

I voted no for the three Barre citizens who were killed by drug impaired drivers this year.”

Thereupon, third reading was ordered.

Committee of Conference Appointed

S. 136

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

An act relating to miscellaneous consumer protection provisions

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

Rep. Marcotte of Coventry
Rep. O'Sullivan of Burlington
Rep. Hill of Wolcott

Committee of Conference Appointed

S. 134

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

An act relating to court diversion and pretrial services

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

Rep. Conquest of Newbury
Rep. Burditt of West Rutland
Rep. Colburn of Burlington

Adjournment

At eleven o'clock and forty minutes in the evening, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.

Wednesday, May 3, 2017

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

Devotional Exercises

Devotional exercises were conducted by Speaker.

Action on Bill Postponed**S. 122**

Senate bill, entitled

An act relating to increased flexibility for school district mergers

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

Recess

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

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

Bill Amended, Read Third Time; Bill Passed**H. 196**

House bill, entitled

An act relating to paid family leave

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

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

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

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

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

Those who voted in the affirmative are:

Ancel of Calais	Gardner of Richmond	Partridge of Windham
Bartholomew of Hartland	Giambatista of Essex	Poirier of Barre City
Baser of Bristol	Gonzalez of Winooski	Potter of Clarendon
Beck of St. Johnsbury	Grad of Moretown	Pugh of South Burlington
Belaski of Windsor	Haas of Rochester	Rachelson of Burlington
Bissonnette of Winooski	Head of South Burlington	Scheu of Middlebury
Bock of Chester	Hebert of Vernon	Sharpe of Bristol
Botzow of Pownal	Hill of Wolcott	Sheldon of Middlebury

Briglin of Thetford	Hooper of Montpelier	Smith of Derby
Brumsted of Shelburne	Hooper of Brookfield	Squirrell of Underhill
Buckholz of Hartford	Houghton of Essex	Stevens of Waterbury *
Burke of Brattleboro	Howard of Rutland City	Stuart of Brattleboro
Carr of Brandon	Jessup of Middlesex	Sullivan of Dorset
Chesnut-Tangerman of Middletown Springs	Joseph of North Hero	Sullivan of Burlington
Christensen of Weathersfield	Keenan of St. Albans City	Till of Jericho
Christie of Hartford	Kimbell of Woodstock	Toleno of Brattleboro
Cina of Burlington	Kitzmiller of Montpelier	Toll of Danville
Colburn of Burlington	Krowinski of Burlington	Townsend of South Burlington
Conlon of Cornwall	Lalonde of South Burlington	Trieber of Rockingham
Connor of Fairfield	Lippert of Hinesburg	Troiano of Stannard
Conquest of Newbury	Long of Newfane	Walz of Barre City
Copeland-Hanzas of Bradford	Lucke of Hartford	Webb of Shelburne
Deen of Westminster	Masland of Thetford	Weed of Enosburgh
Donovan of Burlington	McCormack of Burlington	Willhoit of St. Johnsbury
Dunn of Essex	McCullough of Williston	Wood of Waterbury
Emmons of Springfield	Miller of Shaftsbury	Yacovone of Morristown
Fields of Bennington	Morris of Bennington	Yantachka of Charlotte
Forguites of Springfield	Mrowicki of Putney	Young of Glover
Gannon of Wilmington	Noyes of Wolcott	
	Ode of Burlington	
	O'Sullivan of Burlington	

Those who voted in the negative are:

Ainsworth of Royalton	Graham of Williamstown	Nolan of Morristown
Bancroft of Westford	Greshin of Warren	Norris of Shoreham
Batchelor of Derby	Harrison of Chittenden	Olsen of Londonderry
Beyor of Highgate	Helm of Fair Haven	Parent of St. Albans Town
Brennan of Colchester	Higley of Lowell	Pearce of Richford
Burditt of West Rutland	Hubert of Milton	Quimby of Concord
Canfield of Fair Haven	Jickling of Brookfield	Rosenquist of Georgia
Condon of Colchester	Juskiewicz of Cambridge	Savage of Swanton
Corcoran of Bennington	Keefe of Manchester	Scheuermann of Stowe
Cupoli of Rutland City	LaClair of Barre Town	Shaw of Pittsford
Dakin of Colchester	Lawrence of Lyndon	Sibilia of Dover
Devereux of Mount Holly	Lefebvre of Newark	Smith of New Haven
Dickinson of St. Albans Town	Lewis of Berlin	Strong of Albany
Donahue of Northfield	Marcotte of Coventry	Taylor of Colchester
Fagan of Rutland City	Martel of Waterford	Terenzini of Rutland Town
Feltus of Lyndon	McCoy of Poultney	Turner of Milton
Frenier of Chelsea	McFaun of Barre Town	Van Wyck of Ferrisburgh
Gage of Rutland City	Morrissey of Bennington	Viens of Newport City
Gamache of Swanton	Murphy of Fairfax	Wright of Burlington
	Myers of Essex	

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

Browning of Arlington	Lanpher of Vergennes	Macaig of Williston
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Rep. Stevens of Waterbury explained his vote as follows:

“Madam Speaker:

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

Second Reading; Bill Amended; Third Reading Ordered

H. 233

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

An act relating to protecting working forests and habitat

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

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

§ 6001. DEFINITIONS

In this chapter:

* * *

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

* * *

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

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

* * *

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

* * *

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

(39) “Fragmentation” means the division or conversion of a forest block

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

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

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

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

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

§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

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

* * *

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

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

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

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

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

(B) Forest blocks.

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

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

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

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

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

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

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

(C) Habitat connectors.

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

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

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

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

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

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

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

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

* * *

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

§ 6088. BURDEN OF PROOF

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

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

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

§ 6094. MITIGATION OF FOREST BLOCKS AND HABITAT

CONNECTORS

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

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

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

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

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

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

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

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

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

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

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

(C) Such other compensation measures as the rules may authorize.

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

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

Sec. 5. RULE ADOPTION: SCHEDULE; GUIDANCE

(a) Rulemaking.

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

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

(b) Guidance.

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

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

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

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

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

§ 127. RESOURCE MAPPING

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

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

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

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

§ 4303. DEFINITIONS

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

* * *

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

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

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

~~(36)~~(C) “Habitat connector” means land or water, or both, that links patches of wildlife habitat within a landscape, allowing the movement, migration, and dispersal of animals and plants and the functioning of ecological processes. A habitat connector may include recreational trails and uses exempt from regulation under subsection 4413(d) of this title. In a plan or other document issued pursuant to this chapter, a municipality or regional plan commission may use the phrase “wildlife corridor” in lieu of “habitat connector.”

~~(37)~~(35) ~~“Recreational~~ As used in subdivision (34) of this section, “recreational trail” means a corridor that is not paved and that is used for hiking, walking, bicycling, cross-country skiing, snowmobiling, all-terrain vehicle riding, horseback riding, and other similar recreational activity.

Sec. 8. EFFECTIVE DATES

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

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

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

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

Pending the question, Shall the bill be amended as recommended by the committee on Natural Resources, Fish & Wildlife? **Rep. Higley of Lowell**

moved that the bill be committed to the committee on Agriculture & Forestry.

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

Those who voted in the affirmative are:

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

Those who voted in the negative are:

Ancel of Calais	Gonzalez of Winooski	Partridge of Windham
Bartholomew of Hartland	Grad of Moretown	Potter of Clarendon
Belaski of Windsor	Greshin of Warren	Pugh of South Burlington
Bissonnette of Winooski	Haas of Rochester	Rachelson of Burlington
Botzow of Pownal	Head of South Burlington	Scheu of Middlebury
Briglin of Thetford	Hill of Wolcott	Sharpe of Bristol
Buckholz of Hartford	Hooper of Montpelier	Sheldon of Middlebury
Burke of Brattleboro	Houghton of Essex	Sibilia of Dover
Carr of Brandon	Howard of Rutland City	Squirrell of Underhill
Chesnut-Tangerman of Middletown Springs	Jessup of Middlesex	Stevens of Waterbury
Christensen of Weathersfield	Jickling of Brookfield	Stuart of Brattleboro
Christie of Hartford	Joseph of North Hero	Sullivan of Dorset
Cina of Burlington	Keenan of St. Albans City	Sullivan of Burlington
Colburn of Burlington	Kimball of Woodstock	Taylor of Colchester
Conlon of Cornwall	Kitzmiller of Montpelier	Till of Jericho
	Krowinski of Burlington	Toleno of Brattleboro

Conquest of Newbury	Lalonde of South Burlington	Toll of Danville
Copeland-Hanzas of Bradford	Lippert of Hinesburg	Townsend of South Burlington
Corcoran of Bennington	Long of Newfane	Trieber of Rockingham
Dakin of Colchester	Lucke of Hartford	Troiano of Stannard
Deen of Westminster	Masland of Thetford	Walz of Barre City
Donovan of Burlington	McCormack of Burlington	Webb of Shelburne
Dunn of Essex	McCullough of Williston	Weed of Enosburgh
Emmons of Springfield	Miller of Shaftsbury	Wood of Waterbury
Fields of Bennington	Morris of Bennington	Yacovone of Morristown
Forguites of Springfield	Mrowicki of Putney	Yantachka of Charlotte
Gannon of Wilmington	Noyes of Wolcott	Young of Glover
Gardner of Richmond	Ode of Burlington	
Giambatista of Essex	Olsen of Londonderry	
	O'Sullivan of Burlington	

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

Browning of Arlington	Lanpher of Vergennes	Macaig of Williston
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Pending the question, Shall the bill be amended as recommended by the committee on Natural Resources, Fish & Wildlife? **Rep. Nolan of Morristown** moved to commit the bill to the committee on Transportation which was disagreed to.

Pending the question Shall the bill be amended as recommended by the committee on Natural Resources, Fish & Wildlife? **Rep. Dickinson of St. Albans Town** moved to commit the bill to the committee on Commerce and Economic Development which was disagreed to.

Pending the question, Shall the bill be amended as recommended by the Committee on Natural Resources, Fish & Wildlife? **Rep. Sheldon of Middlebury** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as recommended by the Committee on Natural Resources, Fish & Wildlife? was decided in the affirmative. Yeas, 85. Nays, 61.

Those who voted in the affirmative are:

Ancel of Calais	Giambatista of Essex	Ode of Burlington
Bartholomew of Hartland	Gonzalez of Winooski	O'Sullivan of Burlington
Belaski of Windsor	Grad of Moretown	Partridge of Windham
Bissonnette of Winooski	Greshin of Warren	Potter of Clarendon
Bock of Chester	Haas of Rochester	Pugh of South Burlington
Botzow of Pownal	Head of South Burlington	Rachelson of Burlington
Briglin of Thetford	Hill of Wolcott	Scheu of Middlebury
Buckholz of Hartford	Hooper of Montpelier	Sharpe of Bristol
Burke of Brattleboro	Hooper of Brookfield	Sheldon of Middlebury
Carr of Brandon	Houghton of Essex	Squirrell of Underhill
Chesnut-Tangerman of	Howard of Rutland City	Stevens of Waterbury

Middletown Springs	Jessup of Middlesex	Stuart of Brattleboro
Christensen of Weathersfield	Joseph of North Hero	Sullivan of Burlington
Christie of Hartford	Keenan of St. Albans City	Taylor of Colchester
Cina of Burlington	Kimbell of Woodstock	Till of Jericho
Colburn of Burlington	Kitzmiller of Montpelier	Toleno of Brattleboro
Conlon of Cornwall	Krowinski of Burlington	Toll of Danville
Conquest of Newbury	Lalonde of South Burlington	Townsend of South Burlington
Copeland-Hanzas of Bradford *	Lippert of Hinesburg	Trieber of Rockingham
Corcoran of Bennington	Long of Newfane	Troiano of Stannard
Dakin of Colchester	Lucke of Hartford	Walz of Barre City
Deen of Westminster	Macaig of Williston	Webb of Shelburne
Donahue of Northfield	Masland of Thetford	Weed of Enosburgh
Donovan of Burlington	McCormack of Burlington	Wood of Waterbury
Dunn of Essex	McCullough of Williston	Yacovone of Morristown
Emmons of Springfield	Miller of Shaftsbury	Yantachka of Charlotte
Fields of Bennington	Morris of Bennington	Young of Glover
Forguites of Springfield	Mrowicki of Putney	
Gardner of Richmond	Murphy of Fairfax	
	Noyes of Wolcott	

Those who voted in the negative are:

Ainsworth of Royalton	Graham of Williamstown	Olsen of Londonderry
Bancroft of Westford	Harrison of Chittenden	Parent of St. Albans Town
Baser of Bristol	Hebert of Vernon	Pearce of Richford
Batchelor of Derby	Helm of Fair Haven	Poirier of Barre City
Beck of St. Johnsbury	Higley of Lowell	Quimby of Concord
Beyor of Highgate	Hubert of Milton	Rosenquist of Georgia
Brennan of Colchester	Jickling of Brookfield	Savage of Swanton
Burditt of West Rutland	Juskiewicz of Cambridge	Scheuermann of Stowe
Canfield of Fair Haven	Keefe of Manchester	Shaw of Pittsford
Condon of Colchester	LaClair of Barre Town	Sibilia of Dover
Connor of Fairfield	Lawrence of Lyndon	Smith of Derby
Cupoli of Rutland City	Lefebvre of Newark	Smith of New Haven
Devereux of Mount Holly	Lewis of Berlin	Strong of Albany
Dickinson of St. Albans Town	Marcotte of Coventry	Sullivan of Dorset
Fagan of Rutland City	Martel of Waterford	Terenzini of Rutland Town
Feltus of Lyndon	McCoy of Poultney	Turner of Milton
Frenier of Chelsea	McFaun of Barre Town	Van Wyck of Ferrisburgh
Gage of Rutland City	Morrissey of Bennington	Viens of Newport City
Gamache of Swanton	Myers of Essex	Willhoit of St. Johnsbury
Gannon of Wilmington	Nolan of Morristown	Wright of Burlington
	Norris of Shoreham	

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

Browning of Arlington	Brumsted of Shelburne	Lanpher of Vergennes
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Rep. Copeland Hanzas of Bradford explained her vote as follows:

“Madam Speaker:

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

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

Rep. Mrowicki of Putney explained his vote as follows:

“Madam Speaker:

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

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

Thereupon, third reading was ordered.

Recess

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

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

Message from the Senate No. 61

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

Madam Speaker:

I am directed to inform the House that:

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

S. 5. An act relating to plea agreements.

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

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

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

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

Message from the Senate No. 62

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

Madam Speaker:

I am directed to inform the House that:

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

H. 59. An act relating to technical corrections.

H. 111. An act relating to vital records.

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

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

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

Second Reading; Bill Amended; Third Reading Ordered

S. 34

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

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

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

* * * Rural Economic Development Initiative * * *

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

§ 325m. RURAL ECONOMIC DEVELOPMENT INITIATIVE

Subchapter 4. Rural Economic Development Initiative

(a) Definitions. As used in this subchapter:

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

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

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

(c) Services; access to funding.

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

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

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

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

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

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

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

(B) the outdoor equipment or recreation industry;

(C) the value-added forest products industry;

(D) the value-added food industry;

(E) phosphorus removal technology; and

(F) composting facilities.

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

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

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

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

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

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

Sec. 2. RURAL ECONOMIC DEVELOPMENT INITIATIVE

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

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

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

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

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

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

* * * Energy Efficiency * * *

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

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

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

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

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

(1) Whether and how to increase the use by commercial and industrial customers of self-administered efficiency programs under 30 V.S.A. § 209(d) and (j), including:

(A) Potential methods and incentives to increase participation in self-administration of energy efficiency, including:

(i) Potential changes to the eligibility criteria for existing programs.

(ii) Use of performance-based structures.

(iii) Self-administration of energy efficiency by a commercial and industrial customer, with payment of an energy efficiency charge (EEC) amount only for technical assistance by an EEU, if the customer demonstrates that it possesses in-house expertise that supports such self-administration and implements energy efficiency measures that the customer demonstrates are cost-effective and save energy at a benefit-cost ratio similar to the EEU.

(B) The potential inclusion of such methods and incentives in EEU

demand resource plans.

(C) Periodic reporting by the EEU's of participation rates in self-administration of energy efficiency by commercial and industrial customers located in the small towns in the State's rural areas. As used in this subdivision (C):

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

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

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

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

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

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

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

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

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

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

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

(III) the effect on greenhouse gas emissions;

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

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

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

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

(VIII) the costs of administration;

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

(v) The consistency of such a program with least-cost planning as defined in 30 V.S.A. § 218c; with State energy goals and policy set forth in 10 V.S.A. §§ 578, 580, and 581 and 30 V.S.A. §§ 202a and 218e; and with the State energy plans adopted pursuant to 30 V.S.A. §§ 202 and 202b.

(c) The report submitted under this section shall include a proposed timeline to phase in the recommendations contained in the report. In developing this timeline, the Commissioner shall consider the impact to the established budgets of the EEUs, the regulatory requirements applicable to the EEUs, and the value of rapid implementation of the recommendations.

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

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

* * *

* * * Environmental Permitting * * *

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

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

* * * Phosphorus Removal Technology; Grants * * *

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

§ 4828. CAPITAL EQUIPMENT ASSISTANCE PROGRAM

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

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

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

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

- (A) the Lake Champlain Basin;
- (B) the Lake Memphremagog Basin;
- (C) the Connecticut River Basin; and
- (D) the Hudson River Basin.

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

- (A) the Lake Champlain Basin;
- (B) the Lake Memphremagog Basin;
- (C) the Connecticut River Basin; and
- (D) the Hudson River Basin.

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

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

Sec. 8. FORESTRY EQUIPMENT; SALES TAX EXEMPTION

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

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

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

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

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

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

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

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

* * * Repeals * * *

Sec. 10. REPEALS

The following are repealed on July 1, 2023:

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

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

* * * Effective Date * * *

Sec. 11. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

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

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

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

Sec. 2. [Deleted.]

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

Sec. 8. [Deleted.]

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

* * * Repeals * * *

Sec. 10. REPEALS

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

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

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

Pending the question, Shall the bill be amended as recommended by the committee on Commerce and Economic Development, as amended? **Rep. Stuart of Brattleboro** moved to amend the recommendation of the committee on Commerce and Economic Development, as amended, as follows by striking Sec. 3 in its entirety and inserting in lieu thereof a new Sec. 3 to read:

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

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

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

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

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

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

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

Message from the Senate No. 63

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

Madam Speaker:

I am directed to inform the House that:

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

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

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

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

Senator Sears
Senator Benning
Senator White

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

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

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

Senator White
Senator Benning
Senator Nitka

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

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

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

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

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

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

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

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

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

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

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

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

Senator Lyons
 Senator Cummings
 Senator Campion

Bill Amended, Read Third Time; Bill Passed

H. 170

House bill, entitled

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

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

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

Which was agreed to.

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

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

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

§ 5102. DEFINITIONS AND PROVISIONS OF GENERAL APPLICATION

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

* * *

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

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

person have been unsuccessful.

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

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

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

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

* * *

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

Thereupon the first instance was disagreed to.

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

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

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

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

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

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

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

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

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

§ 1201. OPERATING VEHICLE UNDER THE INFLUENCE OF

INTOXICATING LIQUOR OR OTHER SUBSTANCE; CRIMINAL
REFUSAL; ENHANCED PENALTY FOR BAC OF 0.16 OR MORE

* * *

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

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

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

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

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

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

Those who voted in the affirmative are:

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

Graham of Williamstown Nolan of Morrystown

Those who voted in the negative are:

Ancel of Calais	Forguites of Springfield	Ode of Burlington
Bartholomew of Hartland	Gannon of Wilmington	Olsen of Londonderry
Baser of Bristol	Giambatista of Essex	O'Sullivan of Burlington
Beck of St. Johnsbury	Gonzalez of Winooski	Partridge of Windham
Belaski of Windsor	Grad of Moretown	Rachelson of Burlington
Bissonnette of Winooski	Greshin of Warren	Scheu of Middlebury
Botzow of Pownal	Haas of Rochester	Scheuermann of Stowe
Brennan of Colchester	Head of South Burlington	Sharpe of Bristol
Briglin of Thetford	Hill of Wolcott	Sheldon of Middlebury
Brumsted of Shelburne	Hooper of Montpelier	Sibilia of Dover
Buckholz of Hartford	Hooper of Brookfield	Squirrell of Underhill
Burditt of West Rutland	Houghton of Essex	Stevens of Waterbury
Burke of Brattleboro	Jessup of Middlesex	Stuart of Brattleboro
Carr of Brandon	Jickling of Brookfield	Sullivan of Dorset
Chesnut-Tangerman of Middletown Springs	Kimbell of Woodstock	Sullivan of Burlington
Christensen of Weathersfield	Kitzmiller of Montpelier	Taylor of Colchester
Cina of Burlington	Krowinski of Burlington	Toleno of Brattleboro
Colburn of Burlington	Lalonde of South Burlington	Toll of Danville
Condon of Colchester	Lefebvre of Newark	Townsend of South Burlington
Conlon of Cornwall	Lippert of Hinesburg	Trieber of Rockingham
Connor of Fairfield	Long of Newfane	Troiano of Stannard
Conquest of Newbury	Lucke of Hartford	Walz of Barre City
Copeland-Hanzas of Bradford	Macaig of Williston	Webb of Shelburne
Corcoran of Bennington	Masland of Thetford	Weed of Enosburgh
Deen of Westminster	McCormack of Burlington	Wood of Waterbury
Donovan of Burlington	McCullough of Williston	Yacovone of Morrystown
Dunn of Essex	Miller of Shaftsbury	Yantachka of Charlotte
Emmons of Springfield	Morris of Bennington	Young of Glover
Fields of Bennington	Mrowicki of Putney	
	Murphy of Fairfax	
	Noyes of Wolcott	

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

Christie of Hartford Lanpher of Vergennes Pugh of South Burlington

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

Those who voted in the affirmative are:

Ancel of Calais	Gannon of Wilmington	Mrowicki of Putney
Bartholomew of Hartland	Giambatista of Essex	Noyes of Wolcott
Baser of Bristol	Gonzalez of Winooski	Olsen of Londonderry
Belaski of Windsor	Grad of Moretown *	O'Sullivan of Burlington
Bock of Chester	Greshin of Warren	Partridge of Windham
Botzow of Pownal	Haas of Rochester	Rachelson of Burlington *
Buckholz of Hartford	Head of South Burlington	Scheu of Middlebury

Burditt of West Rutland	Hill of Wolcott	Sharpe of Bristol
Burke of Brattleboro	Hooper of Montpelier	Sheldon of Middlebury
Carr of Brandon	Hooper of Brookfield	Squirrell of Underhill
Chesnut-Tangerman of Middletown Springs	Houghton of Essex	Stevens of Waterbury
Christensen of Weathersfield	Jessup of Middlesex	Stuart of Brattleboro
Cina of Burlington *	Kimbell of Woodstock	Sullivan of Dorset
Colburn of Burlington *	Kitzmiller of Montpelier	Sullivan of Burlington
Condon of Colchester	Krowinski of Burlington	Toleno of Brattleboro
Conlon of Cornwall	Lalonde of South Burlington	Townsend of South Burlington
Connor of Fairfield *	Lefebvre of Newark *	Trieber of Rockingham
Conquest of Newbury	Lippert of Hinesburg	Troiano of Stannard *
Copeland-Hanzas of Bradford	Long of Newfane	Walz of Barre City
Deen of Westminster	Lucke of Hartford	Webb of Shelburne
Donovan of Burlington	Macaig of Williston	Weed of Enosburgh
Dunn of Essex	Masland of Thetford	Wood of Waterbury
Emmons of Springfield	McCormack of Burlington	Yacovone of Morristown
Fields of Bennington	McCullough of Williston	Yantachka of Charlotte
	Miller of Shaftsbury	Young of Glover *
	Morris of Bennington	

Those who voted in the negative are:

Ainsworth of Royalton	Gardner of Richmond *	Norris of Shoreham
Bancroft of Westford	Graham of Williamstown	Ode of Burlington
Batchelor of Derby	Harrison of Chittenden *	Parent of St. Albans Town
Beck of St. Johnsbury	Hebert of Vernon	Pearce of Richford
Beyor of Highgate	Helm of Fair Haven	Poirier of Barre City
Bissonnette of Winooski	Higley of Lowell	Potter of Clarendon
Brennan of Colchester	Howard of Rutland City	Quimby of Concord
Briglin of Thetford	Hubert of Milton	Rosenquist of Georgia
Browning of Arlington	Jickling of Brookfield	Savage of Swanton
Brumsted of Shelburne	Joseph of North Hero	Scheuermann of Stowe
Canfield of Fair Haven	Juskiewicz of Cambridge	Shaw of Pittsford
Corcoran of Bennington	Keefe of Manchester	Sibilia of Dover
Cupoli of Rutland City	Keenan of St. Albans City	Smith of Derby
Dakin of Colchester	LaClair of Barre Town	Smith of New Haven
Devereux of Mount Holly	Lawrence of Lyndon	Strong of Albany
Dickinson of St. Albans Town	Lewis of Berlin	Taylor of Colchester
Donahue of Northfield	Marcotte of Coventry	Terenzini of Rutland Town
Fagan of Rutland City	Martel of Waterford	Till of Jericho *
Feltus of Lyndon	McCoy of Poultney	Toll of Danville
Forguites of Springfield	McFaun of Barre Town	Turner of Milton
Frenier of Chelsea	Morrissey of Bennington	Van Wyck of Ferrisburgh
Gage of Rutland City	Murphy of Fairfax	Viens of Newport City
Gamache of Swanton	Myers of Essex	Willhoit of St. Johnsbury
	Nolan of Morristown	Wright of Burlington

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

Christie of Hartford	Lanpher of Vergennes	Pugh of South Burlington
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Rep. Cina of Burlington explained his vote as follows:

“Madam Speaker:

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

Rep. Colburn of Burlington explained her vote as follows:

“Madam Speaker:

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

Rep. Connor of Fairfield explained his vote as follows:

“Madam Speaker:

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

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

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

Madame Speaker, I could not have supported the earlier version of H. 170 that almost came to a voice vote, but I can today because my constituents

recognize the good work that was done by the Human Services Committee coupled with some of the friendly amendments which add important boundaries that will help prevent negative public impacts.

Rep. Gardner of Richmond explained her vote as follows:

“Madam Speaker:

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

Rep. Grad of Moretown explained her vote as follows:

“Madam Speaker:

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

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

Rep. Harrison of Chittenden explained his vote as follows:

“Madam Speaker:

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

Rep. Lefebvre of Newark explained his vote as follows:

“Madam Speaker:

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

Rep. Rachelson of Burlington explained her vote as follows:

“Madam Speaker:

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

Rep. Till of Jericho explained his vote as follows:

“Madam Speaker:

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

Rep. Troiano of Stannard explained his vote as follows:

“Madam Speaker:

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

Rep. Young of Glover explained his vote as follows:

“Madam Speaker:

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

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

H. 506

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

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

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

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

§ 3314. BOARD; POWERS AND DUTIES

* * *

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

* * *

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

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

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

§ 3320a. APPRAISAL MANAGEMENT COMPANIES

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

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

~~(b) An appraisal management company does not include:~~

- ~~(1) a government agency;~~
- ~~(2) a bank, credit union, licensed lender, or savings institution;~~
- ~~(3) a person or entity that has as its primary business the performance of~~

~~appraisals in accordance with this chapter but who or which, in the normal course of business, engages the services of a licensed appraiser to perform appraisals or related services that the person or entity cannot perform because of the location or type of property in question, workload, scope of practice required by an assignment, or to otherwise maintain professional responsibility to clients.~~

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

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

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

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

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

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

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

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

* * * Professional Regulation Report * * *

Sec. 35. PROFESSIONAL REGULATION REPORT

(a) The Director of the Office of Professional Regulation (Office) and leaders of the relevant agencies and departments shall cooperate in analyzing the professional regulation reports and other information gathered as a result of the professional regulation survey required by 2016 Acts and Resolves No. 156, Secs. 20 and 21.

(b) On or before December 15, 2017, the Office shall recommend to the Senate and House Committees on Government Operations any opportunities discovered as a result of the analysis described in subsection (a) of this section that would allow State government to operate in a more effective and efficient manner by consolidating the licensing functions or otherwise by reforming licensing practices in conformity with the policies set forth in 26 V.S.A. chapter 57 (review of regulatory laws).

* * * Effective Dates * * *

Sec. 36. EFFECTIVE DATES

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

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

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

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

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

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

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

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

Sec. 35. PROFESSIONAL REGULATION REPORT

The Director of the Office of Professional Regulation and leaders of the relevant agencies and departments shall continue to analyze the professional regulation reports and other information gathered as a result of the professional regulation survey required by 2016 Acts and Resolves No. 156, Secs. 20 and

21 in order to recommend how the State can operate in a more effective and efficient manner.

Which was agreed to.

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

H. 512

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

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

* * * Primary and General Election Recounts * * *

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

Subchapter 9. Recounts and Contest of Elections

§ 2601. ~~RECOUNTS~~ RECOUNT THRESHOLD

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

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

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

§ 2602. PETITIONS FOR RECOUNTS; SETTING DATE OF RECOUNT

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

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

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

(2) The petition shall be filed with:

(A) the Civil Division of the Superior Court, Washington County, in the case of candidates for State or congressional office, or for a presidential election; ~~the petition shall be filed with or~~

(B) the Superior Court in any county in which votes were cast for the office to be recounted, in the case of any other office.

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

(c)(1) The Superior Court shall:

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

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

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

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

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

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

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

(d)-(h) [Repealed.]

