenue estimate does not mean cumulative monthly revenue targets.

Sec. C.104 FISCAL YEAR 2015 ONE-TIME APPROPRIATIONS

(a) The amount of $1,000,000 of R.J. Reynolds Tobacco Co. settlement proceeds that had been reserved for attorney's fees and other related expenditures shall be transferred to the General Fund and distributed as follows:

(1) The amount of $210,000 shall be appropriated to the Secretary of Administration in fiscal year 2015 to be utilized to reimburse costs to facilitate the implementation of video conferencing and other actions to reduce the long-term spending needs of the Judiciary and other components of the criminal justice system.

(2) The amount of $75,000 shall be appropriated to the Secretary of Administration for the classification study required by Sec. E.100.1 of this act.

(3) The amount of $98,934 shall be appropriated to the Agency of Human Services for State match for the Global Commitment appropriation in Sec. B.1107 of this act for health care training provided through Vermont Interactive Technologies between July 1, 2015 and December 31, 2015.

(4) The amount of $89,940 shall be appropriated to the Agency of Human Services for State match for a Global Commitment appropriation of $200,000 in fiscal year 2016 for the home health prospective payment system change provided in Sec. E.306.3 of this act.

(b) The remaining amount of $526,126 and an additional $3,000,000 of general funds, for a total of $3,526,126 are appropriated to the Department of Corrections to be carried forward and used for expenditure in fiscal year 2016 and for the purposes of the calculation under 32 V.S.A. § 308 shall not be included in the fiscal year 2016 reserve calculation but shall be reflected in the fiscal year 2107 calculation.

Sec. C.105 FISCAL YEAR 2015 TRANSFER TO SERGEANT AT ARMS

(a) In fiscal year 2015, the amount of $28,460 shall be transferred from the Legislative Council budget to the Sergeant at Arms budget.

Sec. C. 106 VERMONT HEALTH CONNECT REPORTS

(a) The Chief of Health Care Reform shall provide monthly reports beginning on June 1, 2015 to the Joint Fiscal Office for distribution to members of the Health Reform Oversight Committee and the Joint Fiscal Committee and to the Office of Legislative Council for distribution to members of the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance. Each Office shall also post the reports on its website. The reports shall address:

(1) the schedule, cost, and scope status of the Vermont Health Connect system's Release 1 and Release 2 development efforts, including whether any critical path items did not meet their milestone dates and the corrective actions being taken;

(2) an update on the status of current risks in Vermont Health Connect's implementation;

(3) an update on the actions taken to address the recommendations in the Auditor's report on Vermont Health Connect dated April 14, 2015 and any other audits of Vermont Health Connect; and

(4) an update on the preliminary analysis of alternatives to Vermont Health Connect.

Sec. C.106.1 INDEPENDENT REVIEW OF VERMONT HEALTH CONNECT

(a) The Chief of Health Care Reform shall provide the Joint Fiscal Office with the materials provided by the Independent Verification and Validation (IVV) firms evaluating Vermont Health Connect. The reports shall be

provided in a manner that protects security and confidentiality as required by any memoranda of understanding entered into by the Joint Fiscal Office and the Executive Branch. The Joint Fiscal Office shall analyze the reports and shall provide information regarding Vermont Health Connect information technology systems to the Health Reform Oversight Committee, the Joint Fiscal Committee, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate in July, September, and October 2015 and at other times as appropriate.

Sec. C.106.2 VERMONT HEALTH CONNECT OUTCOMES

(a) The General Assembly expects Vermont Health Connect to achieve the following milestones with respect to qualified health plans offered in the individual market:

(1) On or before May 31, 2015, the vendor under contract with the State to implement the Vermont Health Benefit Exchange shall deliver the information technology release providing the "back end" of the technology supporting changes in circumstances and changes in information to allow for a significant reduction, as described in subdivision (4) of this subsection, in the amount of time necessary for the State to process changes requested by individuals and families enrolled in qualified health plans.

(2) On or before August 1, 2015, Vermont Health Connect shall develop a contingency plan for renewing qualified health plans offered to individuals and families for calendar year 2016 and shall ensure that the registered carriers offering these qualified health plans agree to the process.

(3) On or before October 1, 2015, the vendor under contract with the State for automated renewal of qualified health plans offered to individuals and families shall deliver the information technology release providing for the automated renewal of those qualified health plans.

(4) On or before October 1, 2015, Vermont Health Connect customer service representatives shall begin processing new requests for changes in circumstances and for changes in information received in the first half of a month in time to be reflected on the next invoice and shall begin processing requests for changes received in the latter half of the month in time to be reflected on one of the next two invoices.

Sec. C.106.3 ALTERNATIVES TO VERMONT HEALTH CONNECT

(a) If Vermont Health Connect fails to meet one or more of the milestones set forth in Sec. C.106.2 of this act, the Secretary of Administration and Chief of Health Care Reform shall identify and begin exploring with the U.S. Department of Health and Human Services all feasible alternatives to Vermont Health Connect, including a transition to a federally supported State-based

marketplace (FSSBM). The Chief of Health Care Reform shall report on the status of the exploration at the next meetings of the Joint Fiscal Committee and the Health Reform Oversight Committee.

(b) The Chief of Health Care Reform shall, upon request of the Joint Fiscal Committee, prepare an analysis and potential implementation plan regarding a transition from Vermont Health Connect to a different model for Vermont's health benefit exchange, including an FSSBM, and shall present information about such a transition, including:

(1) the outcome of King v. Burwell, Docket No. 14-114 (U.S. Supreme Court), relating to whether federal advance premium tax credits will be available to reduce the cost of health insurance provided through a federally facilitated exchange, and the likely impacts on Vermont individuals and families if the State moves to an FSSBM or to another exchange model;

(2) whether it is feasible to offer State premium and cost-sharing assistance to individuals and families purchasing qualified health plans through an FSSBM or through another exchange model, how such assistance could be implemented, whether federal financial participation would be available through the Medicaid program, and applicable cost implications;

(3) how the Department of Financial Regulation's and Green Mountain Care Board's regulatory authority over health insurers and qualified health plans would be affected, including the timing of health insurance rate and form review;

(4) any impacts on the State's other health care reform efforts, including the Blueprint for Health and payment reform initiatives;

(5) any available estimates of the costs attributable to a transition from a State-based exchange to an FSSBM or to another exchange model; and

(6) whether any new developments have occurred that affect the availability of additional alternatives that would be more beneficial to Vermonters by minimizing negative effects on individuals and families enrolling in qualified health plans, reducing the financial impacts of the transition to an alternative model, lessening the administrative burden of the transition on the registered carriers, and decreasing the potential impacts on the State's health insurance regulatory framework.

(c) On or before November 15, 2015, the Chief of Health Care Reform shall provide the Joint Fiscal Committee and Health Reform Oversight Committee with a recommendation regarding the future of Vermont's health benefit exchange, including a proposed timeline for 2016. The Chief's recommendation shall include an analysis of whether the recommended course of action would be likely to minimize any negative effects on individuals and

families enrolling in qualified health plans, the financial impacts of the transition, the ability of the registered carriers to accomplish the transition, and the potential impacts of the transition on the State's health insurance regulatory framework.

(1)(A) If the Chief of Health Care Reform recommends requesting approval from the U.S. Department of Health and Human Services to allow Vermont to transition to an FSSBM, then on or before December 1, 2015, the Joint Fiscal Committee, after consultation with the Speaker of the House of Representatives and the President Pro Tempore of the Senate, shall determine whether to concur with the recommendation. In determining whether to concur, the Joint Fiscal Committee shall consider whether the transition to an FSSBM would be likely to minimize any negative effects on individuals and families enrolling in qualified health plans, the financial impacts of the transition, the ability of the registered carriers to accomplish the transition, and the potential impacts of the transition on the State's health insurance regulatory framework. The Joint Fiscal Committee shall also consider relevant input offered by legislative committees of jurisdiction.

(B) If the Chief of Health Care Reform recommends requesting approval from the U.S. Department of Health and Human Services to allow Vermont to transition from a State-based exchange to an FSSBM and the Joint Fiscal Committee concurs with that recommendation, the Chief of Health Care Reform and the Commissioner of Vermont Health Access shall:

(i) prior to December 31, 2015, request that the U.S. Department of Health and Human Services begin the approval process with the Department of Vermont Health Access; and

(ii) on or before January 15, 2016, provide to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance the recommended statutory changes necessary to align with operating an FSSBM if approved by the U.S. Department of Health and Human Services.

(2) If the Chief of Health Care Reform either does not recommend that Vermont transition to an FSSBM or the Joint Fiscal Committee does not concur with the Chief's recommendation to transition to an FSSBM, the Chief of Health Care Reform shall submit information to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before January 15, 2016 regarding the advantages and disadvantages of alternative models and options for Vermont's health benefit exchange and the proposed statutory changes that would be necessary to accomplish them.

Sec. C. 107 GOVERNMENT RESTRUCTURING AND OPERATIONS REVIEW COMMISSION; REPORT

(a) Creation and purpose. There is created a Government Restructuring and Operations Review Commission to identify opportunities for increasing government efficiency and productivity in order to reduce spending trends and related resource needs.

(b) Membership. The Commission shall be composed of three members, none of whom shall be current members of the General Assembly or employees of the Executive Branch. The Governor, the Speaker of the House, and the Senate Committee on Committees shall each appoint one member, and shall collaborate in those appointments so that the Commission shall be composed of the following members:

(1) one member with experience in the management of large private sector organizations;

(2) one member with experience in large nonprofit organizational management; and

(3) one member with experience in governmental structures.

(c) Powers and duties. The Commission shall:

(1) review areas where partnerships between the public and private sectors could provide long-term improvements in quality and cost-effectiveness of management or service delivery;

(2) review the State government's organizational structure for consistency with a results-based and outcomes-based focus; and

(3) provide an opportunity for members of the public to submit recommendations to the Commission for its consideration.

(d) Report. The Commission shall submit reports to the Government Accountability Committee and to the House and Senate Committees on Appropriations and on Government Operations as follows:

(1) On or before October 15, 2015, the Commission shall submit a report with specific recommendations for the 2016 legislative session.

(2) On or before November 15, 2016, the Commission shall submit a report with specific recommendations for the 2017 legislative session.

(e) Meetings.

(1) The Speaker of the House and the President of the Senate shall call the first meeting of the Commission.

(2) The Commission shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Commission shall cease to exist on June 30, 2017.

(f) Staff and administration.

(1) The Secretary of Administration shall act as the fiscal agent for the Commission. Any costs incurred during fiscal year 2016 shall be paid for through the budget of the Secretary of Administration with the costs and continuing budget needs submitted to the General Assembly through the budget adjustment process.

(2) The Secretary of Administration shall ensure that any staff support requested of the Executive Branch is provided.

(3) The Legislative Joint Fiscal Office shall coordinate staff support from the Legislative Branch.

(4) Representatives for both the Secretary of Administration and the Legislative Joint Fiscal Office shall attend the meetings of the Commission and provide support as appropriate.

(g) Reimbursement. Members of the Commission who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

Sec. C.108 FISCAL YEAR 2015 CONTINGENT GENERAL FUND APPROPRIATIONS

(a) In fiscal year 2015, to the extent that the Commissioner of Finance and Management determines that General Fund revenues exceed the 2015 official revenue forecast and other fund receipts exceed the amounts assumed for all previously authorized fiscal year 2015 appropriations and transfers necessary to ensure the stabilization reserve is at its maximum authorized level under 32 V.S.A § 308, appropriations are authorized in the following order:

(1) First, $5,000,000 is appropriated to the Department for Children and Families to be carried forward and expended to provide low-income home energy assistance during the 2015-2016 heating season at a level not to exceed the estimated purchasing power of the average low-income home energy benefit provided during the 2014-2015 heating season;

(2) Second, $13,000,000 is appropriated to the Agency of Administration for transfer to the Agency of Human Services Global Commitment in fiscal year 2015 upon determination by the Commissioner of Finance and Management of the amount necessary to fund Global

Commitment program expenditures incurred in fiscal year 2015. Any remaining funds shall be carried forward for reallocation by the Legislature in the fiscal year 2016 budget adjustment or fiscal year 2017 budget processes.

(b) The Commissioner of Finance and Management shall report to the Joint Fiscal Committee in July 2015 on the status of the funds appropriated in this section.

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of $518,000 is appropriated from the Property Valuation and Review Administration Special Fund to the Department of Taxes for administration of the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts above $518,000 from the property transfer tax that are deposited into the Property Valuation and Review Administration Special Fund shall be transferred into the General Fund.

(2) The sum of $9,554,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above $9,554,840 from the property transfer tax that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(3) The sum of $3,760,599 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above $3,760,599 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The $3,760,599 shall be allocated as follows:

(A) $2,924,417 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) $457,482 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) $378,700 to the Agency of Commerce and Community Development for the Vermont Center for Geographic Information.

Sec. D.100.1 [DELETED]

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: $2,993,000.

(2) From the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: $423,966.

(3) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund for the purpose of funding fiscal year 2017 transportation infrastructure bonds debt service: $2,501,413.

(4) From the Department of Public Safety blood and breath alcohol testing fund to the General Fund: $167,000.

(5) From the Lumberjack Fund #40900 to the General Fund: $20,000.

(6) From the Attorney General Fees & Reimbursements #21638 to the General Fund: $100,000.

(7) From the Liquor Control Fund #50300 to the General Fund: $100,000.

(b) Notwithstanding any provision of law to the contrary, in fiscal year 2016 the following amounts shall revert to the General Fund from the accounts indicated:

(1) Department of Labor: $293,000.

(2) Department of Health, Alcohol and Drug Abuse Programs: $41,372.

Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2015 in the Tobacco Litigation Settlement Fund shall remain for appropriation in fiscal year 2016.

Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the Tobacco Trust Fund at the end of fiscal year 2016 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2016 is not negative shall be transferred from the Tobacco Trust Fund to the Tobacco Litigation Settlement Fund in fiscal year 2016.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions is authorized in fiscal year 2016 as follows:

(1) In the Department of Information and Innovation – one (1) IT Security Analyst and one (1) IT Security Specialist.

(2) In the Department of Buildings and General Services – one (1) Buildings Project Manager, two (2) Security Guard, five (5) Custodian, one (1) Custodial Supervisor, one (1) Maintenance Specialist, one (1) Electrician, three (3) Maintenance Mechanic, and two (2) HVAC Specialist.

(3) In the Military Department – one (1) Plant Maintenance Supervisor and one (1) Maintenance Mechanic.

(4) In the Agency of Agriculture, Food and Markets – one (1) Dairy Product Specialist.

(5) In the Department of Financial Regulation – one (1) Captives Insurance Examiner.

(6) In the Office of the Secretary of State – one (1) Deputy Director of Professional Regulation.

(7) In the Department of Public Service – two (2) Telecommunications Infrastructure Project Manager and one (1) Financial Manager.

(8) In the Department of Liquor Control – one (1) Administrative Secretary, one (1) Administrative Assistant, and two (2) Warehouse Worker.

(b) The establishment of the following new permanent exempt position is authorized in fiscal year 2016 as follows:

(1) In the Agency of Natural Resources – one (1) Attorney.

(c) The positions established in this section shall be transferred and converted from existing vacant positions in the Executive Branch, and shall not increase the total number of authorized State positions, as defined in Sec. A.107 of this act.

Sec. E.100.1 REPORT: STATE EMPLOYEE POSITION CLASSIFICATION SYSTEM

(a) The Secretary of Administration shall issue a request for proposal to evaluate and recommend changes or alternatives to the position classification system applicable to State employees and the rules governing such system as prescribed by 3 V.S.A. § 310. The proposal shall require a report to address the following:

(1) Evaluate whether the current position classification system, which is based upon a point factor comparison method of job evaluation, effectively serves the needs of State government.

(2) Provide a summary of the classification systems used in other states, counties, or municipalities that are most comparable to Vermont and a review of best classification practices in public sector organizations.

(3) Assess alternatives or changes to the current position classification system that would better serve the needs of State government, would be easier and more flexible to administer, would better reflect the work performed by State employees, would provide a common platform for organizing, assigning, and managing jobs, would identify career paths, and would ensure compensation is competitive, equitable, and fiscally sound.

(4) Provide an analysis of the impacts of implementing alternatives, including recommendations for transitioning to an alternate classification system.

(b) In issuing the request for proposal, the Secretary shall provide a copy of the RFP to the Senate and House Committees on Appropriations and to the Senate and House Committees on Government Operations, the Vermont State Employees' Association (VSEA), the Vermont Troopers' Association (VTA), and to the Joint Fiscal Office.

(c) The Agency of Administration and the Judiciary shall assist the consultant to gather data necessary for an evaluation. The consultant shall interview managers, supervisors, VSEA, and VTA representatives and shall provide opportunity for comment by classified State employees.

(d) Unless the contract specifies an alternate date, the consultant shall provide a report of its evaluation and recommendations on or before January 15, 2016, to the Senate and House Committees on Appropriations and the Senate and House Committees on Government Operations, the VSEA, and to the VTA.

Sec. E.100.2 3 V.S.A. § 2222(j) is added to read:

(j) Notwithstanding the provisions of 29 V.S.A. § 903(a), the Agency of Administration will administer an Equipment Revolving Fund to be used for internal lease purchase of equipment for State agencies. The Secretary of Administration will establish criteria for equipment purchased through this Fund, including types of equipment, limiting amounts for specific equipment, and the useful life of the equipment.

(1) Agencies or departments acquiring such equipment shall repay the Fund through their regular operating budgets according to an amortization

schedule established by the Commissioner of Finance and Management. Repayment shall include charges for the administrative costs of the purchase and estimated administrative inflation over the term of the payback.

(2) The Commissioner of Finance and Management may anticipate receipts to this Fund and issue warrants based thereon.