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

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

(a)(1) Upon receipt of a petition, the county clerk shall notify ~~the chairs of the relevant county political committees that a petition has been filed requesting a recount and advising them to submit immediately a list of~~

~~nominees for individuals to serve on a recount committee.~~

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

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

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

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

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

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

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

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

§ 2602b. ASSIGNMENT OF DUTIES; RECOUNT MATERIALS

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

~~(2) The county clerk shall store all ballots, still in their sealed containers, in his or her vault until the day of the recount may appoint a~~

sufficient number of additional impartial assistants to perform tasks that have not been assigned to recount committee members.

(3) On each day of the recount, the town clerk of any town subject to the recount shall be available to the county clerk in person or by telephone to answer any questions the county clerk may have regarding that town's election.

(b)(1) The county clerk shall assign committee members to the following teams of at least four persons, consisting of one caller and one observer, representing different candidates, and one tally person and one double-check person, representing different candidates:

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

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

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

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

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

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

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

§ 2602c. PREPARATION FOR RECOUNT; GENERAL RULES

(a) Recount area; preserving order.

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

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

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

(b) Preliminary requirements. Before the recount begins, the and any containers are opened:

(1) Explaining procedures. The county clerk shall explain the recount procedures which that are to be followed and shall answer questions relating to such procedures. The county clerk shall use volunteer town clerks to operate and instruct on the use of vote tabulators.

(2) Blank ballots; vote tabulator test.

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

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

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

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

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

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

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

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

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

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

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

~~(d)~~(f) Inspecting containers and seals.

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

(2) Seals.

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

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

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

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

(i) Opening containers. ~~Upon opening the first container in the presence of the clerk observer team, the~~ The county clerk shall empty the contents of each container onto ~~the clerk's~~ his or her table in the presence of the clerk observer team.

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

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

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

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

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

§ 2602d. REVIEW OF OFFICIAL RETURN OF VOTES; EXAMINATION OF ~~CHECKLISTS~~ CHECKLIST

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

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

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

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

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

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

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

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

(a) Sorting ballots.

(1) While the checklist is being examined, if applicable under subsection 2602d of this subchapter, after emptying a container onto his or her table, the

county clerk shall separate ballots from the container into a number of batches equal to the number of counting teams, with each batch being of approximately equal size.

(2) Each counting team shall take a batch of ballots from the county clerk's table to the counting team's table.

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

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

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

(b) Ballot review and removal.

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

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

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

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

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

(c) Delivery of remaining ballots.

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

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

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

(1) Each counting team shall then separate the removed ballots into

stacks of 50 in accordance with the process set forth in subdivision (a)(3) of this section.

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

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

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

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

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

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

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

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

§ 2602f. RECOUNT OF REMAINING BALLOTS BY VOTE TABULATOR

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

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

(c)(1) ~~Vote tabulator readable~~ At the same time as any removed ballots are being hand counted, the vote tabulator team shall take any ballots from each

~~container shall be fed~~ delivered to them, and feed them through a vote tabulator ~~by one team until all vote tabulator readable ballots from the container have been entered.~~ For ballots unable to be read by a vote tabulator, such as damaged or plain paper ballots, a second team shall collect these ballots from the pile and transfer the voter's choices on those ballots to blank ballots provided by the Secretary of State. After all of the vote tabulator-readable ballots have been fed through the vote tabulator, the first team shall ~~feed through the vote tabulator any transfer ballots created by the second team.~~

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

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

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

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

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

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

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

~~(2) The county clerk shall then record the totals from the tabulator tape onto the summary sheet for the town in the same manner that he or she recorded the individual tally sheet totals from the hand-counted ballots. Another recount team shall then open the tabulator's ballot box and remove all ballots. The ballots shall then be divided among the recount teams to be examined to find write-in names and markings of voter intent that were not vote tabulator readable as outlined in the Secretary of State's vote tabulator guide and most recent elections procedures manual. A caller, tally person, and~~

~~double check person shall be used to examine the ballots removed from the ballot box. If the caller and the observer or observers do not agree on how a ballot should be counted, the entire team shall review the ballot and if all members agree, it shall be counted that way.~~

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

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

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

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

§ 2602h. COMPLETING THE TALLY

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

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

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

(2) If these numbers differ, the county clerk shall note the amount of the difference on the summary sheets for that ~~polling place~~ town.

(d) If there is more than one town subject to the recount:

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

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

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

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

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

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

§ 2602i. COSTS

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

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

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

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

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

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

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

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

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

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

(1) issue a judgment, which shall supersede any certificate of election previously issued;

(2) send a certified copy of the judgment to the Secretary of State; and shall

(3) return to the county clerk any ballots containing questionable ballots which votes and defective ballots that had been forwarded to the court.

§ 2602k. ~~AFTER THE RECOUNT~~ TIES

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

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

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

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

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

(f) The conduct of a ~~recessed~~ runoff election shall be as provided in this chapter for general elections.

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

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

§ 2602m. STORAGE AND RETURN OF ELECTION MATERIALS

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

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

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

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

* * *

* * * Definitions * * *

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

§ 2103. DEFINITIONS

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

* * *

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

* * *

(18)(A) "Local election" means any election ~~which~~ that deals with the selection of persons to fill public office or the settling of public questions solely within a single municipality.

(B) "Local election" also means an election to settle a public question in several municipalities, in which the municipalities must unanimously concur

if the question is to be approved.

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

* * *

* * * Registration of Voters * * *

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

§ 2141. POSTING OF CHECKLIST

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

* * *

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

§ 2154. STATEWIDE VOTER CHECKLIST

* * *

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

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

* * *

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

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

(c) The following public records are exempt from public inspection and copying:

* * *

(31) Records of a registered voter’s month and day of birth, ~~motor vehicle operator’s~~ driver’s license or nondriver identification number, e-mail address, and the last four digits of ~~the applicant’s~~ his or her Social Security number contained in an application to the statewide voter checklist or the statewide voter checklist established under 17 V.S.A. § 2154 or the failure to

register to vote under 17 V.S.A. § 2145a.

* * *

* * * Political Parties * * *

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

§ 2303. TOWN CHAIR TO GIVE NOTICE

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

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

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

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

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

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

* * * Primary Elections * * *

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

§ 2353. PETITIONS TO PLACE NAMES ON BALLOT

(a) The name of any person shall be printed upon the primary ballot as a candidate for nomination by any major political party for any office indicated, if petitions containing the requisite number of signatures made by ~~legal~~ registered voters, in substantially the following form, are filed with the proper official, together with the person's written consent to having his or her name printed on the ballot:

I join in a petition to place on the primary ballot of the party the name of, whose residence is in the (city), (town) of in the county of, for the office of to be voted for on Tuesday, the day of August, 20; and I certify that I am at the present time a registered voter and am qualified to vote for a candidate for this office.

(b)(1) A person's name shall not be listed as a candidate on the primary

ballot of more than one party in the same election.

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

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

§ 2354. SIGNING PETITIONS

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

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

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

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

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

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

§ 2356. TIME FOR FILING PETITIONS ~~AND STATEMENTS OF~~
NOMINATION

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

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

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

§ 2361. CONSENT OF CANDIDATE

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

(b)(1) The consent shall set forth the name of the candidate, as the

candidate wishes to have it printed on the ballot, the candidate's town of residence, and correct mailing address.

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

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

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

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

§ 2362. PRIMARY BALLOTS

~~(a) The ballots shall be prepared~~ A separate ballot for each major political party shall be printed and furnished to the towns by the Secretary of State and shall contain the names of all candidates for nomination by that party at the primary. Ballots shall be printed on index stock and configured to be readable by vote tabulators. ~~A separate ballot for each major political party~~ Ballots shall be printed in substantially the following form:

OFFICIAL VERMONT PRIMARY ELECTION BALLOT

VOTE ON ONE PARTY BALLOT ONLY AND PLACE IN BALLOT

BOX OR VOTE TABULATOR

ALL OTHER PARTY BALLOTS MUST BE PLACED IN UNVOTED
BALLOT BOX

[MAJOR POLITICAL PARTY NAME]

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

~~up to and including the maximum number.~~

* * *

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

§ 2363. ~~SEPARATE PARTY BALLOTS~~ VOTER'S CHOICE OF PARTY

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

(b) [Repealed.]

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

§ 2369. DETERMINING WINNER; TIE VOTES

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

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

~~(1)~~(A) the State committee of a party for a State or congressional office;

~~(2)~~(B) the senatorial district committee for State Senate;

~~(3)~~(C) the county committee for county office; or

~~(4)~~(D) the representative district committee for a Representative to the General Assembly.

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

* * * Nominations by Party Committee * * *

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

§ 2381. APPLICABILITY OF SUBCHAPTER

(a) A candidate may also be nominated and have the candidate's name printed on the general election ballot in accordance with the provisions set

forth in this subchapter, in the following instances:

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

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

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

* * *

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

§ 2382. WHICH COMMITTEE TO NOMINATE

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

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

* * *

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

§ 2386. TIME FOR FILING STATEMENTS

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

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

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

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

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

* * * Independent Candidate Nominations * * *

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

§ 2402. REQUISITES OF STATEMENT

(a) A statement of nomination shall contain:

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

(2) The candidate's name and residence.

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

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

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

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

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

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

* * *

(d)(1) A statement of nomination and a completed and signed consent form shall be filed:

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

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

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

special primary election.

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

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

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

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

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

§ 2403. NUMBER OF CANDIDATES; PARTY NAMES

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

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

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

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

(2) ~~If no party is indicated, the word "Independent" shall be printed on the ballot, and no~~.

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

* * * Nominations; Miscellaneous * * *

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

§ 2412. WITHDRAWAL OF CANDIDACY

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

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

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

* * * Election Officials * * *

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

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

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

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

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

* * * General Election Ballots * * *

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

§ 2472. CONTENTS

* * *

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

(2) The names of the candidates for each office shall be listed in

alphabetical order by surname, followed by the candidate's town of residence, and the party or parties by which the candidate has been nominated, or in the case of independent candidates who have not chosen some other name or identification, by the word "Independent." The word "party" shall not be printed on the ballot following a candidate's party name.

* * *

* * * Vote Tabulators * * *

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

§ 2491. POLITICAL SUBDIVISION; VOTE TABULATORS

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

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

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

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

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

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

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

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

§ 2493. RULES FOR USE OF VOTE TABULATORS; AUDITS

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

* * *

(4)(A) All vote tabulators shall be set to reject a ballot that contains an overvote and ~~provide the voter shall be provided the opportunity to obtain another ballot and correct the overvote, have the ballot declared spoiled, and~~

~~obtain another ballot.~~ If an early voter absentee ballot contains an overvote, the elections official shall override the vote tabulator and count all races except any race that contains an overvote.

* * *

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

* * *

* * * Polling Places * * *

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

§ 2508. CAMPAIGNING DURING POLLING HOURS; VOTER ACCESS

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

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

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

~~(3)(C)~~ (C) On the walks and driveways leading to a building in which a polling place is located, no candidate or other person ~~may~~ physically ~~interfere~~ interferes with the progress of a voter to and from the polling place.

(2) The provisions of subdivision (1) of this subsection shall apply to the town clerk's office during any period of early or absentee voting.

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

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

* * * Voter Information * * *

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

§ 2521. WARNINGS AND NOTICES

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

(1) The warning shall include the date and time of the election, location

of the polling place or places, nature of the election, and offices or questions to be voted upon.

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

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

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

* * *

* * * Early or Absentee Voters * * *

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

§ 2531. APPLICATION FOR EARLY VOTER ABSENTEE BALLOT

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

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

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

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

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

§ 2532. APPLICATIONS; FORM

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

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

REQUEST FOR EARLY VOTER ABSENTEE BALLOT

Name of early or absentee voter: _____

Voter's Town of Residence: _____

Current physical address (address where you reside): _____

Residence (if different): _____

Telephone Number: _____ E-mail Address: _____

Date: _____

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

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

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

(1) Mail to voter at: _____
 Street or P.O. Box Town/City State Zip Code

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

If applicant is other than early or absentee voter:

Name of applicant: _____

Address of applicant: _____

Relationship to early or absentee voter: _____

Organization, if applicable: _____

Date: _____ Signature of applicant: _____

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

* * *

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

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

* * *

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

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

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

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

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

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

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

§ 2540. INSTRUCTIONS TO BE SENT WITH BALLOTS

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

substantially the following form:

INSTRUCTIONS FOR EARLY OR ABSENTEE VOTERS

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

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

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

* * *

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

§ 2541. MARKING OF BALLOTS

* * *

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

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

§ 2543. RETURN OF BALLOTS

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

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

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

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

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

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

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

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

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

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

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

~~(2) determine that the certificate has been~~ properly completed and signed;

~~(3) check the name of the early voter off the entrance checklist; and may~~

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

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

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

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

~~tabulator.~~

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

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

(2) If the ballots have not been previously checked off the entrance checklist and if ~~an two~~ two election ~~official determines~~ officials, from different political parties, determine that the certificate on the envelope is properly completed and signed by the early voter, the name of the early voter appears on the checklist, and the early voter is not a first-time voter in the municipality who registered by mail and is marked on the checklist as requiring additional documentation, the election ~~official~~ officials shall mark the checklist, open the ~~envelope certificate envelope, turn the certificate side face down, and hand the envelope face down to a third election official who shall remove the ballots from the envelopes and~~ deposit the ballot ballots in the ~~proper~~ ballot box or vote tabulator.

(3)(A) If the early voter is a first-time voter who registered by mail or online, ~~the two~~ two election ~~official~~ officials from different political parties shall determine whether the identification required under subdivision 2563(1) of this title has been submitted by the voter. Upon ascertaining that the proper identification has been submitted by the voter, the election ~~official~~ officials shall mark the checklist, open the certificate envelope, turn the certificate side face down, and hand the envelope face down to a third election official who shall remove the ballots from the envelopes and deposit the ballot in the ~~proper~~ ballot box or vote tabulator.

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

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

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

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

* * *

(d) Count and inspection.

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

~~(1)(A)~~ first open the secure container marked “checked in early voter absentee ballots,” count the ~~sealed~~ certificate envelopes containing those ballots, and record the number counted; and

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

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

(e) Processing.

(1) Immediately after the expiration of the period for the count and inspection described in subsection (d) of this section, the town clerk and election officials shall open each ~~sealed~~ certificate envelope containing an early voter absentee ballot that was counted under subdivision (d)(1) of this section and deposit each ballot into a vote tabulator.

(2) The town clerk and the election officials shall ensure that all procedures for handling ballots are followed to the fullest extent practicable.

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

* * *

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

§ 2547. DEFECTIVE BALLOTS

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

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

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

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

~~(4) the certificate is not signed; or;~~

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

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

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

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

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

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

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

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

§ 2548. VOTING IN PERSON

* * *

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

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

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

* * * Provisional Voting * * *

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

§ 2555. PROVISIONAL BALLOT ENVELOPES

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

attestation. The attestation shall include:

* * *

(4) A statement informing the provisional voter: ~~“Provisional balloting allows a provisional voter only to vote in federal elections. If you wish to vote in any other State or local election, you should return this form to the elections officials and file an appeal in Superior Court in the county in which you live pursuant to section 2148 of this title. If you choose to vote by provisional ballot, after the close of the polls, the town clerk will determine whether you meet all eligibility requirements. If the clerk denies your application, he or she will inform you that the application has been denied.”~~

* * * Process of Voting * * *

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

§ 2563. ADMITTING VOTER

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

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

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

* * *

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

§ 2564. CHALLENGES

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

challenging the right of any person to vote.

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

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

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

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

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

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

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

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

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

§ 2566. MARKING BALLOTS

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

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

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

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

(b) Replacement ballots.

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

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

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

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

§ 2570. DEPOSITING BALLOTS

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

* * *

* * * Count and Return of Votes * * *

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

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

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

(1) Tally sheets.

(A) These sheets shall provide a place to identify the office or

question for which the ballots are being counted, the name of each candidate for that office, and the signature of the pair of election officials actually counting the ballots.

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

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

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

* * *

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

§ 2587. RULES FOR COUNTING ~~BALLOTS~~ VOTES

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

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

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

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

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

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

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

(1) that ballot shall be;

(A) rejected;

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

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

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

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

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

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

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

* * *

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

§ 2588. FILING RETURNS

For any primary or general election:

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

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

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

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

~~(c) For any primary or general election:~~

~~(1)~~(3) The town clerk shall report as soon as practicable on the day of the election the unofficial vote counts of all candidates whose names appeared on the ballot to the Secretary of State. The report shall be made by electronically submitting the vote counts on the Secretary’s online elections reporting system or, if unable to submit electronically, by submitting those vote counts to the Secretary of State by telephone, facsimile, or e-mail.

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

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

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

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

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

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

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

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

- (A) ballots that were never distributed to voters;
- (B) any vote tabulator memory card; and
- (C) the original entrance checklist.

(2) The presiding officer shall collect and deliver to the town clerk, securely sealed in the containers described in subsection (c) of this section, the following:

- (A) packages of voted ballots;
- (B) envelopes containing ballots that have been replaced;
- (C) envelopes containing defective ballots;
- (D) the exit checklist, if present;
- (E) tally sheets; and

~~(F) other election material shall be collected by the presiding officer and delivered to the town clerk, securely sealed in the containers provided for in subsection (b) of this section.~~

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

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

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

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

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

(2)(A) In the event that a ~~ballot bag or~~ container breaks, splits, or opens through handling, or in the event the original entrance checklist or a vote tabulator memory card was inadvertently sealed in a ~~ballot bag or~~ container, the town clerk shall notify the ~~secretary of state~~ Secretary of State in writing, and the ~~secretary of state~~ Secretary shall order the town clerk in the presence of two other town election officials who are not members of the same political party to open the bag to remove the entrance checklist or vote tabulator memory card or to move the entire contents to new ~~bags or~~ containers, affix new seals, and transmit the new seal numbers.

(B) ~~Ballot bags or containers~~ Containers shall not be removed or tampered with in any other way, except under court order, or by order of any authorized committee of the ~~general assembly~~ General Assembly.

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

* * *

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

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

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

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

* * *

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

(2) The prepared certificate shall be presented to the official canvassing committee appointed by the ~~general assembly~~ General Assembly, pursuant to Chapter II, § 47 of the Constitution of the State of Vermont ~~constitution~~, for

their use if they desire.

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

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

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

* * * Contested Legislative Elections * * *

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

§ 2605. HOUSE OF REPRESENTATIVES

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

(1) 20 days after the date of the election; or

(2) 10 days after a final court judgment, if there is a recount under section 2602 of this title; ~~or~~

~~(3) 10 days after a final court judgment, if there is a contest under section 2603 of this title.~~

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

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

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

§ 2606. SENATE

(a) A candidate for the office of ~~state senator~~ State Senator in the general election; or any 100 voters in the senatorial district may request the ~~senate~~ Senate to exercise its constitutional authority to judge ~~of~~ the elections and qualifications of its own members by filing a written request with the ~~secretary of state~~ Secretary of State specifying the candidate or candidates whose election is being challenged. The request must be filed ~~no~~ not later than the latest of the following:

(1) 20 days after the date of the election; or

(2) 10 days after a final court judgment, if there is a recount under section 2602 of this title; ~~or~~

~~(3) 10 days after a final court judgment, if there is a contest under section 2603 of this title.~~

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

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

* * * Local Elections; Generally * * *

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

§ 2640. ANNUAL MEETINGS

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

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

first Tuesday in March.

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

(2) Notwithstanding the provisions of subdivision (1) of this subsection, a candidate for local office nominated from the floor at the annual meeting may introduce his or her candidacy to the extent permitted by the voters at the meeting.

Sec. 50. 17 V.S.A. § 2650 is amended to read:

§ 2650. ~~ADDITIONAL SELECTMEN AND LISTERS AND~~
SELECTBOARD MEMBERS

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

(b) Additional selectboard members.

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

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

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

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

(c) Discontinuing additional listers or selectboard members.

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

(2) The term of office of any lister or selectboard member in office on the date a town votes to discontinue that office shall expire on the 31st day

after the vote, unless a petition for reconsideration or rescission of that vote is filed with the clerk of the municipality in accordance with section 2661 of this chapter, in which case that section shall control.

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

§ 2652. ROAD AND WATER COMMISSIONERS

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

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

§ 2661. RECONSIDERATION OR RESCISSION OF VOTE

* * *

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

(d) For a vote by Australian ballot;

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

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

* * *

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

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

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

§ 1755. SUBMISSION TO VOTERS

* * *

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

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

§ 2680. AUSTRALIAN BALLOT SYSTEM; GENERAL

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

* * *

(c) Budgets.

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

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

* * *

(g) Hearing.

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

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

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

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

§ 2681. NOMINATIONS; PETITIONS; CONSENTS

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

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

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

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

* * *

* * * Local Election Recounts * * *

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

§ 2681a. LOCAL ELECTION BALLOTS

* * *

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

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

§ 2683. REQUEST FOR A RECOUNT; CANDIDATES

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

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

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

§ 2685. CONDUCT OF RECOUNT

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

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

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

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

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

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

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

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

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

§ 2685a. PROCEDURE FOR RECOUNT

(a) Storage of ballots; assignment of duties.

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

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

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

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

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

~~(4) The presiding officer shall assign members of the board of civil authority to teams of at least four persons, consisting of one caller and one observer, representing different candidates, and one tally person and one double-check person, representing different candidates. Any additional team members shall be additional observers and double-check persons who shall be assigned to ensure that each candidate has one person assigned as either a~~

~~caller or an observer and one person assigned as either a tally person or a double check person. One team shall be designated as the presiding officer observer team, which shall perform only the functions established under this section for that team. [Repealed.]~~

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

(b) Preparation for recount.

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

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

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

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

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

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

(c) Examination of checklists.

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

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

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

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

~~(d) Sorting of ballots.~~

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

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

~~(e) First tally Ballot review.~~

~~(1) The caller shall call the name of the person voted for and any blank or spoiled ballots. The tally person and the double check person or persons each shall make a suitable mark for that candidate and any blank or spoiled ballots.~~

~~(2) If the caller and the observer or observers election officials~~

examining a particular ballot do not agree on how a the vote on that ballot should be counted, the entire team all of the board of civil authority members present shall all review the ballot vote, and if all members agree, it the vote shall be counted that way as agreed upon by a majority of those board of civil authority members.

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

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

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

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

(f) Second tally.

~~(1) The presiding officer shall attach to the tally and double-check sheets a note which indicates which team members performed which functions in the first recount, and shall provide the team with a new tally sheet and an appropriate number of double-check sheets to match the number of people serving as double-check persons.~~

~~(2) The members of the team then shall switch roles, with callers and observers becoming tally persons and double-check persons, as designated by the presiding officer, and the team shall complete a second recount, following the procedures established for the first recount.~~

~~(3) When the results of the second recount match those of the first, a note shall be attached to the tally and double-check sheets, indicating which persons provided what functions during the second recount.~~

~~(4) Then the team shall take its tally sheets, double-check sheets, and ballots, plus a separate pile of questionable ballots, if any, to the presiding officer.~~

~~(5) Team members, in the presence of the presiding officer observer team, shall read the totals to the presiding officer who, in the view of these observers, shall record the totals on the summary sheet for that polling place.~~

~~(6) After a team has presented its pile of ballots to the presiding officer, it shall be assigned another pile of ballots, until all of the piles from a particular polling place have been recounted two times. [Repealed.]~~

(g) Completing the tally.

~~(1) After the totals for a polling place have been listed, the presiding officer shall add them up in the presence of the presiding officer observer team, and shall compare the number with the number of voters who voted at that polling place, according to the number obtained from the team that examined the certified checklist. If these numbers differ, the presiding officer shall note the amount of the difference on the summary sheets for that polling place.~~

~~(2) The presiding officer shall return all ballots to the container, seal it, record the seal number on the summary sheet, write "recounted" and specify the date of the recount on the tag, and move it to the other side of the room, making sure that there is never more than one bag open at any one time.~~

~~(3) This procedure shall be repeated for each container, until the results from a polling place have been recounted, and then it shall be repeated until the results from all polling places in a town have been recounted.~~

~~(4) The presiding officer shall add the totals on each summary sheet, affix the presiding officer's seal, and send the summary sheets for all polling places together with the master list and any questionable ballots to the board of civil authority. [Repealed.]~~

(h) Other rules for conducting the recount.

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

(2) The ~~presiding officer~~ town clerk shall designate an area within which the recount shall take place. Persons who are not board of civil authority members or appointed impartial election officers shall be permitted to view a recount in progress, but persons not authorized by the ~~presiding officer~~ town clerk shall not be permitted within the area designated by the ~~presiding officer~~ town clerk.

~~(3) Candidates and their attorneys shall be given the opportunity to present evidence to the board of civil authority relating to the conduct of the~~

~~recount. If the board determines that any violations of recount procedures have occurred and that they may have affected the outcome of the recount, a new recount shall be ordered. After such hearings or arguments as may be indicated under the circumstances, the board, within five working days, shall issue a judgment, which shall supersede any certificate of election previously issued and shall return to the town clerk questionable ballots which had been forwarded to the board.~~

(i) After the recount.

~~(1)(A) If Except as provided in subdivision (B) of this subdivision (1), if the recount results in a tie, the board of civil authority shall order a recessed election to be held, within three weeks of the recount, on a date set by the board. The only candidates who shall appear on the ballot at the recessed election shall be those who tied in the previous election. The recessed election shall be considered a separate election for the purpose of voter registration under chapter 43 of this title a runoff election shall be conducted in accordance with section 2682b of this chapter.~~

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

~~(C) Warnings for a recessed election shall be posted as required by this chapter, except that the warnings shall be posted not less than 10 days before the recessed election. The conduct of a recessed election shall be as provided in this chapter for local elections.~~

~~(2) The town clerk shall send a certified copy of the judgment to the Secretary of State.~~

* * * Local Office Vacancies * * *

Sec. 60. 24 V.S.A. § 963 is amended to read:

§ 963. DUTIES OF ~~SELECTPERSONS~~ SELECTBOARD; SPECIAL MEETING

(a) When a vacancy occurs in any town office, the ~~selectpersons~~ selectboard forthwith by appointment in writing shall fill such vacancy until an election is had; except that in the event of vacancies in a majority of the selectboard at the same time, such vacancies shall be filled by a special town meeting called for that purpose.

~~(b) Such~~ The selectboard shall file an appointment shall be filed by them made under this section in the office of the town clerk and the town clerk shall duly recorded by the town clerk record it in the book of town records.

(c) If there are no ~~selectpersons~~ selectboard members in office, the

Secretary of State shall call a special election to fill any vacancies and for that interim shall appoint and authorize the town clerk or another qualified person to draw orders for payment of continuing obligations and necessary expenses until the vacancies are filled.

* * * Town or Village Reports * * *

Sec. 61. 24 V.S.A. § 1173 is amended to read:

§ 1173. TOWN OR VILLAGE REPORTS

The clerk of a municipality shall supply annually each library in such municipality with two copies of the municipal report, upon its publication. The clerk shall also send to the ~~State Library~~ Vermont State Archives and Records Administration one copy thereof, ~~and one copy each to the Secretary of State, Commissioner of Taxes, State Board of Health, Commissioner for Children and Families, Commissioner of Vermont Health Access, Auditor of Accounts, and Board of Education~~ in a manner prescribed by the State Archivist. Officers making these reports shall supply the clerk of the municipality with the copies necessary for him or her to comply with the provisions of this section and section 1174 of this title.

* * * Presidential Elections * * *

Sec. 62. 17 V.S.A. § 2702 is amended to read:

§ 2702. NOMINATING PETITION

(a) The name of any person shall be printed upon the primary ballot as a candidate for nomination by any major political party if petitions signed by at least 1,000 voters in accordance with sections 2353, 2354, and 2358 of this title are filed with the Secretary of State, together with the written consent of the person to the printing of the person's name on the ballot.

(b) Petitions shall be filed not later than 5:00 p.m. on the ~~first Monday after the first Tuesday~~ 15th day of January ~~December~~ preceding the primary election.

(c) The petition shall be in a form prescribed by the Secretary of State.

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

(e) Each petition shall be accompanied by a filing fee of \$2,000.00 to be paid to the Secretary of State. However, if the petition of a candidate is accompanied by the affidavit of the candidate, which shall be available for public inspection, that the candidate and the candidate's campaign committee are without sufficient funds to pay the filing fee, the Secretary of State shall waive all but \$300.00 of the payment of the filing fee by that candidate.

Sec. 63. 17 V.S.A. § 2716 is amended to read:

§ 2716. NOTIFICATION TO SECRETARY OF STATE

Not later than 5:00 p.m. on the ~~55th~~ 65th day before the day of the general election, the chair of the State committee of each major political party shall certify in writing to the Secretary of State the names of the presidential and vice presidential nominees selected at the party's national convention.

* * * Campaign Finance * * *

Sec. 64. 17 V.S.A. § 2904 is amended to read:

§ 2904. CIVIL INVESTIGATION

(a)(1) The Attorney General or a State's Attorney, whenever he or she has reason to believe any person to be or to have been in violation of this chapter or of any rule ~~or regulation~~ made pursuant to this chapter, may examine or cause to be examined by any agent or representative designated by him or her for that purpose any books, records, papers, memoranda, or physical objects of any nature bearing upon each alleged violation and may demand written responses under oath to questions bearing upon each alleged violation.

* * *

(5) Nothing in this subsection is intended to prevent the Attorney General or a State's Attorney from disclosing the results of an investigation conducted under this section, including the grounds for his or her decision as to whether to bring an enforcement action alleging a violation of this chapter or of any rule ~~or regulation~~ made pursuant to this chapter.

* * *

Sec. 65. 17 V.S.A. § 2944 is amended to read:

§ 2944. ACCOUNTABILITY FOR RELATED EXPENDITURES

(a) A related campaign expenditure made on a candidate's behalf shall be considered a contribution to the candidate on whose behalf it was made.

(b) As used in this section, a "related campaign expenditure made on the candidate's behalf" means any expenditure intended to promote the election of a specific candidate or group of candidates or the defeat of an opposing candidate or group of candidates, if intentionally facilitated by, solicited by, or approved by the candidate or the candidate's committee.

(c)(1) An expenditure made by a political party or by a political committee that recruits or endorses candidates that primarily benefits six or fewer candidates who are associated with the political party or political committee making the expenditure is presumed to be a related expenditure made on behalf of those candidates, except that the acquisition, use, or dissemination of the images of those candidates by the political party or political committee shall

not be presumed to be a related expenditure made on behalf of those candidates.

(2) An expenditure made by a political party or by a political committee that recruits or endorses candidates that substantially benefits more than six candidates and facilitates party or political committee functions, voter turnout, platform promotion, or organizational capacity shall not be presumed to be a related expenditure made on a candidate's behalf.

(d)(4) As used in this section, an expenditure by a person shall not be considered a "related expenditure made on the candidate's behalf" if ~~at~~:

(1)(A) All of the following apply:

~~(A)~~(i) the expenditure was made in connection with a campaign event whose purpose was to provide a group of voters with the opportunity to meet a candidate;

~~(B)~~(ii) the expenditure was made for:

~~(i)~~(I) invitations and any postage for those invitations to invite voters to the event; or

~~(ii)~~(II) any food or beverages consumed at the event and any related supplies thereof; and

~~(C)~~(iii) the cumulative value of any expenditure by the person made under this subsection does not exceed \$500.00 per event.

~~(2)~~(B) For the purposes of this ~~subsection~~ subdivision (1):

~~(A)~~(i) if the cumulative value of any expenditure by a person made under this subsection exceeds \$500.00 per event, the amount equal to the difference between the two shall be considered a "related expenditure made on the candidate's behalf"; and

~~(B)~~(ii) any reimbursement to the person by the candidate for the costs of the expenditure shall be subtracted from the cumulative value of the expenditures.

(2) All of the following apply:

(A) the expenditure is for an electioneering communication that promotes or supports all of the candidates who are named or pictured in it and no other candidates, and those candidates named or pictured:

(i) have filed or been nominated as described in subdivision 2901(1)(B) of this chapter for a legislative, county, or local office;

(ii) are on the same ballot for the same election; and

(iii) each make an expenditure for the electioneering communication of an equal amount in order to share the cost of the electioneering communication equally; and

(B) no other person has made an expenditure for the electioneering communication.

(e)(1) A candidate may seek a determination that an expenditure is a related expenditure made on behalf of an opposing candidate by filing a petition with the Superior Court of the county in which either candidate resides.

(2) Within 24 hours of the filing of a petition, the ~~Court~~ court shall schedule the petition for hearing. Except as to cases the ~~Court~~ court considers of greater importance, proceedings before the Superior Court, as authorized by this section, and appeals from there take precedence on the docket over all other cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(3) The findings and determination of the ~~Court~~ court shall be prima facie evidence in any proceedings brought for violation of this chapter.

(f) The Secretary of State may adopt rules necessary to administer the provisions of this section.

Sec. 67. 17 V.S.A. § 2973 is amended to read:

§ 2973. SPECIFIC IDENTIFICATION REQUIREMENTS FOR RADIO, TELEVISION, OR INTERNET COMMUNICATIONS

(a) In addition to the identification requirements set forth in section 2972 of this subchapter, a person, candidate, political committee, or political party that makes an expenditure for an electioneering communication shall include in any communication ~~which~~ that is transmitted through radio, television, or online video, in a clearly spoken manner, an audio statement of the name and title of the person who paid for the communication and that the person paid for the communication.

(b) If the person who paid for the communication is not a natural person, the audio statement required by this section shall include the name of that non-natural person and the name and title of the treasurer, in the case of a candidate's committee, political committee or political party, or the principal officer, in the case of the ~~any other non-natural~~ person.

* * * Effective Date * * *

Sec. 68. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

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

An act relating to miscellaneous amendments to election law.

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

First: In Sec. 1, in 17 V.S.A. chapter 51, subchapter 9, in section 2602j (court hearing and judgment), in subsection (c), following “the marking of any ballot as defective in accordance with section 2547” by inserting “or subsection 2587(d)”

Second: In Sec. 1, in section 2602j (court hearing and judgment), in subsection (f), following “and after it has made a final decision on any questionable votes” by inserting “or defective ballots”

Third: In Sec. 31, 17 V.S.A. § 2543 (return of ballots), by striking out subsection (d) in its entirety and inserting in lieu thereof:

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

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

(B) by mail, to the town clerk’s office before the close of the polls on the day of the election; and

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

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

Which was agreed to.

Senate Proposal of Amendment Concurred in

S. 10

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

An act relating to liability for the contamination of potable water supplies

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

By striking out Sec. 9 in its entirety and renumbering the remaining section of the bill to be numerically correct.

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in**S. 72**

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

An act relating to requiring telemarketers to provide accurate caller identification information

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

By striking out Sec. 2 and the accompanying reader assistance (data brokers) in their entirety and by inserting in lieu thereof a new Sec. 2 and reader assistance to read as follows:

* * * AG Recommendations; Data Brokers; Privacy Rules for Internet Service Providers and Edge Providers * * *

Sec. 2. ATTORNEY GENERAL; CONSUMER PROTECTION; RECOMMENDATIONS; DATA BROKERS; INTERNET SERVICE PROVIDERS AND EDGE PROVIDERS

(a)(1) Data broker findings. The General Assembly finds that:

(A) The data broker industry brings benefits to society by:

(i) providing data necessary for the operation of both the public and private sectors;

(ii) supporting the critical flow of information for interstate and intrastate commerce; and

(iii) aiding in securing and protecting consumer identities.

(B) Despite these benefits, concerns have arisen about the data broker industry, including:

(i) how the data broker industry or persons accessing the industry may directly or indirectly harm vulnerable populations;

(ii) the use of the data broker industry by those who harass, stalk, and otherwise harm others;

(iii) whether appropriate safeguards are in place to ensure that our most sensitive information is not sold to identity thieves, scammers, and other criminals; and

(iv) the impact of the data broker industry on the privacy, dignity, and well-being of the people of Vermont.

(2) Data broker recommendation. On or before December 15, 2017, the Commissioner of Financial Regulation and the Attorney General, in

consultation with industry and consumer stakeholders, shall submit a recommendation or draft legislation to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs reflecting:

(A) an appropriate definition of the term “data broker”;

(B) whether and, if so, to what extent the data broker industry should be regulated by the Commissioner of Financial Regulation or the Attorney General;

(C) additional consumer protections that data broker legislation should seek to include that are not addressed within the framework of existing federal and State consumer protection laws; and

(D) proposed courses of action that balance the benefits to society that the data broker industry brings with actual and potential harms the industry may pose to consumers.

(b)(1) Telecommunications privacy rule recommendation. On or before December 15, 2018, the Attorney General, in consultation with the Commissioner of Public Service, and in consultation with industry and consumer stakeholders, shall submit a recommendation or draft legislation to the Senate Committees on Finance and on Economic Development, Housing and General Affairs and the House Committees on Commerce and Economic Development and on Energy and Technology reflecting whether and to what extent the State should adopt privacy and data security rules applicable to telecommunications service providers subject to the jurisdiction of the Public Service Board under 30 V.S.A. § 203(5), including

(A) broadband Internet access service providers; and

(B) to the extent permitted by federal law, “edge providers,” which shall include any individual or entity that provides any content, application, or service over the Internet, and any individual or entity that provides a device used for accessing any content, application, or service over the Internet.

(2) In making the recommendation, the Attorney General shall consider the following:

(A) Whether any proposed rules should be modeled after the Federal Communications Commission’s 2016 Privacy Order, WC Docket No. 16-106, FCC 16-148, adopted October 27, 2016 and released November 2, 2016.

(B) Whether any rules should include:

(i) disclosure requirements pertaining to a provider’s privacy policies;

(ii) opt-in or opt-out procedures for obtaining customer approval to use and share sensitive or nonsensitive customer proprietary information, respectively; and

(iii) data security and data breach notification requirements.

(C) Proposed courses of action that balance the benefits to society that the telecommunications industry brings with actual and potential harms the industry may pose to consumers.

(D) Such other factors and considerations the Attorney General deems relevant to making recommendations pursuant to this section.

(3) Working group coordination. The Attorney General in consultation with the Commissioner of Public Service, at their discretion, may consult with or otherwise incorporate this review into the working group process established in subsection (a) of this section.

Which proposal of amendment was considered and concurred in.

Recess

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

At seven o'clock and twenty-eight minutes in the evening, the Speaker called the House to order.

Message from the Senate No. 64

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

Madam Speaker:

I am directed to inform the House that:

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

H. 74. An act relating to nonconsensual sexual conduct.

And has accepted and adopted the same on its part.

Senate Proposal of Amendment Concurred in With a Further Amendment Thereto

H. 509

The Senate proposed to the House to amend House bill, entitled
An act relating to calculating statewide education tax rates

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

First: In Sec. 1, subdivision (1), by striking out “\$10,077.00” and inserting in lieu thereof \$10,015.00, and in subdivision (2), by striking out “\$11,851.00” and inserting in lieu thereof \$11,820.00

Second: In Sec. 2, by striking out “\$1.555” and inserting in lieu thereof \$1.563

Third: By striking out the reader assistance and Secs. 3 through 5 (unfunded mandates) in their entirety and inserting in lieu thereof new Secs. 3 through 5 to read:

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

Sec. 5. [Deleted.]

Fourth: By inserting a Sec. 6a to read as follows:

Sec. 6a. CALCULATION OF TAX RATES FOR MEMBER TOWNS IN
VOLUNTARY SCHOOL GOVERNANCE MERGERS.

(a) Definitions. As used in this section:

(1) “Five percent provision” means collectively the provisions in 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No.156, and 2015 Acts and Resolves No. 46, limiting a town’s equalized homestead property tax rate increase or decrease, and related household income percentage adjustments to five percent in a single year during the years in which the corresponding tax rate reductions apply to a new union school district’s equalized unified homestead property rate.

(2) “Tax rate reductions” means collectively the equalized homestead property tax rate reductions, and related household income percentage reductions, provided for voluntary school governance mergers in 2010 Act and Resolves No. 153, 2012 Acts and Resolves No. 156, and 2015 Acts and Resolves No. 46.

(3) “Education spending in the prior fiscal year” means the total education spending of all merging districts in the year prior to merger, divided by the total number of equalized pupils of all the merging districts in the year prior to merger.

(4) “Tax rate of a member town” means collectively the equalized homestead property tax rate, and related household income percentage reductions, for the referenced town.

(b) Tax rate reduction review.

(1) In a fiscal year in which the tax rate reductions are applied to a new

union school district, if the district's education spending per equalized pupil increases by four percent or less over its education spending per equalized pupil in the prior fiscal year, then it shall be presumed to not trigger Tax Rate Reduction Review.

(2) In a fiscal year in which the tax rate reductions are applied to a new union school district, if the district's education spending per equalized pupil increases by more than four percent over its education spending per equalized pupil in the prior fiscal year, then it shall be subject to a Tax Rate Reduction Review.

(3) Upon the request of the Secretary, a union school district shall submit its budget to Tax Rate Reduction Review to determine whether its increase in education spending per equalized pupil was beyond the school district's control or for other good cause. In conducting the Review, the Secretary will select three business managers and three superintendents to serve in an advisory role in the Review. The Review shall consider at least the following factors:

(A) The extent to which the increase in education spending per equalized pupil is caused by declining enrollment in the union school district.

(B) The extent to which the increase in education spending per equalized pupil is caused by unifying employee contracts in the course of the union school district formation process.

(C) The extent to which the increase in education spending per equalized pupil is caused by increases in tuition paid by the union school district.

(4) If, at the conclusion of the Review, the Secretary determines that the union school district's budget contains excessive increases in educational spending per equalized pupil that are within the district's control and are not supported by good cause, then union school district rates for the fiscal year will be determined as follows:

(A) The tax rate of a member town that would otherwise be increased by no more than five percent shall be increased by no more than five percent plus the difference between a four percent increase in education spending per equalized pupil and the actual increase in the union school district's education spending per equalized pupil.

(B) The tax rate of a member town that would otherwise be decreased by no more than five percent shall be decreased by no more than five percent minus the difference between a four percent increase in education spending per equalized pupil and the actual increase in the union school district's education spending per equalized pupil.

Fifth: By adding a new section, to be Sec. 7, with reader assistance, to read:

* * * Health Care Costs * * *

Sec. 7. HEALTH CARE COST K-12 EDUCATION WORKING GROUP

(a) Creation. There is created the Health Care Cost K-12 Education Working Group (Working Group) to consider and make recommendations on how to achieve maximum savings for negotiated teacher health care benefits in the public kindergarten through grade 12 educational system.

(b) Membership. The Working Group shall be composed of the following three members:

(1) the Executive Director of the Vermont-NEA or designee;

(2) the Executive Director of the School Boards' Association or designee; and

(3) the Executive Director of the Vermont Superintendents Association or designee.

(c) Report. On or before November 15, 2017, the Working Group shall submit a written report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance with its findings and any recommendations.

Sixth: By striking out Sec. 7 (effective dates) in its entirety and inserting in lieu thereof the following:

Sec. 8. EFFECTIVE DATES

This act shall take effect July 1, 2017 and apply to fiscal year 2018 and after, except Sec. 6a (calculation of rates in certain districts), which shall take effect on passage and shall apply to all budgets voted on by the electorate after the date of passage.

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

First: By inserting two sections to be Secs. 2a and 2b to read as follows:

* * *Education Fund allocation; sales and use tax* * *

Sec. 2a. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(6) ~~Thirty-five~~ Thirty-seven percent of the revenues raised from the

sales and use tax imposed by 32 V.S.A. chapter 233.

* * *

Sec. 2b. 32 V.S.A. § 435 is amended to read:

* * *

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(11) ~~65~~ 63 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

* * *

Second: By striking Secs. 3–5 in their entirety, and inserting a reader assistance and inserting in lieu thereof three new sections to be Secs. 3–5 to read as follows:

* * * Unfunded Mandates* * *

Sec. 3. 32 V.S.A. § 305b is added to read:

§ 305b. UNFUNDED EDUCATION MANDATE AMOUNT TRANSFER

Not more than 30 days after the end of each annual legislative session of the General Assembly, the Joint Fiscal Office and the Secretary of Administration, in consultation with the Secretary of Education and with the Secretary of Human Services as appropriate, shall estimate the “unfunded education mandate amount.” This estimate shall equal the total dollar amount necessary for supervisory unions and school districts to perform any action that is required pursuant to legislation enacted during that annual legislative session that has a related direct cost but does not have a specifically identified appropriation for fulfilling that obligation. The estimate shall be for the fiscal year commencing on July 1 of the following year. The Joint Fiscal Office and the Secretary of Administration shall present to the Emergency Board at its July meeting an estimate of the unfunded education mandate amount and the Emergency Board shall determine the unfunded education mandate amount. The Governor’s budget report required under section 306 of this title shall include a transfer of this amount from the General Fund pursuant to 16 V.S.A. § 4025(a)(2) for the fiscal year commencing on July 1 of the following year.

Sec. 4. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(2) For each fiscal year, the amount of the general funds appropriated or transferred to the Education Fund shall be ~~\$305,900,000.00, to be:~~

(A) the total of \$305,900,000.00 plus the unfunded education

mandate amount, as defined in subsection (e) of this section;

(B) increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined;

(C) plus an additional one-tenth of one percent.

* * *

(e) As used in this section, “unfunded education mandate amount” shall mean the amount appropriated by the General Assembly in any fiscal year for the purpose of providing funding for supervisory unions and school districts to perform any action that is required pursuant to legislation and that has a related direct cost but does not otherwise have a specifically identified appropriation for fulfilling that obligation. The “unfunded education mandate amount” shall include the cumulative amount of these appropriations for all fiscal years in which they are made.

Sec. 5. 16 V.S.A. § 4028(d) is amended to read:

(d) Notwithstanding 2 V.S.A. § 502(b)(2), the Joint Fiscal Office shall prepare a fiscal note for any legislation that requires a supervisory union or school district to perform any action ~~with an associated~~ that has a related direct cost; but does not provide money or a funding mechanism have a specifically identified appropriation for fulfilling that obligation. Any fiscal note prepared under this subsection shall identify whether or not the estimated costs would be considered part of the “unfunded education mandate amount” under 32 V.S.A. § 305b for the next fiscal year. Any fiscal note prepared under this subsection shall be completed no later than the date that the legislation is considered for a vote in the first committee to which it is referred.

Third: By striking Sec. 8, effective dates, and inserting in lieu thereof the following:

Sec. 8. EFFECTIVE DATES

(a) Secs. 2a and 2b (Education Fund allocation) shall take effect July 1, 2018 and apply to fiscal year 2019 and after.

(b) This section and Sec. 6a (calculation of rates in certain districts) shall take effect on passage.

(c) The remaining sections of this act shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

Pending the question, Will the House concur in the Senate proposal of

amendment with further proposal of amendment as moved by Rep. Ancel of Calais? **Rep. Beck of St. Johnsbury** moved to amend the amendment offered by Rep. Ancel of Calais as follows:

First: In Sec. 1, subdivision (1), by striking out “\$10,015.00” and inserting in lieu thereof “\$10,077.00”, and in subdivision (2), by striking out “\$11,820.00” and inserting in lieu thereof “\$11,851.00”

Second: In Sec. 2, by striking out “\$1.563” and inserting in lieu thereof “\$1.555”

Third: By striking out Sec. 7, working group, and its reader assistance, and Sec. 8, effective date, and its reader assistance, in their entirety and inserting in lieu thereof reader assistance headings and Secs. 7–14 to read:

* * * Health Care Benefits and Coverage for School Employees * * *

Sec. 7. FINDINGS

(a) Vermont’s school employees receive health coverage through the Vermont Education Health Initiative (VEHI). Actuarial analysis of current VEHI plans indicates they have among the highest actuarial values of any health insurance plan offered in the State of Vermont. Premiums for VEHI plans are up to nine percent higher than those for a BlueCross BlueShield platinum plan offered through Vermont Health Connect.

(b) In response, the VEHI is replacing existing school employee health insurance plans with plans designed to be competitive with Vermont Health Connect.

(c) This change means that, as of January 1, 2018, all school employees will be on new health care plans.

(d) The new health plans cover the same health care services and networks, but they have lower premium costs. The savings associated with lower premiums is estimated to be as high as \$75 million.

(e) The new plans also create higher out-of-pocket exposure through deductibles and co-payment requirements. However, because the premiums for these plans are markedly lower, there are opportunities to keep employees’ out-of-pocket costs at current levels while also realizing up to \$26 million in savings.

(f) These new plans have made health insurance negotiations more complex. In at least 20 supervisory unions, the parties have declared impasse over the inability to negotiate the transition to new health insurance plans.

(g) The State of Vermont is uniquely positioned to bargain health care benefits and coverage with school employees in a manner that ensures fairness

and equity for school employees and delivers savings for property taxpayers.

Sec. 8. 16 V.S.A. § 2004 is amended to read:

§ 2004. AGENDA

(a) The school board, through its negotiations council, shall, upon request, negotiate with representatives of the teachers' or administrators' organization negotiations council on matters of salary, related economic conditions of employment, the manner in which it will enforce an employee's obligation to pay the agency service fee, procedures for processing complaints and grievances relating to employment, and any mutually agreed upon matters not in conflict with the statutes and laws of the State of Vermont.

(b) As used in this section, the terms "salary" and "related economic conditions of employment" shall not include health care benefits or coverage. Health care benefits and health coverage, including health reimbursement and health savings accounts, shall not be subject to collective bargaining pursuant to this section, but shall be determined on a statewide basis pursuant to section 2031 of this chapter.

Sec. 9. 16 V.S.A. chapter 57, subchapter 5 is added to read:

Subchapter 5: Negotiations for Health Care Benefits and Coverage

§ 2031. HEALTH CARE BENEFITS AND COVERAGE FOR SCHOOL EMPLOYEES; NEGOTIATION

(a)(1) The statewide labor organizations that represent teachers, administrators, and municipal school employees, as defined in 21 V.S.A. § 1722, shall jointly negotiate with the Governor or designee to determine the health care benefits and coverage, including contributions to health reimbursement and health savings accounts, the percentage of the premium to be paid by school employees and by the supervisory district, supervisory union, or school district, and other terms and conditions of health coverage that shall be available to school employees in Vermont.

(2) The labor organizations and the Governor or designee shall enter into a written agreement applicable to all teachers, administrators, and municipal school employees statewide that sets forth the health care benefits and coverage, including contributions to health reimbursement and health savings accounts, if any, the percentage of the premium to be paid by school employees and by the supervisory district, supervisory union, or school district, and all other terms and conditions of health coverage that are agreed to.

(b) Notwithstanding any provision of this chapter to the contrary, negotiations pursuant to this section shall be subject to the provisions of

3 V.S.A. chapter 27, subchapters 2 and 4 for the purposes of impasse resolution and the prevention and adjudication of unfair labor practices.

(c) An agreement pursuant to subsection (a) of this section shall be ratified by a statewide majority vote of the teachers, administrators, and municipal school employees who are represented for purposes of collective bargaining pursuant to this chapter or 21 V.S.A. chapter 22. A referendum on the agreement shall be conducted by secret ballot by each represented bargaining unit, and the results of the referendum shall be submitted to the Vermont Labor Relations Board for tabulation of the statewide results.

(d) All supervisory districts, supervisory unions, and school districts shall provide health care benefits and coverage to their teachers, administrators, and municipal school employees in accordance with the terms of the agreement between the State and the labor organizations entered into pursuant to subsection (a) of this section.

Sec. 10. 21 V.S.A. § 1722 is amended to read:

§ 1722. DEFINITIONS

As used in this chapter:

* * *

(12) “Municipal employee” means any employee of a municipal employer, including a municipal school employee or a professional employee as defined in subdivision 1502(11) of this title, except:

* * *

(17) “Wages, hours, and other conditions of employment” means any condition of employment directly affecting the economic circumstances, health, safety, or convenience of employees but excluding matters of managerial prerogative as defined in this section. For collective bargaining related to municipal school employees, “wages, hours, and other conditions of employment” shall not include health care benefits or coverage.

* * *

(21) “Municipal school employee” means an employee of a supervisory district, supervisory union, or school district that is not otherwise subject to 16 V.S.A. chapter 57 (labor relations for teachers and administrators).

Sec. 11. 21 V.S.A. § 1725 is amended to read:

§ 1725. COLLECTIVE BARGAINING PROCEDURE

(a)(1) For the purpose of collective bargaining, the representatives of the municipal employer and the bargaining unit shall meet at any reasonable time and shall bargain in good faith with respect to wages, hours, and conditions of employment, and shall execute a written contract incorporating any agreement reached; provided, however, neither party shall be compelled to agree to a

proposal nor to make a concession, nor to bargain over any issue of managerial prerogative.

(2) For purposes of collective bargaining related to municipal school employees, “wages, hours, and conditions of employment” shall not include health care benefits or coverage. Health care benefits and coverage, including health reimbursement and health savings accounts, shall not be subject to collective bargaining pursuant to this section, but shall be determined on a statewide basis pursuant to 16 V.S.A. § 2031.

* * *

Sec. 12. TRANSITIONAL PROVISIONS APPLICABLE TO PLAN YEARS 2018, 2019, AND 2020

Notwithstanding any provision of 16 V.S.A. chapter 57, subchapter 5 to the contrary, for plan years 2018, 2019, and 2020, the negotiations between the Governor or designee and the statewide labor organizations that represent teachers, administrators, and municipal school employees, as defined in 21 V.S.A. § 1722, to establish the terms of health care benefits and coverage for all school employees shall be limited to:

(1) the percentage of the premium to be paid by school employees and by the supervisory district, supervisory union, or school district for one or more of the health benefit plans offered by the Vermont Education Health Initiative for plan year 2018;

(2) the amounts of the supervisory districts’, supervisory unions’, and school districts’ contributions to school employees’ health reimbursement accounts, health savings accounts, or both; and

(3) other terms and conditions of health coverage.

Sec. 13. SAVINGS FROM HEALTH CARE TRANSITION

(a) After entering into an agreement for health care benefits and coverage pursuant to 16 V.S.A. § 2031, the Governor or designee shall notify each supervisory district, supervisory union, and school district of the required employer and employee contributions for single, two-person, parent-child, and family plans and for any health reimbursement or health savings account.

(b) On or before June 30, 2017 or 30 days after the adoption of its annual budget, whichever is later, each supervisory district, supervisory union, and school district shall submit to the Secretary of Education and the Commissioner of Finance and Management a report documenting its actual health care costs for calendar years 2016 and 2017 and its budgeted health care costs for 2018. This report shall be on a form prescribed by the Commissioner of Finance and Management and shall specify the employee contribution and employer contribution totals for each calendar year.

(c) Notwithstanding any other provision of law, for fiscal year 2018 only, the State shall offset the amount of savings between budgeted and actual costs for health care benefits and coverage against the fiscal year 2018 payment to each supervisory district, supervisory union, or school district; provided, however, the State shall withhold any such payment until it has received the report required pursuant to subsection (b) of this section. The savings offset under this subsection shall be allocated to the Education Fund.

* * * Effective Dates * * *

Sec. 14. EFFECTIVE DATES

(a) This section and Secs. 7–13 shall take effect on passage and shall apply to negotiations for collective bargaining agreements that are entered into after the effective date of this act.

(b) The remaining sections of this act shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

Pending the question, Shall the amendment offered by Rep. Ancel of Calais be amended as offered by Rep. Beck of St. Johnsbury and others? **Rep. Beck of St. Johnsbury** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the amendment offered by Rep. Ancel of Calais be amended as offered by Rep. Beck of St. Johnsbury and others? was decided in the negative. Yeas, 74. Nays, 74. Speaker casts vote pursuant to House rule 76 in the negative creating a tie.

Those who voted in the affirmative are:

Ainsworth of Royalton	Gage of Rutland City	Myers of Essex
Bancroft of Westford	Gamache of Swanton	Nolan of Morristown
Baser of Bristol	Gannon of Wilmington	Norris of Shoreham
Batchelor of Derby	Graham of Williamstown	Olsen of Londonderry
Beck of St. Johnsbury	Greshin of Warren	Parent of St. Albans Town
Beyor of Highgate	Harrison of Chittenden	Pearce of Richford
Bissonnette of Winooski	Hebert of Vernon	Quimby of Concord
Bock of Chester	Helm of Fair Haven	Rosenquist of Georgia
Brennan of Colchester	Higley of Lowell	Savage of Swanton
Browning of Arlington	Hooper of Brookfield	Scheuermann of Stowe
Brumsted of Shelburne	Hubert of Milton	Shaw of Pittsford
Burditt of West Rutland	Jickling of Brookfield	Sibilia of Dover
Canfield of Fair Haven	Juskiewicz of Cambridge	Smith of Derby
Conlon of Cornwall	Keefe of Manchester	Smith of New Haven
Connor of Fairfield	Keenan of St. Albans City	Strong of Albany
Corcoran of Bennington	Kimbell of Woodstock	Sullivan of Dorset
Cupoli of Rutland City	LaClair of Barre Town	Taylor of Colchester
Dakin of Colchester	Lawrence of Lyndon	Terenzini of Rutland Town
Devereux of Mount Holly	Lefebvre of Newark	Trieber of Rockingham
Dickinson of St. Albans	Lewis of Berlin	Turner of Milton

Town	Marcotte of Coventry	Van Wyck of Ferrisburgh
Donahue of Northfield	McCoy of Poultney	Viens of Newport City
Fagan of Rutland City	McFaun of Barre Town	Willhoit of St. Johnsbury
Feltus of Lyndon	Morrissey of Bennington	Wood of Waterbury
Frenier of Chelsea	Murphy of Fairfax	Wright of Burlington

Those who voted in the negative are:

Ancel of Calais	Grad of Moretown	O'Sullivan of Burlington
Bartholomew of Hartland	Haas of Rochester	Partridge of Windham
Belaski of Windsor	Head of South Burlington	Poirier of Barre City
Botzow of Pownal	Hill of Wolcott	Potter of Clarendon
Briglin of Thetford	Hooper of Montpelier	Pugh of South Burlington
Buckholz of Hartford	Houghton of Essex	Rachelson of Burlington
Burke of Brattleboro	Howard of Rutland City	Scheu of Middlebury
Carr of Brandon	Jessup of Middlesex	Sharpe of Bristol
Chesnut-Tangerman of Middletown Springs	Johnson of South Hero	Sheldon of Middlebury
Christensen of Weathersfield	Joseph of North Hero	Squirrell of Underhill
Christie of Hartford	Kitzmiller of Montpelier	Stevens of Waterbury
Cina of Burlington	Krowinski of Burlington	Stuart of Brattleboro
Colburn of Burlington	Lalonde of South Burlington	Sullivan of Burlington
Conquest of Newbury	Lanpher of Vergennes	Till of Jericho
Copeland-Hanzas of Bradford	Lippert of Hinesburg	Toleno of Brattleboro
Deen of Westminster	Long of Newfane	Toll of Danville
Donovan of Burlington	Lucke of Hartford	Townsend of South Burlington
Dunn of Essex	Macaig of Williston	Troiano of Stannard
Emmons of Springfield	Masland of Thetford	Walz of Barre City
Fields of Bennington	McCormack of Burlington	Webb of Shelburne
Forguites of Springfield	McCullough of Williston	Weed of Enosburgh
Gardner of Richmond	Miller of Shaftsbury	Yacovone of Morristown
Giambatista of Essex	Morris of Bennington	Yantachka of Charlotte
Gonzalez of Winooski	Mrowicki of Putney	Young of Glover
	Noyes of Wolcott	
	Ode of Burlington	

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

Condon of Colchester	Martel of Waterford
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Pending the question, Will the House concur in the Senate proposal of amendment with further proposal as moved by Rep. Ancel of Calais? **Rep. Webb of Shelburne** moved to amend the amendment offered by Rep. Ancel of Calais as follows:

First: In Sec. 1, subdivision (1), by striking out “\$10,015.00” and inserting in lieu thereof “\$10,077.00”, and in subdivision (2), by striking out “\$11,820.00” and inserting in lieu thereof “\$11,851.00”

Second: In Sec. 2, by striking out “\$1.563” and inserting in lieu thereof “\$1.555”

Third: By striking out Sec. 7, working group, and its reader assistance, and Sec. 8, effective date, and its reader assistance, in their entireties and inserting in lieu thereof reader assistance headings and Secs. 7–8 to read:

* * * Health Care Transition * * *

Sec. 7. SAVINGS FROM HEALTH CARE TRANSITION

(a) As of January 1, 2018, all school employees will be on new health care plans. The new health plans cover the same health care services and networks, but they have lower premium costs. The new plans also create higher out-of-pocket exposure through deductibles and co-payment requirements. However, because the premiums for these plans are markedly lower, there are opportunities to keep employees' out-of-pocket costs at current levels while also realizing up to \$26 million in annual savings. Based on the data from finalized contracts to date, these savings may result in substantially fewer health care costs than districts have budgeted for fiscal year 2018.