Sec. E.100.3 REPEAL

(a) 29 V.S.A. § 903(e) (administration of the equipment revolving fund) is repealed.

Sec. E.100.4 SECRETARY OF ADMINISTRATION; PROMOTION OF EFFICIENT OPERATIONS

(a) All branches and agencies of State government can expect to face a multiyear horizon of State resources growing at rates lower than previously experienced. In order to achieve fiscal sustainability, the Secretary of Administration shall review opportunities for changes that result in efficiency and savings in the form of reduced resource need or reduced cost trend pressure, or both, within the State budget.

(b) The Secretary is authorized to implement changes in operational practices as specified in this subsection or additional areas that fall within the Secretary's authority and that do not require statutory amendment.

(1) subject to bulletin 3.5, changes to the contracting process of State government to identify methods of streamlining the process of approval and evaluation while preserving and strengthening the pay for performance;

(2) a review of the audits and reports internally required of agencies and contractors and grantees to avoid duplication and unnecessary cost;

(3) the expansion of the LEAN program to additional agencies and departments to improve processes and operations of departments; and

(4) the exploration of the use of contracts where payments are dependent on the provision of departments and State operational entities with offsetting efficiency savings.

(c) In the following areas, proposals shall be developed and presented to the Legislature during the budget adjustment process.

(1) Proposed elimination or consolidation of legislative reporting requirements to free up staff productivity while preserving effective oversight.

(2) Opportunities for possible elimination or consolidation of boards and commissions, and opportunities for more efficient use of space by these entities. Entity collocation should be pursued to enable shared services reducing costs.

(3) Proposals to restructure agencies and departments to identify opportunities for merger and consolidation to streamline management and coordination and reduce the need for high level State positions.

(d) At the 2015 September and November Joint Fiscal Committee meetings, the Secretary shall provide a written report on the status of system reviews or process changes implemented. These reports shall also be sent to the State Auditor, and the House and Senate Committees on Government Operations and on Appropriations.

Sec. E.100.5 [DELETED]

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, $30,000 is from the Current Use Application Fee Special Fund and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

Sec. E.112 ENERGY EFFICIENCY; STATE BUILDINGS AND FACILITIES

(a) As a mechanism to implement 2011 Acts and Resolves No. 40, Sec. 47 (State energy use), the State of Vermont has developed a State Energy Management Program (the Program) within the Department of Buildings and General Services (the Department) to address, for State buildings and facilities, energy management measures, implementation of energy efficiency and conservation, and the use of renewable energy resources.

(b) Notwithstanding any provision of Title 30 of the Vermont Statutes Annotated, Public Service Board order, or other provision of law to the contrary:

(1) The Department and Efficiency Vermont (EVT) shall augment the Program for a preliminary period of four years commencing in fiscal year 2016 under which EVT shall provide the Department with support for the Program to deliver cost-effective energy efficiency and conservation measures to State buildings and facilities. The Department and EVT may agree to continue conducting this augmented Program in subsequent fiscal years, after considering recommendations for improvement based on evaluation of the preliminary period.

(A) The Department and EVT shall develop the augmented Program's annual targets for energy savings and associated cost savings to the State. Savings from measures provided by any energy efficiency entity appointed under 30 V.S.A. § 209(d)(2) shall count toward these targets. Savings supported by EVT may result from electric and thermal efficiency,

including fuel switching, conservation, and improved building energy management, without regard to funding source.

(B) During fiscal year 2016, the measures implemented under this subdivision (1) shall reduce the State's total energy usage and related costs by an amount not less than $150,000.

(C) During fiscal year 2017, the measures implemented under this subdivision (1) shall reduce the State's total energy usage and related costs by a cumulative amount of not less than $300,000, provided that failure to attain these savings amounts in fiscal years 2016 and 2017 does not result from action or inaction of the Department.

(2) In addition to the requirements of subdivision (1) of this section, the project shall include provision by EVT of support for personnel to implement the Program during fiscal years 2016 to 2019.

(A) The supported personnel shall be the building project manager position established in Sec. E.100(a)(2) of this act and two four-year limited service or consulting positions, and related supervision and overhead, as the Department and EVT consider necessary to meet the goals.

(B) Under this subdivision (2), EVT shall provide up to $290,000 during fiscal year 2016. For the remaining three fiscal years, EVT shall provide an additional amount sufficient to support annual salary and benefit adjustments. These funds shall be received in the Facilities Operations Fund established in 29 V.S.A. § 160a, and may be spent using excess receipts authority.

(3) The Public Service Board shall adjust any performance measures applicable to EVT to recognize the requirements of this section.

(c) The Department and EVT shall execute a new or amended memorandum of understanding to implement this section, which shall include targets for future energy savings, a process for determining how savings targets are met, and details of EVT's commitment for personnel over a four-year time period.

(d) On or before October 1 of each year commencing in 2016 and ending in 2019, the Department and EVT shall provide a joint report on the implementation of this section.

(1) The report shall state, for the prior fiscal year, the energy savings targets developed, the actions taken to achieve those targets, and the energy savings achieved by each action.

(2) The report shall project savings and strategies to attain those savings for the next fiscal year and for the remaining fiscal years of the Program.

(3) The report shall include improvements made toward systems of measurement to achieve the goals of 2011 Acts and Resolves No. 40.

(4) The report may include recommendations for accelerating the implementation of energy efficiency and conservation measures under the Program and improving the Program's tracking and documentation of savings.

(5) The report to be submitted in 2019 shall contain an evaluation of the Program authorized under this section and any resulting recommendations, including recommendations related to Program continuation.

(6) The report shall be submitted to the House Committee on Corrections and Institutions, the Senate Committee on Institutions, the House and Senate Committees on Natural Resources and Energy, the House and Senate Committees on Appropriations, the Secretary of Administration, and the Joint Fiscal Office.

Sec. E.113 Buildings and general services – engineering

(a) The $3,567,791 interdepartmental transfer in this appropriation shall be from the General Bond Fund appropriation in the Capital Bill of the 2015 legislative session.

Sec. E.113.1 2013 Acts and Resolves No. 1, Sec. 100(c), as amended by 2014 Acts and Resolves No. 179, Sec. E.113.1, is further amended to read:

(c) Sec. 97 (general obligation debt financing) shall take effect on ~~July 1, 2015~~ July 1, 2017.

Sec. E.125 Legislative council

(a) Notwithstanding any other provision of law, from fiscal year 2015 funds appropriated to the Legislative Council and carried forward into fiscal year 2016, the amount of $30,000 shall revert to the General Fund.

Sec. E.126 Legislature

(a) Notwithstanding any other provision of law, from fiscal year 2015 funds appropriated to the Legislature and carried forward into fiscal year 2016, the amount of $215,376 shall revert to the General Fund.

(b) It is the intent of the General Assembly that funding for the Legislature in fiscal year 2016 be included at a level sufficient to support an 18-week legislative session.

Sec. E.126.1 WORKING LANDS PROGRAM STRUCTURE REVIEW

(a) The House Committee on Agriculture and Forest Products and the Senate Committee on Agriculture shall review the working lands program during the 2016 legislative session. Specifically, the Committees shall work

with the Working Lands Enterprise Board to evaluate the best use of State funds, including consideration of a grant program, a revolving loan program, and a combination of both including the administrative costs.

Sec. E.127 Joint fiscal committee

(a) Notwithstanding any other provision of law, from fiscal year 2015 funds appropriated to the Joint Fiscal Committee and carried forward into fiscal year 2016, the amount of $19,623 shall revert to the General Fund.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2016, investment fees shall be paid from the corpus of the Fund.

Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

(a) Of the appropriation in Sec. B.139 of this act, $100,000 shall be transferred to the Attorney General and $50,000 shall be transferred to the Department of Taxes, Division of Property Evaluation and Review and reserved and used with any remaining funds from the amounts previously transferred for payment of expenses incurred by the Department or towns in defense of grand list appeals regarding the reappraisals of the hydroelectric plants and other property owned by TransCanada Hydro Northeast, Inc. in the State of Vermont. Expenditures for this purpose shall be considered qualified expenditures under 16 V.S.A. § 4025(c).

Sec. E.141 Lottery commission

(a) Of this appropriation, the Lottery Commission shall utilize up to $150,000 in consultation with the Department of Health, Division of Alcohol and Drug Abuse Programs, to support the gambling addiction program.

(b) The Vermont Lottery Commission will continue to provide financial support and recommendations to provide and promote problem gambling services for Vermont's citizens, to include production of media marketing, printed material, and other methods of communication.

Sec. E.141.1 31 V.S.A. § 660 is amended to read:

§ 660. POST AUDITS

All lottery accounts and transactions of the ~~lottery commission~~ Lottery Commission shall be subject to annual post audits conducted by independent auditors retained by the ~~commission~~ Commission for this purpose~~, with the approval of the auditor of accounts, as provided in subdivision 163(9) of Title 32~~. The ~~commission~~ Commission may order such other audits as it deems necessary and desirable.

Sec. E.142 Payments in lieu of taxes

(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act.

Sec. E.142.1 PAYMENTS IN LIEU OF TAXES; WATERBURY

(a) For fiscal years 2016 and 2017, notwithstanding the formula for calculating PILOT payments set forth in 32 V.S.A. § 3703, PILOT payments for the Town of Waterbury and the Village of Waterbury shall not be lower than those received for fiscal year 2015.

Sec. E.143 Payments in lieu of taxes – Montpelier

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.144 Payments in lieu of taxes – correctional facilities

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.145 32 V.S.A. § 315 is added to read:

§ 315. ANNUAL REPORT; INFORMATION TECHNOLOGY

(a) Annual report. The Agency of Administration shall annually present to the General Assembly a five-year Information Technology (IT) Program. The Program shall be consistent with the planning process established in 22 V.S.A. § 901 and shall include for each fiscal year:

(1) IT activities estimated to cost $1,000,000.00 or more;

(2) systemwide performance measures;

(3) performance measures for projects; and

(4) the budget for the Department of Information and Innovation (DII).

(b) IT activities estimated to cost $1,000,000.00 or more.

(1) For each new proposed project with an estimated total cost that exceeds $1,000,000.00, there shall be:

(A) a description of the project;

(B) the justification for the scope of the project;

(C) an explanation of proposed project management methodology, including the relationship between chosen methodology and project scope;

(D) a project budget that includes all projected costs, including operating costs and personnel services; and

(E) a project timeline with projected costs, matched to a detailed list of all estimated funding sources and amounts.

(2) The reporting requirements set forth in subdivision (1) of this subsection shall not be interpreted or applied to limit the project methodology chosen for any project.

(3) For each ongoing project with an estimated total cost that exceeds $1,000,000.00, there shall be:

(A) a budget that includes all costs including operating costs and personnel services;

(B) a cost benefit analysis, which shall include:

(i) an explanation of ongoing costs, including training and maintenance, after project implementation;

(ii) an analysis of the net benefit to the project users, and to the State, from proceeding with the project, in comparison to not proceeding with the project;

(iii) projected savings, including personnel services, if any, that will result from the project; and

(iv) other benefits to the project users, and to the State, from proceeding with the project, in comparison to not proceeding with the project; and

(C) a statement whether any of the information provided pursuant to subdivision (1) of this subsection (b) has changed or is no longer accurate and an explanation of the reasons.

(c) Systemwide performance measures. The Agency of Administration shall develop systemwide performance measures which analyze the overall performance of the State government IT system. The Program:

(1) shall indicate the background and utility of the performance measures;

(2) shall track the performance measures over time;

(3) where appropriate, shall recommend the setting of targets for the performance measures;

(4) shall indicate the overall condition of the system; and

(5) shall indicate potential risks measured by severity and likelihood and plans to mitigate those risks.

(d) Performance measures. The Agency of Administration shall develop performance measures for projects. The Program:

(1) shall indicate the background and utility of the performance measures;

(2) shall track the performance measures over time; and

(3) shall indicate potential risks measured by severity and likelihood and plans to mitigate those risks.

(e) The budget for DII. The Program shall include:

(1) the recommended budget for DII; and

(2) the DII fee charged to each branch, agency, and department and the services provided.

(f) Each year following the submission of an IT Program under this section, the Agency shall prepare and make available to the public the Program.

Sec. E.145.1 SPECIAL COMMITTEE ON THE UTILIZATION OF INFORMATION TECHNOLOGY IN GOVERNMENT

(a) Creation. There is created a Special Committee on the Utilization of Information Technology in Government (the Committee).

(b) Membership. The Committee shall be composed of three persons who shall have knowledge and experience with information technology (IT) development and management, preferably for large organizations with complex information technology needs:

(1) one person who shall be appointed by the Speaker of the House;

(2) one person who shall be appointed by the Committee on Committees; and

(3) one person who shall be appointed by the Governor.

(c) Powers and duties. The Committee shall:

(1) evaluate the governance and management structure of the State of Vermont's overall IT system and IT programs, including whether the roles of the Chief Information Office and the Commissioner of Information and Innovation (DII) should be separated;

(2) recommend a model for how the General Assembly can best fulfill its role in overseeing the State's IT system and programs;

(3) provide other specific recommendations for IT systems evaluation, including:

(A) a methodology or process for evaluating when off-the-shelf products should be used as opposed to customized products;

(B) a process for incorporating risk assessment that includes risk of project failure, risk of significant cost overruns, and security risks; and

(C) recommendations toward developing a procurement policy based on optimizing business value and incorporating best practices;

(4) make recommendations for further action;

(5) review an analysis, to be conducted by DII, of the State's mainframe and legacy mainframe applications, including:

(A) a cost benefit analysis of:

(i) maintaining the mainframe and legacy mainframe applications; or

(ii) replacing the mainframe and legacy mainframe applications and options to do so; and

(B) whether the mainframe and legacy mainframe applications systems can be used in lieu of new systems, and if so, for how long; and

(6) review current methods of financing DII operations and IT development and provide recommendations for alternative methods as appropriate.

(d) In performing its work under subsection (c) of this section, the Committee shall, among other considerations, look at best industry practices and best peer practices in other states.

(e) Report. On or before January 15, 2016, the Committee shall submit a written report with its recommendations to the House Committees on Appropriations, on Government Operations, and on Corrections and Institutions, and the Senate Committees on Appropriations, on Government Operations, and on Institutions.

(f) Meetings.

(1) The person appointed by the Committee on Committees shall call the first meeting of the Committee. The Committee shall select a chair from among its members.

(2) The Committee shall meet as necessary and shall cease to exist on April 1, 2016.

(g) Assistance. The Committee shall have the administrative and technical assistance of the Agency of Administration and the legal assistance of the Attorney General's Office. The Committee shall have the assistance of the Office of Legislative Council and the Joint Fiscal Office as needed. The Committee shall have the authority to request information from any department, agency, or person in the Executive, Legislative, and Judicial Branches relevant to the Committee's powers and duties, and all departments, agencies, and persons shall provide the requested information subject to 1 V.S.A. §§ 315–320 or subject to mutually agreed upon release and protection of any information that is exempt from disclosure pursuant to 1 V.S.A. § 317(c)

(h) Reimbursement. Committee members who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

Sec. E.145.2 22 V.S.A. § 901 is amended to read:

§ 901. DEPARTMENT OF INFORMATION AND INNOVATION

(a) The Department of Information and Innovation, created in 3 V.S.A. § 2283b, shall have all the responsibilities assigned to it by law, including the following:

* * *

(4)(A) to review and approve information technology activities within State government with a cost in excess of ~~$100,000.00~~ $500,000.00, and annually submit to the General Assembly a strategic plan and a budget for information technology as required of the Secretary of Administration by 3 V.S.A. § 2222(a)(9). As used in this section, "information technology activities" is defined as in 3 V.S.A. § 2222(a)(10);

(B) to provide oversight, monitoring, and control of information technology activities within State government with a cost in excess of ~~$100,000.00~~ $500,000.00. The cost of the oversight, monitoring, and control shall be assessed to the entity requesting the activity;

(C) to review and approve in accordance with Agency of Administration policies the assignment of appropriate project managers for information technology activities within State government with a cost in excess of $500,000.00; and

(D) to provide standards for the management, organization, and tracking of information technology activities within State government with a cost in excess of ~~$100,000.00~~ $500,000.00;

* * *

Sec. E.145.3 3 V.S.A. § 2222 is amended to read:

§ 2222. POWERS AND DUTIES; BUDGET AND REPORT

(a) In addition to the duties expressly set forth elsewhere by law, the Secretary shall:

***

(9) Submit to the General Assembly concurrent with the Governor's annual budget request required under 32 V.S.A. § 306, a strategic plan for information technology and information security which outlines the significant deviations from the previous year's plan, and which details the plans for information technology activities of State government for the following fiscal year as well as the administration's financing recommendations for these activities. For purposes of this section, "information security" shall mean protecting information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality, and availability. All such plans shall be reviewed and approved by the State Chief Information Officer prior to being included in the Governor's annual budget request. The plan shall identify the proposed sources of funds for each project identified. The plan shall also contain a review of the State's information technology and information security and an identification of priority projects by agency. The plan shall include, for any proposed information technology activity with a cost in excess of ~~$100,000.00~~ $500,000.00:

***

(E) a statewide budget for all information technology activities with a cost in excess of ~~$100,000.00~~ $500,000.00.

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), $997,000 is appropriated in Sec. B.200 of this act.

(c) Notwithstanding 18 V.S.A. § 9502(a)(3), the appropriation in Sec. B.200 of this act includes $322,500 from the Tobacco Trust Fund to pay

for expenses related to the arbitration of prior year tobacco settlements.