(b) On or before June 30, 2017 or 30 days after the adoption of its annual budget, whichever is later, each supervisory district, supervisory union, and school district shall submit to the Secretary of Education and the Commissioner of Finance and Management a report documenting its actual health care costs for calendar years 2016 and 2017 and its budgeted health care costs for 2018. This report shall be on a form prescribed by the Commissioner of Finance and Management and shall specify the employee contribution and employer contribution totals for each calendar year.

(c) Not later than 60 days after the adoption of all collective bargaining agreements covering health care benefits for school employees for plan year 2018, each supervisory district, supervisory union, and school district shall submit to the Secretary of Education and the Commissioner of Finance and Management, a report documenting its anticipated health care costs for fiscal year 2018, based on the new collective bargaining agreements covering plan year 2018. This report shall be on a form prescribed by the Commissioner of Finance and Management and shall specify the actual employee contribution and employer contribution totals for plan year 2018.

(d) Notwithstanding any other provision of law, for fiscal year 2018 only, the State shall offset the amount of savings between budgeted and actual costs for health care benefits and coverage against the fiscal year 2018 payment to each supervisory district, supervisory union, or school district; provided, however, the State shall withhold any payment due to a supervisory district, supervisory union, or school district after January 1, 2018, until it has received the report required pursuant to subsections (b) and (c) of this section. The savings offset under this subsection shall remain in the Education Fund in an effort to lower property tax rates in fiscal year 2019.

(e) The Agency of Education shall develop a system for tracking the amount of savings offset for each school district under subsection (d) in fiscal year 2018. Notwithstanding any other provision of law, for each school district for which savings were offset under subsection (d), the Agency of Education shall pay a grant to that district in fiscal year 2019, in an amount equal to the offset savings. The grant shall be paid after the school district budget for fiscal year 2019 is approved by voters and reported to the Agency of Education, and the grant shall be reflected in the homestead property tax rate and income percentage used for that school district in fiscal year 2019.

* * * Effective Dates * * *

Sec. 8. EFFECTIVE DATES

(a) Sec. 2a and 2b (Education Fund allocation) shall take effect July 1, 2018 and apply to fiscal year 2019 and after.

(b) This section, Sec. 6a (calculation of rates in certain districts), and Sec. 7 (healthcare transition) shall take effect on passage.

(c) The remaining sections of this act shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

Pending the question, Shall the amendment offered by Rep. Ancel of Calais be amended as offered by Rep. Webb of Shelburne and others ? **Rep. Hubert of Milton** moved to postpone action one legislative day which was disagreed to on a division of Yeas, 51 and Nays, 71.

Pending the question, Shall the amendment offered by Rep. Ancel of Calais be amended as offered by Rep. Webb of Shelburne and others.? **Rep. Olsen of Londonderry** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the amendment offered by Rep. Ancel of Calais be amended as offered by Rep. Webb of Shelburne and other? was decided in the affirmative. Yeas, 81. Nays, 56.

Those who voted in the affirmative are:

Ancel of Calais	Gannon of Wilmington	Ode of Burlington
Bartholomew of Hartland	Gardner of Richmond	Olsen of Londonderry
Belaski of Windsor	Giambatista of Essex	O'Sullivan of Burlington
Bissonnette of Winooski	Gonzalez of Winooski	Poirier of Barre City
Bock of Chester	Grad of Moretown	Potter of Clarendon
Botzow of Pownal	Haas of Rochester	Pugh of South Burlington
Briglin of Thetford	Head of South Burlington	Rachelson of Burlington
Brumsted of Shelburne	Hooper of Montpelier	Scheu of Middlebury
Buckholz of Hartford	Hooper of Brookfield	Sharpe of Bristol
Burke of Brattleboro	Houghton of Essex	Sheldon of Middlebury
Carr of Brandon	Howard of Rutland City	Squirrell of Underhill

Chesnut-Tangerman of Middletown Springs	Jessup of Middlesex	Stevens of Waterbury
Christensen of Weathersfield	Joseph of North Hero	Stuart of Brattleboro
Christie of Hartford	Kitzmiller of Montpelier	Sullivan of Burlington
Cina of Burlington	Krowinski of Burlington	Taylor of Colchester
Colburn of Burlington	Lalonde of South Burlington	Till of Jericho
Conlon of Cornwall	Lanpher of Vergennes	Toleno of Brattleboro
Connor of Fairfield	Lippert of Hinesburg	Toll of Danville
Conquest of Newbury	Long of Newfane	Townsend of South Burlington
Copeland-Hanzas of Bradford	Lucke of Hartford	Trieber of Rockingham
Deen of Westminster	Macaig of Williston	Troiano of Stannard
Donovan of Burlington	Masland of Thetford	Walz of Barre City
Dunn of Essex	McCormack of Burlington	Webb of Shelburne
Emmons of Springfield	McCullough of Williston	Weed of Enosburgh
Fields of Bennington	Miller of Shaftsbury	Yacovone of Morristown
Forguites of Springfield	Morris of Bennington	Yantachka of Charlotte
	Mrowicki of Putney	Young of Glover
	Noyes of Wolcott	

Those who voted in the negative are:

Bancroft of Westford	Harrison of Chittenden	Murphy of Fairfax
Baser of Bristol	Hebert of Vernon	Myers of Essex
Batchelor of Derby	Helm of Fair Haven	Nolan of Morristown
Beck of St. Johnsbury	Higley of Lowell	Parent of St. Albans Town
Beyor of Highgate	Hill of Wolcott	Pearce of Richford
Browning of Arlington	Hubert of Milton	Quimby of Concord
Burditt of West Rutland	Jickling of Brookfield	Rosenquist of Georgia
Canfield of Fair Haven	Juskiewicz of Cambridge	Savage of Swanton
Corcoran of Bennington	Keefe of Manchester	Scheuermann of Stowe *
Cupoli of Rutland City	Keenan of St. Albans City	Shaw of Pittsford
Devereux of Mount Holly	Kimbell of Woodstock	Sibilia of Dover
Dickinson of St. Albans Town	LaClair of Barre Town	Smith of Derby
Donahue of Northfield	Lawrence of Lyndon	Smith of New Haven
Feltus of Lyndon	Lefebvre of Newark	Strong of Albany
Frenier of Chelsea	Lewis of Berlin	Sullivan of Dorset
Gage of Rutland City	Marcotte of Coventry	Turner of Milton
Gamache of Swanton	McCoy of Poultney	Van Wyck of Ferrisburgh
Greshin of Warren	McFaun of Barre Town	Willhoit of St. Johnsbury
	Morrissey of Bennington	Wright of Burlington *

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

Ainsworth of Royalton	Fagan of Rutland City	Partridge of Windham
Brennan of Colchester	Graham of Williamstown	Terenzini of Rutland Town
Condon of Colchester	Martel of Waterford	Viens of Newport City
Dakin of Colchester	Norris of Shoreham	Wood of Waterbury

Rep. Scheuermann of Stowe explained her vote as follows:

“Madam Speaker:

I vote no because this is not a substantive proposal. It is a proposal that

simply tells our local, hard-working volunteer school boards to just negotiate harder. I refuse to send a message to our school boards that they are just not doing a good enough job realizing the savings that Vermonters want to see. School boards asked for help. Vermonters asked for tax relief. This proposal does neither.”

Rep. Wright of Burlington explained his vote as follows:

“Madam Speaker:

I voted no on this amendment. We missed an opportunity on the previous amendment to provide property tax relief and help our local school boards, all while holding teachers harmless and providing excellent health care benefits. Instead, we passed a status quo plus paperwork amendment that only adds to the burden on our local boards. A colossal missed opportunity.”

Thereupon the question Will the House concur in the Senate proposal of amendment with further proposal of amendment as moved by Rep. Ancel of Calais, as amended, was agreed to.

**Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed**

H. 516

The Senate proposed to the House to amend House bill, entitled
An act relating to miscellaneous tax changes

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

First: By striking out the reader assistance heading before Sec. 1, and inserting in lieu thereof a new reader assistance heading to read as follows:

* * * Administrative and Technical Provisions * * *

And by striking the reader assistance heading between Sec. 1 and Sec. 2

Second: By striking out Sec. 11 in its entirety and inserting in lieu thereof a new Sec. 11 to read as follows:

Sec. 11. 3 V.S.A. chapter 10 is added to read:

CHAPTER 10. FEDERAL TAX INFORMATION

§ 241. BACKGROUND INVESTIGATIONS

(a) “Federal tax information” or “FTI” means returns and return information as defined in 26 U.S.C. § 6103(b) that are received directly from the Internal Revenue Service or obtained through an IRS-authorized secondary source, that are in the Recipient’s possession or control, and that are subject to the confidentiality protections and safeguarding requirements of the Internal

Revenue Code and corresponding federal regulations and guidance.

(b) As used in this chapter, "Recipient" means the following authorities of the Executive Branch of State government that receive FTI:

- (1) Agency of Human Services, including:
 - (A) Department for Children and Families;
 - (B) Department of Health;
 - (C) Department of Mental Health; and
 - (D) Department of Vermont Health Access.
- (2) Department of Labor.
- (3) Department of Motor Vehicles.
- (4) Department of Taxes.

(c) The Recipient shall conduct an initial background investigation of any individual, including a current or prospective employee, volunteer, contractor, or subcontractor, to whom the Recipient permits access to FTI for the purpose of assessing the individual's fitness to be permitted access to FTI. The Recipient shall conduct, every 10 years at a minimum, periodic background investigations of employees or other individuals to whom the Recipient permits access to FTI.

(d) The Recipient shall request and obtain from the Vermont Crime Information Center (VCIC) the Federal Bureau of Investigation and State and local law enforcement criminal history records based on fingerprints for the purpose of conducting a background investigation under this section.

(e) The Recipient shall sign and keep a user agreement with the VCIC.

(f) A request made under subsection (d) of this section shall be accompanied by a release signed by the individual on a form provided by the VCIC, a set of the individual's fingerprints, and a fee established by the VCIC that shall reflect the cost of obtaining the record. The fee for a current or prospective employee shall be paid by the Recipient. The release form to be signed by the individual shall include a statement informing the individual of:

- (1) the right to challenge the accuracy of the record by appealing to the VCIC pursuant to rules adopted by the Commissioner of Public Safety; and
- (2) the Recipient's policy regarding background investigations and the maintenance and destruction of records.

(g) Upon completion of a criminal history record check under subsection (d) of this section, the VCIC shall send to the Recipient either a notice that no

record exists or a copy of the record. If a copy of a criminal history record is received, the Recipient shall forward it to the individual and shall inform the individual in writing of:

(1) the right to challenge the accuracy of the record by appealing to the VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Recipient's policy regarding background investigations and the maintenance and destruction of records.

(h) Criminal history records and information received under this chapter are exempt from public inspection and copying under the Public Records Act and shall be kept confidential by the Recipient, except to the extent that federal or State law authorizes disclosure of such records or information to specifically designated persons.

(i) The Recipient shall adopt policies in consultation with the Department of Human Resources to carry out this chapter and to guide decisions based on the results of any background investigation conducted under this chapter.

§ 242. RAP BACK PROGRAM

The Recipient may request the Vermont Crime Information Center (VCIC) to provide Federal Bureau of Investigation "Rap Back" background investigation services based on fingerprints for the purpose of assessing the fitness of an individual with access to FTI, including a current employee, volunteer, contractor, or subcontractor, to continue to be permitted access to FTI. A Rap Back investigation authorized under this section may be requested upon:

(1) obtaining informed written consent from the individual to authorize the retention of fingerprints for future background investigation purposes;

(2) creating sufficient controls and processes to protect the confidentiality and privacy of the records and information received;

(3) notifying the individual in a timely manner of new records and information received; and

(4) notifying the individual of the background investigation policy established by the Recipient in consultation with the Department of Human Resources.

Third: In Sec. 13, 31 V.S.A. chapter 23, in subdivision 1201(5), by adding a third sentence to read as follows:

An organization shall be considered a nonprofit organization under this subdivision only if it certifies annually, on a form with whatever information is required by the Commissioner, how it meets the definition under this

subdivision.

And in section 1203, by striking subsection (f) in its entirety, and inserting in lieu thereof a new subsection (f) to read as follows:

(f) A nonprofit organization that sells break-open tickets, other than a club as defined in 7 V.S.A. § 2(7), shall report to the Department of Liquor Control on a quarterly basis the number of tickets purchased and distributed, and the corresponding serial numbers of those tickets, the amount of revenue realized by the nonprofit organization, and the amounts accounted for under subdivisions (e)(2)(A)–(D) of this section. The nonprofit organization shall also identify an individual from the organization responsible for the reporting requirements under this subsection. If the Department of Liquor Control determines that a nonprofit organization has failed to comply with the requirements of this subsection, the Department of Liquor Control shall notify the nonprofit organization and any licensed distributors of this failure, and any licensed distributor that continues to sell break-open tickets to that nonprofit organization after notice shall be considered in violation of the requirements of this chapter, until the Department of Liquor Control has determined the nonprofit organization is back in compliance with this subsection.

Fourth: By striking out Sec. 15 (health information technology report) in its entirety, and inserting in lieu thereof a new Sec. 15 to read as follows:

Sec. 15. HEALTH INFORMATION TECHNOLOGY REPORT

(a) The Secretaries of Administration and of Human Services shall conduct a comprehensive review of the State's Health-IT Fund established by 32 V.S.A. § 10301, Health Information Technology Plan established by 18 V.S.A. § 9351, and Vermont Information Technology Leaders administered pursuant to 18 V.S.A. § 9352.

(b) The report shall:

- (1) review the need for a State-sponsored Health-IT Fund;
- (2) review how past payments from the Fund have or have not promoted the advancement of health information technology adoption and utilization in Vermont;
- (3) review the past development, approval process, and use of the Vermont Health Information Technology Plan;
- (4) review the Vermont Information Technology Leaders (VITL) organization, including:
 - (A) its maintenance and operation of Vermont's Health Information Exchange (VHIE);

(B) the organization's ability to support current and future health care reform goals;

(C) defining VITL's core mission;

(D) identifying the level of staffing necessary to support VITL in carrying out its core mission; and

(E) examining VITL's use of its staff for activities outside its core mission;

(5) recommend whether to continue the Health-IT Fund, including with its current revenue source as set forth in 32 V.S.A § 10402;

(6) recommend any changes to the structure of VITL, including whether it should be a public or private entity, and any other proposed modifications to 18 V.S.A § 9352;

(7) review property and ownership of the VHIE, including identifying all specific tangible and intangible assets that comprise or support the VHIE (especially in regards to VITL's current and previous agreements with the State), and the funding sources used to create this property;

(8) evaluate approaches to health information exchange in other states, including Maine and Michigan, in order to identify opportunities for reducing duplication in Vermont's health information exchange infrastructure; and

(9) recommend any accounting or financial actions the State should take regarding State-owned tangible and intangible assets that comprise or support the VHIE.

(c) On or before November 15, 2017, the Secretaries of Administration and of Human Services shall submit this report to the House Committees on Health Care, on Appropriations, on Energy and Technology, and on Ways and Means and the Senate Committees on Health and Welfare, on Appropriations, and on Finance.

Fifth: By striking out Sec. 18 in its entirety and inserting in lieu thereof a reader assistance and five new sections to be Secs. 18–18d to read as follows:

* * * Health Care Provisions; Home Health Agency Provider Tax * * *

Sec. 18. 33 V.S.A. § 1951 is amended to read:

§ 1951. DEFINITIONS

As used in this subchapter:

(1) "Assessment" means a tax levied on a health care provider pursuant to this chapter.

(2)(A) ~~“Core home~~ Home health care services” means any of the following:

(i) ~~those medically necessary, intermittent, skilled nursing, home health aide, therapeutic, and personal care attendant services, provided exclusively in the home by home health agencies. Core home health services do not include private duty nursing, hospice, homemaker, or physician services, or services provided under early periodic screening, diagnosis, and treatment (EPSDT), traumatic brain injury (TBI), high technology programs, or services provided by a home for persons who are terminally ill as defined in subdivision 7102(3) of this title~~ home health services provided by Medicare-certified home health agencies of the type covered under Title XVIII (Medicare) or XIX (Medicaid) of the Social Security Act;

(ii) services covered under the adult and pediatric High Technology Home Care programs as of January 1, 2015;

(iii) personal care, respite care, and companion care services provided through the Choices for Care program contained within Vermont’s Global Commitment to Health Section 1115 demonstration; and

(iv) hospice services.

(B) The term “home health services” shall not include any other service provided by a home health agency, including:

(i) private duty services;

(ii) case management services, except to the extent that such services are performed in order to establish an individual’s eligibility for services described in subdivision (A) of this subdivision (2);

(iii) homemaker services;

(iv) adult day services;

(v) group-directed attendant care services;

(vi) primary care services;

(vii) nursing home room and board when a hospice patient is in a nursing home; and

(viii) health clinics, including occupational health, travel, and flu clinics.

(C) The term “home health services” shall not include any services provided by a home health agency under any other program or initiative unless the services fall into one or more of the categories described in subdivision (A) of this subdivision (2). Other programs and initiatives include:

(i) the Flexible Choices or Assistive Devices options under the Choices for Care program contained within Vermont's Global Commitment to Health Section 1115 demonstration;

(ii) services provided to children under the early and periodic screening, diagnostic, and treatment Medicaid benefit;

(iii) services provided pursuant to the Money Follows the Person demonstration project;

(iv) services provided pursuant to the Traumatic Brain Injury Program; and

(v) maternal-child wellness services, including services provided through the Nurse Family Partnership program.

* * *

(10) "Net ~~operating~~ patient revenues" means a provider's gross charges related to patient care services less any deductions for bad debts, charity care, contractual allowances, and other payer discounts.

* * *

Sec. 18a. 33 V.S.A. § 1955a is amended to read:

§ 1955a. HOME HEALTH AGENCY ASSESSMENT

(a)(1) ~~Beginning October 1, 2011, each~~ Each home health agency's assessment shall be ~~49.30~~ 4.25 percent of its net ~~operating~~ patient revenues from ~~core home health care services, excluding revenues for services provided under Title XVIII of the federal Social Security Act; provided, however, that each home health agency's annual assessment shall be limited to no more than six percent of its annual net patient revenue provided exclusively in Vermont.~~

(2) ~~On or before May 1 of each year, each home health agency shall provide to the Department a copy of its most recent audited financial statement prepared in accordance with generally accepted accounting principles. The amount of the tax shall be determined by the Commissioner based on the home health net patient revenue attributable to services reported on the agency's most recent audited financial statements statement at the time of submission, a copy of which shall be provided on or before May 1 of each year to the Department.~~

(3) For providers who ~~begin~~ began operations as a home health agency after January 1, 2005, the tax shall be assessed as follows:

~~(4)(A)~~ (A) Until such time as the home health agency submits audited financial statements for its first full year of operation as a home health agency, the Commissioner, in consultation with the home health agency, shall annually estimate the amount of tax payable and shall prescribe a schedule for interim

payments.

~~(2)(B)~~ At such time as the full-year audited financial statement is filed, the final assessment shall be determined, and the home health agency shall pay any underpayment or the Department shall refund any overpayment. The assessment for the State fiscal year in which a provider commences operations as a home health agency shall be prorated for the proportion of the State fiscal year in which the new home health agency was in operation.

* * *

Sec. 18b. 2016 Acts and Resolves No. 134, Sec. 32 is amended to read:

Sec. 32. HOME HEALTH AGENCY ASSESSMENT FOR FISCAL
~~YEARS YEAR 2017 AND 2018~~

Notwithstanding any provision of 33 V.S.A. § 1955a(a) to the contrary, for fiscal ~~years year 2017 and 2018~~ only, the amount of the home health agency assessment under 33 V.S.A. § 1955a for each home health agency shall be 3.63 percent of its annual net patient revenue.

Sec. 18c. TRANSITIONAL PROVISION FOR FISCAL YEAR 2018

Notwithstanding any provision of 33 V.S.A. § 1955a(a)(2) to the contrary, for fiscal year 2018 only, the Commissioner of Vermont Health Access may determine the amount of a home health agency's provider tax based on such documentation as the Commissioner deems acceptable.

Sec. 18d. REPEAL

33 V.S.A. § 1955a (home health agency assessment) is repealed on July 1, 2019.

Sixth: After Sec. 24, by adding a Sec. 24a to read as follows:

Sec. 24a. SMALL BUSINESS TAXPAYER OUTREACH AND
EDUCATION WORKING GROUP

The Taxpayer Advocate at the Department of Taxes shall convene a working group of interested stakeholders to examine the ways the Department can improve outreach and education to small business taxpayers. On or before November 15, 2017, the Taxpayer Advocate shall report to the House Committee on Ways and Means and the Senate Committee on Finance recommendations to improve the relationship between the Department and small businesses. In considering the recommendations, the Taxpayer Advocate shall examine the following:

(1) identifying complex areas of the law that could be simplified to enhance voluntary compliance;

(2) compiling a list of common issues on which the Department may

focus its outreach and education efforts;

(3) considering how the Department can maximize its existing resources to provide additional guidance targeted to small businesses;

(4) directing the Department to identify existing organizations and resources for small businesses and how to provide tax guidance through those organizations;

(5) providing for a plan to contact and provide direction to new small businesses in Vermont within one year of their operation in the State;

(6) recommending guidelines to forgive tax penalties and interest under certain circumstances; and

(7) making other recommendations as appropriate.

Seventh: By striking out Sec. 26 (clean water working group) in its entirety and inserting in lieu thereof a new Sec. 26 to read as follows:

Sec. 26. CLEAN WATER WORKING GROUP

(a) Creation. There is created the Working Group on Water Quality Funding (Working Group) to develop a recommended method of assessing a statewide impervious surface fee, per parcel fee, per acre fee, or some combination of the foregoing, in order to generate revenue to be deposited in the Clean Water Fund under 10 V.S.A. § 1388 to fund water quality restoration and conservation in the State.

(b) Membership. The Working Group shall be composed of the following 13 members:

(1) the Secretary of Natural Resources or designee;

(2) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(3) one current member of the Senate, who shall be appointed by the Committee on Committees;

(4) one member from the Vermont League of Cities and Towns, appointed by the Board of Directors of that organization;

(5) one member from the Vermont Municipal Clerks and Treasurers Association, appointed by the Executive Board of that organization;

(6) one member from the Vermont Mayors' Coalition appointed by that organization;

(7) one member representing commercial or industrial business interests in the State, to be appointed by the Lake Champlain Regional Chamber of

Commerce, after consultation with other business groups in the State;

(8) the Commissioner of Environmental Conservation or designee;

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

(10) a representative of an environmental advocacy group, appointed by the Speaker of the House;

(11) a representative of the agricultural community appointed by the Vermont Farm Bureau;

(12) a representative of University of Vermont Extension, appointed by the President Pro Tempore of the Senate; and

(13) the Secretary of Agriculture, Food and Markets or designee.

(c) Powers and duties. The Working Group shall recommend to the General Assembly draft legislation to establish a statewide method of assessing an impervious surface fee, a per parcel fee, a per acre fee, or some combination of the foregoing, in order to generate revenue to fund water quality restoration and conservation in the State. In developing the draft legislation, the Working Group shall address:

(1) whether the fee or fees shall be assessed on impervious surface, per parcel, per acre, or some combination of the foregoing;

(2) whether the fee or fees shall be tiered to reflect the amount of impervious surface, size of a parcel, acreage of a parcel, type of property, usage of the property, impact of the property on water quality, or other factors;

(3) the amount of fee or fees to be assessed;

(4) how the fee or fees shall be collected and remitted to the State;

(5) whether any property shall be exempt from the fee or fees;

(6) how an owner of property subject to a municipal stormwater utility fee or other revenue mechanism for funding water quality improvements shall receive a credit or reduced fee for payment of the municipal fee; and

(7) how to provide for abatement, delinquency, and enforcement of the required fee or fees.

(d) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Agency of Natural Resources and the Department of Taxes. The Working Group shall have the technical assistance of the Vermont Center for Geographic Information or designee.

(e) Report. On or before January 15, 2018, the Working Group shall submit to the General Assembly a summary of its activities and the draft

legislation establishing a statewide method of assessing an impervious surface fee, per parcel fee, per acre fee, or some combination of the foregoing.

(f) Meetings.

(1) The Secretary of Natural Resources shall call the first meeting of the Working Group to occur on or before July 1, 2017.

(2) The Secretary of Natural Resources shall be the Chair of the Working Group.

(3) A majority of the membership shall constitute a quorum.

(4) The Working Group shall cease to exist on March 1, 2018.

Eighth: After Sec. 26, by inserting a Sec. 26a to read as follows:

Sec. 26a. 2015 Acts and Resolves No. 64, Sec. 39 is amended to read:

Sec. 39. REPEAL OF CLEAN WATER SURCHARGE

32 V.S.A. § 9602a (Clean Water Surcharge) shall be repealed on July 1, ~~2018~~ 2019.

Ninth: After Sec. 26a, by striking out Secs. 27 (repeals) and 28 (effective dates) in their entirety and inserting reader assistance headings and ten new sections to read as follows:

* * * Property Tax Appeals * * *

Sec. 27. 32 V.S.A. § 5412 is amended to read:

§ 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF EDUCATION TAX LIABILITY

(a)(1) ~~If a listed value is reduced as the result of an appeal or court action, and if the municipality files a written request with the Commissioner within 30 days after the date of the determination, entry of the final order, or settlement agreement if the Commissioner determines that the settlement value is the fair market value of the parcel, the Commissioner made pursuant to section 4461 of this title, a municipality may submit a request for the Director of Property Valuation and Review to recalculate its education property tax liability for the education grand list value lost due to a determination, declaratory judgment, or settlement. The Director shall recalculate the municipality's education property tax liability for the each year at issue, in accord with the reduced valuation, provided that:~~

(A) ~~the~~ The reduction in valuation is the result of an appeal under chapter 131 of this title to the Director of Property Valuation and Review or to a court, with no further appeal available with regard to that valuation, or any judicial decision with no further right of appeal, or a settlement of either an

appeal or court action if the ~~Commissioner~~ Director determines that the settlement value is the fair market value of the parcel;

(B) ~~the~~ The municipality ~~notified the Commissioner of the appeal or court action, in writing, within 10 days after notice of the appeal was filed under section 4461 of this title or after the complaint was served; and submits the request on or before January 15 for a request involving an appeal or court action resolved within the previous calendar year.~~

(C) ~~as a result of the valuation reduction of the parcel, the value of the municipality's grand list is reduced at least one percent. [Repealed.]~~

(D) The Director determines that the municipality's actions were consistent with best practices published by the Property Valuation and Review in consultation with the Vermont Assessors and Listers Association. The municipality shall have the burden of showing that its actions were consistent with the Director's best practices.

(2) A determination of the Director made under subdivision (1) of this subsection (a) may be appealed within 30 days by an aggrieved municipality to the Commissioner for a hearing to be held in accordance with 3 V.S.A. §§ 809–813. The Commissioner's determination may be further appealed to Superior Court, which shall review the Commissioner's determination using the record that was before the Commissioner. The Commissioner's determination may only be overturned for abuse of discretion.

(3) ~~The municipality's~~ Upon the Director's request, a municipality submitting a request under subdivision (1) of this subsection (a) shall include a copy of the agreement, determination or final order, and any other documentation necessary to show the existence of these conditions.

(b) To the extent that the municipality has paid that liability, the ~~Commissioner~~ Director shall allow a credit for any reduction in education tax liability against the next ensuing year's education tax liability ~~or, at the request of the municipality, may refund to the municipality an amount equal to the reduction in education tax liability.~~

(c) If a listed value is increased as the result of an appeal under chapter 131 of this title or court action, whether adjudicated or settled and the ~~Commissioner~~ Director determines that the settlement value is the fair market value of the parcel, with no further appeal available with regard to that valuation, the ~~Commissioner~~ Director shall recalculate the municipality's education property tax for each year at issue, in accord with the increased valuation, and shall assess the municipality for the additional tax at the same time the ~~Commissioner~~ Director assesses the municipality's education tax liability for the next ensuing year, unless the resulting assessment would be

less than \$300.00. Payment under this section shall be due with the municipality's education tax liability for the next ensuing year.

(d) Recalculation of education property tax under this section shall have no effect other than to reimburse or assess a municipality for education property tax changes ~~which~~ that result from property revaluation.

(e) A reduction made under this section shall be an amount equal to the loss in education grand list value multiplied by the tax rate applicable to the subject property in the year the request is submitted. However, the total amount for all reductions made under this section in one year shall not exceed \$1,000,000.00. If total reductions for a calendar year would exceed that amount, the Director shall instead prorate the reductions proportionally among all municipalities eligible for a reduction so that total reductions equal \$1,000,000.00.