(d) The Attorney General in consultation with the Governor's Criminal Justice and Substance Abuse Cabinet shall investigate the cause of the recent excessive price increases for the lifesaving medication Naloxone. The Attorney General and the Governor's Criminal Justice and Substance Abuse Cabinet shall explore all legislative, regulatory, policy, and legal options to ensure that Naloxone is available to Vermonters at reasonable prices. The Attorney General and the co-chairs of the Governor's Criminal Justice and Substance Abuse Cabinet shall report their findings and recommendations as to how to remediate the situation to the Senate and House Committees on Judiciary on or before January 15, 2016.

Sec. E.203 13 V.S.A. § 5241 is amended to read:

§ 5241. INEFFECTIVE ASSISTANCE CLAIM

(a) No action shall be brought for professional negligence against a criminal defense attorney under contract with or providing ad hoc legal services for the Office of the Defender General unless the plaintiff has first successfully prevailed in a claim for postconviction relief based upon ineffective assistance of counsel in the same or a substantially related matter. Failure to prevail in a claim for postconviction relief based upon ineffective assistance of counsel under contract with or providing ad hoc legal services for the Office of the Defender General shall bar any claim against the attorney based upon the attorney's representation in the same or a substantially related matter.

(b) In the performance of duties pursuant to a contract with or providing ad hoc legal services to the Office of the Defender General, an attorney shall have the benefit of sovereign immunity to the same extent as an attorney employed by the Defender General.

Sec. E.203.1 13 V.S.A. § 5254 is amended to read:

§ 5254. PERSONNEL DESIGNATION AND EXPENDITURES

(a) The ~~defender general~~ Defender General, ~~deputy defender general~~ Deputy Defender General, public defenders, and deputy public defenders shall be exempt from the classified ~~state~~ State service.

(b) Clerical and office staff in the ~~office of the defender general~~ Office of the Defender General and in all local offices shall be hired by the ~~defender general~~ Defender General. Clerical and office staff shall be ~~state~~ State employees paid by the ~~state~~ State, and shall receive those benefits and compensation available to classified ~~state~~ State employees who are similarly situated, unless otherwise covered by the provisions of a collective bargaining

agreement setting forth the terms and conditions of employment, negotiated pursuant to the provisions of 3 V.S.A. chapter 27 ~~of Title 3~~. Clerical and office staff employed by the ~~office of the defender general~~ Office of the Defender General shall not be part of the classified service as set forth in 3 V.S.A. chapter 13 ~~of Title 3~~.

(c) The ~~deputy defender general~~ Deputy Defender General shall be entitled to compensation at an annual rate that does not exceed an amount $500.00 less than the salary of the ~~defender general~~ Defender General. The public defenders and deputy public defenders shall be entitled to compensation at annual rates not to exceed an amount $1,000.00 less than the salary of the ~~defender general~~ Defender General.

(d) The ~~defender general~~ Defender General is responsible for assuming expenses for his or her office and all local offices. The entirety of expenditures shall not exceed those set in the annual budget of the ~~office of the defender general~~ Office of the Defender General and such expenditures shall be subject to the provisions of ~~section~~ 32 V.S.A. § 702 ~~of Title 32~~.

Sec. E.203.2 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) Unless a different meaning is plainly required by the context, the following words and phrases as used in this subchapter shall have the following meanings:

* * *

(4) "Average final compensation" shall mean:

* * *

(C) For purposes of determining average final compensation for group A or group C members, a member who has accumulated unused sick leave at retirement shall be deemed to have worked the full normal working time for his or her position for 50 percent of such leave, at his or her full rate of compensation in effect at the date of his or her retirement. For purposes of determining average final compensation for group F members, unused annual or sick leave, termination bonuses and any other compensation for service not actually performed shall be excluded. The average final compensation for a State's Attorney and the Defender General shall be determined by the State's Attorney's or the Defender General's highest annual compensation earned during his or her creditable service.

* * *

(9) "Employee" shall mean:

* * *

(B) any regular officer or employee of the Department of Public Safety assigned to police and law enforcement duties, including the Commissioner of Public Safety appointed before July 1, 2001; but, irrespective of the member's classification, shall not include any member of the General Assembly as such, any person who is covered by the Vermont Teachers' Retirement System, any person engaged under retainer or special agreement or C beneficiary employed by the Department of Public Safety for not more than 208 hours per year, or any person whose principal source of income is other than State employment. In all cases of doubt, the Retirement Board shall determine whether any person is an employee as defined in this subchapter. Also included under this subdivision are employees of the Department of Liquor Control who exercise law enforcement powers, employees of the Department of Fish and Wildlife assigned to law enforcement duties, motor vehicle inspectors, full-time deputy sheriffs compensated by the State of Vermont whose primary function is transports, full-time members of the Capitol Police force, investigators employed by the Criminal Division of the Office of the Attorney General, Department of State's Attorneys, Department of Health, or Office of the Secretary of State, who have attained Level III law enforcement officer certification from the Vermont Criminal Justice Training Council, who are required to perform law enforcement duties as the primary function of their employment, and who may be subject to mandatory retirement permissible under 29 U.S.C. § 623(j), who are first included in membership of the system on or after July 1, 2000. Also included under this subdivision are full-time firefighters employed by the State of Vermont and the Defender General.

* * *

Sec. E.203.3 3 V.S.A. § 459 is amended to read:

§ 459. NORMAL AND EARLY RETIREMENT

* * *

(d) Early retirement allowance.

* * *

(5) Notwithstanding subdivisions (1) and (2) of this subsection, a State's Attorney, the Defender General, or sheriff who has completed 20 years of creditable service, of which 15 years has been as a State's Attorney, the Defender General, or sheriff, shall receive an early retirement allowance equal to the normal retirement allowance, at age 55, without reductions.

* * *

Sec. E.204 SUSPENSION OF VIDEO ARRAIGNMENTS; REPEAL

(a) 2011 Acts and Resolves No. 41, Sec. 9 (suspension of video arraignments) is repealed.

Sec. E.204.1 [DELETED]

Sec. E.204.2 [DELETED]

Sec. E.204.3 33 V.S.A. § 5224 is amended to read:

§ 5224. FAILURE TO APPEAR AT PRELIMINARY HEARING

If a child or custodial parent, guardian, or custodian fails to appear at the preliminary hearing as directed by a citation, the Court may issue a summons to appear, an order to have the child brought to Court, or a warrant as provided in section 5108 of this title. The summons, order, or warrant shall be served by the law enforcement agency that cited or took the child into custody, or another law enforcement agency acting on its behalf.

Sec. E.204.4 [DELETED]

Sec. E.204.5 [DELETED]

Sec. E.204.6 13 V.S.A. § 7180 is amended to read:

§ 7180. REMEDIES FOR FAILURE TO PAY FINES, COSTS, SURCHARGES, AND PENALTIES

(a) As used in this section:

(1) "Amount due" means all financial assessments, including penalties, fines, surcharges, court costs, and any other assessments imposed by statute as part of a sentence for a criminal conviction.

(2) "Designated collection agency" means a collection agency designated by the Court Administrator pursuant to subsection 7171(b) of this title.

(3) "Designated credit bureau" means a credit bureau designated by the Court Administrator or the Court Administrator's designee.

* * *

(c) Civil contempt proceeding.

* * *

(3) Hearing The hearing shall be conducted in a summary manner. The Court shall examine the defendant and any other witnesses and may require the defendant to produce documents relevant to the defendant's ability to pay the amount due. Evidence is admissible if it is of a type commonly relied upon by

a reasonably prudent person in the conduct of his or her affairs. The Vermont Rules of Evidence shall not apply except that the rules related to privilege shall apply. The State shall not be a party except with the permission of the ~~court~~ Court. The defendant may be represented by counsel at the defendant's own expense.

* * *

(f)(1) A defendant who is not incarcerated may file a motion to convert all or part of a traffic offense fine to community service. The Court may grant the motion if the defendant establishes that he or she has made a good faith effort to pay the fine but is unable to do so. A fine converted to community service pursuant to this subsection shall not be considered a modification of sentence and shall not be subject to the time limits of Vermont Rule of Criminal Procedure 35.

(2) Community service performed pursuant to a motion granted under this subsection shall be:

(A) credited against outstanding fines at the then-existing rate of the Vermont minimum wage:

(B) monitored by Diversion, a restorative justice panel of a community justice center, or a similar entity approved by the Court, which shall report on the defendant's compliance status to the Court;

(C) performed in the county where the offense occurred.

(3) A conversion of a fine to community service under this subsection:

(A) shall not apply to surcharges, court costs, or other assessments;

(B) shall be in addition to the contempt procedures applicable under this section.

Sec. E.204.7 REPORT ON PENALTIES, FINES, AND FEES

(a) On or before December 15, 2015, the Court Administrator shall report to the House and Senate Committees on Appropriations and on Judiciary with recommendations for:

(1) increasing efficiency in collection of court-ordered monetary penalties, fines, and fees and encourage compliance with court-ordered payments, including strategies for and impediments to maximizing collections; and

(2) how to account for court-ordered monetary penalties, fines, and fees that are determined to be uncollectible.

(b) To encourage timely payment of court-ordered penalties, fines, and fees, the Judiciary shall ensure that a person who is ordered to pay may satisfy the judgment by cash, check, debit card, or credit card, or may establish a payment schedule to discharge the judgment at the time and place the penalty, fine, or fee is ordered.

Sec. E.204.8 JUDICIAL ROTATION SYSTEM REPORT

(a) On or before December 15, 2015, the Court Administrator shall report to the House and Senate Committees on Appropriations and on Judiciary on the costs, benefits, and impacts on the provision of justice in Vermont associated with the judicial rotation system. The report shall include the costs of instate travel and all expenses associated with the periodic rotation of judges between different court units.

Sec. E.204.9 [DELETED]

Sec. E.204.10 32 V.S.A. § 1758 is amended to read:

§ 1758. MASTERS, AUDITORS, REFEREES, AND COMMISSIONERS

(a) Unless otherwise provided, the pay and the expense allowance for commissioners, masters, auditors, and referees shall be fixed by the Court or by the presiding judge thereof and paid by the ~~state~~ State.

(b) The Superior Court may order that the cost of a master be shared by the parties, with the shares specified in the order, if:

(1) the distribution of property is contested and governed by 15 V.S.A. § 751 and the value of the property to be distributed exceeds $500,000.00; or

(2) one or both parties seek an award of maintenance under 15 V.S.A. § 752 and the parties have non-wage income of $150,000.00 or more, excluding up to $500,000.00 of income from the sale of a primary residence or jointly owned business.

Sec. E.204.11 [DELETED]

Sec. E.204.12 12 V.S.A. § 5540a is amended to read:

§ 5540a. JURISDICTION OVER SMALL CLAIMS; ASSISTANT JUDGES

(a)(1) Subject to the limitations in this section and notwithstanding any provision of law to the contrary, Assistant Judges of Essex, Caledonia, Rutland, and Bennington Counties sitting alone shall hear and decide small claims actions filed under this chapter with the Essex, Caledonia, Rutland, and Bennington Superior Courts. ~~This subdivision shall apply only to Assistant Judges holding office on July 1, 2010.~~

* * *

Sec. E.204.13 REPORT; JURISDICTION OF ASSISTANT JUDGES

(a) On or before January 15, 2016, the Vermont Association of Assistant Judges and the Court Administrator shall jointly report to the Senate and House Committees on Judiciary any recommendations for expansion of the subject matter jurisdiction of assistant judges. The report shall include specific types of cases in which it would be appropriate for assistant judges to sit alone in order to maximize judicial resources and ease caseload burdens on the courts.

Sec. E.204.14 COURT SECURITY; REPORT

(a) On or before January 15, 2016, the Court Administrator shall report to the House and Senate Committees on Appropriations and on Judiciary a plan to establish appropriate statewide security standards balancing cost-effectiveness with facility-specific risk for all Vermont courthouses, including a status report on the implementation of the recommendations made by the National Center for State Courts January 2015 report Overview of Courthouse Security Assessments. The plan shall consider issues related to security at county and State-owned courthouses and propose measures to reduce the cost of court security budgets while maintaining the safety of staff and citizens. The plan shall include a proposal regarding whether counties should provide a security function at the entrance to county-owned courthouses that would be offset by restructuring of notary fees retained by the counties. The plan shall include a proposal that reduces the court security budget by at least three percent.

(b)(1) For purposes of preparing the report required by this section, the senior assistant judge for each county shall on or before November 15, 2015 recommend to the Court Administrator a proposal to reduce the court security budget in the assistant judge's county by at least three percent.

(2) In developing the recommendation required by this subsection, the senior assistant judge shall consult with:

(A) the security and safety program manager and the chief of finance and administration at the Vermont Supreme Court; and

(B) the presiding Superior judge, court clerk, court manager, State's Attorney, and sheriff in the senior assistant judge's county.

Sec. E.204.15 LEGISLATIVE INTENT; COURT FEES

(a) The General Assembly intends that the new revenue generated in fiscal year 2016 from increased court fees be used as a funding source to fill judicial vacancies.

(b) On or before December 15, 2015, the Court Administrator shall report to the House and Senate Committees on Appropriations and on Judiciary on three programmatic areas for which the Court has established performance measures that demonstrate program results.

Sec. E.208 Public safety – administration

(a) The Commissioner of Public Safety is authorized to enter into a performance-based contract with the Essex County Sheriff's Department to provide law enforcement service activities agreed upon by both the Commissioner of Public Safety and the Sheriff.

Sec. E.208.1 DISPATCH FUNDING

(a) Notwithstanding any other provision of law to the contrary, the

Commissioner of Public Safety shall use $425,000 of funds held by the fiscal agent under 30 V.S.A. chapter 88, appropriated as E-911 Special Fund in Sec. B.1117 of this act, to continue funding the operation of the four dispatching centers in Derby, Rockingham, Rutland, and Williston at levels necessary to perform the call handling and dispatching functions.

(b) The Commissioner may move the call answering services and the dispatching for Vermont State Police personnel into the two proposed consolidated 911 call centers and dispatching centers in Williston and Rockingham.

(c) The centers in Derby and Rutland shall remain dispatching centers for the local emergency service providers in those areas until September 15, 2015.

Sec. E.208.2 911 CALL TAKING

(a) By September 1, 2015, the Vermont Enhanced 911 Board shall meet and report to the Secretary of Administration and the Joint Fiscal Committee on:

(1) the number of 911 call centers in the State necessary to meet the current requirements of the Enhanced 911 system;

(2) the number of 911 call seats necessary to meet the current requirements of the Enhanced 911 system;

(3) the average cost per 911 call seat; and

(4) ways to provide 911 services to the State that optimize performance and cost-effectiveness to meet Vermont's needs.

Sec. E.208.3 DISPATCH REQUIREMENTS

(a) By June 1, 2015, the Commissioner of Public Safety shall report to the Joint Fiscal Committee on the costs required to support the current level of

dispatching services at the four State-operated 911 call and dispatch centers in Derby, Rockingham, Rutland, and Williston.

(b) For the purposes of this section, costs required to support the current level of dispatching services shall not include any costs associated with taking 911 calls, but shall include the following types of dispatch calls: police departments, excluding the Vermont State Police; constabularies; emergency medical services; and fire and rescue departments.

(c) This cost information shall be calculated by determining the minimum number of full-time dispatching personnel and all associated costs to provide dispatch services that would be needed if the combined emergency service providers mentioned in subsection (b) of this section were to provide their own dispatching within the areas of the four dispatch centers in Derby, Rockingham, Rutland, and Williston.

(d) The cost information shall be made available to the municipalities that rely on dispatch services from the four State-operated 911 call centers and dispatch centers.

Sec. E.208.4 CONTRACTS FOR SERVICES

(a) The Commissioner of Public Safety shall forward the cost proposals for operating a dispatch center to regional groups, municipalities, and interested parties in the areas of the four State-operated call handling and dispatch centers to determine if those groups want to contract for State dispatch services. As used in this subsection, "regional groups" include the State legislators, assistant judges, municipal officials, and emergency service representatives for the areas served by the dispatching functions of the State-operated 911 call centers and dispatch centers.

(b) The Commissioner shall receive proposals from each regional group concerning whether each regional group would like to:

(1) receive dispatch services from the two proposed consolidated 911 call centers and dispatching centers in Williston and Rockingham;

(2) contract for dispatch services with the State;

(3) provide its own dispatch services using the facilities of the dispatch centers at Derby or Rutland; or

(4) provide its own dispatch services using its own facility.

(c)(1) If agreement is reached with a regional group on or before September 15, 2015 for the State to provide either the dispatch services described in subdivision (b)(2) of this section or the facilities described in subdivision (b)(3) of this section, the Commissioner of Public Safety shall

contract with the assistant judges, acting on behalf of a county of the State under this section, to provide either those dispatch services or facilities.

(A) The State's provision of those dispatch services or facilities shall be paid for at the local level as part of the county budget by each of the municipalities that have agreed to contract for those State dispatch services or facilities. The amount of a municipality's payment shall reflect that individual municipality's cost for the dispatch services or facilities provided to it.

(B) A municipality that has not agreed to contract for State dispatch services described in subdivision (b)(2) of this section or facilities described in subdivision (b)(3) of this section shall not be required to pay for those services or facilities as part of the county budget.

(2) Funds received by the Commissioner under contracts entered into under subdivision (1) of this subsection shall be deposited in a special fund called the Dispatch Fund, created in accordance with 32 V.S.A. chapter 7, subchapter 5, and shall be available to provide full funding of those contracts.

(3) The cost of contracts entered into by a county under this section shall be considered an expense and obligation of the county under 24 V.S.A. § 133(e).

(d) In order to reach an agreement under this section:

(1) The Commissioner of Buildings and General Services, with consultation from the Commissioner of Public Safety, is authorized to lease, rent, or otherwise convey any personal property, real property, fixtures, or intangible rights currently held by the State for the provision of dispatch services at a public safety answering point.

(2) The Commissioner of Public Safety is authorized to lease, rent, or otherwise convey personal property, which is made up of movable items (radio consoles and theological systems) currently held by the State for the provision of dispatch services at a public safety answering point.

(e) The Commissioner shall obtain the approval of the Joint Fiscal Committee for the contract amounts to be entered into for fiscal year 2016 and after.

Sec. E.208.5 PSAP; STAFFING DIRECTIVE AND BUDGETARY IMPACT REPORT

(a) The Secretary of Administration and the Commissioner of Public Safety shall ensure that the authorized positions for PSAP operations are adequate to ensure that overtime authorization can be minimized and limited to episodic need not routinely scheduled.

(b) The Commissioner shall provide a report to the General Assembly with its fiscal year 2017 budget presentation that clearly and comprehensively summarizes the specific budgetary impact of PSAP consolidation on the fiscal year 2016 and fiscal year 2017 department budgets.

Sec. E.208.6 [DELETED]

Sec. E.209 Public safety – state police

(a) Of this appropriation, $35,000 in special funds shall be available for snowmobile law enforcement activities and $35,000 in general funds shall be available to the Southern Vermont Wilderness Search and Rescue Team, which comprises State Police, the Department of Fish and Wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of this appropriation, $405,000 is allocated for grants in support of the Drug Task Force and the Gang Task Force. Of this amount, $190,000 shall be used by the Vermont Drug Task Force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any unobligated funds may be allocated by the Commissioner to fund the work of the Drug Task Force and to support the efforts of the Mobile Enforcement Team (Gang Task Force), or carried forward.

Sec. E.212 Public safety – fire safety

(a) Of this General Fund appropriation, $55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

Sec. E.212.1 [DELETED]

Sec. E.215 Military – administration

(a) The amount of $250,000 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856. Of this amount, $100,000 shall be general funds from this appropriation, and $150,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

Sec. E.219 Military – veterans' affairs

(a) Of this appropriation, $2,500 shall be used for continuation of the Vermont Medal Program; $4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council; $7,500 shall be used for the Veterans' Day parade; $5,000 shall be granted to the Vermont State Council of the

Vietnam Veterans of America to fund the Service Officer Program; $5,000 shall be used for the Military, Family, and Community Network; and $10,000 shall be granted to the American Legion for the Boys' State and Girls' State programs.

(b) Of this General Fund appropriation, $39,484 shall be deposited into the Armed Services Scholarship Fund established in 16 V.S.A. § 2541.

Sec. E.220 Center for crime victims services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victims Services shall transfer $55,435 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

Sec. E.222 APPROPRIATIONS FOR AGENCY OF AGRICULTURE, FOOD AND MARKETS WATER QUALITY STAFF

Sec. 42 of H.35 of 2015 as enacted is amended to read:

Sec. 42. APPROPRIATIONS FOR AGENCY OF AGRICULTURE, FOOD AND MARKETS STAFF

In addition to any other funds appropriated to the Agency of Agriculture, Food and Markets in fiscal year 2016, there is appropriated from the Agricultural Water Quality Special Fund created under 6 V.S.A. § 4803 to the Agency of Agriculture, Food and Markets ~~$2,114,000.00~~ $1,071,000.00 in fiscal year 2016 for the purpose of hiring eight employees for implementation and administration of agricultural water quality programs in the State.

Sec. E.223 Agriculture, food and markets – food safety and consumer protection

(a) The Agency of Agriculture, Food and Markets shall use the Global Commitment funds appropriated in this section for the Food Safety and Consumer Protection Division to provide public health approaches and other innovative programs to improve the health outcomes, health status, and quality of life for uninsured, underinsured, and Medicaid-eligible individuals in Vermont.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of $696,136 in general funds is appropriated for expenditure by the Working Lands Enterprise Board established in 6 V.S.A. § 4606 for administrative expenses, direct grants, and investments in food and forest systems pursuant to

6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5.

Sec. E.225 Agriculture, food and markets – laboratories, agricultural resource management and environmental stewardship

(a) The Agency of Agriculture, Food and Markets shall use the Global Commitment funds appropriated in this section to provide public health approaches and other innovative programs to improve the health outcomes, health status, and quality of life for uninsured, underinsured, and Medicaid-eligible individuals in Vermont.

Sec. E.225.1 VERMONT AGRICULTURE AND ENVIRONMENTAL LABORATORY

(a) Effective on July 1, 2015, the functions of the Department of Environmental Conservation environmental laboratory and the Agency of Agriculture, Food and Markets agricultural laboratory are consolidated in the Vermont Agriculture and Environmental Laboratory, under the direction of the Agency and separately appropriated there. The environmental laboratory positions in the Department and positions in the Agency associated with agricultural laboratory operations are transferred to that appropriation.

(b) The Department of Environmental Conservation shall utilize the Agriculture and Environmental Laboratory for chemical analytical samples unless any of the following apply:

(1) The Agriculture and Environmental Laboratory cannot perform the analysis being requested by the Department of Environmental Conservation.

(2) The Agriculture and Environmental Laboratory cannot process the samples within the time frame established by the Department of Environmental Conservation.

(3) The fees charged by the Agriculture and Environmental Laboratory are 120 percent or greater than for comparable analyses performed by a private environmental laboratory.

(c) On or before July 1, 2015, the Agencies of Agriculture, Food and Markets and of Natural Resources shall enter into a memorandum of understanding for the purpose of establishing principles for governance and operations of the Vermont Agriculture and Environmental Laboratory, including creation of a governance board with equal representation from both agencies that shall provide oversight and establish strategic priorities for the collaborative Agriculture and Environmental Laboratory.

Sec. E.225.2 6 V.S.A. § 121 is amended to read:

§ 121. CREATION AND PURPOSE

There is created within the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets a central testing laboratory for the purpose of ~~assisting the agency in the performance of the duties required of it by law~~ providing agricultural and environmental testing services.

Sec. E.225.3 6 V.S.A. § 122 is amended to read:

§ 122. FEES

Notwithstanding 32 V.S.A. § 603, the ~~agency~~ Agency shall establish fees for ~~any tests conducted~~ providing agricultural and environmental testing services at the request of private individuals and State agencies. The fees shall ~~cover the costs of the tests and any administrative work performed in conjunction with the test, including but not limited to collection costs~~ be reasonably related to the cost of providing the services. Fees collected under this chapter shall be credited to a special fund which shall be established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and which shall be available to the Agency to offset the cost of providing the services.

Sec. E.225.4 REPEAL

(a) 3 V.S.A. § 2822(n) (environmental testing laboratory services) is repealed.

(b) The balance in the Environmental Conservation – Laboratory Receipts Special Fund (SF#21861) - is transferred to the Agriculture, Food and Markets – Laboratory Testing Special Fund (SF#21667).

Sec. E.233 CONNECTIVITY INITIATIVE FUNDING

(a) Of the amount of monies determined by the fiscal agent as available to the Connectivity Initiative, as prescribed by 30 V.S.A. § 7516, $270,000.00 shall be for staffing and administering the Connectivity Initiative established in 30 V.S.A. § 7515b.

Sec. E.237 [DELETED]

* * * HUMAN SERVICES * * *

Sec. E.300 DEPOSIT AND USE OF MASTER SETTLEMENT FUND

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2016 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

Sec. E.300.1 [DELETED]

Sec. E.300.2 [DELETED]

Sec. E. 300.3 TRANSFER OF TOBACCO PROGRAM FUNDING

(a) In fiscal year 2016, up to $175,000 proportionately allocated from the tobacco funds appropriated to all entities excluding the Global Commitment waiver, shall upon request of the Tobacco Evaluation and Review Board be transferred to the Agency of Human Services for the costs of program administration and evaluation activity approved by the Board.

Sec. E.300.4 HUMAN SERVICES; IMPROVING GRANTS MANAGEMENT FOR RESULTS-BASED PROGRAMS

(a) The Secretary of Human Services shall compile a grants inventory utilizing the Department of Finance and Management master list of awarded grants for all grants current in fiscal year 2015 that have been awarded by the Agency and each of its Departments to any public and private entities. The inventory should reflect:

(1) The date and title of the grant;

(2) The amount of federal and State of Vermont funds committed in fiscal year 2015;

(3) A summary description of each grant;

(4) The recipient of the grant;

(5) The Department responsible for making the award;

(6) The major Agency Program served by the grant;

(7) The existence or nonexistence in the grant of performance measures; and

(8) The scheduled expiration date of the grant.

(b) The Agency shall submit the inventory, on or before February 15, 2016, to the General Assembly in an electronic format.

(c) The Secretary of Human Services and the Chief Performance Officer shall report to the Government Accountability Committee in September 2015 and to the House and Senate Committees on Appropriations on or before January 15, 2016 on the progress of the Agency in improving grant management in regard to:

(1) Compilation of the inventory required in subsection (a) of this section;

(2) Establishing a drafting template to achieve common language and requirements for all grant agreements, to the extent that it does not conflict

with Agency of Administration Bulletin 5 ~ Policy for Grant Issuance and Monitoring or Federal requirements contained in 2 C.F.R. Chapter I, Chapter II, Part 200, including:

(A) A specific format covering expected goals and clear concise performance measures that demonstrate results and which are attached to each goal;

(B) Providing both community organizations and the Agency staff the same point of reference in assessing how the grantees are meeting expectations in terms of performance.

(3) Executing Designated Agency Master Grant agreements using the new drafting template;

(4) Executing grant agreements with other grantees using the new drafting template; and

(5) Progress in improving the overall timeliness of executing agreements.

Sec. E.300.5 [DELETED]

Sec. E.300.6 [DELETED]

Sec. E.301 Secretary's office – Global Commitment:

(a) The Agency of Human Services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the Agency of Human Services and the managed care entity, the Department of Vermont Health Access, as provided for in the Global Commitment for Health Waiver (Global Commitment) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the State funds appropriated in this section, a total estimated sum of $28,995,359 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) $18,212,850 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with $22,287,150 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of $40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) $4,027,624 certified State match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) $1,830,081 certified State match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-age children.

(4) $2,653,915 certified State match available via the University of Vermont's Child Health Improvement Program for quality improvement initiatives for the Medicaid program.

(5) $2,270,889 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

Sec. E.301.1 REVIEW OF VERMONT MEDICAID BENEFITS

(a) On or before December 1, 2015, the Director of Health Care Reform, in consultation with the Department of Vermont Health Access, shall develop a reference guide comparing covered services available under the Global Commitment for Health Section 1115 Medicaid waiver with the essential health benefits benchmark plan required by the Affordable Care Act and with any other relevant benchmarks to the House Committees on Appropriations, on Ways and Means, and on Health Care and to the Senate Committees on Appropriations, on Health and Welfare, and on Finance, and the Health Reform Oversight Committee.

Sec. E.301.2 [DELETED]

Sec. E.301.3 MEDICAID WAIVER CONSOLIDATION ADJUSTMENTS

(a) In July 2015, the Agency of Human Services is authorized to make net neutral adjustments to the fiscal year 2016 Global Commitment and Choices for Care (CFC) program-related appropriations as needed due to the consolidation of the CFC waiver within the Global Commitment waiver. The Agency shall provide a written report to the Joint Fiscal Committee in July 2015 of any adjustments made under the authority of this section.

Sec. E.306 2014 Acts and Resolves No. 179, Sec. E.306.1 is amended to read:

Sec. E.306.1 EMERGENCY RULES

(a) The Agency of Human Services shall adopt rules pursuant to 3 V.S.A. chapter 25 prior to June 30, ~~2015~~ 2016 to conform Vermont's rules regarding operation of the Vermont Health Benefit Exchange to federal guidance and regulations implementing the provisions of the Patient Protection and

Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152. The rules shall be adopted to achieve timely compliance with federal laws and guidance and shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

Sec. E.306.1 HOME HEALTH AGENCY ASSESSMENT REVIEW

(a) By November 15, 2015, the Visiting Nurse Associations of Vermont, in consultation with Bayada Home Health Care, shall study and develop recommendations regarding the home health agency assessment as established in 33 V.S.A. § 1955a. The study shall include a review of the tax base currently used to calculate the assessment under 33 V.S.A. § 1955a, recommendations for revisions to the assessment which are equitable to all home health agencies, and a legal analysis of such recommendations to ensure compliance with 42 C.F.R. § 433.68. Upon request, the Departments of Vermont Health Access and of Disabilities, Aging, and Independent Living shall provide data or information needed for the analysis. These recommendations shall be reported to the House Committees on Appropriations and on Ways and Means and the Senate Committees on Appropriations and on Finance.

Sec. E.306.2 MEDICAID PROGRAM SAVINGS INITIATIVES

(a) Autism: The Agency of Human Services, with the Departments of Health, of Vermont Health Access, of Mental Health, and of Disabilities, Aging, and Independent Living, shall review the scope and delivery method of autism services in Medicaid in comparison with the scope and methods covered under private insurance and determine which areas of inconsistency are due to federal requirements and which are due to other State policy.

(b) Appropriate Level of Care for Older Adults with Psychiatric Illness: The Agency of Human Services, with the Departments of Health, of Vermont Health Access, of Mental Health, and of Disabilities, Aging, and Independent Living will investigate the implementation of service alternatives for older adults with psychiatric illness that reduce length of hospital stay for individuals who would otherwise be discharged but for a lack of placement alternative to meet their medical needs. The Agency shall consult with community providers, including nursing homes, hospitals, and designated agencies in implementing a service alternative for this population and provide a proposal to implement these service alternatives in the fiscal year 2017 budget.

Sec. E.306.3 33 V.S.A. § 1901h is added to read:

§ 1901h. PROSPECTIVE PAYMENT; HOME HEALTH SERVICES

(a) On or before July 1, 2016 and upon approval from the Centers for Medicare and Medicaid Services, the Department of Vermont Health Access shall modify reimbursement methodologies to home health agencies, as defined in section 1951 of this title, in order to implement prospective payments for the medical services paid for by the Department under the Global Commitment to Health waiver, and to replace fee-for-service payment methodologies. The Department shall determine an appropriate schedule for determining a revised base calculation for the payment.

(b) The Department shall develop the prospective payment methodology in collaboration with representatives of home health agencies. If practicable, the Department:

(1) Shall align the methodology with Medicare to reduce the administrative burden on the agencies, including an outlier policy to protect against extraordinarily high cost claims.

(2) Shall base the payment on data contained in the Medicare cost report filed most recently or settled by the Centers for Medicare and Medicaid Services, which shall be provided by the agencies annually on or before June 1. If the Department uses the cost report most recently filed with the Centers for Medicare and Medicaid Services, it shall review the settled report to determine if a rate adjustment or audit should be conducted.

(3) May include a quality payment in the methodology, if funds allow.

Sec. E.306.4 MEDICAID; COORDINATION OF BENEFITS

(a) No later than January 15, 2016, the Department of Vermont Health Access shall provide legislative language to improve coordination of benefits between Medicaid and private coverage to the House Committees on Appropriations and on Health and to the Senate Committees on Appropriations and on Health and Welfare. The proposal shall modify 33 V.S.A.§ 1908 to require any entity that is responsible for payment of a claim for a health care item or service to provide electronically a data file with sufficient information for the Department to determine whether any Medicaid beneficiary has another source of private insurance coverage, which should provide coverage prior to Medicaid. The Department shall consult with the major health insurers in this State. The proposal shall be consistent with all federal and State laws relating to the confidentiality or privacy of personal information or medical records, including provisions under the federal Health Insurance Portability and Accountability Act (HIPAA).

Sec. E.307 2013 Acts and Resolves No. 79, Sec. 53(d), as amended by 2014 Acts and Resolves No. 179, Sec. E.307, is further amended to read:

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the Department of Vermont Health Access may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for the Healthy Vermonters and VPharm programs is not operational by that date, but no later than December 31, ~~2015~~ 2016.

Sec. E.307.1 33 V.S.A. § 2001(c) is amended to read:

(c) The Commissioner of Vermont Health Access shall report ~~quarterly~~ annually on or before August 31 to the Health ~~Care~~ Reform Oversight Committee concerning ~~the following aspects of~~ the Pharmacy Best Practices and Cost Control Program~~:~~

~~(1) the efforts undertaken to educate health care providers about the preferred drug list and the Program's utilization review procedures;~~

~~(2) the number of prior authorization requests made; and~~

~~(3) the number of utilization review events (other than prior authorization requests).~~ Topics covered in the report will include issues related to drug cost and utilization; the effect of national trends on the pharmacy program; comparisons to other states; and decisions made by the Department's Drug Utilization Review Board in relation to both drug utilization review efforts and the placement of drugs on the Department's preferred drug list.

Sec. E.307.2 33 V.S.A. § 1901f is amended to read:

§ 1901f. MEDICAID PROGRAM ENROLLMENT AND EXPENDITURE REPORTS

By ~~January 30, April 30, July 30~~ March 1, June 1, September 1, and ~~October 30~~ December 1 of each year, the Commissioner of Vermont Health Access or designee shall submit to the General Assembly a quarterly report on enrollment and total expenditures by Medicaid eligibility group for all programs paid for by the Department of Vermont Health Access during the preceding calendar quarter and for the fiscal year to date. Total expenditures for Medicaid-related programs paid for by other departments within the Agency of Human Services shall be included in this report by Medicaid eligibility group to the extent such information is available.

Sec. E.307.3 CHOICES FOR CARE – ELIGIBILITY PROCESS REVIEW

(a) The Commissioners for Children and Families, of Disabilities, Aging, and Independent Living, and of Vermont Health Access shall evaluate the

processes for determining an individual's eligibility for Choices for Care and shall identify any areas that result in consistent delays in such eligibility determinations. The Commissioners shall report their findings and recommendations to ensure determinations are expeditiously processed to the Senate Committees on Health and Welfare and on Appropriations and to the House Committees on Human Services and on Appropriations on or before January 15, 2016.