(f) Prior to the issuance of a final administrative determination or judicial order, a municipality may request that the Director certify that best practices were followed for purposes of meeting the requirements of subdivision (a)(1)(D) of this section. The Director may choose to grant certification, deny certification, or refrain from a decision until a request is submitted under subdivision (a)(1) of this section. The Director shall consider the potential impact on the Education Fund, the unique character of the subject property or properties, and any extraordinary circumstances when deciding whether to grant certification under this subsection. The Director shall be bound by a decision to grant certification unless the municipality agrees to a settlement after such certification was made.

Sec. 28. GRAND LIST LITIGATION ASSISTANCE; STUDY

(a) The Attorney General, in consultation with the Vermont League of Cities and Towns, property owners, and other interested stakeholders, shall study approaches to assisting municipalities with expenses incurred during litigation pursuant to chapter 131 of this title, including assigning an Assistant Attorney General to the Division of Property Valuation and Review to support municipalities litigating complex matters.

(b) On or before December 1, 2017, the Attorney General shall submit a report to the Senate Committee on Finance and the House Committee on Ways and Means on the findings of the study described in subsection (a) of this section. The report shall include recommendations for legislative action based on the findings of the study.

Sec. 29. REIMBURSEMENT OF EDUCATION TAX LIABILITY; REPORT

(a) On or before December 1, 2019, the Director of Property Valuation and Review shall submit a report to the Senate Committee on Finance and the

House Committee on Ways and Means on the reimbursement of education tax liabilities to municipalities pursuant to Sec. 26a of this act.

(b) The report shall include:

(1) the annual number of reductions to the education grand list;

(2) the annual amount reimbursed to municipalities from the Education Fund; and

(3) the annual increase, if any, to the education grand list.

Sec. 29a. COMPENSATION FOR OVERPAYMENT

Notwithstanding any other provision of law, the sum of \$56,791.80 shall be transferred from the Education Fund to the Town of Georgia in fiscal year 2018 to compensate the town for an overpayment of education taxes in fiscal year 2017 due to an erroneous classification of certain property.

* * * Premium Tax Credit; Captive Insurance Companies * * *

Sec. 30. 8 V.S.A. § 6014(k) is amended to read:

(k) A captive insurance company first licensed under this chapter on or after January 1, ~~2014~~ 2017 shall receive a nonrefundable credit of ~~\$7,500.00~~ \$5,000.00 applied against the aggregate taxes owed for the first two taxable ~~year~~ years for which the company has liability under this section.

* * * Vermont Employment Growth Incentive Program * * *

Sec. 31. 32 V.S.A. chapter 105 is amended to read:

CHAPTER 105. VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM

* * *

§ 3332. APPLICATION; APPROVAL CRITERIA

(a) Application.

(1) A business may apply for an incentive in one or more years of an award period by submitting an application to the Council in the format the Council specifies for that purpose.

(2) For each award year the business applies for an incentive, the business shall:

(A) specify a payroll performance requirement;

(B) specify a jobs performance requirement or a capital investment performance requirement, or both; and

(C) provide any other information the Council requires to evaluate the application under this subchapter.

(b) Mandatory criteria. The Council shall not approve an application unless it finds:

(1) Except as otherwise provided for an enhanced incentive for a business in a qualifying labor market area under section 3334 of this title, the new revenue the proposed activity ~~generates~~ would generate to the State ~~exceeds~~ would exceed the costs of the activity to the State.

(2) The host municipality welcomes the new business.

(3) ~~The~~ Pursuant to a self-certification or other documentation the Council requires by rule or procedure, the business attests to the best of its knowledge:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree;

(B) the business complies with applicable State laws and regulations; and

(C) the proposed economic activity ~~conforms~~ would conform to applicable town and regional plans and with applicable State laws and regulations.

(4) If the business proposes to expand within a limited local market, an incentive would not give the business an unfair competitive advantage over other Vermont businesses in the same or similar line of business and in the same limited local market.

(5) But for the incentive, the proposed economic activity:

(A) would not occur; or

(B) would occur in a significantly different manner that is significantly less desirable to the State.

* * *

§ 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING LABOR MARKET AREA

(a) The Council may increase the value of an incentive for a business that is located in a labor market area in which:

(1) the average annual unemployment rate is greater than the average annual unemployment rate for the State; or

(2) the average annual wage is less than the average annual wage for the State.

(b) In each calendar year, the amount by which the Council may increase the value of all incentives pursuant to this section is:

- (1) \$1,500,000.00 for one or more initial approvals; and
- (2) \$1,000,000.00 for one or more final approvals.

(c) The Council may increase the cap imposed in subdivision (b)(2) of this section by not more than \$500,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee.

(d) In evaluating the Governor's request, the Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections.

(e) The Council shall provide the Committee with testimony, documentation, company-specific data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

(f) The purpose of the enhanced incentive for a business in a qualifying labor market area is to increase job growth in economically disadvantaged regions of the State, as provided in subsection (a) of this section.

§ 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
TECHNOLOGY BUSINESS

(a) As used in this section, an "environmental technology business" means a business that:

(1) is subject to income taxation in Vermont; and

(2) seeks an incentive for economic activity in Vermont that the Secretary of Commerce and Community Development certifies is primarily research, design, engineering, development, or manufacturing related to one or more of the following:

(A) waste management, including waste collection, treatment, disposal, reduction, recycling, and remediation;

(B) natural resource protection and management, including water and wastewater purification and treatment, air pollution control and prevention or remediation, soil and groundwater protection or remediation, and hazardous waste control or remediation;

(C) energy efficiency or conservation;

(D) clean energy, including solar, wind, wave, hydro, geothermal, hydrogen, fuel cells, waste-to-energy, or biomass.

(b) The Council shall consider and administer an application from an

environmental technology business pursuant to the provisions of this subchapter, except that:

(1) the business's potential share of new revenue growth shall be 90 percent; and

(2) to calculate qualifying payroll, the Council shall:

(A) determine the background growth rate in payroll for the applicable business sector in the award year;

(B) multiply the business's full-time payroll for the award year by 20 percent of the background growth rate; and

(C) subtract the product from the payroll performance requirement for the award year.

(c) The purpose of the enhanced incentive for an environmental technology business is to promote the growth of businesses in Vermont that both create and sustain high quality jobs and improve the natural environment.

* * *

§ 3338. CLAIMING AN INCENTIVE; ANNUAL FILING WITH
DEPARTMENT OF TAXES

(a) On or before April 30 following each year of the utilization period, a business with an approved application shall submit an incentive claim to the Department of Taxes.

(b) A business shall include:

(1) the information the Department requires, including the information required in section 5842 of this title and other documentation concerning payroll, jobs, and capital investment necessary to determine whether the business earned the incentive specified for an award year and any installment payment for which the business is eligible; and

(2) a self-certification or other documentation the Department requires by rule or procedure, by which the business attests to the best of its knowledge that:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree; and

(B) the business complies with applicable State laws and regulations.

(c) The Department may consider an incomplete claim to be timely filed if the business files a complete claim within the additional time allowed by the Department in its discretion.

(d) Upon finalizing its review of a complete claim, the Department shall:

(1) notify the business and the Council whether the business is entitled to an installment payment for the applicable year; and

(2) make an installment payment to which the business is entitled.

(e) The Department shall not pay interest on any amounts it holds or pays for an incentive or installment payment pursuant to this subchapter.

§ 3339. RECAPTURE; REDUCTION; REPAYMENT

(a) Recapture.

(1) The Department of Taxes may recapture the value of one or more installment payments a business has claimed, with interest, if:

(A) the business fails to file a claim as required in section 3338 of this title; ~~or~~

(B) during the utilization period, the business experiences:

(i) a 90 percent or greater reduction from base employment; or

(ii) if it had no jobs at the time of application, a 90 percent or greater reduction from the sum of its job performance requirements; or

(C) the Department determines that during the application or claims process the business knowingly made a false attestation that the business:

(i) was not a named party to, or was in compliance with, an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State: or

(ii) was in compliance with State laws and regulations.

(2) If the Department determines that a business is subject to recapture under subdivision (1) of this subsection, the business becomes ineligible to earn or claim an additional incentive or installment payment for the remainder of the utilization period.

(3) Notwithstanding any other statute of limitations, the Department may commence a proceeding to recapture amounts under subdivision (1) of this subsection as follows:

(A) under subdivision (1)(A) of this subsection, no later than three years from the last day of the utilization period; and

(B) under subdivision (1)(B) of this subsection, no later than three years from date the business experiences the reduction from base employment, or three years from the last day of the utilization period, whichever occurs first.

(b) Reduction; recapture. If a business fails to make capital investments

that equal or exceed the sum of its capital investment performance requirements by the end of the award period:

(1) The Department shall:

(A) calculate a reduced incentive by multiplying the combined value of the business's award period incentives by the same proportion that the business's total actual capital investments bear to the sum of its capital investment performance requirements; and

(B) reduce the value of any remaining installment payments for which the business is eligible by the same proportion.

(2) If the value of the installment payments the business has already received exceeds the value of the reduced incentive, then:

(A) the business becomes ineligible to claim any additional installment payments for the award period; and

(B) the Department shall recapture the amount by which the value of the installment payments the business has already received exceeds the value of the reduced incentive.

(c) Tax liability.

(1) A person who has the duty and authority to remit taxes under this title shall be personally liable for an installment payment that is subject to recapture under this section.

(2) For purposes of this section, the Department of Taxes may use any enforcement or collection action available for taxes owed pursuant to chapter 151 of this title.

* * *

§ 3341. CONFIDENTIALITY OF ~~PROPRIETARY~~ BUSINESS INFORMATION

~~(a) The Vermont Economic Progress Council and the Department of Taxes shall use measures to protect proprietary financial information, including reporting information in an aggregate form.~~

~~(b) Information~~ Except for information required to be reported under section 3340 of this title or as provided in this section, information and materials submitted by a business concerning its income taxes and other confidential financial information shall not be subject to public disclosure under the State's public records law in 1 V.S.A. chapter 5, but shall be to the Vermont Economic Progress Council, or business-specific data generated by the Council as part of its consideration of an application under this subchapter, that is not otherwise publicly disclosed, is exempt from public inspection and copying under the Public Records Act and shall be kept confidential. Records

related to incentive claims under this chapter that are produced or acquired by the Department of Taxes are confidential returns or return information and are subject to the provisions of section 3102 of this title.

(b)(1) The Council shall disclose information and materials described in subsection (a) of this section:

(A) to the Joint Fiscal Office or its agent upon authorization of the Joint Fiscal Committee or a standing committee of the General Assembly, and shall also be available; and

(B) to the Auditor of Accounts in connection with the performance of duties under section 163 of this title; provided, however, that the

(2) The Joint Fiscal Office or its agent and the Auditor of Accounts shall not disclose, directly or indirectly, to any person any proprietary business information or any information that would identify a business materials received under this subsection except in accordance with a judicial order or as otherwise specifically provided unless authorized by law.

(c) Nothing in this section shall be construed to prohibit the publication of statistical information, rulings, determinations, reports, opinions, policies, or other information so long as the data are disclosed in a form that cannot identify or be associated with a particular business.

* * *

* * * VEGI; Confidentiality * * *

Sec. 32. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than \$1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, he or she shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

* * *

(d) The Commissioner shall disclose a return or return information:

* * *

(5) to the Attorney General, if such return or return information relates to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19, subchapters 1A and 1B;

(6) to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Council to perform its duties under that subchapter.

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(11) To the Joint Fiscal Office or its agent, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Joint Fiscal Office or its agent to perform the duties authorized by the Joint Fiscal Committee or a standing committee of the General Assembly under that subchapter; to the Auditor of Accounts for the performance of duties under section 163 of this title; and to the Department of Economic Development for the purposes of subsection 5922(f) of this title; and to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Council to perform its duties under that subchapter.

* * *

* * * Public Retirement * * *

Sec. 33. THE GREEN MOUNTAIN SECURE RETIREMENT PLAN

(a) The State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the "Green Mountain Secure Retirement Plan."

(b) The Plan shall be designed and implemented based upon the following guiding principles:

(1) Simplicity: the Plan should be easy for participants to understand.

(2) Affordability: the Plan should be administered to maximize cost effectiveness and efficiency.

(3) Ease of access: the Plan should be easy to join.

(4) Trustworthy oversight: the Plan should be administered by an organization with unimpeachable credentials.

(5) Protection from exploitation: the Plan should protect its participants.

particularly the elderly, from unscrupulous business practices and individuals.

(6) Portability: the Plan should not depend upon employment with a specific firm or organization.

(7) Choice: the Plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce analysis paralysis.

(8) Voluntary: the Plan should not be mandatory but autoenrollment should be used to increase participation.

(9) Financial education and financial literacy: the Plan should assist the individual in understanding their financial situation.

(10) Sufficient savings: the Plan should encourage adequate savings in retirement combined with existing pension savings and Social Security.

(11) Additive not duplicative: the Plan should not compete with existing private sector solutions.

(12) Use of pretax dollars: contributions to the Plan should be made using pretax dollars.

(c) The Plan shall:

(1) be available on a voluntary basis to:

(A) employers:

(i) with 50 employees or fewer; and

(ii) who do not currently offer a retirement plan to their employees; and

(B) self-employed individuals;

(2) automatically enroll all employees of employers who choose to participate in the MEP;

(3) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(4) be funded by employee contributions with an option for future voluntary employer contributions; and

(5) be overseen by a board:

(A) that shall:

(i) set program terms;

(ii) prepare and design plan documents; and

(iii) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services; and

(B) that shall be composed of seven members as follows:

(i) an individual with investment experience, to be appointed by the Governor;

(ii) an individual with private sector retirement plan experience, to be appointed by the Governor;

(iii) an individual with investment experience, to be appointed by the State Treasurer;

(iv) an individual who is an employee or retiree, to be appointed by the State Treasurer;

(v) an individual who is an employee advocate or consumer advocate, to be appointed by the Speaker of the House;

(vi) an individual who is an employer, to be appointed by the Committee on Committees; and

(vii) the State Treasurer, who shall serve as chair.

(d) The State of Vermont shall implement the “Green Mountain Secure Retirement Plan” on or before January 15, 2019, based on the recommendations of the Public Retirement Plan Study Committee as set forth in Sec. 34 of this act.

Sec. 34. 2016 Acts and Resolves No. 157, Sec. F.1 is amended to read:

Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF
ESTABLISHING A PUBLIC RETIREMENT PLAN

(a) Creation of Committee.

(1) There is created a the Public Retirement Plan Study Committee to evaluate the feasibility of establishing a public retirement plan.

(2) It is the intent of the General Assembly that the Committee continue the work of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop specific recommendations concerning the design, creation, and implementation of the Multiple Employer Plan (MEP), pursuant to in Sec. 33 of H.516 (2017) as enacted and as set forth in the January 6, 2017 report issued by the Committee.

(b) Membership.

(1) The Public Retirement Plan Study Committee shall be composed of eight members as follows:

- (A) the State Treasurer or designee;
- (B) the Commissioner of Labor or designee;
- (C) the Commissioner of Disabilities, Aging, and Independent Living or designee;
- (D) an individual with private sector experience in the area of providing retirement products and financial services to small businesses, to be appointed by the Speaker;
- (E) an individual with experience or expertise in the area of the financial needs of an aging population, to be appointed by the Committee on Committees;
- (F) an individual with experience or expertise in the area of the financial needs of Vermont youth or young working adults, to be appointed by the Treasurer;
- (G) a representative of employers, to be appointed by the Speaker; and
- (H) a representative of employees who currently lack access to employer-sponsored retirement plans, to be appointed by the Committee on Committees.

(2) Unless another appointee is specified pursuant to the authority granted under subdivision (1) of this subsection, the members of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, shall serve as the members of the Committee created pursuant to this section.

(c) Powers and duties.

(1)(A) The Committee shall study the feasibility of establishing a develop specific recommendations concerning the design, creation, and implementation time line of the Multiple Employer Plan (MEP) public retirement plan, including the following pursuant to Sec. 33 of H.516 (2017) as enacted, which shall:

- (i) ~~the access Vermont residents currently have to employer-sponsored retirement plans and the types of employer-sponsored retirement plans;~~
- (ii) ~~data and estimates on the amount of savings and resources Vermont residents will need for a financially secure retirement;~~

~~(iii) data and estimates on the actual amount of savings and resources Vermont residents will have for retirement, and whether those savings and resources will be sufficient for a financially secure retirement;~~

~~(iv) current incentives to encourage retirement savings, and the effectiveness of those incentives;~~

~~(v) whether other states have created a public retirement plan and the experience of those states;~~

~~(vi) whether there is a need for a public retirement plan in Vermont;~~

~~(vii) whether a public retirement plan would be feasible and effective in providing for a financially secure retirement for Vermont residents;~~

~~(viii) other programs or incentives the State could pursue in combination with a public retirement plan, or instead of such a plan, in order to encourage residents to save and prepare for retirement; and be available on a voluntary basis to:~~

(I) employers:

(aa) with 50 employees or fewer; and

(bb) who do not currently offer a retirement plan to their employees; and

(II) self-employed individuals;

(ii) automatically enroll all employees of employers who choose to participate in the MEP;

(iii) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(iv) be funded by employee contributions with an option for future voluntary employer contributions; and

(v) be overseen by a board that shall:

(I) set programs terms;

(II) prepare and design plan documents; and

(III) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services.

~~(B) if the Committee determines that a public retirement plan is necessary, feasible, and effective, the Committee shall study:~~

~~(i) potential models for the structure, management, organization, administration, and funding of such a plan;~~

~~(ii) how to ensure that the plan is available to private sector employees who are not covered by an alternative retirement plan;~~

~~(iii) how to build enrollment to a level where enrollee costs can be lowered;~~

~~(iv) whether such a plan should impose any obligation or liability upon private sector employers;~~ The Committee, and thereafter the board that will oversee the MEP, shall study and make specific recommendations concerning:

(i) options to provide access to retirement plans to individuals who are not eligible to participate in, or choose not to participate in, the MEP public retirement plan, including alternative plans and options vetted by the board that shall oversee the MEP, and which plans and options shall be provided through a marketplace implemented no earlier than one year after the MEP begins;

(ii) options for paying for the costs of administering the MEP for the period during which program costs may exceed revenues, including allowing financial service providers to subsidize costs in exchange for longer term contracts;

(iii) the composition, membership, and powers of the board that shall oversee the MEP;

(iv) if after three years there remain significant numbers of Vermonters who are not covered by a retirement plan, methods to increase participation in the MEP; and

(v) any other issue the Committee deems relevant.

(2) The Committee shall:

(A) continue monitoring U.S. Department of Labor guidance concerning State Savings Programs for Non-Governmental Employees regarding ERISA rules and other pertinent areas of analysis;

(B) further analyze the relationship between the role of states and the federal government; and

(C) continue its collaboration with educational institutions, other states, and national stakeholders.

(3) The Committee shall have the assistance of the staff of the Office of the Treasurer, the Department of Labor, and the Department of Disabilities, Aging, and Independent Living.

(d) Report. On or before January 15, 2018, the Committee shall report to the General Assembly its findings and ~~any~~ recommendations ~~for legislative action~~. In its report, the Committee shall state its findings as to every factor set

forth in ~~subdivision~~ subdivisions (c)(1)(A) ~~of this section, whether it recommends that a public retirement plan be created, and the reasons for that recommendation. If the Committee recommends that a public retirement plan be created, the Committee's report shall include specific recommendations as to the factors listed in subdivision~~ and (c)(1)(B) of this section.

(e) Meetings; term of Committee; Chair. The Committee may meet as frequently as necessary to perform its work and shall cease to exist on January 15, 2018. The State Treasurer shall serve as Chair of the Committee and shall call the first meeting.

(f) Reimbursement. For attendance at meetings, members of the Committee who are not employees of the State of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

* * * Workers' Compensation; VOSHA * * *

Sec. 35. 21 V.S.A. § 210 is amended to read:

§ 210. PENALTIES

(a) Upon issuance of a citation under this chapter, the Review Board is authorized to assess civil penalties for grounds provided in this subsection. In assessing civil penalties, the Review Board shall follow to the degree practicable the federal procedures prescribed in rules ~~promulgated~~ adopted under the Act. The Review Board shall give due consideration to the appropriateness of the penalty with respect to the size of the business or operation of the employer being assessed, the gravity of the violation, the good faith of the employer, and the history of previous violations. Civil penalties shall be paid to the Commissioner for deposit with the State Treasurer, and may be recovered in a civil action in the name of the State of Vermont brought in any court of competent jurisdiction. The Commissioner shall not reduce the assessed penalties in any fiscal year by more than 50 percent.

(1) Any employer who willfully or repeatedly violates the requirements of this Code or any standard; or rule adopted, or order ~~promulgated~~ issued pursuant to this Code ~~or regulations prescribed pursuant to this Code~~ may be assessed a civil penalty of not more than ~~\$70,000.00~~ \$126,749.00 for each violation, but not less than \$5,000.00 for each willful violation.

(2) Any employer who has received a citation for a serious violation of the requirements of this Code, or any standard; or rule adopted, or order ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each violation.

(3) Any employer who has received a citation for a violation of the requirements of this Code, or any standard, or rule adopted, or order ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant to this Code, and such violation~~ if the violation is specifically determined not to be of a serious nature, may be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each such violation.

(4) Any employer who fails to correct a violation for which a citation has been issued within the period permitted for its correction, which period shall not begin to run until the date of the final order of the Review Board, in the case of any review proceeding under section 226 of this title initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a civil penalty of not more than ~~\$7,000.00~~ \$12,675.00 for each day during which the failure or violation continues.

(5) Any employer who willfully violates any standard, or rule adopted, or order ~~promulgated~~ issued pursuant to this Code, and that violation caused death to any employee, shall, upon conviction, be punished by a fine of not more than ~~\$20,000.00~~ \$126,749.00 or by imprisonment for not more than one year, or by both.

* * *

(8) Any employer who violates any of the posting requirements, as prescribed under the provisions of this Code, shall be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each violation.

(9)(A) As provided under the federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and the Act, the penalties provided in subdivisions (1), (2), (3), (4), (5), and (8) of this subsection shall annually, on January 1, be adjusted to reflect the increase in the Consumer Price Index, CPI-U, U.S. City Average, not seasonally adjusted, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous December 1.

(B) The Commissioner shall calculate and publish the adjustment to the penalties on or before January 1 of each year and the penalties shall apply to fines imposed on or after that date.

* * *

Sec. 36. 21 V.S.A. § 711 is amended to read:

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

(a) A Workers' Compensation Administration Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the administration of the workers' compensation and occupational disease programs. The Fund shall consist of contributions from employers made at a rate of ~~4.75~~ 1.4 percent of the direct calendar year premium for workers'

compensation insurance, one percent of self-insured workers' compensation losses, and one percent of workers' compensation losses of corporations approved under this chapter. Disbursements from the Fund shall be on warrants drawn by the Commissioner of Finance and Management in anticipation of receipts authorized by this section.

* * *

* * * Workforce Development; Career and Technical Education * * *

Sec. 37. 10 V.S.A. § 540 is amended to read:

§ 540. ~~WORKFORCE EDUCATION AND TRAINING~~ DEVELOPMENT
LEADER

(a) The Commissioner of Labor shall be the leader of workforce ~~education and training~~ development in the State, and shall have the authority and responsibility for the coordination of workforce education and training within State government, including the following duties:

(1) Perform the following duties in consultation with the State Workforce Development Board:

(A) advise the Governor on the establishment of an integrated system of workforce education and training for Vermont;

(B) create and maintain an inventory of all existing workforce education and training programs and activities in the State;

(C) use data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;

(D) develop a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;

(E) ensure coordination and non-duplication of workforce education and training activities;

(F) identify best practices and gaps in the delivery of workforce education and training programs;

(G) design and implement criteria and performance measures for workforce education and training activities; and

(H) establish goals for the integrated workforce education and training system.

(2) Require from each business, training provider, or program that receives State funding to conduct workforce education and training a report

that evaluates the results of the training. Each recipient shall submit its report on a schedule determined by the Commissioner and shall include at least the following information:

- (A) name of the person who receives funding;
- (B) amount of funding;
- (C) activities and training provided;
- (D) number of trainees and their general description, including the gender of the trainees;
- (E) employment status of trainees; and
- (F) future needs for resources.

(3) Review reports submitted by each recipient of workforce education and training funding.

(4) Issue an annual report to the Governor and the General Assembly on or before December 1 that includes a systematic evaluation of the accomplishments of the State workforce investment system and the performance of participating agencies and institutions.

(5) Coordinate public and private workforce programs to assure that information is easily accessible to students, employees, and employers, and that all information and necessary counseling is available through one contact.

(6) Facilitate effective communication between the business community and public and private educational institutions.

(7) Notwithstanding any provision of State law to the contrary, and to the fullest extent allowed under federal law, ensure that in each State and State-funded workforce education and training program, the program administrator collects and reports data and results at the individual level by Social Security Number or an equivalent.

(8) Coordinate within and across State government a comprehensive workforce development strategy that grows the workforce, recruits new workers to the State, and meets employers' workforce needs.

Sec. 38. 10 V.S.A. § 543 is amended to read:

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

(a) Creation. There is created a Workforce Education and Training Fund in the Department of Labor to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) Purposes. The Department shall use the Fund for the following purposes:

(1) training for Vermont workers, including those who are unemployed, underemployed, or in transition from one job or career to another;

(2) internships to provide students with work-based learning opportunities with Vermont employers;

(3) apprenticeship, preapprenticeship, and industry-recognized credential training; and

(4) other workforce development initiatives related to current and future job opportunities in Vermont as determined by the Commissioner of Labor.

(c) Administrative and other support. The Department of Labor shall provide administrative support for the grant award process. When appropriate and reasonable the State Workforce Investment Board and all other public entities involved in economic development and workforce education and training shall provide other support in the process.

(d) Eligible activities.

(1) The Department shall grant awards from the Fund to employers and entities, including private, public, and nonprofit entities, institutions of higher education, high schools, middle schools, technical centers, and workforce education and training programs that:

(A) create jobs, offer education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, career planning, or work-based learning activities, or any combination;

(B) employ student-oriented approaches to workforce education and training; and

(C) link workforce education and economic development strategies.

(2) The Department may fund programs or projects that demonstrate actual increased income and economic opportunity for employees and employers for more than one year.

(3) The Department may fund student internships and training programs that involve the same employer in multiple years with approval of the Commissioner.

(e) [Repealed].

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce Development Board, shall develop award criteria and may grant awards to the following:

(1) Training Programs.

(A) Public, private, and nonprofit entities, including employers and education and training providers, for existing or new training programs that enhance the skills of Vermont workers and:

(i) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;

(ii) do not duplicate, supplant, or replace other available training funded with public money;

(iii) provide a project timeline, including performance goals, and identify how the effectiveness and outcomes of the program will be measured, including for the individual participants, the employers, and the program as a whole; and

(iv) articulate the need for the training and the direct connection between the training and the job.

(B) The Department shall grant awards under this subdivision (1) to programs or projects that:

(i) offer innovative programs of intensive, student-centric, competency-based education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, or any combination of these;

(ii) address the needs of workers who are unemployed, underemployed, or are at risk of becoming unemployed, and workers who are in transition from one job or career to another;

(iii) address the needs of employers to hire new employees, or retrain incumbent workers, when the employer has demonstrated a need not within the normal course of business, with priority to training that results in new or existing job openings for which the employer intends to hire; or

(iv) in the discretion of the Commissioner, otherwise serve the purposes of this chapter.

(2) Vermont Strong Internship Program. Funding for eligible internship programs and activities under the Vermont Strong Internship Program established in section 544 of this title.

(3) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the Department of Labor.

(4) Career Focus and Planning programs. Funding for one or more programs that institute career training and planning for young Vermonters, beginning in middle school.

* * * Vermont Minimum Wage * * *

Sec. 39. MINIMUM WAGE STUDY

(a) Creation. There is created a Minimum Wage Study Committee.

(b) Membership. The Committee shall be composed of the following members:

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties. The Committee shall study the following issues:

(1) the minimum wage in Vermont and livable wage in Vermont in relation to real cost of living;

(2) the economic effects of small to large increases in the Vermont minimum wage, including in relation to the minimum wage in neighboring states;

(3) how the potential for improving economic prosperity for Vermonters with low and middle income through the Vermont Earned Income Tax Credit might interact with raising the minimum wage;

(4) specific means of mitigating the "benefits cliff," especially for those earning below the livable wage, to enhance work incentives;

(5) the effects of potential reductions in federal transfer payments as the minimum wage increases, and impacts of possible reductions in federal benefits due to changes in federal law;

(6) ways to offset losses in State and federal benefits through State benefit programs or State tax policy; and

(7) further research to better understand the maximum beneficial minimum wage level in Vermont.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Joint Fiscal Office, the Office of Legislative Council, the Department of Labor, the Department of Taxes, and the Agency of Human Services.

(e) Report. On or before December 1, 2017, the Committee shall submit a written report with its findings and any recommendations for legislative action to the Senate Committee on Economic Development, Housing and General Affairs, and the House Committee on General, Housing and Military Affairs.

(f) Meetings.

(1) The Joint Fiscal Office shall convene the first meeting of the Committee on or before July 1, 2017.

(2) A majority of the membership shall constitute a quorum.

(3) The members of the Committee shall select a chair at its first meeting.

(4) The Committee shall cease to exist on December 1, 2017.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than five meetings.

* * * Financial Technology * * *

Sec. 40. FINANCIAL TECHNOLOGY

(a) The General Assembly finds:

(1) The field of financial technology is rapidly expanding in scope and application.

(2) These developments present both opportunities and challenges.