Sec. E.307.4 [DELETED]

Sec. E.307.5 [DELETED]

Sec. E.307.6 [DELETED]

Sec. E.307.7 [DELETED]

Sec. E.307.8 REPEAL

(a) 2000 Acts and Resolves No. 152, Sec. 117b, as amended by 2013 Acts and Resolves No. 79, Sec. 42, is repealed on July 1, 2015.

Sec. E.308 CHOICES FOR CARE; SAVINGS, REINVESTMENTS, AND SYSTEM ASSESSMENT

(a) In the Choices for Care program, "savings" means the difference remaining at the conclusion of fiscal year 2015 between the amount of funds appropriated for Choices for Care, excluding allocations for the provision of acute care services, and the sum of expended and obligated funds, less an amount equal to one percent of the fiscal year 2015 year total Choices for Care expenditure. The one percent shall function as a reserve to be used in the event of a fiscal need to freeze Moderate Needs Group enrollment. Savings shall be calculated by the Department of Disabilities, Aging, and Independent Living and reported to the Joint Fiscal Office.

(1) It is the intent of the General Assembly that the Department of Disabilities, Aging, and Independent Living only obligate funds for expenditures approved under current law.

(b)(1) Any funds appropriated for long-term care under the Choices for Care program shall be used for long-term services and supports to recipients. In using these funds, the Department of Disabilities, Aging, and Independent Living shall give priority for services to individuals assessed as having high and highest needs and meeting the terms and conditions of the Choices for Care program within the Global Commitment waiver.

(2)(A) First priority for the use of any savings from the long-term care appropriation after the needs of all individuals meeting the terms and conditions of the waiver have been met shall be given to home- and

community-based services. Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

(B) Savings either shall be one-time investments or shall be used in ways that are sustainable into the future. Excluding appropriations allocated for acute services, any unexpended and unobligated State General Fund or Special Fund appropriation remaining at the close of a fiscal year shall be carried forward to the next fiscal year.

(C) The Department of Disabilities, Aging, and Independent Living shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

(c) The Department, in collaboration with Choices for Care participants, participants' families, and long-term care providers, shall conduct an assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1, 2015, the Department of Disabilities, Aging, and Independent Living shall report the results of this assessment to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare in order to inform the reinvestment of savings during the budget adjustment process.

(d) On or before January 15, 2016, the Department of Disabilities, Aging, and Independent Living shall propose reinvestment of the savings calculated pursuant to this section to the General Assembly as part of the Department's proposed budget adjustment presentation.

(e) Concurrent with the procedures set forth in 32 V.S.A. § 305a, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board their respective estimates of caseloads and expenditures for programs under the Choices for Care program.

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2016 and as provided in this section, the Department of Health shall provide grants in the amount of $475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(A) AIDS Project of Southern Vermont, $120,281;

(B) HIV/HCV Resource Center, $38,063;

(C) VT CARES, $219,246;

(D) Twin States Network, $45,160;

(E) People with AIDS Coalition, $52,250.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

(3)(A) The Secretary of Human Services shall immediately notify the Joint Fiscal Committee if at any time there are insufficient funds in VMAP to assist all eligible individuals. The Secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to VMAP medications until such time as the General Assembly can take action.

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the VMAP Advisory Committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2016, the Department of Health shall provide grants in the amount of $100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(b) The funding for tobacco cessation and prevention activities in fiscal year 2016 shall include funding for tobacco cessation programs that serve pregnant women.

Sec. E.312.1 LADIES FIRST PROGRAM

(a) The Commissioner of Health shall develop a marketing plan for Ladies First, a health screening program for women, to increase awareness of the

available services provided to eligible women. In addition, the Commissioner shall provide a plan to be submitted to the Joint Fiscal Committee on or before September 1, 2015, that details how the Ladies First program will be implemented. The plan shall be appropriately integrated with the other marketing and outreach efforts of the Department.

Sec. E.313 Health – alcohol and drug abuse programs

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the State, a State-qualified alcohol and drug abuse counselor may apply to the Department of Health, Division of Alcohol and Drug Abuse Programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b)(1) In accordance with federal law, the Division of Alcohol and Drug Abuse Programs may use the following criteria to determine whether to enroll a State-supported Medicaid and uninsured population substance abuse program in the Division's network of designated providers, as described in the State plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the Division's standards, licensure standards, and accreditation standards established by the Commission on Accreditation of Rehabilitation Facilities, the Joint Commission on Accreditation of Health Care Organizations, or the Commission on Accreditation for Family Services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are developed, provided the standards identified in this subdivision (b)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the Division's "request for bids" process.

Sec. E.313.1 18 V.S.A. § 4803 is amended to read:

§ 4803. ALCOHOL AND DRUG ABUSE COUNCIL; CREATION; TERMS; PER DIEM

(a) The Alcohol and Drug Abuse Council is established within the Agency of Human Services to promote the ~~reduction of~~ dual purposes of reducing problems arising from alcohol and drug abuse and improving prevention,

intervention, treatment, and recovery services by advising the Secretary on policy areas that can inform Agency programs.

(b) The Council shall consist of ~~11~~ 12 members:

(1) the Secretary of Human Services~~,~~ or designee;

(2) the Commissioner of Public Safety~~,~~ or designee;

(3) ~~Secretary of Education, Commissioner of Liquor Control, and Commissioner of Motor Vehicles, or their designees~~ the Commissioner of Mental Health or designee;

~~(2)~~(4) ~~one member shall be a member of a mental health or substance abuse agency who shall be appointed by the Governor; and~~ the Deputy Commissioner of Health's Division of Alcohol and Drug Abuse Programs;

~~(3)~~(5) ~~five members shall be appointed by the Governor of which every consideration shall be given, if possible, to equal geographic apportionment. Consideration will be given for one of these members to be a certified practicing teacher and one of these members to be a school administrator.~~ the Director of the Blueprint or designee;

(6) a representative of an approved provider or preferred provider, appointed by the Governor;

(7) a licensed alcohol and drug abuse counselor, appointed by the Governor;

(8) a representative of hospitals, appointed by the Vermont Association of Hospitals and Health Systems;

(9) an educator involved in substance abuse prevention services, appointed by the Governor;

(10) a youth substance abuse prevention specialist, appointed by the Governor;

(11) a community prevention coalition member, appointed by the Governor; and

(12) a member of the peer community involved in recovery services, appointed by the Governor.

(c) The term of office of members appointed pursuant to ~~subdivisions (b)(2) and (3)~~ subsection (b) of this section shall be three years.

(d) The Council membership shall annually elect a member to serve as chairperson.

(e) All members shall be voting members.

(f) At the expiration of the term of an appointed member or in the event of a vacancy during an unexpired term, the new member shall be appointed in the same manner as his or her predecessor. Members of the Council may be reappointed.

(g)(1) Annually on or before November 15, the Council shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare with its findings and any recommendations for legislative action.

(2) The report shall include the following:

(A) measurable goals for the State's substance abuse system of care; and

(B) three to five performance measures that demonstrate the system's results.

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

(h) Each member of the Council not otherwise receiving compensation from the State of Vermont or any political subdivision thereof shall be entitled to receive per diem compensation as provided in 32 V.S.A. § 1010(b) for not more than six meetings annually. Each member shall be entitled to his or her actual and necessary expenses.

Sec. E.313.2 18 V.S.A. § 4805 is amended to read:

§ 4805. DUTIES

The Council shall:

(1) advise the Governor as to the nature and extent of alcohol and drug abuse problems and the programs necessary to understand, prevent, and alleviate those problems;

(2) make recommendations to the Governor and General Assembly for developing:

(A) a comprehensive and coordinated system for delivering effective programs, including any appropriate reassignment of responsibility for such programs; and

(B) a substance abuse system of care that integrates substance abuse services with health care reform initiatives, such as pay for performance methodologies;

(3) provide for coordination and communication among the regional alcohol and drug abuse councils, State agencies and departments, providers, consumers, consumer advocates, and interested citizens;

(4) jointly, with the State Board of Education, develop educational and preventive programs; ~~and~~

(5) ~~develop a five-year plan for effectively providing preventive, education, and treatment services to the Vermont public~~ assess substance abuse services and service delivery in the State, including the following:

(A) the effectiveness of existing substance abuse services in Vermont and opportunities for improved treatment; and

(B) strategies for enhancing the coordination and integration of substance abuse services across the system of care; and

(6) provide recommendations to the General Assembly regarding State policy and programs for individuals experiencing public inebriation.

Sec. E.314 [DELETED]

Sec. E.314.1 MENTAL HEALTH BUDGET PRESENTATION

(a) In order for the General Assembly to assess segmented funding streams for publicly funded mental health services, the Departments of Mental Health and of Vermont Health Access shall, in consultation with the State's Chief Performance Officer, as designee of the Secretary of Administration, provide a longitudinal capacity, caseload, expenditure, and utilization analysis with the fiscal year 2017 budget presentation identifying the budget categories incorporated within each Department for:

(1) Inpatient services by the following funding categories, including any subdivision between persons served by the community rehabilitation and treatment program:

(A) the State-run inpatient hospital;

(B) Level 1 inpatient psychiatric services delivered in private hospitals;

(C) other involuntary inpatient psychiatric services; and

(D) voluntary inpatient psychiatric services.

(2) Residential services by categories of service, including any subdivision between persons served by the community rehabilitation and treatment program, including:

(A) intensive recovery;

(B) Crisis Residential and Hospital Diversion;

(C) group homes;

(D) supported independent living; and

(E) secure residential.

(3) Community mental health services provided by designated agencies, by categories of service, including:

(A) community rehabilitation and treatment;

(B) crisis programs; and

(C) outpatient.

(4) Other publicly funded mental health services, including:

(A) peer support programs;

(B) outpatient services by private clinicians.

(5) The administration and oversight of mental health services.

Sec. E.314.2 UNIFIED MENTAL HEALTH SERVICES IMPLEMENTATION PLAN

(a) As part of their fiscal year 2017 budget presentations, the Departments of Mental Health and of Vermont Health Access shall present an implementation plan for a unified service and financial allocation for publicly funded mental health services as part of an integrated health care system. The goal of the plan is to integrate public funding for direct mental health care services within the Department of Vermont Health Access while maintaining oversight functions and the data necessary to perform those functions within the department of appropriate jurisdiction. The implementation plan shall contain a projected timeline for moving toward the goals presented therein.

(b) On or before both August 1, 2015 and October 1, 2015, the Departments of Mental Health and of Vermont Health Access shall present a status update on the development of the implementation plan required pursuant to subsection (a) of this section to the Health Reform Oversight Committee.

Sec. E.314.3 PLANNING FOR INTEGRATED MENTAL HEALTH AND HEALTH CARE SERVICES

(a) The Departments of Mental Health and of Vermont Health Access shall create a plan and identify performance measures for agencies designated under 18 V.S.A. § 8907 to provide more integrated health services for persons served through local or regional initiatives or coordinated networks of care. The plan and measures shall promote serving individuals through initiatives targeting

effective coordination of health care delivery and more cost-efficient results. Plans shall establish thresholds for shared incentives and disincentives for partnering agencies.

Sec. E.316 [DELETED]

Sec. E.316.1 [DELETED]

Sec. E.316.2 [DELETED]

Sec. E.318 33 V.S.A. § 3505 is amended to read:

§ 3505. SUPPLEMENTAL CHILD CARE GRANTS

(a)(1) The Commissioner for Children and Families may reserve up to one-half of one percent of the child care family assistance program funds for extraordinary financial relief to assist child care programs that are at risk of closing due to financial hardship. The Commissioner shall develop guidelines for providing assistance and shall prioritize extraordinary financial relief to child care programs in areas of the State with high poverty and low access to high quality child care. If the Commissioner determines a child care program is at risk of closure because its operations are not fiscally sustainable, he or she may provide assistance to transition children served by the child care operator in an orderly fashion and to help secure other child care opportunities for children served by the program in an effort to minimize the disruption of services. The Commissioner has the authority to request tax returns and other financial documents to verify the financial hardship and ability to sustain operations.

(2) Annually on or before January 15, the Commissioner shall report to the Senate Committee on Health and Welfare and to the House Committee on Human Services regarding any funds distributed pursuant to subdivision (1) of this subsection. Specifically, the report shall address how funds were distributed and used. It shall also address results related to any distribution of funds.

(b) In instances in which extraordinary financial relief will not maintain ongoing access to high quality child care, the Department for Children and Families may provide additional support to ensure access to ~~high-quality~~ high quality, comprehensive child care that meets the needs of working parents in high-poverty areas of Vermont. Licensed child care ~~centers~~ programs may be considered for this additional financial support to help ensure ongoing access to ~~high-quality~~ high quality child care in areas of the State where none exists, as determined by the Commissioner. Financial assistance may be granted, at the discretion of the Commissioner, if the child care ~~center~~ program meets the following criteria:

* * *

Sec. E.318.1 [DELETED]

Sec. E.318.2 CHILD CARE SERVICES PROGRAM; WAITLIST

(a) Prior to implementing a waitlist for or cap on the number of subsidized child care slots in fiscal year 2016, the Department for Children and Families shall report to the Joint Fiscal Committee.

Sec. E.321 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) For State fiscal year 2016, the Agency of Human Services may continue a housing assistance program within the General Assistance program to create flexibility to provide these General Assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. The program shall operate in a consistent manner within existing statutes and rules and policies effective on July 1, 2013, and any succeeding amendments thereto, and may create programs and provide services consistent with these policies. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The Agency may award grants to homeless and housing service providers for eligible activities. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The program may operate in up to 12 districts designated by the Secretary of Human Services. The Agency shall establish goals and procedures for evaluating the program overall, including performance measures that demonstrate program results, and for each district in which the Agency operates the program, it shall establish procedures for evaluating the district program and its effects.

(c) The Agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of the General Assistance flexibility program.

Sec. E.321.1 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2016 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The cold weather exception policy issued by the

Department for Children and Families' Economic Services Division dated October 25, 2012, and any succeeding amendments to it, shall remain in effect.

Sec. E.321.2 2013 Acts and Resolves No. 50, Sec. E.321.2(c) is amended to read:

(c) On or before ~~January 15~~ January 31 and ~~July 15~~ July 31 of each year beginning in ~~2014~~ 2015, the Agency of Human Services shall report statewide statistics related to the use of emergency housing vouchers during the preceding calendar half-year, including demographic information, deidentified client data, shelter and motel usage rates, clients' primary stated cause of homelessness, average lengths of stay in emergency housing by demographic group and by type of housing, and such other relevant data as the Secretary deems appropriate. When the General Assembly is in session, the Agency shall provide its report to the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the House and Senate Committees on Appropriations. When the General Assembly is not in session, the Agency shall provide its report to the Joint Fiscal Committee.

Sec. E.321.3 9 V.S.A. § 4452(8) is added to read:

(8) transient occupancy in a hotel, motel, or lodgings during the time the occupant is a recipient of General Assistance or Emergency Assistance temporary housing assistance, regardless of whether the occupancy is subject to a tax levied under 32 V. S.A. chapter 225.

Sec. E.321.4 FUNDING FLEXIBILITY

(a) In fiscal year 2016, if the Secretary of Human Services and the Commissioner for Children and Families determine such funding will not be needed for General Assistance, up to $100,000 of funding provided for General Assistance may be transferred to the Agency central office to be used as flexible funding to prevent homelessness or address other needs for at-risk families and youth. The Agency shall report to the Joint Fiscal Committee, the House Committee on Human Services, and the Senate Committee on Health and Welfare if any funds are transferred under the provisions of this section.

Sec. E.323 33 V.S.A. § 1103(c) is amended to read:

(c) The Commissioner shall adopt rules for the determination of eligibility for the Reach Up program and benefit levels for all participating families that include the following provisions:

* * *

(9) The amount of $125.00 of the Supplemental Security Income payment received by a parent excluding payments received on behalf of a child

shall count toward the determination of the amount of the family's financial assistance grant.