(3) On the opportunity side, Vermont has been a leader in previous innovations in finance in contexts such as captive insurance.

(4) The existing Vermont legislation on blockchain technology and other aspects of e-finance have given Vermont the potential for leadership in this new era of innovation as well, with the possibility of expanded economic activity in the financial technology sector that would provide opportunities for employment, tax revenues, and other benefits.

(5) Furthermore, it is important for Vermonters that these developments proceed in ways that do not create avoidable risks for individuals and enterprises in the new e-economy.

(6) The legislative and regulatory response in Vermont will be critical to our ability to embrace the benefits of financial technology and to avoid challenges it may create.

(b)(1) In order to permit the legislature to respond to these developing

opportunities and concerns on an informed basis, on or before November 30, 2017 the Center for Legal Innovation at Vermont Law School, in consultation with the Commissioner of Financial Regulation, the Secretary of Commerce and Community Development, and the Attorney General, shall submit a report to the General Assembly that includes:

(A) findings and recommendations on the potential opportunities and risks presented by developments in financial technology;

(B) suggestions for an overall policy direction and proposals for legislative and regulatory action that would effectively implement that policy direction; and

(C) measurable goals and outcomes that would indicate success in the implementation of such a policy.

(2) In developing the background for this report, the Center, Commissioner, Secretary, and Attorney General may consult such other constituencies and stakeholders within and outside of the State as they may determine for information that will be helpful to their considerations.

* * * Municipal Outreach; Sewerage and Water Service Connections * * *

Sec. 41. AGENCY OF NATURAL RESOURCES; EDUCATION AND
OUTREACH; DELEGATION; SEWERAGE AND WATER
SERVICE CONNECTIONS

(a) The Secretary of Natural Resources, after consultation with the Vermont League of Cities and Towns, shall conduct outreach and education for municipalities regarding the ability of a municipality under 10 V.S.A. § 1976 to be delegated the authority to permit the connection of a municipal sewer or water service line to subdivided land, a building, or a campground.

(b) The education and outreach shall specify the conditions or requirements for delegation, how a municipality can seek delegation, and contact information or other resource to provide additional information regarding delegation. The education and outreach may include educational materials, workshops, or classes regarding the ability of a municipality to be delegated under 10 V.S.A. § 1976 the permitting of sewer and water service connection.

(c) On or before January 15, 2018, the Secretary of Natural Resources shall submit a report to the Senate Committees on Natural Resources and Energy and on Economic Development, Housing and General Affairs and the House Committees on Natural Resources, Fish and Wildlife and on Commerce and Economic Development summarizing the education and outreach conducted or planned by the Secretary under the requirements of this section and whether any municipality has sought delegation of sewer and water service connection

permitting under 10 V.S.A. § 1976 since the effective date of this act.

* * * Municipal Land Use and Development; Affordable Housing * * *

Sec. 42. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

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

(1) “Affordable housing” means either of the following:

~~(A) Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household’s gross annual income.~~ Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

~~(B) Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household’s gross annual income.~~ Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

* * * Act 250; Priority Housing Projects * * *

Sec. 43. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

In this chapter:

* * *

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

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land, and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) ~~275 or more, in a municipality with a population of 15,000 or more; [Repealed.]~~

(bb) ~~150 or more, in a municipality with a population of 10,000 or more but less than 15,000; [Repealed.]~~

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000;

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000;

(ee) 25 or more, in a municipality with a population of less than 3,000;~~and.~~

(ff) ~~notwithstanding~~ Notwithstanding subdivisions (aa)(cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified

conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

(II) The determination of jurisdiction over a priority housing project shall count only the housing units included in that discrete project.

(III) Housing units in a priority housing project shall not count toward determining jurisdiction over any other project.

* * *

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

* * *

(viii) The construction of a priority housing project in a municipality with a population of 10,000 or more. However, if the construction of the project involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.

* * *

(27) “Mixed income housing” means a housing project in which the following apply:

(A) Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:

(i) at least 15 percent of the housing units have a purchase price which at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or

(ii) at least 20 percent of the housing units have a purchase price which at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency;

(B) Rental ~~Housing~~ housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of ~~no not~~ not less than 20 15 years.

(28) “Mixed use” means construction of both mixed income housing and construction of space for any combination of retail, office, services, artisan, and recreational and community facilities, provided at least 40 percent of the gross floor area of the buildings involved is mixed income housing. “Mixed use” does not include industrial use.

(29) “Affordable housing” means either of the following:

(A) ~~Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household’s gross annual income.~~ Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

(B) ~~Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household’s gross annual income.~~ Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

(35) “Priority housing project” means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

(A) mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, or designated village center that is also a designated neighborhood development area under 24 V.S.A. chapter 76A; or

(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.

* * *

Sec. 44. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

(a) No person shall sell or offer for sale any interest in any subdivision located in this State, or commence construction on a subdivision or development, or commence development without a permit. This section shall not prohibit the sale, mortgage, or transfer of all, or an undivided interest in all, of a subdivision unless the sale, mortgage, or transfer is accomplished to circumvent the purposes of this chapter.

* * *

(o) If a ~~downtown development district~~ designation pursuant to 24 V.S.A. § ~~2793~~ chapter 76A is removed, subsection (a) of this section shall apply to any subsequent substantial change to a priority housing project that was originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the basis of that designation.

(p)(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after the effective date of this subsection, remain below ~~the~~ any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.

(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.

* * *

Sec. 45. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS, COMMENCEMENT OF REVIEW

* * *

(f) This subsection concerns an application for a permit amendment to change the conditions of an existing permit or permit amendment in order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.

(1) The District Commission may authorize a district coordinator to issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the permit or permit amendment or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party retained party status.

(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings under subsection 6086(a) and are authorized under subsection 6086(c) of this title.

Sec. 46. 30 V.S.A. § 55 is added to read:

§ 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

A priority housing project as defined in 10 V.S.A. § 6001 shall meet or exceed the stretch codes established under this subchapter by the Department of Public Service.

* * * ACCD; Publication of Median Household Income and Qualifying Costs for Affordable Housing * * *

Sec. 47. 3 V.S.A. § 2472 is amended to read:

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

(a) The Department of Housing and Community Development is created within the Agency of Commerce and Community Development. The Department shall:

* * *

(5) In conjunction with the Vermont Housing Finance Agency, annually publish data and information to enable the public to determine income levels and costs for owner-occupied and rental housing to qualify as affordable housing, as defined in 24 V.S.A. § 4303 and 10 V.S.A. § 6001(29), including:

(A) the median income for each Vermont county, as defined by the

U.S. Department of Housing and Urban Development;

(B) the standard metropolitan statistical area median income for each municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; and

(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

* * * Downtown Tax Credits * * *

Sec. 48. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$2,200,000.00~~ \$2,400,000.00;

* * *

* * * Tax Credit for Affordable Housing; Captive Insurance Companies * * *

Sec. 49. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) As used in this section:

* * *

(5) “Credit certificate” means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax credits that can be applied against the taxpayer’s individual or corporate income tax, or franchise, captive insurance premium, or insurance premium tax liability as provided in this subchapter.

* * *

(c) Amount of credit. A taxpayer who makes an eligible cash contribution shall be entitled to claim against the taxpayer’s individual income, corporate, franchise, captive insurance premium, or insurance premium tax liability a credit in an amount specified on the taxpayer’s credit certificate. The first-year allocation of a credit amount to a taxpayer shall also be deemed an allocation of the same amount in each of the following four years.

* * *

* * * Vermont State Housing Authority; Powers * * *

Sec. 50. 24 V.S.A. § 4005 is amended to read:

§ 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT, MEMBERS, POWERS

* * *

(e) Notwithstanding any provision of law, no person, ~~domestic or foreign~~, shall be authorized to administer allocations of money under 42 U.S.C.A. § 1437a or 1437f or other federal statute authorizing rental subsidies for the benefit of persons of low or moderate income, except:

- (1) ~~a subcontractor of the State Authority; or~~
- (2) a State public body authorized by law to administer such allocations;
- (3) a person authorized to administer such allocations pursuant to an agreement with the State Authority; or
- (4) an organization, of which the State Authority is a promoter, member, associate, owner, or manager, that is authorized by a federal agency to administer such allocations in this State.

(f) In addition to the powers granted by this chapter, the State Authority shall have all the powers necessary or convenient for the administration of federal monies pursuant to subsection (e) of this section, including the power:

- (1) to enter into one or more agreements for the administration of federal monies;
- (2) to be a promoter, partner, member, associate, owner, or manager of any partnership, limited liability company, joint venture, association, trust, or other organization;
- (3) to conduct its activities, locate offices, and exercise the powers granted by this title within or outside this State;
- (4) to carry on a business in the furtherance of its purposes; and
- (5) to do all things necessary or convenient, consistent with law, to further the activities and affairs of the Authority.

* * * Tax Increment Financing Districts * * *

Sec. 51. 24 V.S.A. chapter 53, subchapter 5 is amended to read:

Subchapter 5. Tax Increment Financing

* * *

§ 1892. CREATION OF DISTRICT

* * *

(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district, ~~and the Vermont Economic Progress Council is not authorized to approve any additional tax increment financing districts even if one of the districts named in this subsection is terminated pursuant to subsection 1894(a) of this subchapter:~~

- (1) the City of Burlington, Downtown;
- (2) the City of Burlington, Waterfront;
- (3) the Town of Milton, North and South;
- (4) the City of Newport;
- (5) the City of Winooski;
- (6) the Town of Colchester;
- (7) the Town of Hartford;
- (8) the City of St. Albans;
- (9) the City of Barre; ~~and~~
- (10) the Town of Milton, Town Core; and
- (11) the City of South Burlington, New Town Center.

* * *

§ 1894. POWER AND LIFE OF DISTRICT

* * *

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

* * *

(f) Equal share required. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), no more than 75 percent of the State property tax increment and no less than an equal percent, plus five percent, of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.

* * *

Sec. 52. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
FINANCING DISTRICTS

* * *

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply up to 75 percent of the State education property tax increment, and not less than an equal share plus five percent of the municipal tax increment, as defined in 24 V.S.A. § 1896, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council

pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than two districts in a single county, and not more than an additional 14 districts in the State, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the 14-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the 14-district limit.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (3)(A) of this subsection, the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall not approve any additional districts on or after July 1, 2024.

* * *

(h) Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

(1) Review each application to determine that the ~~new real property~~ proposed infrastructure improvements and the proposed development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(B) how the proposed development components and size would differ, if at all, without education property tax increment financing, including, if applicable to the development, the number of units of affordable housing, as defined in 24 V.S.A. § 4303; and

(C) the amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that shall be paid to the education fund; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.

(2) Process requirements. Determine that each application meets all of the following four requirements:

(A) The municipality held public hearings and established a tax increment financing district in accordance with 24 V.S.A. §§ 1891-1900.

(B) The municipality has developed a tax increment financing district plan, including: a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; a statement and demonstration that the project would not proceed without the allocation of a tax increment; evidence that the municipality is actively seeking or has obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements.

(C) The municipality has approved or pledged the utilization of incremental municipal tax revenues for purposes of the district in the same proportion as the utilization of education property tax revenues approved by the Vermont Economic Progress Council for the tax increment financing district.

(D) The proposed infrastructure improvements and the projected development or redevelopment are compatible with approved municipal and regional development plans, and the project has clear local and regional significance for employment, housing, and transportation improvements.

(3) Location criteria. Determine that each application meets one of the following criteria:

(A) The development or redevelopment is compact, high density, and

located in or near existing industrial areas.

(B) The proposed district is within an approved growth center, designated downtown, designated village center, ~~or~~ new town center, or neighborhood development area.

(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the ~~area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values~~ municipality in which the area is located has at least one of the following:

(i) a median family income that is 80 percent or less of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data is available;

(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or

(iii) a median sales price for residential properties under six acres that is 80 percent or less than the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least ~~three~~ two of the following ~~five~~ four criteria:

~~(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.~~

~~(B) The development includes new or rehabilitated affordable housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. "Affordable" has the same meaning as in 10 V.S.A. § 6001(29), as defined in 24 V.S.A. § 4303.~~

~~(C)~~(B) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, "brownfield" means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

~~(D)~~(C) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the department of

labor.

~~(E)~~(D) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

* * *

* * * Effective Dates * * *

Sec. 53. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Notwithstanding 1 V.S.A. § 214, Sec. 7 (annual update of income tax link to the IRC) shall take effect retroactively on January 1, 2016 and apply to taxable years beginning on and after January 1, 2016.

(2) Notwithstanding 1 V.S.A. § 214, Sec. 8 (estate tax) shall take effect retroactively on January 1, 2016.

(3) Sec. 11 (3 V.S.A. chapter 10) shall take effect on passage, except for 3 V.S.A. § 242, which shall take effect when the VCIC has been authorized in statute to subscribe to the FBI Rap Back program.

(4) Secs. 12–13 (break-open tickets) shall take effect on September 1, 2017, except the first quarter for which nonprofit organizations shall be required to comply with 31 V.S.A. § 1203(f) shall be the fourth quarter of 2017.

(5) Secs. 16–17 (transferring employer assessment from the Department of Labor to the Department of Taxes) and 27(5) shall take effect on January 1, 2018 with the return of the fourth quarter of 2017 being due on January 25, 2018.

(6) Sec. 19 (sales tax exemption for aircraft) shall take effect on July 1, 2017.

(7) Notwithstanding 1 V.S.A. § 214, Sec. 20 (use tax reporting) shall take effect retroactively on January 1, 2017 and apply to returns filed for tax year 2017 and after.

(8) Notwithstanding 1 V.S.A. § 214, Sec. 22 (third party settlement network reporting requirements) shall take effect retroactively on January 1, 2017 and apply to taxable year 2017 and after.

(9) Sec. 23 (additional noncollecting vendor reporting requirements) shall take effect on July 1, 2017.

(10) Secs. 27–29 (property tax appeals) and 30 (premium tax credit) shall take effect on July 1, 2017.

(11) Secs. 31–50 (economic development provisions) shall take effect on July 1, 2017.

(12) Secs. 51 and 52 (tax increment financing districts) shall take effect on passage and shall apply only to tax increment financing district applications filed, and districts approved, on or after the date of passage of this act.

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

Rep. Ancel of Calais
Rep. Young of Glover
Rep. Baser of Bristol

Orders of the Day Interrupted

Rep. Turner of Milton moved to interrupt orders of the day for the purposes of a bill introduction which was agreed to.

Senate Bill Referred

S. 100

Senate bill, entitled

An act relating to promoting affordable and sustainable housing

Was read and referred to the committee on Ways and Means.

Committee of Conference Appointed

S. 16

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

An act relating to expanding patient access to the Medical Marijuana Registry

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

Rep. Pugh of South Burlington
Rep. Haas of Rochester
Rep. McFaun of Barre Town

Rules Suspended; Bills Messaged to Senate Forthwith

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

H. 506

House bill, entitled

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

H. 509

House bill, entitled

An act relating to calculating statewide education tax rates

H. 512

House bill, entitled

An act relating to the procedure for conducting recounts

H. 516

House bill, entitled

An act relating to miscellaneous tax changes

S. 10

Senate bill, entitled

An act relating to liability for the contamination of potable water supplies

S. 72

Senate bill, entitled

An act relating to requiring telemarketers to provide accurate caller identification information

Adjournment

At eleven o'clock and forty-six minutes in the evening, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.

Thursday, May 4, 2017

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

Devotional Exercises

Devotional exercises were conducted by Rev. Craig Bensen, Vermont Coordinator, National Day of Prayer, Cambridge, VT.

Bill Ordered to Lie**H. 219**

House bill, entitled

An act relating to the Vermont spaying and neutering program

Having appeared on the Calendar one day for notice, was taken up and pending the question, Will the House concur in Senate proposal of amendment, on motion of **Rep. Bartholomew of Hartland**, the bill was ordered to lie.

Third Reading; Bill Passed in Concurrence with Proposal of Amendment

S. 34

Senate bill, entitled

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

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

**Second Reading, Proposal of Amendment Agreed to;
Third Reading Ordered**

S. 135

Rep. Botzow of Pownal, for the committee on Commerce and Economic Development, to which had been referred Senate bill, entitled

An act relating to promoting economic development

Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Employment Growth Incentive Program * * *

Sec. A.1. 32 V.S.A. chapter 105 is amended to read:

**CHAPTER 105. VERMONT EMPLOYMENT GROWTH
INCENTIVE PROGRAM**

* * *

§ 3332. APPLICATION; APPROVAL CRITERIA

(a) Application.

(1) A business may apply for an incentive in one or more years of an award period by submitting an application to the Council in the format the Council specifies for that purpose.

(2) For each award year the business applies for an incentive, the business shall:

(A) specify a payroll performance requirement;

(B) specify a jobs performance requirement or a capital investment performance requirement, or both; and

(C) provide any other information the Council requires to evaluate

the application under this subchapter.

(b) Mandatory criteria. The Council shall not approve an application unless it finds:

(1) Except as otherwise provided for an enhanced incentive for a business in a qualifying labor market area under section 3334 of this title, the new revenue the proposed activity ~~generates~~ would generate to the State ~~exceeds~~ would exceed the costs of the activity to the State.

(2) The host municipality welcomes the new business.

(3) The Pursuant to a self-certification or other documentation the Council requires by rule or procedure, the business attests to the best of its knowledge:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree;

(B) the business complies with applicable State laws and regulations; and

(C) the proposed economic activity ~~conforms~~ would conform to applicable town and regional plans and with applicable State laws and regulations.

(4) If the business proposes to expand within a limited local market, an incentive would not give the business an unfair competitive advantage over other Vermont businesses in the same or similar line of business and in the same limited local market.

(5) But for the incentive, the proposed economic activity:

(A) would not occur; or

(B) would occur in a significantly different manner that is significantly less desirable to the State.

* * *

§ 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING LABOR MARKET AREA

(a) The Council may increase the value of an incentive for a business that is located in a labor market area in which:

(1) the average annual unemployment rate is greater than the average annual unemployment rate for the State; or

(2) the average annual wage is less than the average annual wage for the

State.

(b) In each calendar year, the amount by which the Council may increase the value of all incentives pursuant to this section is:

- (1) \$1,500,000.00 for one or more initial approvals; and
- (2) \$1,000,000.00 for one or more final approvals.

(c) The Council may increase the cap imposed in subdivision (b)(2) of this section by not more than \$500,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee.

(d) In evaluating the Governor's request, the Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections.

(e) The Council shall provide the Committee with testimony, documentation, company-specific data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

(f) The purpose of the enhanced incentive for a business in a qualifying labor market area is to increase job growth in economically disadvantaged regions of the State, as provided in subsection (a) of this section.

§ 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
TECHNOLOGY BUSINESS

(a) As used in this section, an "environmental technology business" means a business that:

- (1) is subject to income taxation in Vermont; and
- (2) seeks an incentive for economic activity in Vermont that the Secretary of Commerce and Community Development certifies is primarily research, design, engineering, development, or manufacturing related to one or more of the following:
 - (A) waste management, including waste collection, treatment, disposal, reduction, recycling, and remediation;
 - (B) natural resource protection and management, including water and wastewater purification and treatment, air pollution control and prevention or remediation, soil and groundwater protection or remediation, and hazardous waste control or remediation;
 - (C) energy efficiency or conservation;
 - (D) clean energy, including solar, wind, wave, hydro, geothermal,

hydrogen, fuel cells, waste-to-energy, or biomass.

(b) The Council shall consider and administer an application from an environmental technology business pursuant to the provisions of this subchapter, except that:

(1) the business's potential share of new revenue growth shall be 90 percent; and

(2) to calculate qualifying payroll, the Council shall:

(A) determine the background growth rate in payroll for the applicable business sector in the award year;

(B) multiply the business's full-time payroll for the award year by 20 percent of the background growth rate; and

(C) subtract the product from the payroll performance requirement for the award year.

(c) The purpose of the enhanced incentive for an environmental technology business is to promote the growth of businesses in Vermont that both create and sustain high quality jobs and improve the natural environment.

* * *

§ 3338. CLAIMING AN INCENTIVE; ANNUAL FILING WITH
DEPARTMENT OF TAXES

(a) On or before April 30 following each year of the utilization period, a business with an approved application shall submit an incentive claim to the Department of Taxes.

(b) A business shall include:

(1) the information the Department requires, including the information required in section 5842 of this title and other documentation concerning payroll, jobs, and capital investment necessary to determine whether the business earned the incentive specified for an award year and any installment payment for which the business is eligible; and

(2) a self-certification or other documentation the Department requires by rule or procedure, by which the business attests to the best of its knowledge that:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree; and

(B) the business complies with applicable State laws and regulations.

(c) The Department may consider an incomplete claim to be timely filed if the business files a complete claim within the additional time allowed by the Department in its discretion.

(d) Upon finalizing its review of a complete claim, the Department shall:

(1) notify the business and the Council whether the business is entitled to an installment payment for the applicable year; and

(2) make an installment payment to which the business is entitled.

(e) The Department shall not pay interest on any amounts it holds or pays for an incentive or installment payment pursuant to this subchapter.

§ 3339. RECAPTURE; REDUCTION; REPAYMENT

(a) Recapture.

(1) The Department of Taxes may recapture the value of one or more installment payments a business has claimed, with interest, if:

(A) the business fails to file a claim as required in section 3338 of this title; ~~or~~

(B) during the utilization period, the business experiences:

(i) a 90 percent or greater reduction from base employment; or

(ii) if it had no jobs at the time of application, a 90 percent or greater reduction from the sum of its job performance requirements; or

(C) the Department determines that during the application or claims process the business knowingly made a false attestation that the business:

(i) was not a named party to, or was in compliance with, an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State; or

(ii) was in compliance with State laws and regulations.

(2) If the Department determines that a business is subject to recapture under subdivision (1) of this subsection, the business becomes ineligible to earn or claim an additional incentive or installment payment for the remainder of the utilization period.

(3) Notwithstanding any other statute of limitations, the Department may commence a proceeding to recapture amounts under subdivision (1) of this subsection as follows:

(A) under subdivision (1)(A) of this subsection, no later than three years from the last day of the utilization period; and

(B) under subdivision (1)(B) of this subsection, no later than three

years from date the business experiences the reduction from base employment, or three years from the last day of the utilization period, whichever occurs first.

(b) Reduction; recapture. If a business fails to make capital investments that equal or exceed the sum of its capital investment performance requirements by the end of the award period:

(1) The Department shall:

(A) calculate a reduced incentive by multiplying the combined value of the business's award period incentives by the same proportion that the business's total actual capital investments bear to the sum of its capital investment performance requirements; and

(B) reduce the value of any remaining installment payments for which the business is eligible by the same proportion.

(2) If the value of the installment payments the business has already received exceeds the value of the reduced incentive, then:

(A) the business becomes ineligible to claim any additional installment payments for the award period; and

(B) the Department shall recapture the amount by which the value of the installment payments the business has already received exceeds the value of the reduced incentive.

(c) Tax liability.

(1) A person who has the duty and authority to remit taxes under this title shall be personally liable for an installment payment that is subject to recapture under this section.

(2) For purposes of this section, the Department of Taxes may use any enforcement or collection action available for taxes owed pursuant to chapter 151 of this title.

* * *

§ 3341. CONFIDENTIALITY OF ~~PROPRIETARY~~ BUSINESS INFORMATION

(a) ~~The Vermont Economic Progress Council and the Department of Taxes shall use measures to protect proprietary financial information, including reporting information in an aggregate form.~~

(b) ~~Information~~ Except for information required to be reported under section 3340 of this title or as provided in this section, information and materials submitted by a business concerning its income taxes and other confidential financial information shall not be subject to public disclosure under the State's public records law in 1 V.S.A. chapter 5, but shall be to the

Vermont Economic Progress Council, or business-specific data generated by the Council as part of its consideration of an application under this subchapter, that is not otherwise publicly disclosed, is exempt from public inspection and copying under the Public Records Act and shall be kept confidential. Records related to incentive claims under this chapter that are produced or acquired by the Department of Taxes are confidential returns or return information and are subject to the provisions of section 3102 of this title.

(b)(1) The Council shall disclose information and materials described in subsection (a) of this section:

(A) to the Joint Fiscal Office or its agent upon authorization of the Joint Fiscal Committee or a standing committee of the General Assembly, and shall also be available; and

(B) to the Auditor of Accounts in connection with the performance of duties under section 163 of this title; provided, however, that the

(2) The Joint Fiscal Office or its agent and the Auditor of Accounts shall not disclose, directly or indirectly, to any person any proprietary business information or any information that would identify a business materials received under this subsection except in accordance with a judicial order or as otherwise specifically provided unless authorized by law.

(c) Nothing in this section shall be construed to prohibit the publication of statistical information, rulings, determinations, reports, opinions, policies, or other information so long as the data are disclosed in a form that cannot identify or be associated with a particular business.

* * *

* * * VEGI; Confidentiality * * *

Sec. A.2. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than \$1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, he or she shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

* * *

(d) The Commissioner shall disclose a return or return information:

* * *

(5) to the Attorney General, if such return or return information relates

to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19, subchapters 1A and 1B;

(6) to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed is reasonably necessary for the Council to perform its duties under that subchapter.

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(11) To the Joint Fiscal Office or its agent, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Joint Fiscal Office or its agent to perform the duties authorized by the Joint Fiscal Committee or a standing committee of the General Assembly under that subchapter; to the Auditor of Accounts for the performance of duties under section 163 of this title; and to the Department of Economic Development for the purposes of subsection 5922(f) of this title; ~~and to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Council to perform its duties under that subchapter.~~

* * *

* * * Rural Economic Development Infrastructure Districts * * *

Sec. B.1. 24 V.S.A. chapter 138 is added to read:

CHAPTER 138. RURAL ECONOMIC DEVELOPMENT
INFRASTRUCTURE DISTRICTS

§ 5701. PURPOSE

The purpose of this chapter is to enable formation of special municipal districts to finance, own, and maintain infrastructure that provides economic development opportunities in rural and underresourced areas of the State, including areas within one or more municipalities. Specifically, this chapter provides mechanisms for public and private partnerships, including opportunities for tax-incentivized financing and voluntary citizen engagement, to help overcome density and economic hardship.

§ 5702. ESTABLISHMENT; GENERAL PROVISIONS

(a) Establishment. Upon written application by 20 or more voters within a proposed district or upon its own motion, the legislative body of a municipality may establish a rural economic development infrastructure district. The application shall describe the infrastructure to be built or acquired; the plan for financing its acquisition; the anticipated economic benefit; the source of revenues for loan, bond, or lease payments; and plans for retention and disbursement of excess revenues, if any. The application also shall clearly state that the proposed district shall not have authority to levy taxes upon the grand list and may not levy service charges or fees upon any underlying municipality except for services used by such municipality, its own officers, and employees in the operation of municipal functions. Notice of establishment of a district shall be recorded as provided in subsection (e) of this section, posted in at least three public places within the municipality for at least 30 days, and published in a newspaper of general circulation within the municipality not more than 10 days from the date of establishment by the legislative body. Following 40 days from the later of the date of establishment by the legislative body of the municipality or an affirmative vote under subdivision (d)(1) or (2) of this section, the district shall be deemed to be a body politic and corporate, capable of exercising those powers and prerogatives explicitly granted by the legislative body of the municipality in accordance with this chapter and the district's establishment application.

(b) Districts involving more than one municipality. Where the limits of a proposed district include two or more municipalities, or portions of two or more municipalities, the application required by this section shall be made to and considered by the legislative body of each such municipality.

(c) Alteration of district limits. The legislative body of a municipality in which a district is located may alter the limits of a district upon application to the governing board of the district, provided the governing board gives prior written consent. A district expansion need not involve contiguous property. Notice of an alteration of the limits of a district shall be recorded as provided in subsection (e) of this section, posted in at least three public places within the municipality for at least 30 days, and published in a newspaper of general circulation within the municipality not more than 10 days from the date of the legislative body's decision to alter the limits of a district.

(d)(1) Contestability. If a petition signed by five percent of the voters of the municipality objecting to the proposed establishment or alteration of limits of a district is presented to the municipal clerk within 30 days of the date of posting and publication of the notice required by subsection (a) or (c) of this section, as applicable, the legislative body of the municipality shall cause the question of whether the municipality shall establish or alter the limits of the district to be considered at a meeting called for that purpose. The district shall

be established in accordance with the application or the limits altered unless a majority of the voters of the municipality present and voting votes to disapprove such establishment or alteration of limits.

(2) If a petition signed by five percent of the voters of the municipality objecting to a legislative body's decision denying the establishment or the alteration of limits of a district is presented to the municipal clerk within 30 days of the legislative body's decision, the legislative body shall cause the question of whether the municipality shall establish or alter the limits of the district to be considered at an annual or special meeting called for that purpose.

(e) Recording. A record of the establishment of a district and any alteration of district limits made by a legislative body shall be filed with the clerk of each municipality in which the district is located, and shall be recorded with the Secretary of State.

§ 5703. LIMITATIONS; TAXES; INDEBTEDNESS; EMINENT DOMAIN

Notwithstanding any grant of authority in this chapter to the contrary:

(1) A district shall not accept funds generated by the taxing or assessment power of any municipality in which it is located.

(2) 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 underlying municipalities, without specific authorization of the General Assembly.

(3) All obligations of the district, including financing leases, shall be secured by and payable only out of the assets of or revenues or monies in the district, including revenue generated by an enterprise owned or operated by the district.

(4) A district shall not have powers of eminent domain.