Sec. E.323.1 33 V.S.A. § 1134, as amended by 2015 Acts and Resolves No. 11, Sec. 35, is amended to read:

§ 1134. PROGRAM EVALUATION

~~(a)~~ On or before January 31 of each year, the Commissioner shall design and implement procedures to evaluate, measure, and report to the Governor and the General Assembly the Department's progress in ~~implementing Reach First, Reach Up, and Reach Ahead and~~ achieving the goals of the programs provided for in sections 1002, 1102, and 1202 of this title. The report shall include:

(1) the types of barriers facing Reach Up families seeking economic self-sufficiency, the number of families with each type of barrier, the frequency of occurrence of each type of barrier, and how support services and incentives assist in overcoming barriers;

(2) documentation of participant results, including specific information relating to the number of persons employed, by occupation, industry, and wage; the types of subsidized and unsubsidized jobs secured by participants; any available information about results for children who have participated in the programs, including objective measures of improved conditions; the number of participating families involved in training programs; and whether the support services and incentives assist in keeping families employed;

(3) data about the Supplemental Nutrition Assistance Program participation of households who have left the programs during the last fiscal year, including the number of households, adults, and children participating in the Supplemental Nutrition Assistance Program three months after leaving the applicable program, broken down by reason for termination or leaving, and the Department's plan to identify and assist eligible households to apply for Supplemental Nutrition Assistance Program benefits;

(4) data about the enrollment of individuals who have left the programs during the last fiscal year in a Health Care Assistance Program, including the number of adults and children enrolled in a Health Care Assistance Program three months after leaving the applicable program, broken down by reason for termination or leaving, and the Department's plan to identify and assist eligible households to apply for health care assistance;

(5) a summary of all interim and final reports submitted by independent evaluation contractors to the Agency or the Department relating to the programs;

(6) a description of the work participation rates, including the method of calculating the caseload reduction credit, for the most recent federal fiscal year;

(7) a description of the current basic needs budget and housing allowance, the current maximum grant amounts, and the basic needs budget and housing allowance adjusted to reflect an annual cost-of-living increase; and

(8) ~~a summary of the analysis done under subsection (b) of this section.~~

~~(b) On or before January 15, 2010 for the analysis of Reach First and on or before January 15, 2012 for the analysis of all programs, the Department shall analyze the effectiveness of the programs and shall consider the following measures:~~

~~(1) for Reach First, the types of crises presented by applicants; the type and duration of case management necessary to respond to a crisis; and the impact of the services on the family, including the actual and perceived results and measures of stability;~~

~~(2) for Reach Up, the type and duration of case management provided; and the impact of the services on the family; the family's achievement of the goals in the family development plan; the types of employment engaged in by families; the duration of employment; and actual and perceived results and measures of stability and well-being;~~

~~(3) for Reach Ahead, the types of employment engaged in by families; the duration of employment; the type and duration of services necessary to maintain employment; the duration of time the family received food assistance and services in the program; and the impact of the services on the family, including the actual and perceived well-being of the family and measures of well-being; and~~

~~(4) whether the programs are effectively integrated and transitions between programs are simple, and the number of families who choose not to participate, and why.~~

~~(c) Beginning on or before January 15, 2008, and annually thereafter, the Commissioner shall report to the House Committees on Human Services and on Appropriations and Senate Committees on Health and Welfare and on Appropriations on families' long-term receipt of financial assistance authorized by this chapter. Such reports shall include:~~

~~(1) the number of families receiving financial assistance in the most recent federal fiscal year that included an adult family member who has~~

~~received TANF-funded financial assistance, as an adult, 60 or more months in his or her lifetime;~~

~~(2) the average proportion of the monthly TANF-funded caseload during the same fiscal year that such families represent;~~

~~(3) when such proportion exceeds 20 percent, the sufficiency of general funds appropriated to support financial assistance authorized by this chapter to fund financial assistance for those families in excess of 20 percent while, at the same time, providing financial assistance and services, supported solely by general funds, to other families as authorized by this chapter; and~~

~~(4) when appropriated general funds are insufficient to fund financial assistance for all such families, the modifications in policy, appropriated general funds, or combination thereof that the Commissioner recommends to support families receiving financial assistance under this chapter in their achievement of self-sufficiency and to protect the children in these families.~~

a description of the families, during the last fiscal year, that included an adult family member receiving financial assistance for 60 or more months in his or her lifetime, including:

(A) the number of families and the types of barriers facing these families; and

(B) the number of families that became ineligible for the Reach Up program pursuant to subsection 1108(a) of this title, and the types of income and financial assistance received by those families that did not return to the Reach Up program within 90 days of becoming ineligible.

Sec. E.323.2 [DELETED]

Sec. E.324 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2015, and for program administration, the Commissioner of Finance and Management shall transfer $2,550,000 from the Home Weatherization Assistance Fund to the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the Home Weatherization Fund from the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the Home Weatherization Assistance Fund be necessary for the 2015–2016 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2015 and if LIHEAP funds awarded as of December 31, 2015 for fiscal year 2016 do not exceed $2,550,000, subsequent payments under the Home Heating Fuel Assistance Program shall not be made prior to January 30,

2016. Notwithstanding any other provision of law, payments authorized by the Department for Children and Families' Economic Services Division shall not exceed funds available, except that for fuel assistance payments made through December 31, 2015, the Commissioner of Finance and Management may anticipate receipts into the Home Weatherization Assistance Fund.

Sec. E.324.1 EXPEDITED CRISIS FUEL ASSISTANCE

(a) The Commissioner for Children and Families or designee may authorize crisis fuel assistance to those income-eligible households that have applied for an expedited seasonal fuel benefit but have not yet received it, if the benefit cannot be executed in time to prevent them from running out of fuel. The crisis fuel grants authorized pursuant to this section count toward the one crisis fuel grant allowed per household for the winter heating season pursuant to 33 V.S.A. § 2609(b).

Sec. E.324.2 LIHEAP AND WEATHERIZATION

(a) Notwithstanding 33 V.S.A. §§ 2603 and 2501, in fiscal year 2016, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer up to 15 percent of the federal fiscal year 2016 federal Low Income Home Energy Assistance Program (LIHEAP) block grant from the federal funds appropriation in Sec. B.324 of this act to the Home Weatherization Assistance appropriation in Sec. B.326 of this act to be used for weatherization in State fiscal year 2016. An equivalent appropriation transfer shall be made to Sec. B.324 of this act, Low Income Home Energy Assistance Program, from the Home Weatherization Assistance Fund in Sec. B.326 of this act to provide home heating fuel benefits in State fiscal year 2016. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next meeting.

Sec. E.325 Department for children and families – office of economic opportunity

(a) Of the General Fund appropriation in Sec. B.325 of this act, $1,092,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal Emergency Solutions Grants funds. Grant decisions shall be made with assistance from the Vermont Coalition to End Homelessness.

Sec. E.326 Department for children and families – OEO – weatherization assistance

(a) Of the Special Fund appropriation in Sec. B.326 of this act, $750,000 is for the replacement and repair of home heating equipment.

Sec. E.329 INTERIM REPORT ON DEVELOPMENTAL DISABILITIES SERVICES AND CHOICES FOR CARE

(a) The Commissioner of Disabilities, Aging, and Independent Living shall provide interim reports to the Joint Fiscal Committee in September 2015 and November 2015 on:

(1) The Choices for Care program and shall specifically address the likelihood of Adult Day programs needing to curtail services to existing clients or to cap enrollment of new clients.

(2) The Development Disabilities Services program on the status of caseload and utilization trends to date in the program.

(b) Reports from the Vermont Association of Adult Day Services and the Vermont Council of Developmental Disabilities and Mental Health Services with input from their service recipients shall be accepted by the Joint Fiscal Committee concurrent with the reports received under subsection (a) of this section.

Sec. E.333 [DELETED]

Sec. E.335 2 V.S.A. chapter 23 is redesignated to read:

CHAPTER 23. JOINT LEGISLATIVE ~~CORRECTIONS~~ JUSTICE OVERSIGHT COMMITTEE

Sec. E.335.1 2 V.S.A. § 801 is amended to read:

§ 801. CREATION OF COMMITTEE

(a) There is created a ~~joint legislative corrections oversight committee~~ Joint Legislative Justice Oversight Committee whose membership shall be appointed each biennial session of the ~~general assembly~~ General Assembly. The ~~committee~~ Committee shall exercise oversight over the ~~department of corrections~~ Department of Corrections and work with and provide assistance to other legislative committees on matters related to ~~corrections~~ juvenile justice and criminal justice policies.

(b) The ~~committee~~ Committee shall be composed of 10 members: five members of the ~~house of representatives~~ House of Representatives, who shall not all be from the same party, appointed by the ~~speaker of the house~~ Speaker of the House; and five members of the ~~senate~~ Senate, who shall not all be from the same party, appointed by the ~~committee on committees~~ Committee on

Committees. In addition to one member-at-large appointed from each chamber, one appointment shall be made from each of the ~~following house and senate~~ House and Senate Committees~~: appropriations, judiciary, institutions~~ on Appropriations and on Judiciary, the ~~senate committee on health and welfare, and the house committee on human services~~ Senate Committees on Health and Welfare and on Institutions, and the House Committees on Corrections and Institutions and on Human Services.

(c) The ~~committee~~ Committee shall elect a chair, vice chair, and clerk from among its members and shall adopt rules of procedure. The ~~chair~~ Chair shall rotate biennially between the ~~house~~ House and the ~~senate~~ Senate members. The ~~committee~~ Committee shall keep minutes of its meetings and maintain a file thereof. A quorum shall consist of six members.

(d) When the ~~general assembly~~ General Assembly is in session, the ~~committee~~ Committee shall meet at the call of the ~~chair~~ Chair. The ~~committee~~ Committee may meet six times during adjournment, and may meet more often subject to approval of the ~~speaker of the house~~ Speaker of the House and the ~~president pro tempore of the senate~~ President Pro Tempore of the Senate.

(e) For attendance at a meeting when the ~~general assembly~~ General Assembly is not in session, members of the ~~committee~~ Committee shall be entitled to compensation for services and reimbursement of expenses as provided under subsection 406(a) of this title.

(f) The professional and clerical services of the ~~joint fiscal office~~ Joint Fiscal Office and the ~~legislative council~~ Office of Legislative Council shall be available to the ~~committee~~ Committee.

Sec. E.335.2 2 V.S.A. § 802 is amended to read:

§ 802. DUTIES

(a) In addition to the general responsibilities set forth in subsection 801(a) of this title, the Committee shall:

(1) ~~Review~~ review and make recommendations regarding the Department of Corrections' strategic, operating, and capital plans~~.~~;

(2) ~~Review~~ review and make recommendations to the House and Senate Committees on Appropriations regarding departmental budget proposals~~.~~;

(3) ~~Provide~~ provide general oversight on departmental policy development~~.~~;

(4) ~~Encourage~~ encourage improved communication between the ~~department~~ Department and other relevant components of the administrative branch and the criminal justice system;

(5) evaluate the statewide system of pretrial services, court diversion programs, community justice center services, and other relevant programs and services, and determine whether there is variation in policies, procedures, practices, and results among different areas of the State and the causes of any such variation;

(6) make recommendations to the General Assembly regarding the creation of a consistent and cost-efficient statewide juvenile justice system and criminal justice system;

(7) review and make recommendations to the General Assembly to ensure the juvenile justice and criminal justice statutes reflect principles of restorative justice; and

(8) review and make recommendations to the General Assembly regarding the timeliness of judicial proceedings.

(b) ~~At least annually, the Committee shall report its activities, together with recommendations, if any, to the General Assembly. The provisions of subsection 20(d) (expiration of required reports) of this title shall not apply to the report to be made under this subsection.~~ [Repealed.]

Sec. E.335.3 JOINT LEGISLATIVE JUSTICE OVERSIGHT COMMITTEE; 2015 INTERIM MEMBERSHIP AND RESPONSIBILITIES

(a) The membership of the Joint Legislative Corrections Oversight Committee appointed for the 2015-2016 biennial session of the General Assembly shall also be the first appointed membership of the Joint Legislative Justice Oversight Committee, as established in Sec. E.335.1 of this act.

(b) During the 2015 legislative interim, the Joint Legislative Justice Oversight Committee shall:

(1) Analyze to what extent the criminal justice system is impacted by school disciplinary matters, including review of the available data regarding use of exclusionary discipline in Vermont public and approved independent schools and whether to identify whether students' access to education is impaired as a result of disciplinary actions.

(2) Review issues related to transports by sheriffs and other law enforcement agencies for the following populations:

(A) Criminal offenders, defendants, detainees, and other persons in the custody of the Department of Corrections. The Committee shall consider flexibility in the hourly rate for reimbursement to sheriffs.

(B) Juveniles in the custody of the Department for Children and Families. The Committee shall consider methods to improve the transport of

children in accordance with 18 V.S.A. § 7511 and reduce the number of children transported in restraints.

(C) Persons in the custody of the Department of Mental Health. The Committee shall review compliance with the requirements of 18 V.S.A. § 7511 and review and make recommendations for standards for transport reimbursement, including the appropriate training, authorization process, required documentation and reports, and payment level for transports made using soft restraints.

(3) In light of the Department of Corrections' aging facilities and reliance on out-of-state beds to house Vermont's incarcerated populations, review and make recommendations on the advisability and feasibility of:

(A) Continued reduction in the need for out-of-state beds;

(B) closing a State facility in 2017;

(C) creating a centralized correctional facility for all incarcerated men in the State or establishing one centralized detention facility for statewide use in an optimal location, or both.

(c) On or before November 1, 2015, the Court Administrator, the Department for Children and Families, the Department of Corrections, the Department of State's Attorneys and Sheriffs, the Defender General, and any other impacted entity deemed relevant by the Committee shall report to the Joint Legislative Justice Oversight Committee on the estimated fiscal year 2017 avoided costs resulting from the budget and cost-saving measures undertaken during the 2015 legislative session, including whether there are any reductions in Department of Corrections' demand for out-of-state beds, and reductions in demand for sheriffs' transports resulting from expansion of home detention and video conferencing initiatives.

(d) The Oversight Committee shall report their findings and recommendations resulting from the analysis and reviews required by subsections (b) and (c) of this section to the House and Senate Committees on Judiciary and on Appropriations and the House Committee on Corrections and Institutions and the Senate Committee on Institutions on or before January 15, 2016.

Sec. E.337 28 V.S.A. § 120 is amended to read:

§ 120. DEPARTMENT OF CORRECTIONS EDUCATION PROGRAM; INDEPENDENT SCHOOL

(a) Authority. An education program is established within the Department of Corrections for the education of persons who have not completed secondary education and who are committed to the custody of the Commissioner.

* * *

(h) Required participation. All persons under the custody of the Commissioner who are under the age of 23 and have not received a high school diploma shall participate in an education program unless exempted by the Commissioner. The Commissioner may approve the participation of other students, including individuals who are enrolled in an alternative justice or diversion program.

Sec. E.338 [DELETED]

Sec. E.342 Vermont veterans' home – care and support services

(a) The Vermont Veterans' Home will use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.342.1 REPEAL

(a) 2014 Acts and Resolves No. 179, Sec. E.342.2 (eliminating classified employee position on Vermont Veterans' Home Board of Trustees) is repealed.

Sec. E.342.2 WORKING GROUP ON THE VERMONT VETERANS' HOME GOVERNANCE AND FUNDING

(a) Creation. There is created a Working Group on the Vermont Veterans' Home Governance and Funding.

(b) Membership. The Working Group shall be composed of the following nine members:

(1) the Secretary of Administration or designee;

(2) a current member of the House of Representatives who shall be appointed by the Speaker of the House;

(3) a current member of the Senate who shall be appointed by the Committee on Committees;

(4) a member of the Vermont Veterans' Home Board of Trustees;

(5) the Chief Executive Officer of the Vermont Veterans' Home or designee;

(6) a classified employee of the Vermont Veterans' Home appointed by the Vermont State Employees Association;

(7) the Adjutant and Inspector General or designee;

(8) the Director of the White River Junction VA Medical Center or designee; and

(9) the Attorney General or designee.

(c) Powers and duties. The Working Group shall study solutions to the Vermont Veterans' Home's funding challenges. In particular, the Working Group shall:

(1) identify and undertake actions that seek to minimize the operational costs and maximize patient revenue and revenue from other sources that are consistent and compatible with the mission and operations of the Home;

(2) implement a routine review of patient acuity to ensure Medicaid reimbursement is at the maximum level possible;

(3) examine and evaluate alternatives to the current funding model for the Home;

(4) examine and evaluate alternative uses for the Home and its property that would benefit veterans; and

(5) examine and evaluate options for repurposing portions of the Home's facilities and property for alternative uses that would benefit veterans.

(d) The Working Group shall consult with the Vermont Congressional delegation.

(e) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Vermont Veterans' Home and the Vermont Office of Veterans' Affairs as necessary.

(f) Report. On or before January 15, 2016, the Working Group shall submit a report to the House Committees on Appropriations and on General, Housing and Military Affairs and the Senate Committees on Appropriations and on Government Operations with its findings.

(g) Meetings.

(1) The Administrator of the Vermont Veterans' Home shall call the first meeting of the Working Group to occur on or before July 15, 2015.

(2) The Working Group shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Working Group shall cease to exist on January 30, 2016.

(h) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Working Group shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than six meetings.

Sec. E.342.3 VERMONT VETERANS' HOME; COST-EFFECTIVE STAFFING

(a) The current operating costs of the Vermont Veterans' Home exceed the upper payment level allowed by Medicaid; therefore, the facility is not eligible to receive reimbursement for the full cost of care for a Medicaid patient. In order to operate the Home in the most cost-effective manner, the governing Board and Chief Executive Officer of the Home are authorized to exercise their authority to hire and utilize part-time employees where such actions are necessary and appropriate, and help to bring the operating costs of the Home closer to the upper payment limit allowed by Medicaid.

Sec. E.345 Green mountain care board

(a) The Green Mountain Care Board shall use the Global Commitment Funds appropriated in this section to encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system.

* * * K–12 EDUCATION * * *

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to reduce the rate of uninsured or underinsured persons, or both, in Vermont and to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 2014 Acts and Resolves No. 179, Sec. E.500.1 is amended to read:

Sec. E.500.1 UNIFORM CHART OF ACCOUNTS COMPLETION, TRANSITION, TRAINING AND SUPPORT

(a) ~~On or before June 30, 2015,~~ A GASB compliant Uniform Chart of Accounts and Financial Reporting requirements shall be established by the Agency of Education which shall:

(1) be comprehensive in respect to compliance with federal funds reporting requirements; and

(2) provide the financial information necessary for State and local education decision makers in regard to specific program costs and evaluation of student ~~outcomes~~ results.

(b) The Agency of Education shall hire a contractor or contractors through the State's procurement process to assist them in the establishment and

completion of the requirements of subsection (a) of this section. Contract deliverables shall include ~~but not be limited to~~:

(1) a comprehensive accounting manual, with related business rules;

(2) specifications for school financial software; ~~and~~

(3) a detailed transition and support plan that ensures local reporting entities required to record and report information consistent with requirements of subsection (a) of this section can fully comply on or before July 1, ~~2017~~ 2019.

(c) the requirements of subsection (a) of this section shall be in effect by July 1, 2019.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed $3,646,521 shall be used by the Agency of Education in fiscal year 2016 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to $181,438 may be used by the Agency of Education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students

(a) The Independence Place Program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504 Education – adult education and literacy

(a) Of this appropriation, $3,225,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) $600,000 is available for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and the amount of $25,000 is available for use pursuant to Sec. E.605.1 of this act; and

(2) $100,000 is available to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

Sec. E.504.1 16 V.S.A. § 944 is amended to read:

§ 944. DUAL ENROLLMENT PROGRAM

* * *

(f) Tuition and funding

(1) Tuition shall be paid to public postsecondary institutions in Vermont as follows:

(A) For any course for which the postsecondary institution pays the instructor, ~~the student's school district of residence shall pay~~ tuition shall be paid to the postsecondary institution in an amount equal to the tuition rate charged by the Community College of Vermont (CCV) at the time the dual enrollment course is offered; provided however, that tuition paid to CCV under this subdivision (A) shall be in an amount equal to 90 percent of the CCV rate.

(B) For any course that is taught by an instructor who is paid as part of employment by a secondary school, ~~the student's school district of residence shall pay~~ tuition shall be paid to the postsecondary institution in an amount equal to 20 percent of the tuition rate charged by the Community College of Vermont at the time the dual enrollment course is offered.

(2) ~~Notwithstanding subdivision (1) of this subsection requiring the district of residence to pay tuition, the~~ The State shall pay 50 percent of the tuition owed to public postsecondary institutions under subdivision (1)(A) of this subsection from the Next Generation Initiative Fund created in section 2887 of this title~~; provided, however, that the total amount paid by the State in any fiscal year shall not exceed the total amount of General Fund dollars the General Assembly appropriated from the Fund in that year for dual enrollment purposes plus any balance carried forward from the previous fiscal year; and further provided that, notwithstanding subdivision (b)(2) of this section, the cumulative amount to be paid by school districts under subdivision (1)(A) in any fiscal year shall not exceed the amount available to be paid by General Fund dollars in that year~~, and 50 percent from funds appropriated from the Education Fund, notwithstanding subsection 4025(b) of this title.

* * *

Sec. E.512 Education – Act 117 cost containment

(a) Notwithstanding any other provision of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the State's 60 percent of the statewide total special education expenditures of funds which are not derived from federal sources.

Sec. E.513 Appropriation and transfer to education fund

(a) Pursuant to Sec. B.513 and 16 V.S.A. § 4025(a)(2), there is appropriated in fiscal year 2016 from the General Fund for transfer to the Education Fund the amount of $303,343,381.

Sec. E.513.1 DISTRICT SPENDING ADJUSTMENT

(a) In fiscal years 2017 and 2018 only, the district spending adjustment under 32 V.S.A. § 5401(13) shall be calculated without any addition for excess spending for a regional education district (RED) or any other district eligible to receive RED incentives pursuant to 2010 Acts and Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and 2013 Acts and Resolves No. 56, that begins operation on July 1, 2015 (fiscal year 2016).

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be $76,102,909, of which $73,102,909 shall be the State's contribution and $3,000,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c .

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution of $76,102,909, $10,384,106 is the "normal contribution," and $65,718,803 is the "accrued liability contribution."

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), $15,576,468 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, $380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(c) If Global Commitment fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the General Fund or other State funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high quality health care services to Medicaid beneficiaries

and to the uninsured or underinsured persons, or both, in Vermont and across the nation.

Sec. E.602 Vermont state colleges

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, $427,898 shall be transferred to the Vermont Manufacturing Extension Center for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

Sec. E.602.1 VERMONT INTERACTIVE TECHNOLOGIES; WORKING GROUP; REPORT

(a) Creation. There is created a Vermont Interactive Technologies (VIT) working group to study and make findings and recommendations regarding VIT and its future; specifically, how VIT's organization or assets, or both, should be used to best meet the needs of the Vermont public. The working group shall be composed of the following members:

(1) A representative of Vermont Interactive Technologies;

(2) The Secretary of Administration or designee;

(3) The Commissioner of Public Service or designee;

(4) The Secretary of Commerce and Community Development or designee;

(5) The Commissioner of Labor or designee;

(6) A representative of Vermont State Colleges;

(7) A representative of Vermont Access Network;

(8) A representative of the Vermont Council on Rural Development;

(9) A representative of the Department of Libraries;

(10) A member of the General Assembly jointly appointed by the Speaker of the House and the President Pro Tempore of the Senate.

(b) Powers and duties. The working group shall study VIT, including the following:

(1) the financial investments made in VIT since its inception;

(2) an inventory of VIT assets;

(3) any Vermont State Colleges (VSC) plans to develop and operate its own network, and the effect on VIT;

(4) an analysis of the primary users of VIT and how best their needs can continue to be met, whether through VIT or another entity;

(5) if VIT is to dissolve, the ownership, management, and operations related to its assets.

(c) Assistance. The VIT working group shall have the administrative, technical, and legal assistance of the Office of the Legislative Council and the Joint Fiscal Office.

(d) Report. On or before October 1, 2015, the working group shall submit a written report to the General Assembly with its findings and recommendations for legislative action regarding VIT.

(e) Meetings.

(1) The Secretary of Administration or designee shall call the first meeting of the working group.

(2) The working group shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The working group may meet up to six times.

(5) The working group shall cease to exist on December 1, 2015.

(f) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, legislative members of the working group shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

(2) Other members of the working group who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

Sec. E.603 Vermont state colleges – allied health

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont State Colleges shall be maintained through the General Fund or other State funding sources.

(b) The Vermont State Colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy,

and nursing programs which graduate approximately 315 health care providers annually. These graduates deliver direct, high quality health care services to Medicaid beneficiaries or uninsured or underinsured persons, or both.

Sec. E.605 Vermont student assistance corporation

(a) Of this appropriation, $25,000 is appropriated from the General Fund to the Vermont Student Assistance Corporation to be deposited into the Trust Fund established in 16 V.S.A. § 2845.

(b) Except as provided in subsections (a) and (d) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(c) Funds available to the Vermont Student Assistance Corporation pursuant to Sec. E.215(a) of this act shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from this allocation shall carry forward for this purpose.

(d) Of this appropriation, not more than $100,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve one or more high schools.

Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) The sum of $50,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) $25,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need based stipend purposes).

(2) $25,000 from Sec. E.504(a) (adult education and literacy funds appropriated for dual enrollment and need based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 4011(e) to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(c) VSAC shall report on the program to the House and Senate Committees on Education and on Appropriations on or before January 15, 2016.

Sec. E.608 STATE FUNDING FOR HIGHER EDUCATION; STUDY AND PROPOSAL; PREKINDERGARTEN–16 COUNCIL

(a) The Secretary of Administration and those members of the Prekindergarten–16 Council identified in 16 V.S.A. § 2905(d) who, with the

Secretary, are charged with performing duties relating to the Higher Education Endowment Trust Fund shall develop a proposal by which a portion of State funding for the Vermont State Colleges and the University of Vermont would be allocated based upon nationally recognized and established performance measures, including:

(1) retention and four-year graduation rates;

(2) number of both graduate and undergraduate degrees awarded;

(3) actual cost of instruction;

(4) cost of attendance after all non-loan financial aid;

(5) average amount of financial aid awarded; and

(6) average debt upon graduation for Vermont students.

(b) In addition to the nationally recognized and established results-based performance measures, the Council's proposal shall consider the following:

(1) the number of first generation and socioeconomically disadvantaged students earning a degree from each institution; and

(2) the number of students enrolled in and completing programs identified as important to Vermont's economy pursuant to 16 V.S.A. § 2888(b) (Vermont Strong Loan Forgiveness Program).

(c) The individuals identified in subsection (a) of this section shall meet no more than three times. On or before December 15, 2015, they shall present an results based funding proposal to the Governor and General Assembly together with any legislative changes necessary to implement the proposal.

* * * NATURAL RESOURCES * * *

Sec. E.701 AGENCY OF NATURAL RESOURCES PAYMENT IN LIEU OF TAXES

(a) Moratorium on valuation basis for payment amount. For the purpose of payments in lieu of taxes to municipalities in fiscal year 2016, lands held by the Agency of Natural Resources (ANR) and subject to the provisions of 32 V.S.A. § 3708(a)(1) shall be appraised at the fair market value of the land in fiscal year 2014, as was then certified by the Director of Property Valuation and Review, provided that in fiscal year 2016, the payment in lieu of taxes on account of such lands held by ANR shall be calculated and paid at 102 percent of the amount of the payments paid in fiscal year 2014. For lands held by ANR and subject to the provisions of 32 V.S.A. § 3708(a)(2), payments in lieu of taxes to municipalities in fiscal year 2016 shall be made as specified in 32 V.S.A. § 3708(a)(2). Payments in fiscal year 2016 with respect to parcels acquired or reconfigured after April 1, 2014 shall be based on values

established using the methodology used to value the properties owned by ANR as valued in fiscal year 2014.

(b) Appeals of appraisal. During the moratorium established under subsection (a) of this section, there shall be no right, in fiscal year 2016, for a municipality to appeal the appraised values of ANR lands certified by the Director of Property Valuation and Review in fiscal year 2014.

(c) Repeal. This section shall be repealed on July 1, 2016.

Sec. E.701.1 32 V.S.A. § 3708 is amended to read:

§ 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE AGENCY OF NATURAL RESOURCES

(a) All ANR land, excluding buildings or other improvements thereon, shall be appraised at fair market value by the Director of Property Valuation and Review and listed separately in the grand list of the town in which it is located. Annually, the State shall pay to each municipality an amount ~~which is the lesser~~ of~~:~~

~~(1) one~~ 0.5 percent of the Director's appraisal value for the current year for ANR land~~; or~~

~~(2) one percent of the current year use value of ANR land enrolled by the Agency of Natural Resources in the Use Value Appraisal Program under chapter 124 of this title before January 1999; except that no municipality shall receive in any taxable year a State payment in lieu of property taxes for ANR land in an amount less than it received in the fiscal year 1980~~.

* * *

Sec. E.701.2 PAYMENT IN LIEU OF TAXES FOR AGENCY OF NATURAL RESOURCES LANDS IN FISCAL YEARS 2017 AND 2018

(a) Notwithstanding the requirements of 32 V.S.A. § 3708 to the contrary, for purposes of payment in lieu of taxes (PILOT) for lands held by the Agency of Natural Resources, the State shall pay to each municipality:

(1) in fiscal year 2017, the PILOT amount received by the municipality in fiscal year 2016 plus or minus one-third of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708, as amended by Sec. E.701.1 of this act; and

(2) in fiscal year 2018, the PILOT amount received by the municipality in fiscal year 2016 plus or minus two-thirds of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT

amount the municipality would receive under 32 V.S.A. § 3708, as amended by Sec. E.701.1 of this act.

(b) If the Agency of Natural Resources acquires land in a municipality after April 1, 2015, the State shall make a PILOT payment on the newly acquired land to the municipality under Sec. E.701.1 of this act, and the newly acquired land shall not be subject to this section.

Sec. E.701.3 AGENCY OF NATURAL RESOURCES; REPORT ON PAYMENT IN LIEU OF TAXES

(a) On or before November 30, 2015, the Agency of Natural Resources, the Division of Property Valuation and Review (PVR), and the Joint Fiscal Office, after consultation with the Vermont League of Cities and Towns, shall submit to the House and Senate Committees on Appropriations and on Natural Resources and Energy a report regarding payment in lieu of taxes (PILOT) for lands held by the Agency of Natural Resources (ANR lands). The report shall recommend:

(1) whether and how the PILOT requirements for ANR lands set forth in 32 V.S.A. § 3708, as amended by section E.701.1 of this act, should be further amended; and

(2) methods to facilitate in the transition of municipalities from the existing funding PILOT formula for ANR lands to the requirements of 32 V.S.A. § 3708, as amended by Sec. E.701.1, or to the alternative PILOT formula recommended under subdivision (1) of this subsection.

(b) In developing the recommendations required of this section, the Agency of Natural Resources may recommend revisions to requirements or criteria for calculation of the PILOT payment for ANR lands, including the definition of "parcel" for ANR lands PILOT purposes, the amount of ANR lands in the municipality in comparison to other municipalities, including the impact of large acquisitions (greater than 1,000 acres) made within the past three years and the degree of public use of the ANR lands in comparison to ANR lands in other municipalities.

(c) Any unexpended appropriations in the ANR lands PILOT program in fiscal years 2016 through 2019 shall be carried forward for expenditure for implementation of transition recommendations resulting from the report required this section.

Sec. E.704 Forests, parks and recreation - forestry

(a) This Special Fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

Sec. E.706 Forests, parks and recreation – lands administration

(a) This Special Fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

Sec. E.713 [DELETED]

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.800 VERMONT STRONG SCHOLARSHIPS PROGRAM

(a) No financial commitments shall be made to potential recipients of the Vermont Strong program under 16 V.S.A. § 2888 until sufficient funds to meet those commitments are appropriated to or deposited into the Vermont Strong Scholars Fund created by 16 V.S.A. § 2888(d)(1)(A)(i).

Sec. E.802 REPEAL

(a) 3 V.S.A. § 2471c (Office of Creative Economy) is repealed.

Sec. E.804 Community development block grants

(a) Community Development Block Grants shall carry forward until expended.

Sec. E.805 24 V.S.A. § 2796 is amended to read:

§ 2796. DOWNTOWN TRANSPORTATION AND RELATED CAPITAL IMPROVEMENT FUND

(a) There is created a ~~downtown transportation and related capital improvement fund~~ Downtown Transportation and Related Capital Improvement Fund, to be also known as the ~~fund~~ Fund, which shall be a special fund created under 32 V.S.A. chapter 7, subchapter 5 ~~of chapter 7 of Title 32~~, to be administered by the Vermont ~~downtown development board~~ Downtown Development Board in accordance with this chapter to aid municipalities with designated downtown districts in financing capital transportation and related improvement projects to support economic development.

* * *

(c) Any municipality with a designated downtown development district may apply to the Vermont ~~downtown development board~~ Downtown Development Board for financial assistance from the ~~fund~~ Fund for capital transportation and related improvement projects within or serving the district. The ~~board~~ Board may award to any municipality grants in amounts not to exceed $250,000.00 annually, loans, or loan guarantees for financing capital transportation projects, including ~~but not limited to~~ construction or alteration of roads and highways, parking facilities, and rail or bus facilities or equipment,

or for the underground relocation of electric utility, cable and telecommunications lines, but shall not include assistance for operating costs. Grants awarded by the ~~board~~ Board shall not exceed ~~50~~ 80 percent of the overall cost of the project. The approval of the ~~board~~ Board may be conditioned upon the repayment to the ~~fund~~ Fund of some or all of the amount of a loan or other financial benefits and such repayment may be from local taxes, fees, or other local revenues sources. The ~~board~~ Board shall consider geographical distribution in awarding the resources of the ~~fund~~ Fund.

(d) ~~Each fiscal year, $40,000.00 of the fund~~ The Fund shall be available to the ~~department of housing and community affairs~~ Department of Housing and Community Development for the reasonable and necessary costs of administering the ~~fund~~ Fund. The amount projected to be spent on administration shall be included in the Department's fiscal year budget presentations to the General Assembly.

Sec. E.806 [DELETED]

* * * TRANSPORTATION * * *

Sec. E.900 19 V.S.A. § 11a is amended to read:

§ 11a. TRANSPORTATION FUNDS APPROPRIATED FOR THE DEPARTMENT OF PUBLIC SAFETY

No transportation funds shall be appropriated for the support of government other than for the Agency, the Board, Transportation Pay Act Funds, construction of transportation capital facilities, transportation debt service, the operation of information centers by the Department of Buildings and General Services, and the Department of Public Safety. The amount of transportation funds appropriated to the Department of Public Safety shall not exceed:

(1) $25,250,000.00 in fiscal year 2014;

(2) $22,750,000.00 in fiscal ~~year~~ years 2015 and 2016; and

(3) $20,250,000.00 in fiscal year ~~2016~~ 2017 and in succeeding fiscal years.

Sec. E.903 [DELETED]

Sec. E.909 Transportation – central garage

(a) Of this appropriation, $7,123,455 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized, notwithstanding the provisions of 19 V.S.A. § 306(a).

Sec. E.917 Transportation – town highway: state aid for nonfederal disasters

(a) Notwithstanding 19 V.S.A. § 306(d), in fiscal year 2016, up to $290,000 may be awarded from the Town Highway State Aid for Non-Federal Disasters Program as grants for Tropical Storm Irene-related work expenses to municipalities that relied on specific instructions from State employees other than the Agency of Transportation.

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. B.1104.1 (State employee retirement incentive), B.1110-B.1112 (compensation; voluntary decrease), B.1113-B.1116 (compensation; voluntary decrease), C.101 (Blue Ribbon Commission on Financing High Quality Affordable Child Care), C.102 (fiscal year 2015 transfer to the Transportation Infrastructure Bond Fund), C.102.1 (Transportation contingent spending authority), C.103 (Rescission process), C.104 (fiscal year 2015 one-time appropriations), C.105 (transfer to Sergeant at Arms), C.106-C.106.3 (Vermont Health Connect report), C.107 (government restructuring review; report), C.108 (fiscal year 2015 contingent General Fund appropriations), D.102 (Tobacco Litigation Settlement Fund balance), E.100.1 (State employee classification study), E.100.2-E.100.3 (ERF reorganization to Secretary of Administration), E.112 (energy efficiency; State buildings and facilities), E.145.1 (special committee on IT utilization), E.203 (Defender General; ad hoc immunity), E.204 (suspension of video arraignments repeal), E.204.3 (failure to appear; preliminary hearing), E.204.6 (remedies for failure to pay fines; community service), E.204.7 (report on penalties, fines, fees), E.208.3 (Dispatch cost report), E.225.1(c) (Agriculture/Natural Resources lab MOU/governance), E.306 (emergency rules; date change), E.306.3 (prospective payment; home health services), E.308 (Choices for Care), E.500.1 (Agency of Education uniform chart of accounts), E.701.3 (ANR PILOT report), and E.802 (Office of Creative Economy) of this act shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Sec. B.1112.1, 2 V.S.A. § 63 (Sergeant at Arms), shall take effect retroactively as of January 1, 2015.