§ 5704. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

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

(b) Composition. The first governing board of the district shall consist of four to eight members appointed in equal numbers by the legislative bodies of the underlying municipalities. It shall draft the district's bylaws specifying the size, composition, quorum requirements, and manner of appointing members to the permanent governing board. The bylaws shall require that a majority of the board shall be appointed annually by the legislative bodies of the underlying municipalities. Board members shall serve staggered, three-year

terms, and shall be eligible to serve successive terms. The legislative bodies of the municipalities in which the district is located shall fill board vacancies, and may remove board members at will. Any bylaws developed by the governing board under this subsection shall be submitted for approval to the legislative bodies of the municipalities within the district and shall be considered duly adopted 45 days from the date of submission, provided none of the legislative bodies disapprove of the bylaws.

(c) First meeting. The first meeting of the district shall be called upon 30 days' posted and published notice by a presiding officer of a legislative body in which the district is located. Voters within a municipality in which the district is located are eligible to vote at annual and special district meetings. At the first meeting of the district, and at each subsequent annual meeting, there shall be elected from among board members a chair, vice chair, clerk, and treasurer who shall assume their respective offices upon election. At the first meeting, the fiscal year of the district shall be established and rules of parliamentary procedure shall be adopted. Prior to assuming their offices, officers may be required to post bond in such amounts as determined by resolution of the board. The cost of such bond shall be borne by the district.

(d) Annual and special meetings. Unless otherwise established by the voters, the annual district meeting shall be held on the second Monday in January and shall be warned by the clerk or, in the clerk's absence or neglect, by a member of the board. Special meetings shall be warned in the same manner on application in writing by five percent of the voters of the district. A warning for a district meeting shall state the business to be transacted. The time and place of holding the meeting shall be posted in two or more public places in the district not more than 40 days nor less than 30 days before the meeting and recorded in the office of the clerk before the same is posted.

(e) Annual report. The district shall report annually to the legislative bodies and the citizens of the municipalities in which the district is located on the results of its activities in support of economic growth, job creation, improved community efficiency, and any other benefits incident to its activities.

§ 5705. OFFICERS

(a) Generally. The district shall elect at its first meeting and at each annual meeting thereafter a chair, vice chair, clerk, and treasurer, who shall hold office until the next annual meeting and until others are elected. The board may fill a vacancy in any office.

(b) Chair. The chair shall preside at all meetings of the board and 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) Vice chair. 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 given to or imposed upon the chair. 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 members an acting vice chair who shall have the powers and be subject to all the responsibilities given or imposed upon the vice chair.

(d) Clerk. The clerk shall keep a record of the meetings, votes, and proceedings of the district for the inspection of its inhabitants.

(e) Treasurer. The treasurer of the district shall be appointed by the board, and shall serve at its pleasure. 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 warrants are 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 made. 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 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. Upon the treasurer's termination from office by virtue of removal or resignation, the treasurer shall immediately pay over to his or her successor all of the funds belonging to the district and at the same time deliver to the successor all official books and papers.

§ 5706. 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. The results of the audit shall be provided to the governing board and to the legislative bodies of the municipalities in which the district is located.

§ 5707. 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.

§ 5708. DISTRICT POWERS

A district created under this chapter has the power to:

(1) exercise independently and in concert with other municipalities any other powers which are necessary or desirable for the installation, ownership, operation, maintenance, and disposition of infrastructure promoting economic development in rural areas and matters of mutual concern and that are exercised or are capable of exercise by any of its members;

(2) enter into municipal financing agreements as provided by sections 1789 and 1821-1828 of this title, or other provisions authorizing the pledge of district assets or net revenue, or alternative means of financing capital improvements and operations;

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

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

(5) operate, cause to be operated, or contract for the construction, ownership, management, financing, and operation of an enterprise which a municipal corporation is authorized by law to undertake;

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

(7) contract with individuals, corporations, associations, authorities, and agencies for services and property, including the assumption of the liabilities and assets thereof, provided that no assumed liability shall be a general obligation of a municipality in which the district is located;

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

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

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

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

(12) sue and be sued; provided, however, that the property and assets of the district, other than such property as may be pledged as security for a district

obligation, shall be subject to levy, execution, or attachment;

(13) appropriate and expend monies; provided, however, that no appropriation shall be funded or made in reliance upon any taxing authority of the district;

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

(15) establish capital reserve funds and make deposits in them;

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

(17) enter into an interstate compact consistent with the purposes of this chapter, subject to the approval of the Vermont General Assembly and the United States Congress;

(18) develop a public sewer or water project, provided the legislative body and the planning commission for the municipality in which the sewer or water project is proposed to be located confirm in writing that such project conforms with any duly adopted municipal plan, and the regional planning commission confirms in writing that such project conforms with the duly adopted regional plan;

(19) exercise all powers incident to a public corporation, but only to the extent permitted in this chapter;

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

(21) make, establish, alter, amend, or repeal ordinances, regulations, and bylaws relating to matters contained in this chapter and not inconsistent with law.

§ 5709. DISSOLUTION

(a) If the board by resolution approved by a two-thirds vote 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 district assets or 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 of

them. 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 of them;

(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.

* * * Public Retirement * * *

Sec. C.1. THE GREEN MOUNTAIN SECURE RETIREMENT PLAN

(a) The State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the "Green Mountain Secure Retirement Plan."

(b) The Plan shall be designed and implemented based upon the following guiding principles:

(1) Simplicity: the Plan should be easy for participants to understand.

(2) Affordability: the Plan should be administered to maximize cost effectiveness and efficiency.

(3) Ease of access: the Plan should be easy to join.

(4) Trustworthy oversight: the Plan should be administered by an organization with unimpeachable credentials.

(5) Protection from exploitation: the Plan should protect its participants, particularly the elderly, from unscrupulous business practices and individuals.

(6) Portability: the Plan should not depend upon employment with a specific firm or organization.

(7) Choice: the Plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce analysis paralysis.

(8) Voluntary: the Plan should not be mandatory but autoenrollment should be used to increase participation.

(9) Financial education and financial literacy: the Plan should assist the individual in understanding their financial situation.

(10) Sufficient savings: the Plan should encourage adequate savings in retirement combined with existing pension savings and Social Security.

(11) Additive not duplicative: the Plan should not compete with existing private sector solutions.

(12) Use of pretax dollars: contributions to the Plan should be made using pretax dollars.

(c) The Plan shall:

(1) be available on a voluntary basis to:

(A) employers:

(i) with 50 employees or fewer; and

(ii) who do not currently offer a retirement plan to their employees; and

(B) self-employed individuals;

(2) automatically enroll all employees of employers who choose to participate in the MEP;

(3) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(4) be funded by employee contributions with an option for future voluntary employer contributions; and

(5) be overseen by a board:

(A) that shall:

- (i) set program terms;
- (ii) prepare and design plan documents; and
- (iii) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services; and

(B) that shall be composed of seven members as follows:

(i) an individual with investment experience, to be appointed by the Governor;

(ii) an individual with private sector retirement plan experience, to be appointed by the Governor;

(iii) an individual with investment experience, to be appointed by the State Treasurer;

(iv) an individual who is an employee or retiree, to be appointed by the State Treasurer;

(v) an individual who is an employee advocate or consumer advocate, to be appointed by the Speaker of the House;

(vi) an individual who is an employer with 50 employees or fewer and who does not offer a retirement plan to his or her employees, to be appointed by the Committee on Committees; and

(vii) the State Treasurer, who shall serve as chair.

(C) that shall, on or before January 15, 2020, and every year thereafter, report to the House and Senate Committees on Government Operations concerning the Green Mountain Secure Retirement Plan, including:

(i) the number of employers and self-employed individuals participating in the plan;

(ii) the total number of individuals participating in the plan;

(iii) the number of employers and self-employed individuals who are eligible to participate in the plan but who do not participate;

(iv) the number of employers and self-employed individuals, and the number of employees of participating employers, who have ended their participation during the preceding twelve months;

(v) the total amount of funds contributed to the Plan during the preceding twelve months;

(vi) the total amount of funds withdrawn from the Plan during the preceding twelve months;

- (vii) the total funds or assets under management by the Plan;
- (viii) the average return during the preceding twelve months;
- (ix) the costs of administering the Plan;
- (x) the Board's assessment concerning whether the Plan is sustainable and viable;
- (xi) once the marketplace is established:
 - (I) the number of individuals participating;
 - (II) the number and nature of plans offered; and
 - (III) the Board's process and criteria for vetting plans; and
- (xii) any other information the Board considers relevant, or that the Committee requests.

(D) for attendance at meetings, members of the Board who are not employees of the State of Vermont, and who are not otherwise compensated by their employer or other organization, shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

(d) The State of Vermont shall implement the "Green Mountain Secure Retirement Plan" on or before January 15, 2019, based on the recommendations of the Public Retirement Plan Study Committee as set forth in Sec. F.1 of 2016 Acts and Resolves, No. 157.

Sec. C.2. 2016 Acts and Resolves No. 157, Sec. F.1 is amended to read:

Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF
ESTABLISHING A PUBLIC RETIREMENT PLAN

(a) Creation of Committee.

(1) There is created a the Public Retirement Plan Study Committee to evaluate the feasibility of establishing a public retirement plan.

(2) It is the intent of the General Assembly that the Committee continue the work of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop specific recommendations concerning the design, creation, and implementation of the Multiple Employer Plan (MEP), pursuant to Sec. C.1 of S.135 (2017) as enacted and as set forth in the January 6, 2017 report issued by the Committee.

(b) Membership.

(1) The Public Retirement Plan Study Committee shall be composed of

eight members as follows:

- (A) the State Treasurer or designee;
- (B) the Commissioner of Labor or designee;
- (C) the Commissioner of Disabilities, Aging, and Independent Living or designee;
- (D) an individual with private sector experience in the area of providing retirement products and financial services to small businesses, to be appointed by the Speaker;
- (E) an individual with experience or expertise in the area of the financial needs of an aging population, to be appointed by the Committee on Committees;
- (F) an individual with experience or expertise in the area of the financial needs of Vermont youth or young working adults, to be appointed by the Treasurer;
- (G) a representative of employers, to be appointed by the Speaker; and
- (H) a representative of employees who currently lack access to employer-sponsored retirement plans, to be appointed by the Committee on Committees.

(2) Unless another appointee is specified pursuant to the authority granted under subdivision (1) of this subsection, the members of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, shall serve as the members of the Committee created pursuant to this section.

(c) Powers and duties.

(1)(A) The Committee shall ~~study the feasibility of establishing a~~ develop specific recommendations concerning the design, creation, and implementation time line of the Multiple Employer Plan (MEP) public retirement plan, including the following pursuant to Sec. C.1 of S.135 (2017) as enacted, which shall:

(i) ~~the access Vermont residents currently have to employer-sponsored retirement plans and the types of employer sponsored retirement plans;~~

(ii) ~~data and estimates on the amount of savings and resources Vermont residents will need for a financially secure retirement;~~

~~(iii) data and estimates on the actual amount of savings and resources Vermont residents will have for retirement, and whether those savings and resources will be sufficient for a financially secure retirement;~~

~~(iv) current incentives to encourage retirement savings, and the effectiveness of those incentives;~~

~~(v) whether other states have created a public retirement plan and the experience of those states;~~

~~(vi) whether there is a need for a public retirement plan in Vermont;~~

~~(vii) whether a public retirement plan would be feasible and effective in providing for a financially secure retirement for Vermont residents;~~

~~(viii) other programs or incentives the State could pursue in combination with a public retirement plan, or instead of such a plan, in order to encourage residents to save and prepare for retirement; and be available on a voluntary basis to:~~

(I) employers:

(aa) with 50 employees or fewer; and

(bb) who do not currently offer a retirement plan to their employees; and

(II) self-employed individuals;

(ii) automatically enroll all employees of employers who choose to participate in the MEP;

(iii) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(iv) be funded by employee contributions with an option for future voluntary employer contributions; and

(v) be overseen by a board that shall:

(I) set programs terms;

(II) prepare and design plan documents; and

(III) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services.

~~(B) if the Committee determines that a public retirement plan is necessary, feasible, and effective, the Committee shall study:~~

~~(i) potential models for the structure, management, organization, administration, and funding of such a plan;~~

~~(ii) how to ensure that the plan is available to private sector employees who are not covered by an alternative retirement plan;~~

~~(iii) how to build enrollment to a level where enrollee costs can be lowered;~~

~~(iv) whether such a plan should impose any obligation or liability upon private sector employers; The Committee, and thereafter the board that will oversee the MEP, shall study and make specific recommendations concerning:~~

(i) options to provide access to retirement plans to individuals who are not eligible to participate in, or choose not to participate in, the MEP public retirement plan, including alternative plans and options vetted by the board that shall oversee the MEP, and which private sector plans and options shall be provided through a marketplace implemented no earlier than one year after the MEP begins;

(ii) options for paying for the costs of administering the MEP for the period during which program costs may exceed revenues, including allowing financial service providers to subsidize costs in exchange for longer term contracts;

(iii) if after three years there remain significant numbers of Vermonters who are not covered by a retirement plan, methods to increase participation in the MEP; and

(iv) any other issue the Committee deems relevant.

(2) The Committee shall:

(A) continue monitoring U.S. Department of Labor guidance concerning State Savings Programs for Non-Governmental Employees regarding ERISA rules and other pertinent areas of analysis;

(B) further analyze the relationship between the role of states and the federal government; and

(C) continue its collaboration with educational institutions, other states, and national stakeholders.

(3) The Committee shall have the assistance of the staff of the Office of the Treasurer, the Department of Labor, and the Department of Disabilities, Aging, and Independent Living.

(d) Report. On or before January 15, 2018, the Committee shall report to the General Assembly its findings and ~~any~~ recommendations ~~for legislative action~~. In its report, the Committee shall state its findings as to every factor set forth in ~~subdivision~~ subdivisions (c)(1)(A) ~~of this section, whether it~~

~~recommends that a public retirement plan be created, and the reasons for that recommendation. If the Committee recommends that a public retirement plan be created, the Committee's report shall include specific recommendations as to the factors listed in subdivision and (c)(1)(B) of this section.~~

(e) Meetings; term of Committee; Chair. The Committee may meet as frequently as necessary to perform its work and shall cease to exist on January 15, 2018. The State Treasurer shall serve as Chair of the Committee and shall call the first meeting.

(f) Reimbursement. For attendance at meetings, members of the Committee who are not employees of the State of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

* * * Workers' Compensation; VOSHA * * *

Sec. D.1. 21 V.S.A. § 210 is amended to read:

§ 210. PENALTIES

(a) Upon issuance of a citation under this chapter, the Review Board is authorized to assess civil penalties for grounds provided in this subsection. In assessing civil penalties, the Review Board shall follow to the degree practicable the federal procedures prescribed in rules ~~promulgated~~ adopted under the Act. The Review Board shall give due consideration to the appropriateness of the penalty with respect to the size of the business or operation of the employer being assessed, the gravity of the violation, the good faith of the employer, and the history of previous violations. Civil penalties shall be paid to the Commissioner for deposit with the State Treasurer, and may be recovered in a civil action in the name of the State of Vermont brought in any court of competent jurisdiction. The Commissioner shall not reduce the assessed penalties in any fiscal year by more than 50 percent.

(1) Any employer who willfully or repeatedly violates the requirements of this Code or any standard; or rule adopted, or order ~~promulgated~~ issued pursuant to this Code ~~or regulations prescribed pursuant to this Code~~ may be assessed a civil penalty of not more than ~~\$70,000.00~~ \$126,749.00 for each violation, but not less than \$5,000.00 for each willful violation.

(2) Any employer who has received a citation for a serious violation of the requirements of this Code, or any standard; or rule adopted, or order ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each violation.

(3) Any employer who has received a citation for a violation of the

requirements of this Code, or any standard, or rule adopted, or order ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant to this Code, and such violation~~ if the violation is specifically determined not to be of a serious nature, may be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each such violation.

(4) Any employer who fails to correct a violation for which a citation has been issued within the period permitted for its correction, which period shall not begin to run until the date of the final order of the Review Board, in the case of any review proceeding under section 226 of this title initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a civil penalty of not more than ~~\$7,000.00~~ \$12,675.00 for each day during which the failure or violation continues.

(5) Any employer who willfully violates any standard, or rule adopted, or order ~~promulgated~~ issued pursuant to this Code, and that violation caused death to any employee, shall, upon conviction, be punished by a fine of not more than ~~\$20,000.00~~ \$126,749.00 or by imprisonment for not more than one year, or by both.

* * *

(8) Any employer who violates any of the posting requirements, as prescribed under the provisions of this Code, shall be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each violation.

(9)(A) As provided under the federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and the Act, the penalties provided in subdivisions (1), (2), (3), (4), (5), and (8) of this subsection shall annually, on January 1, be adjusted to reflect the increase in the Consumer Price Index, CPI-U, U.S. City Average, not seasonally adjusted, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous December 1.

(B) The Commissioner shall calculate and publish the adjustment to the penalties on or before January 1 of each year, and the penalties shall apply to fines imposed on or after that date.

* * *

Sec. D.2. 21 V.S.A. § 711 is amended to read:

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

(a) A Workers' Compensation Administration Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the administration of the workers' compensation and occupational disease programs. The Fund shall consist of contributions from employers made at a rate of ~~1.75~~ 1.4 percent of the direct calendar year premium for workers' compensation insurance, one percent of self-insured workers' compensation

losses, and one percent of workers' compensation losses of corporations approved under this chapter. Disbursements from the Fund shall be on warrants drawn by the Commissioner of Finance and Management in anticipation of receipts authorized by this section.

* * *

* * * Workforce Development; Career Technical Education * * *

Sec. E.1. 10 V.S.A. § 540 is amended to read:

§ 540. ~~WORKFORCE EDUCATION AND TRAINING~~ DEVELOPMENT

LEADER

(a) The Commissioner of Labor shall be the leader of workforce ~~education and training~~ development in the State, and shall have the authority and responsibility for the coordination of workforce education and training within State government, including the following duties:

(1) Perform the following duties in consultation with the State Workforce Development Board:

(A) advise the Governor on the establishment of an integrated system of workforce education and training for Vermont;

(B) create and maintain an inventory of all existing workforce education and training programs and activities in the State;

(C) use data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;

(D) develop a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;

(E) ensure coordination and ~~non-duplication~~ nonduplication of workforce education and training activities;

(F) identify best practices and gaps in the delivery of workforce education and training programs;

(G) design and implement criteria and performance measures for workforce education and training activities; and

(H) establish goals for the integrated workforce education and training system.

(2) Require from each business, training provider, or program that receives State funding to conduct workforce education and training a report

that evaluates the results of the training. Each recipient shall submit its report on a schedule determined by the Commissioner and shall include at least the following information:

- (A) name of the person who receives funding;
- (B) amount of funding;
- (C) activities and training provided;
- (D) number of trainees and their general description, including the gender of the trainees when available;
- (E) employment status of trainees; and
- (F) future needs for resources.

(3) Review reports submitted by each recipient of workforce education and training funding.

(4) Issue an annual report to the Governor and the General Assembly on or before December 1 that includes a systematic evaluation of the accomplishments of the State workforce investment system and the performance of participating agencies and institutions.

(5) Coordinate public and private workforce programs to assure that information is easily accessible to students, employees, and employers; and that all information and necessary counseling is available through one contact.

(6) Facilitate effective communication between the business community and public and private educational institutions.

(7) Notwithstanding any provision of State law to the contrary, and to the fullest extent allowed under federal law, ensure that in each State and State-funded workforce education and training program, the program administrator collects and reports data and results at the individual level by Social Security Number or an equivalent.

(8) Coordinate within and across State government a comprehensive workforce development strategy that grows the workforce, recruits new workers to the State, and meets employers' workforce needs.

Sec. E.2. 10 V.S.A. § 543 is amended to read:

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

(a) Creation. There is created a the Workforce Education and Training Fund in the Department of Labor to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) Purposes. The Department shall use the Fund for the following purposes:

(1) training for Vermont workers, including those who are unemployed, underemployed, or in transition from one job or career to another;

(2) internships to provide students with work-based learning opportunities with Vermont employers;

(3) apprenticeship, preapprenticeship, and industry-recognized credential training; and

(4) other workforce development initiatives related to current and future job opportunities in Vermont as determined by the Commissioner of Labor.

(c) Administrative and other support. The Department of Labor shall provide administrative support for the grant award process. When appropriate and reasonable, the State Workforce ~~Investment~~ Development Board and all other public entities involved in economic development and workforce education and training shall provide other support in the process.

(d) Eligible activities.

(1) The Department, in collaboration with the Agency of Education when applicable, shall grant awards from the Fund to employers and entities, including private, public, and nonprofit entities, institutions of higher education, high schools, K–12 school districts, supervisory unions, technical centers, and workforce education and training programs that:

(A) create jobs, offer education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, career planning, or work-based learning activities, or any combination;

(B) employ student-oriented approaches to workforce education and training; and

(C) link workforce education and economic development strategies.

(2) The Department may fund programs or projects that demonstrate actual increased income and economic opportunity for employees and employers for more than one year.

(3) The Department may fund student internships and training programs that involve the same employer in multiple years, with approval of the Commissioner.

(e) [Repealed].

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce Development Board, shall develop award criteria and may

grant awards to the following:

(1) Training Programs.

(A) Public, private, and nonprofit entities, including employers and education and training providers, for existing or new training programs that enhance the skills of Vermont workers and:

(i) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;

(ii) do not duplicate, supplant, or replace other available training funded with public money;

(iii) provide a project timeline, including performance goals, and identify how the effectiveness and outcomes of the program will be measured, including for the individual participants, the employers, and the program as a whole; and

(iv) articulate the need for the training and the direct connection between the training and the job.

(B) The Department shall grant awards under this subdivision (1) to programs or projects that:

(i) offer innovative programs of intensive, student-centric, competency-based education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, or any combination of these;

(ii) address the needs of workers who are unemployed, underemployed, or are at risk of becoming unemployed, and workers who are in transition from one job or career to another;

(iii) address the needs of employers to hire new employees, or retrain incumbent workers, when the employer has demonstrated a need not within the normal course of business, with priority to training that results in new or existing job openings for which the employer intends to hire; or

(iv) in the discretion of the Commissioner, otherwise serve the purposes of this chapter.

(2) Vermont Strong Internship Program. Funding for eligible internship programs and activities under the Vermont Strong Internship Program established in section 544 of this title.

(3) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the

Department of Labor.

(4) Career Focus and Planning programs. In collaboration with the Agency of Education, funding for one or more programs that institute career training and planning for young Vermonters, beginning in middle school.

Sec. E.3. 3. V.S.A. § 2703 is added to read:

§ 2703. CAREER PATHWAYS COORDINATOR

(a) The Secretary of Administration shall have the authority to create the position of Career Pathways Coordinator within the Agency of Education.

(b) The Career Pathways Coordinator shall work under the direction of the State Director for Career Technical Education, and his or her duties shall include the following:

(1) serve as the inter-agency point person for the development of a State-approved Career Pathways System;

(2) convene stakeholders across the Department of Labor, the Agency of Commerce and Community Development, Agency of Education, Agency of Human Services, the Statewide Workforce Development Board, Career Technical Education, employers, postsecondary partners and related entities in order to create a series Career Pathways;

(3) curriculum development, stakeholder engagement, process documentation, and identification of key performance indicators, outcomes collection and reporting;

(4) engage statewide education, employer, and workforce organizations to co-develop statewide career pathways models and exemplars;

(5) identify target populations and entry points;

(6) review and develop competency models, required skill sets, and appropriate credentials at each step of a career pathway, in partnership with business and industry representatives;

(7) coordinate employer validation of competencies and pathways;

(8) develop targeted career ladders and lattices, including stackable skills and industry-recognized credentials;

(9) work with CTE Directors to design and endorse elements of Career Pathways;

(10) use labor market information and other relevant data to identify critical Career Pathways for the State; and

(11) advise the Career Technical Education Director on the funding.

governance, and access to career technical education in Vermont.

* * * Heating Fuel and Service Workforce Training Pilot Project * * *

Sec. E.4. HEATING FUEL AND SERVICE WORKFORCE TRAINING
PILOT PROJECT

(a) Findings and purpose.

(1) Vermont's heating fuel and heating service companies provide high-skill, high-demand jobs, many of which do not require a college degree but pay over \$20 per hour and include benefits.

(2) Vermont's heating fuel and heating service companies have a significant need for new employees. More than two-thirds of these companies report that there is a lack of qualified applicants for heating technician jobs, and more than half report a lack of qualified drivers.

(3) The purpose of this section is to create a partnership between the State and the industry to identify prospective employees, provide them with training and skills necessary for currently available jobs, and provide employers with a skilled workforce.

(b) The Department of Labor, in collaboration with the regional Career Technical Education and Training Centers and the Vermont Fuel Dealers Association, shall establish a Heating Fuel and Service Workforce Training Pilot Project, consistent with the following:

(1) The Department, CTE Centers, Adult Technical Education Providers, and the Association shall:

(A) advertise the availability of workforce training in the field of heating fuel and service;

(B) organize informational sessions, meetings, and other group and individual opportunities for prospective trainees and interested heating and fuel service companies to connect; and

(C) coordinate matches between trainees and employers.

(2) In the event of a successful match, the Department shall facilitate the negotiation and execution of training and employment agreements, pursuant to which:

(A) a prospective trainee agrees to pursue specified training, education, or certification necessary to meet the employer's workforce need;

(B) the Department agrees to provide educational and administrative support to the trainee and 50 percent of the cost of training; and

(C) the employer agrees to provide 50 percent of the cost of training and to employ the trainee upon the successful completion of training, passage of an examination, attainment of a required certification, or a combination of these.

(3) The Association, in collaboration with the CTE Centers and subject to approval by the Department, shall provide education and training that meet the needs of trainees and employers.

(c) The Department shall have the authority to use available private, State, and federal funding to implement the provisions of this section.

(d) On or before January 15, 2018, the Department shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development addressing the implementation of this section, the profile of trainees and employers that participated, and any recommendations for further action.

* * * CTE Dual Enrollment * * *

Sec. E.5. CTE DUAL ENROLLMENT MEMORANDA OF UNDERSTANDING

(a) Intent. The intent of this act is to expand the recognition of academic and technical course work completed by students in CTE programs by the University of Vermont and the Vermont State Colleges.

(b) Dual enrollment.

(1) Pursuant to 16 V.S.A. § 944(e), the Agency of Education shall assist the University of Vermont and the Vermont State Colleges in developing memoranda of understanding with each regional CTE center and each comprehensive high school, as defined in 16 V.S.A. § 1522, to facilitate dual enrollment under section 944.

(2) The University of Vermont and the Vermont State Colleges shall enter into memoranda of understanding, as developed with the Agency, with each regional CTE center.

(3) On or before January 15, 2018, the Secretary of Education shall provide a progress report on the status of the memoranda of understanding to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs.

Sec. F.1. BENEFIT CLIFF; REPORT

(a) The Commissioner for Children and Families, in consultation with the Joint Fiscal Office, shall evaluate the State's public benefit structure and

recommend methods for mitigating or eliminating the benefit cliffs experienced by working Vermonters receiving public assistance.

(b) On or before January 15, 2018, the Commissioner shall submit a report with the results of this evaluation to the House Committees on Human Services, on Commerce and Economic Development, and on Ways and Means and to the Senate Committees on Economic Development, Housing and General Affairs, on Finance, and on Health and Welfare.

(c) The Commissioner may seek the assistance of the Office of Legislative Council in drafting a recommended legislative proposal arising out of the analysis conducted pursuant to this section.

* * * Financial Technology * * *

Sec. G.1. FINANCIAL TECHNOLOGY

(a) The General Assembly finds:

(1) The field of financial technology is rapidly expanding in scope and application.

(2) These developments present both opportunities and challenges.

(3) On the opportunity side, Vermont has been a leader in previous innovations in finance in contexts such as captive insurance.

(4) The existing Vermont legislation on blockchain technology and other aspects of e-finance have given Vermont the potential for leadership in this new era of innovation as well, with the possibility of expanded economic activity in the financial technology sector that would provide opportunities for employment, tax revenues, and other benefits.

(5) Furthermore, it is important for Vermonters that these developments proceed in ways that do not create avoidable risks for individuals and enterprises in the new e-economy.

(6) The legislative and regulatory response in Vermont will be critical to our ability to embrace the benefits of financial technology and to avoid challenges it may create.

(b)(1) In order to permit the legislature to respond to these developing opportunities and concerns on an informed basis, on or before November 30, 2017, the Center for Legal Innovation at Vermont Law School, in consultation with the Commissioner of Financial Regulation, the Secretary of Commerce and Community Development, and the Attorney General, shall submit a report to the General Assembly that includes:

(A) findings and recommendations on the potential opportunities and risks presented by developments in financial technology;

(B) suggestions for an overall policy direction and proposals for legislative and regulatory action that would effectively implement that policy direction; and

(C) measurable goals and outcomes that would indicate success in the implementation of such a policy.

(2) In developing the background for this report, the Center, Commissioner, Secretary, and Attorney General may consult such other constituencies and stakeholders within and outside the State as they may determine will be helpful to their considerations.

* * * Municipal Outreach; Sewerage and Water Service Connections * * *

Sec. H.1. AGENCY OF NATURAL RESOURCES; EDUCATION AND
OUTREACH; DELEGATION; SEWERAGE AND WATER
SERVICE CONNECTIONS

(a) The Secretary of Natural Resources, after consultation with the Vermont League of Cities and Towns, shall conduct outreach and education for municipalities regarding the ability of a municipality under 10 V.S.A. § 1976 to be delegated the authority to permit the connection of a municipal sewer or water service line to subdivided land, a building, or a campground.

(b) The education and outreach shall specify the conditions or requirements for delegation, how a municipality can seek delegation, and contact information or other resource to provide additional information regarding delegation. The education and outreach may include educational materials, workshops, or classes regarding the ability of a municipality to be delegated under 10 V.S.A. § 1976 the permitting of sewer and water service connection.