(c) Notwithstanding 1 V.S.A. § 214, Sec. C.100 (Interim Study on Feasibility of Establishing a Public Retirement Plan) shall take effect retroactively on January 1, 2015.

(d) Secs. E.701.1 and E.701.2 (PILOT payments for ANR lands; fiscal year 2017) shall take effect on July 1, 2016.

(e) All remaining sections shall take effect on July 1, 2015.

And by renumbering all of the sections of the bill to be numerically correct (including internal references) and adjusting all of the totals to be arithmetically correct.

M. JANE KITCHEL
DIANE B. SNELLING
RICHARD W. SEARS

Committee on the part of the Senate

MITZI JOHNSON
PETER J. FAGAN
KATHLEEN C. KEENAN

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 19, Nays 7.

Senator Sears having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Bray, Campbell, Campion, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Sears, Sirotkin, Starr, Westman, White, Zuckerman.

Those Senators who voted in the negative were: Benning, Collamore, Degree, Doyle, Flory, Mullin, Pollina.

Those Senators absent and not voting were: Cummings, McAllister, Rodgers, Snelling.

Thereupon, on motion of Senator Campbell, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Rules Suspended; Bills Delivered

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 9, S. 93, S. 102, S. 122, S. 138, S. 139.

Message from the House No. 79

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

H. 490. An act relating to making appropriations for the support of government.

And has adopted the same on its part.

Message from the House No. 80

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

J.R.S. 29. Joint resolution relating to final adjournment of the General Assembly 2015.

And has adopted the same in concurrence.

Secretary Directed to Inform the House of Completion of Business

On motion of Senator Campbell, the Secretary was directed to inform the House that the Senate has completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 29.

Committee Appointed to Inform Governor of Completion of Business

On motion of Senator Campbell, the President appointed the following four Senators as members of a committee to wait upon His Excellency, Peter E. Shumlin, the Governor, and inform him that the Senate has completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 29:

Senator Ayer
Senator Baruth
Senator Benning
Senator White

Report of Committee

The Committee appointed to wait upon His Excellency, the Governor, to inform him that the Senate had, on its part, completed the business of the session and was ready to adjourn pursuant to the provisions of **J.R.S. 29**,

performed the duties assigned to it and escorted the Governor to the rostrum where he delivered his remarks in person.

Remarks of Governor

The Governor, the Honorable Peter E. Shumlin, assumed the rostrum and briefly addressed the Senate.

Departure of Governor

The Governor, having completed the delivery of his message, was escorted from the Chamber by the committee appointed by the Chair.

Final Adjournment

On motion of Senator Campbell, at ten o'clock and twenty minutes in the evening (10:20 P.M.), the Senate adjourned to a day certain, June 23, 2015, at ten o'clock in the forenoon, if necessary to attend to any bills returned by the Governor to the House or to the Senate, or, to June 30, 2015 at ten o'clock in the forenoon if jointly called by the President *pro tempore* of the Senate and the Speaker of the House, otherwise to adjourn to January 5, 2016, at ten o'clock in the forenoon, pursuant to the provisions of J.R.S. 29.

Messages Received After Final Adjournment

After final adjournment, the following messages were received by the Secretary:

Message from the House No. 81

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that the House has on its part completed the business of the first half of the Biennial session and is ready to adjourn until January 5, 2016, pursuant to the provisions of J.R.S. 29.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the twentieth day of May, 2015 he approved and signed a bill originating in the Senate of the following title:

S. 108. An act relating to repealing the sunset on provisions pertaining to patient choice at end of life.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the twenty-sixth day of May, 2015 he approved and signed bills originating in the Senate of the following titles:

S. 13. An act relating to the Vermont Sex Offender Registry.

S. 18. An act relating to privacy protection.

S. 41. An act relating to developing a strategy for evaluating the effectiveness of individual tax expenditures.

S. 60. An act relating to payment for medical examinations for victims of sexual assault.

S. 72. An act relating to binding arbitration for State employees.

S. 115. An act relating to expungement of convictions based on conduct that is no longer criminal.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the first day of June, 2015 he approved and signed bills originating in the Senate of the following titles:

S. 7. An act relating to bail determinations concerning a defendant charged with lewd and lascivious conduct with a child.

S. 29. An act relating to election day registration.

S. 44. An act relating to creating flexibility in early college enrollment numbers and to creating the Vermont Universal Children's Higher Education Saving Account Program.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the third day of June, 2015 he approved and signed bills originating in the Senate of the following titles:

S. 93. An act relating to lobbying disclosures.

S. 122. An act relating to miscellaneous changes to laws related to motor vehicles, motorboats, and other vehicles.

S. 138. An act relating to promoting economic development.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the fifth day of June, 2015 he approved and signed bills originating in the Senate of the following titles:

S. 102. An act relating to forfeiture of property associated with animal fighting and certain regulated drug possession, sale, and trafficking violations.

S. 139. An act relating to health care.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the ninth day of June, 2015 he approved and signed a bill originating in the Senate of the following title:

S. 73. An act relating to consumer protections laws.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the fifteenth day of June, 2015 he approved and signed a bill originating in the Senate of the following title:

S. 9. An act relating to improving Vermont’s system for protecting children from abuse and neglect.

Message from the House No. 82

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

H. 5. An act relating to hunting, fishing, and trapping.

H. 40. An act relating to establishing a renewable energy standard and energy transformation program.

And has severally concurred therein.

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

H. 117. An act relating to telecommunications..

And has adopted the same on its part.

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

H. 361. An act relating to making amendments to education funding, education spending, and education governance.

And has adopted the same on its part.

The Governor has informed the House that on the 18th of May 2015, he approved and signed bills originating in the House of the following titles:

H. 25. An act relating to natural burial grounds.

H. 120. An act relating to creating a Vermont false claims act.

H. 492. An act relating to capital construction and State bonding.

H. 503. An act relating to approval of amendments to the charter of the City of Burlington.

H. 504. An act relating to approval of the adoption and codification of the charter of the Town of Waitsfield.

The House has adopted House concurrent resolution of the following title:

H.C.R. 182. House concurrent resolution commemorating the opening of the eighth Brookfield Floating Bridge.

In the adoption of which the concurrence of the Senate is requested.

Message from the House No. 83

A message was received from the House of Representatives by Ms. Melissa Kucserik, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on May 26, 2015, he approved and signed bills originating in the House of the following titles:

H. 11. An act relating to the membership of the Commission on Alzheimer's Disease and Related Disorders.

H. 18. An act relating to Public Records Act exemptions.

H. 477. An act relating to miscellaneous amendments to election law.

H. 494. An act relating to approval of the adoption and codification of the charter of the Town of Weybridge.

H. 497. An act relating to approval of amendments to the charter of the Town of Colchester.

H. 499. An act relating to approval of the adoption and codification of the charter of the Town of Salisbury.

H. 508. An act relating to approval of amendments to the charter of the Town of Middlebury.

The Governor has informed the House that on May 28, 2015, he approved and signed bills originating in the House of the following titles:

H. 98. An act relating to reportable disease registries and data.

H. 282. An act relating to professions and occupations regulated by the Office of Professional Regulation.

H. 484. An act relating to miscellaneous agricultural subjects.

H. 488. An act relating to the State's Transportation Program and miscellaneous changes to laws related to transportation.

The Governor has informed the House that on June 1, 2015, he approved and signed bills originating in the House of the following titles:

H. 117. An act relating to telecommunications..

H. 141. An act relating to the Organ and Tissue Donation Working Group.

The Governor has informed the House that on June 2, 2015, he approved and signed a bill originating in the House of the following title:

H. 361. An act relating to making amendments to education funding, education spending, and education governance.

The Governor has informed the House that on June 3, 2015, he approved and signed bills originating in the House of the following titles:

H. 240. An act relating to miscellaneous technical corrections to laws governing motor vehicles, motorboats, and other vehicles.

H. 480. An act relating to making miscellaneous technical and other amendments to education laws.

The Governor has informed the House that on June 5, 2015, he approved and signed bills originating in the House of the following title:

H. 269. An act relating to the transportation and disposal of excavated development soils legally categorized as solid waste.

The Governor has informed the House that on June 10, 2015, he approved and signed a bill originating in the House of the following title:

H. 20. An act relating to licensed alcohol and drug abuse counselors as participating providers in Medicaid.

The Governor has informed the House that on June 11, 2015, he approved and signed bills originating in the House of the following titles:

H. 40. An act relating to establishing a renewable energy standard and energy transformation program.

H. 489. An act relating to revenue.

H. 490. An act relating to making appropriations for the support of government.

The Governor has informed the House that on June 16, 2015, he approved and signed a bill originating in the House of the following title:

H. 35. An act relating to improving the quality of State waters.

The Governor has informed the House that on June 17, 2015, he approved and signed bills originating in the House of the following titles:

H. 5. An act relating to hunting, fishing, and trapping.

H. 105. An act relating to disclosure of sexually explicit images without consent, charging fees for removing booking photographs from the Internet, and expanding the scope of practice of Level II certified law enforcement officers.

H. 482. An act relating to principle-based valuation for life insurance reserves and a standard nonforfeiture law for life insurance policies.

Committees Appointed After Final Adjournment

Appointment of Senate Member to the Access Board

Pursuant to the provisions of 20 V.S.A. §2901, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Access Board for a term of two years:

Senator Flory, *ex officio*

Appointment of Senate Member to Advisory Council on Special Education

Pursuant to the provisions of 16 V.S.A. §2945, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Advisory Council on Special Education for a term of three years:

Senator Zuckerman

Appointment of Senate Member to Art in State Buildings Advisory Panel

Pursuant to the provisions of 29 V.S.A. §47, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Art in State Buildings Advisory Panel during this biennium:

Senator Balint

Appointment of Senate Member to the Barre Granite and Ethnic Culture Museum Steering Committee

Pursuant to the provisions of Sec. 6(a)(7) of No. 233 of the Acts of 1994, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Barre Granite and Ethnic Culture Museum Steering Committee during this biennium:

Senator Flory
Senator Doyle
Senator Pollina
Senator Cummings

Appointment of Senate Member to the Building Bright Futures Council

Pursuant to the provisions of 33 V.S.A. §4602, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Building Bright Futures Council during this biennium:

Senator Cummings
Senator Baruth

Appointment of Senate Member to Commission on Alzheimer's Disease and Related Disorders

Pursuant to the provisions of 3 V.S.A. §3085b, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Commission on Alzheimer's Disease and Related Disorders for the current biennium:

Senator Pollina

Commission on International Trade and State Sovereignty

Pursuant to the provisions of 3 V.S.A. §23(b)(2), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Commission on International Trade and State Sovereignty for a term of two years:

Senator Lyons

Appointment of Senate Member to the Education Commission of the States

Pursuant to federal law (as previously set forth in 16 V.S.A. §1503, now repealed), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Education Commission of the States during this biennium:

Senator Cummings

Appointment of Senate Member to Governor's Snowmobile Council

Pursuant to the provisions of 23 V.S.A. §3216, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Governor's Snowmobile Council for a term of two years:

Senator Kitchel

Appointment of Senate Member to Human Services and Educational Facilities Grant Advisory Committee

Pursuant to the provisions of 24 V.S.A. §5606, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Human Services and Educational Facilities Grant Advisory Committee:

Senator Campbell

Appointment of Senate Members to the Joint Legislative Justice Oversight Committee

Pursuant to the provisions of 2 V.S.A. §801, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Joint Legislative Justice Oversight Committee for terms of two years:

Senator Sears
Senator Ashe
Senator Lyons
Senator Snelling
Senator Flory

Appointment of Senate Member to the Justice Cabinet

Pursuant to the provisions of Executive Order No. 13-1, issued on July 22, 1992, by Governor Howard B. Dean, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator as a member of the Justice Cabinet during this biennium:

Senator Sears

Appointment of Senate Members to the Legislative Advisory Committee on the State House

Pursuant to the provisions of 2 V.S.A. §651, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Legislative Advisory Committee on the State House for terms of two years:

Senator Campbell
Senator Flory
Senator Mazza

Appointment of Senate Members to National Legislative Association on Rx Pricing

The President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Northeast Legislative Association on Rx Pricing during this biennium:

Senator Ayer
Senator Pollina
Senator Collamore

Appointment of Senate Member to New England Board of Higher Education

Pursuant to the provisions of 16 V.S.A. §2731, the President announced the appointment of the following Senator to serve on the New England Board of Higher Education for a term of six years:

Senator Zuckerman

Appointment of Senate Member to Petroleum Clean-Up Fund Advisory Committee

Pursuant to the provisions of 10 V.S.A. §1941(e), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Petroleum Clean-Up Fund Advisory Committee during this biennium:

Senator MacDonald

Appointment of Senate Member to Pre-Kindergarten – 16 Council

Pursuant to the provisions of 16 V.S.A. §2905(b)(5), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Pre-Kindergarten – 16 Council:

Senator Campion

Appointment of Senate Member to Public Transit Advisory Council

Pursuant to the provisions of 24 V.S.A. §5084, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Public Transit Advisory Council during this biennium:

Senator Kitchel

Appointment of Senate Member to Recreational Facilities Grants Program

Pursuant to the provisions of Act No. 43, §34(b) (2005), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Recreational Facilities Grants Program for a term of two years:

Senator Rodgers

Appointment of Senate Members to the Review Board on Retail Sales of Electric Energy

Pursuant to the provisions of 30 V.S.A. §212b, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Review Board on Retail Sales of Electric Energy during this biennium:

Senator Campbell, President *pro tempore*, *ex officio*
Senator Baruth, Majority Leader, *ex officio*
Senator Benning, Minority Leader, *ex officio*
Senator Mullin

Appointment of Senate Members to the Transportation Enhancement Grant Committee

Pursuant to the provisions of Sec. 41v(a) of No. 18 of Acts of 1999, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Transportation Enhancement Grant Committee during this biennium:

Senator Mazza
Senator Flory

Appointment of Senate Members to the Vermont Child Poverty Council

Pursuant to the provisions of No. 68 § 1(b) of the Acts of 2007, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Vermont Child Poverty Council during this biennium:

Senator Campbell, *ex officio*
Senator Ayer
Senator Cummings

Appointment of Senate Members to the Vermont Citizens Advisory Committee on Lake Champlain's Future

Pursuant to the provisions of 10 V.S.A. §1960, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Committee on Lake Champlain's Future for the current biennium:

Senator Ayer
Senator Lyons

Appointment of Senate Member to Vermont Interactive Television Coordinating Council

Pursuant to the provisions of Executive Order #16-5, issued under date of July 10, 2013, by Governor Peter E. Shumlin, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont Interactive Television Coordinating Council during this biennium:

Senator White

Appointment of Senate Member to Vermont Milk Commission

Pursuant to the provisions of 6 V.S.A. §2922(5), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont Milk Commission for the current biennium:

Senator Starr

Appointment of Senate Member to the Vermont Sentencing Commission

Pursuant to the provisions of Sec. 16(b) of No. 192 of the Acts of 2006, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont Sentencing Commission during this biennium:

Senator Sears, *ex officio*

Appointment of Senate Member to Vermont State Infrastructure Bank Board

Pursuant to the provisions of 10 V.S.A. §280e(b)(2), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont State Infrastructure Bank Board for a term of two years:

Senator Westman

Appointment of Senate Member to Vermont State Nuclear Advisory Panel (V-SNAP)

Pursuant to the provisions of 18 V.S.A. §1700, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont State Nuclear Advisory Panel (V-SNAP) for a term of two years ending on January 15, 2017:

Senator MacDonald

Appointment of Senate Member to the Vermont Veterans' Memorial Cemetery Advisory Board

Pursuant to the provisions of 20 V.S.A. §1581(a)(2), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont Veterans' Memorial Cemetery Advisory Board for a term of two (2) years:

Senator MacDonald

Appointment of Senate Member to the Vermont Web Portal Board

Pursuant to the provisions of 22 V.S.A. § 952(a)(8) (Supp. 2008), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont Web Portal Board for this biennium:

Senator Bray

Appointment of Senate Members to the Workforce Development Council

Pursuant to the provisions of 10 V.S.A. §541(a), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Workforce Development Council for a term of two years:

Senator Mullin
Senator Balint

Resignation of Senator from Government Accountability Committee After Final Adjournment

After final adjournment of the 2015 session, the following communication was received by the Secretary from the Committee on Committees, notifying the Senate of Senator William T. Doyle’s resignation from the Government Accountability Committee and is as follows:

MEMORANDUM

TO: **Committee on Committees**

FROM: **Senator William T. Doyle**

DATE: **August 26, 2015**

SUBJECT: **Government Accountability Committee**

CC: **Senator Diane Snelling and Representative Anne O'Brien**

I greatly appreciate the appointment to serve on the Government Accountability Committee. Unfortunately, due to my busy teaching schedule this fall, I respectfully need to decline the appointment and ask that you find a replacement.

Thank you for the opportunity and I wish this important committee much success.

Appointment of Senate Members to Government Accountability Committee

Pursuant to the provisions of Sec. 5(b) of No. 206 of the Acts of 2008, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Joint Legislative Government Accountability for the current biennium:

Senator White
Senator Pollina
Senator Snelling
[Senator Doyle]
Senator Collamore

CERTIFICATION

"STATE OF VERMONT

Office of the Secretary of the Senate
Senate Chamber
State House
Montpelier, Vermont 05633

I hereby certify that the foregoing Journal is a true and correct record of the proceedings of the Senate of the State of Vermont for the first year of the biennial session of 2015.

This was the first year of the seventy-third biennial session of the General Assembly, beginning Constitutionally on the first Wednesday after the first Monday of January (being the seventh day of January, 2015), and ending on the sixteenth day of May, 2015.

Attest:

/s/John H. Bloomer, Jr.

JOHN H. BLOOMER, JR.
Secretary of the Senate"