(c) On or before January 15, 2018, the Secretary of Natural Resources shall submit a report to the Senate Committees on Natural Resources and Energy and on Economic Development, Housing and General Affairs and the House Committees on Natural Resources, Fish and Wildlife and on Commerce and Economic Development summarizing the education and outreach conducted or planned by the Secretary under the requirements of this section and whether any municipality has sought delegation of sewer and water service connection permitting under 10 V.S.A. § 1976 since the effective date of this act.

* * * Municipal Land Use and Development; Affordable Housing * * *

Sec. H.2. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

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

(1) "Affordable housing" means either of the following:

(A) ~~Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household's gross annual income.~~ Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

(B) ~~Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household's gross annual income.~~ Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

* * * Act 250; Priority Housing Projects * * *

Sec. H.3. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

In this chapter:

* * *

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

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land, and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) ~~275 or more, in a municipality with a population of 15,000 or more;~~ [Repealed.]

(bb) ~~150 or more, in a municipality with a population of 10,000 or more but less than 15,000;~~ [Repealed.]

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000;

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000;

(ee) 25 or more, in a municipality with a population of less than 3,000; ~~and.~~

(ff) ~~notwithstanding~~ Notwithstanding subdivisions (aa)(cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

(II) The determination of jurisdiction over a priority housing project shall count only the housing units included in that discrete project.

(III) Housing units in a priority housing project shall not count toward determining jurisdiction over any other project.

* * *

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

* * *

(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.

(II) If the construction of a priority housing project in this subdivision (3)(D)(viii) involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.

* * *

(27) “Mixed income housing” means a housing project in which the following apply:

(A) Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:

(i) at least 15 percent of the housing units have a purchase price ~~which~~ that at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or

(ii) at least 20 percent of the housing units have a purchase price ~~which~~ that at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency;

(B) Rental ~~Housing~~ housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of ~~no~~ not less than ~~20~~ 15 years.

(28) “Mixed use” means construction of both mixed income housing and construction of space for any combination of retail, office, services, artisan, and recreational and community facilities, provided at least 40 percent of the gross floor area of the buildings involved is mixed income housing. “Mixed use” does not include industrial use.

(29) “Affordable housing” means either of the following:

~~(A) Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing,~~

~~including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household's gross annual income. Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:~~

~~(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;~~

~~(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or~~

~~(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.~~

~~(B) Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household's gross annual income. Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:~~

~~(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;~~

~~(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or~~

~~(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.~~

* * *

(35) "Priority housing project" means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

(A) mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, or designated village center that is also a designated neighborhood development area under 24 V.S.A. chapter 76A; or

(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.

* * *

Sec. H.4. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

(a) No person shall sell or offer for sale any interest in any subdivision located in this State, or commence construction on a subdivision or development, or commence development without a permit. This section shall not prohibit the sale, mortgage, or transfer of all, or an undivided interest in all, of a subdivision unless the sale, mortgage, or transfer is accomplished to circumvent the purposes of this chapter.

* * *

(o) If a ~~downtown development district~~ designation pursuant to 24 V.S.A. ~~§ 2793~~ chapter 76A is removed, subsection (a) of this section shall apply to any subsequent substantial change to a priority housing project that was originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the basis of that designation.

(p)(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after the effective date of this subsection, remain below ~~the~~ any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.

(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.

* * *

Sec. H.5. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS, COMMENCEMENT OF REVIEW

* * *

(f) This subsection concerns an application for a new permit amendment to change the conditions of an existing permit or existing permit amendment in

order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.

(1) The District Commission may authorize a district coordinator to issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the existing permit or existing permit amendment, which contains the condition or conditions proposed to be changed, or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party obtained party status.

(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions in the existing permit or permit amendment proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings to be made under subsection 6086(a) and are authorized under subsection 6086(c) of this title.

Sec. H.6. 30 V.S.A. § 55 is added to read:

§ 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

A priority housing project as defined in 10 V.S.A. § 6001 shall meet or exceed the stretch codes established under this subchapter by the Department of Public Service.

* * * ACCD; Publication of Median Household Income and Qualifying Costs
for Affordable Housing * * *

Sec. H.7. 3 V.S.A. § 2472 is amended to read:

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT

(a) The Department of Housing and Community Development is created within the Agency of Commerce and Community Development. The Department shall:

* * *

(5) In conjunction with the Vermont Housing Finance Agency, annually publish data and information to enable the public to determine income levels and costs for owner-occupied and rental housing to qualify as affordable housing, as defined in 24 V.S.A. § 4303 and 10 V.S.A. § 6001(29), including:

(A) the median income for each Vermont county, as defined by the U.S. Department of Housing and Urban Development;

(B) the standard metropolitan statistical area median income for each

municipality located in such an area, as defined by the U.S. Department of Housing and Urban Development; and

(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

* * * Downtown Tax Credits * * *

Sec. H.8. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$2,200,000.00~~ \$2,400,000.00;

* * *

* * * Tax Credit for Affordable Housing; Captive Insurance Companies * * *

Sec. H.9. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) As used in this section:

* * *

(5) “Credit certificate” means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax credits that can be applied against the taxpayer’s individual or corporate income tax, or franchise, captive insurance premium, or insurance premium tax liability as provided in this subchapter.

* * *

(c) Amount of credit. A taxpayer who makes an eligible cash contribution shall be entitled to claim against the taxpayer’s individual income, corporate, franchise, captive insurance premium, or insurance premium tax liability a credit in an amount specified on the taxpayer’s credit certificate. The first-year allocation of a credit amount to a taxpayer shall also be deemed an allocation of the same amount in each of the following four years.

* * *

* * * Vermont State Housing Authority; Powers * * *

Sec. H.10. 24 V.S.A. § 4005 is amended to read:

§ 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT,
MEMBERS, POWERS

* * *

(e) Notwithstanding any provision of law, no person, ~~domestic or foreign,~~

shall be authorized to administer allocations of money under 42 U.S.C.A. § 1437a or 1437f or other federal statute authorizing rental subsidies for the benefit of persons of low or moderate income, except:

- (1) ~~a subcontractor of the State Authority; or~~
- (2) a State public body authorized by law to administer such allocations;
- (3) a person authorized to administer such allocations pursuant to an agreement with the State Authority; or
- (4) an organization, of which the State Authority is a promoter, member, associate, owner, or manager, that is authorized by a federal agency to administer such allocations in this State.

(f) In addition to the powers granted by this chapter, the State Authority shall have all the powers necessary or convenient for the administration of federal monies pursuant to subsection (e) of this section, including the power:

- (1) to enter into one or more agreements for the administration of federal monies;
- (2) to be a promoter, partner, member, associate, owner, or manager of any partnership, limited liability company, joint venture, association, trust, or other organization;
- (3) to conduct its activities, locate offices, and exercise the powers granted by this title within or outside this State;
- (4) to carry on a business in the furtherance of its purposes; and
- (5) to do all things necessary or convenient, consistent with law, to further the activities and affairs of the Authority.

* * * Repeal of Sunset on Sales and Use Tax Exemption;

Airplanes and Airplane Parts * * *

Sec. I.1. REPEALS

The following are repealed:

- (1) 2007 Acts and Resolve No. 81, Secs. 7a (amendment to sales tax exemption for aircraft parts) and 7b (effective date).
- (2) 2008 Acts and Resolve No. 190, Sec. 43 (effective date).

* * * Tax Increment Financing Districts * * *

Sec. J. TAX INCREMENT FINANCING; FINDINGS

The General Assembly finds that the State of Vermont has an important role to play in creating the infrastructure necessary to support downtown

development and revitalization, particularly in distressed communities.

Sec. J.1. 24 V.S.A. chapter 53, subchapter 5 is amended to read:

Subchapter 5. Tax Increment Financing

* * *

§ 1892. CREATION OF DISTRICT

* * *

(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district, ~~and the Vermont Economic Progress Council is not authorized to approve any additional tax increment financing districts even if one of the districts named in this subsection is terminated pursuant to subsection 1894(a) of this subchapter:~~

- (1) the City of Burlington, Downtown;
- (2) the City of Burlington, Waterfront;
- (3) the Town of Milton, North and South;
- (4) the City of Newport;
- (5) the City of Winooski;
- (6) the Town of Colchester;
- (7) the Town of Hartford;
- (8) the City of St. Albans;
- (9) the City of Barre; ~~and~~
- (10) the Town of Milton, Town Core; and
- (11) the City of South Burlington, New Town Center.

* * *

§ 1894. POWER AND LIFE OF DISTRICT

* * *

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

* * *

(f) Equal share required. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), no more than 75 percent of the State property tax increment and no less than an equal percent, plus five percent, of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.

* * *

Sec. J.2. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
FINANCING DISTRICTS

* * *

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply up to 75 percent of the State education property tax increment, and not less than an equal share plus five percent of the municipal tax increment, as defined in 24 V.S.A. § 1896, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than two districts in a single county, and not more than an additional 14 districts in the State, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the 14-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the 14-district limit.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (3)(A) of this subsection, the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53,

subchapter 5.

(4) The Council shall not approve any additional districts on or after July 1, 2024.

(5) Prior to January 1, 2019, the Council shall not accept or approve an application for a district within a county that has five or more approved districts.

* * *

(h) Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

(1) Review each application to determine that the ~~new real property~~ proposed infrastructure improvements and the proposed development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(B) how the proposed development components and size would differ, if at all, without education property tax increment financing, including, if applicable to the development, the number of units of affordable housing, as defined in 24 V.S.A. § 4303; and

(C) the amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that shall be paid to the education fund; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.

(2) Process requirements. Determine that each application meets all of the following four requirements:

(A) The municipality held public hearings and established a tax increment financing district in accordance with 24 V.S.A. §§ 1891-1900.

(B) The municipality has developed a tax increment financing district plan, including: a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; a statement and demonstration that the project would not proceed without the allocation of a tax increment; evidence that the municipality is actively seeking or has

obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements.

(C) The municipality has approved or pledged the utilization of incremental municipal tax revenues for purposes of the district in the same proportion as the utilization of education property tax revenues approved by the Vermont Economic Progress Council for the tax increment financing district.

(D) The proposed infrastructure improvements and the projected development or redevelopment are compatible with approved municipal and regional development plans, and the project has clear local and regional significance for employment, housing, and transportation improvements.

(3) Location criteria. Determine that each application meets one of the following criteria:

(A) The development or redevelopment is compact, high density, and located in or near existing industrial areas.

(B) The proposed district is within an approved growth center, designated downtown, designated village center, ~~or~~ new town center, or neighborhood development area.

(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the ~~area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values~~ municipality in which the area is located has at least one of the following:

(i) a median family income that is not more than 80 percent of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data is available;

(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or

(iii) a median sales price for residential properties under six acres that is not more than 80 percent of the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least ~~three~~ two of the following ~~five~~ four criteria:

(A) ~~The development within the tax increment financing district~~

~~clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.~~

~~(B)~~ (B) The development includes new or rehabilitated affordable housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. “Affordable” has the same meaning as in 10 V.S.A. § 6001(29), as defined in 24 V.S.A. § 4303.

~~(C)~~ (B) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

~~(D)~~ (C) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, ~~quality~~ high-quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the department of labor.

~~(E)~~ (D) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

* * *

Sec. J.3. IMPLEMENTATION

Secs. J.1 and J.2 of this act shall apply only to tax increment financing district applications filed, and districts approved, on or after the date of passage of this act.

* * * Climate Economy Accelerator * * *

Sec. K.1. FINDINGS AND PURPOSE

(a) Findings. The General Assembly finds:

(1) Vermont needs to attract and support entrepreneurs, youths, and investors to reinvigorate its economy, today and for the future.

(2) Vermont has a tremendous opportunity to systematically advance economic activity that addresses the challenge of climate change by reducing and mitigating carbon impacts, while spurring innovation and creativity, encouraging entrepreneurship, attracting youths, and building jobs for the future.

(3) Vermont’s unique environmental image, strong brand recognition nationally, quality of life, and history of entrepreneurship and invention provides an opportunity to position the State as a premier place to establish

new businesses whose mission, products, and services can help society and our economy mitigate the effects of climate change.

(4) The goal of quality job creation as part of the State's economic development policy is dependent on providing support for the start-up and expansion of small businesses sectors of our economy.

(5) The Vermont Sustainable Jobs Fund, the Vermont Council on Rural Development, and a working group of business, finance, and economic development leaders, are developing the Climate Economy Business Accelerator Program to grow entrepreneurial opportunities and provide a network for businesses to promote their solutions, products, and services that can lead to collaboration and innovation.

(6) The Accelerator Program aims to accelerate the creation and growth of entrepreneurs that commercialize business solutions to address the negative impacts of climate change and position our State as the place to come and build businesses that export solutions for a changing climate worldwide.

(7) Nationally, business accelerators have led to the growth of start-up companies, job creation, and enhanced entrepreneurial activity in a region. Most accelerators are located in major cities and throughout Canada. There are over 150 business accelerators in the United States at this time.

(8) Neither Vermont, nor other New England States, have an accelerator program to support start-up businesses and serve the needs of both rural and urban businesses.

(9) In early 2017 a climate change-related accelerator will launch in Philadelphia with a focus on technology development related to agriculture and water.

(10) The Vermont Sustainable Jobs Fund program (VSJF) was created in 1995 to accelerate the development of Vermont's green economy. Per its enabling statute, VSJF focuses its development efforts on particular economic sectors by supporting the business assistance and financing needs of businesses in these sectors.

(11) To date, VSJF has concentrated on working with early-stage and growth-stage businesses in the green economy, primarily due to a lack of sufficient funding support to work with start-up businesses. Additional funding for VSJF's Accelerator Program will enable it to fulfill its statutory mission.

(12) A State investment of seed funding would leverage additional private and philanthropic investment to carry out this work and boost economic development, innovation, and job creation.

(b) Purpose. The purpose of Sec. K.2 of this act is to create a statutory framework to authorize the creation of the Climate Economy Business Accelerator Program capable of attracting and retaining young entrepreneurs in the State and to position Vermont as a national leader in climate economy innovation.

Sec. K.2. 10 V.S.A. § 331 is added to read:

§ 331. CLIMATE ECONOMY BUSINESS ACCELERATOR PROGRAM

(a) Definition. In this section “climate economy” means the work performed by businesses whose products and services are designed to reduce, mitigate, or prepare for the negative impacts of climate change on human systems, including:

- (1) clean energy development and distribution;
- (2) thermal and electrical efficiencies in buildings and building construction;
- (3) evolving public and private transportation systems;
- (4) energy and efficiency innovations in the working lands economy;
- (5) recycling, reuse, and renewal of resources; and
- (6) resilience technologies, such as soil-sensing devices.

(b) Program implementation. The Vermont Sustainable Jobs Fund shall have the authority to design and implement a Climate Economy Business Accelerator Program as follows:

- (1) Assemble a team of experienced program partners, mentors, investors, and business content providers to design and deliver a high quality experience to Accelerator Program cohort participants.
- (2) Recruit and select a cohort of at least 10 start-up and early-stage businesses to participate together in a three-to-four-month intensive program of training, mentoring, and investment opportunities.
- (3) Assist cohort members in clarifying the market for their products, evaluating the needs of their management teams, defining their business models, articulating their unique values, and securing needed investment capital.
- (4) Develop an evaluation and metrics capture process compatible with Results-Based Accountability and begin tracking results.
- (5) Develop a network of climate economy related businesses to work alongside the Accelerator Program in order to connect cohort members with the business community to spark business-to-business collaboration, stimulate

additional job growth in the climate economy sector, and provide ongoing support as their businesses mature.

(6) Raise additional program funding as needed from sponsors, partners, private foundations, and federal agencies to leverage State general funds.

(c) Outcomes. The outcomes of the Program shall include:

(1) Increase the success rate of start-up businesses in the climate economy sector in Vermont.

(2) Create jobs in the climate economy sector.

(3) Attract and retain young entrepreneurs who develop climate economy businesses in Vermont to serve local, national, and global markets.

(4) Attract equity and venture capital to emerging climate economy start-up businesses in Vermont.

* * * Opportunity Economy * * *

Sec. L.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;
APPROPRIATION

(a) Findings. The General Assembly finds:

(1) Since 1989, the Microbusiness Development Program has provided free business technical assistance, including training and counseling, as well as access to capital to Vermonters with low income.

(2) The Vermont Community Action Agencies work in conjunction with many partners, including other service providers, State agencies, business technical assistance providers, and both traditional and alternative lenders.

(3) Each year the Program:

(A) enables the creation or expansion of an average of 145 businesses across Vermont;

(B) supports the creation of 84 new jobs; and

(C) provides access to more than \$1,100,000.00 in capital.

(4) The average cost per job created through the Program is less than \$3,600.00.

(b) Intent. It is the intent of the General Assembly to provide additional funding, subject to available resources, for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

Sec. L.2. FINANCIAL EDUCATION, COACHING, AND

CREDIT-BUILDING SERVICES; FINDINGS; APPROPRIATION

(a) Findings. The General Assembly finds:

(1) To overcome barriers to financial security, “Financial Capability” education and coaching services empower people to stabilize their finances, set goals and work to achieve them, and sustain successful financial behaviors over time.

(2) The knowledge and skills gained by Vermonters with low income enable them better to manage scarce resources, repair or build credit, and establish or strengthen connections to financial institutions.

(3) Recent studies show that 10 hours of financial education can yield a savings of \$1,390.00 per year for participants, a substantial sum for families living in poverty.

(4) Additionally, a recent national study found that 58 percent of individuals with low-to-moderate income receiving financial coaching and credit-building services had their credit score increase as a result.

(5) These services in Vermont can and have been customized to meet the particular needs of families participating in Reach Up.

(b) It is the intent of the General Assembly to provide funding, subject to available resources, to enable more Vermonters with low income to access these services.

* * * Funding Priorities * * *

Sec. M.1. SMALL BUSINESS DEVELOPMENT CENTER

In fiscal year 2018, it is the intent of the General Assembly to provide funding, subject to available resources, to the Vermont Small Business Development Center (SBDC) as follows:

(1) for the purpose of increasing the number of SBDC business advisors, with priority to underserved regions of the State; and

(2) for the purpose of fully funding the SBDC technology commercialization advisor position.

Sec. M.2. ECONOMIC DEVELOPMENT MARKETING

(a) The Agency of Commerce and Community Development shall have the authority, and may use available funds, to:

(1) implement the Department of Economic Development’s economic development marketing plan to attract and retain residents and businesses to Vermont, highlighting the many positive features that make Vermont a great place to live, work, and do business; and

(2) prioritize marketing tactics with the potential to shift most efficiently

and effectively perceptions about Vermont as a place to live and work, and that will form a set of marketing assets and strategic framework to sustain Department of Economic Development activities beyond initial implementation.

(b) Funds available to implement this section may be matched with federal funds, special funds, grants, donations, and private funds. To increase the amount and effectiveness of marketing activities conducted, the Agency shall collaborate with 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.

(c) For any economic development marketing plan implemented pursuant to this section, the Secretary of Commerce and Community Development shall establish performance measures that support strategic priorities, including strengthening the State economy, before disbursing funds.

* * * Effective Dates * * *

Sec. N.1. EFFECTIVE DATES

(a) This section, Sec. B.1 (rural economic development infrastructure districts), and Secs. J–J.3 (tax increment financing districts) shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2017.

Rep. Condon of Colchester, for the committee on Ways and Means, recommended that the House propose to the Senate to amend the bill as recommended by the committee on Commerce and Economic Development and when amended as follows:

First: By striking out Secs. J–J.3, Tax Increment Financing Districts, in their entirety and inserting in lieu thereof the following:

* * * Tax Increment Financing Districts * * *

Sec. J. TAX INCREMENT FINANCING; FINDINGS

The General Assembly finds that the State of Vermont has an important role to play in creating the infrastructure necessary to support downtown development and revitalization, particularly in distressed communities.

Sec. J.1. 24 V.S.A. § 1892 is amended to read:

§ 1892. CREATION OF DISTRICT

(a) Upon a finding that such action will serve the public purposes of this subchapter and subject to subsection (d) of this section, the legislative body of any municipality may create within its jurisdiction a special district to be

known as a tax increment financing district. The district shall be described by its boundaries and the properties therein and the district boundary shall be shown on a plan entitled "Proposed Tax Increment Financing District (municipal name), Vermont." The legislative body shall hold one or more public hearings, after public notice, on the proposed plan.

* * *

(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district, ~~and the Vermont Economic Progress Council is not authorized to approve any additional tax increment financing districts even if one of the districts named in this subsection is terminated pursuant to subsection 1894(a) of this subchapter:~~

- (1) the City of Burlington, Downtown;
- (2) the City of Burlington, Waterfront;
- (3) the Town of Milton, North and South;
- (4) the City of Newport;
- (5) the City of Winooski;
- (6) the Town of Colchester;
- (7) the Town of Hartford;
- (8) the City of St. Albans;
- (9) the City of Barre; ~~and~~
- (10) the Town of Milton, Town Core; and
- (11) the City of South Burlington.

(e) Annually, the General Assembly may use the estimate of the maximum amount of new long-term net debt that prudently may be authorized for tax increment financing districts in the next fiscal year prepared pursuant to 32 V.S.A. § 305b to determine whether to expand the number of tax increment financing districts.

Sec. J.2. ADDITIONAL TIF DISTRICTS; FINDINGS; APPROVAL

(a) The General Assembly finds that:

- (1) the City of Newport has retired its tax increment financing district and all debt incurred in the district was repaid in 2015; and
- (2) the Town of Colchester voted to dissolve its tax increment financing district in November 2014.

(b) Notwithstanding 24 V.S.A. § 1892(d), and as a result of the termination of the two tax increment financing districts described in subsection (a) of this

section, the Vermont Economic Progress Council is authorized to approve two additional tax increment financing districts.

Sec. J.3. 24 V.S.A. § 1894 is amended to read:

§ 1894. POWER AND LIFE OF DISTRICT

(a) Incurring indebtedness.

(1) A municipality approved under 32 V.S.A. § 5404a(h) may incur indebtedness against revenues of the tax increment financing district at any time during a period of up to five years following the creation of the district. If no debt is incurred during this five-year period, the district shall terminate, unless the Vermont Economic Progress Council grants an extension to a municipality pursuant to subsection (d) of this section. However, if any indebtedness is incurred within the first five years after the creation of the district, then the district has a total of ten years after the creation of the district to incur any additional debt.

* * *

(c) Use of the municipal property tax increment. For only debt incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, ~~not less than an equal share~~ 100 percent of the municipal tax increment ~~pursuant to subsection (f) of this section~~ shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.

* * *

(f) ~~Equal share required~~ Required share of increment. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), ~~no~~ not more than 75 percent of the State property tax increment and ~~no~~ not less than ~~an equal percent~~ 100 percent of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.

* * *

Sec. J.4. 32 V.S.A. § 305b is added to read:

§ 305b. EDUCATION PROPERTY TAX INCREMENT; EMERGENCY

BOARD ESTIMATE

(a) Annually, at the January meeting of the Emergency Board held pursuant to section 305a of this title, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board a consensus estimate of forgone revenue from the Education Fund resulting from the retention of education property tax increment by tax increment financing districts authorized pursuant to 24 V.S.A. chapter 53 and section 5404a of this title. The estimate shall be for the succeeding fiscal year. The Emergency Board shall adopt an official estimate of forgone revenue from the Education Fund at

the January meeting.

(b) Annually, on or before September 30 of each year, the Emergency Board shall review the size and affordability of the net indebtedness for tax increment financing districts and submit to the Governor and to the General Assembly an estimate of the maximum amount of new long-term net debt that prudently may be authorized for tax increment financing districts in the next fiscal year. The estimate of the Board shall be advisory, and shall take into consideration:

(1) any existing or new debt incurred by authorized tax increment financing districts; and

(2) the impact of the amount of the indebtedness on the General and Education Funds.

Sec. J.5. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

(1) All revenue paid to the State from the statewide education tax on nonresidential and homestead property under 32 V.S.A. chapter 135.

(2) For each fiscal year, the amount of the general funds appropriated and transferred to the Education Fund shall be \$305,900,000.00, to be increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent, plus an amount equal to one-half of the official estimate of forgone revenue from the Education Fund adopted by the Emergency Board pursuant to section 305b of this title.

* * *

Sec. J.6. 32 V.S.A. § 5404a(h) is amended to read:

(h) Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

(1) ~~Review~~ Conduct a review of each application ~~to determine that the new real property development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. The review~~ that shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(B) how the proposed development components and size would differ, if at all, including, if applicable to the development, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303, without education property tax increment financing; and

(C) the amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that shall be paid to the ~~education fund~~ Education Fund; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.

* * *

(3) Location criteria. Determine that each application meets one of the following criteria:

(A) The development or redevelopment is compact, high density, and located in or near existing industrial areas.

(B) The proposed district is within an approved growth center, designated downtown, designated village center, ~~or~~ new town center, or neighborhood development area.

(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the ~~area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values~~ municipality in which the area is located has at least one of the following:

(i) a median family income that is not more than 80 percent of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data are available;

(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or

(iii) a median sales price for residential properties under six acres that is not more than 80 percent of the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.

(4) Project criteria. Determine that the proposed development within a

tax increment financing district will accomplish at least three of the following five criteria:

(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.

(B) The development includes new or rehabilitated affordable housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. ~~“Affordable” has the same meaning as in 10 V.S.A. § 6001(29), as defined in 24 V.S.A. § 4303.~~

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

(D) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, ~~quality~~ high-quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the ~~department of labor~~ Department of Labor.

(E) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

Sec. J.7. 24 V.S.A. chapter 53, subchapter 5 is redesignated to read:

Subchapter 5. Statewide Tax Increment Financing

Sec. J.8. 24 V.S.A. chapter 53, subchapter 6 is added to read:

Subchapter 6. Municipal Tax Increment Financing

§ 1903. DEFINITIONS

As used in this subchapter:

(1) “District” or “TIF” means a tax increment financing district.

(2) “Improvements” means the installation, new construction, or reconstruction of infrastructure to benefit a municipal tax increment financing district, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation.

(3) “Legislative body” means the mayor and alderboard, the city council, the selectboard, or the president and trustees of an incorporated

village, as appropriate.

(4) “Municipality” means a city, town, or incorporated village.

(5) “Original taxable value” means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district as of the creation date as set forth in section 1904 of this subchapter, provided that no parcel within the district shall be divided or bisected by the district boundary.

(6) “Related costs” means expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of a municipal tax increment financing district, including reimbursement of sums previously advanced by the municipality for those purposes, direct municipal expenses such as departmental or personnel costs related to creating or administering the project, and audit costs allocable to the district.

§ 1904. MUNICIPAL TAX INCREMENT FINANCING DISTRICT

(a) General authority. Notwithstanding any provision of subchapter 5 of this chapter or 32 V.S.A. § 5404a to the contrary, upon approval of the legislative body of any municipality, a municipality may create a municipal tax increment financing district, and may incur debt to provide funding for improvements and related costs for the district.

(b) Municipal approval; voter approval.

(1) The legislative body of the municipality shall hold one or more public hearings to consider a municipal tax increment financing plan. Following public notice, hearing, and opportunity to comment, the legislative body of the municipality may grant approval of the plan.

(2) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor, and the creation of the district shall occur at 12:01 a.m. on April 1 of the calendar year so voted by the municipal legislative body.

(3) The municipality may only incur debt for the project if the voters of the municipality approve the debt obligation by a majority vote at a regular or special meeting for which voting upon the debt obligation was properly warned.

(4) Following final voter approval, the municipality has up to five years to incur debt pursuant to the financing plan.

(c) Life of district.

(1) A municipality may incur indebtedness against revenues of the

municipal tax increment financing district over any period authorized by the legislative body of the municipality.

(2) Any indebtedness incurred under subdivision (1) of this subsection may be retired over any period authorized by the legislative body of the municipality.

(3) The district shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, after the period authorized by the legislative body of the municipality to incur indebtedness.

(d) Financing. During the life of an active district, the following apply, notwithstanding any provision of law to the contrary:

(1) Valuation.

(A) Within 30 days of voter approval pursuant to subsection (b) of this section, the lister or assessor for a municipality shall certify to the legislative body of the municipality the original taxable value of a tax increment financing district as of the date the voters approved the debt obligation.

(B) On or before June 30 following voter approval and annually thereafter, the lister or assessor shall assess and certify to the legislative body the current value of a project parcel.

(2) Tax rate.

(A) The lister or assessor shall use the original taxable value of a project parcel when computing the municipal tax rate.

(B) When calculating the amount of tax due on a project parcel, the treasurer shall apply the municipal tax rate to the current assessed value, rather than the original taxable value.

(3) Tax increment.

(A) The "tax increment" is the amount of tax paid on a project parcel, as calculated pursuant to subdivision (2)(B) of this subsection (d) using the current assessed value, that exceeds the amount of tax that would have been due if the tax rate were applied to the original taxable value.

(B) The municipality may retain any share of the municipal tax increment to service the debt, beginning the first year in which debt is incurred.

(C) A municipal tax increment financing district created pursuant to this subchapter is not authorized to retain any education property tax increment.

(D) A municipality shall segregate the tax increment in a special

account and in its official books and records.

(4) Use of tax increment.

(A) As of each date the municipality receives a tax payment and retains a portion of the tax increment pursuant to this section, the municipality shall use the portion of the municipal tax increment that is necessary to pay costs actually incurred as of that date for debt service and related costs.

(B) If, after paying for improvements and related costs, there remains any excess portion of the tax increment, the municipality may retain the increment to prepay principal and interest on the financing, use for future financing payments, or use for defeasance of the financing.

(e) Annual audit.

(1) The municipality shall ensure that the segregated account for the tax increment financing district required by this section is subject to the annual audit requirements prescribed in sections 1681 and 1690 of this title.

(2) Any audit procedures shall include verification of the original taxable value and current assessed value, expenditures for project debt service and related costs, annual and total tax increment funds generated, and allocation of tax increment funds.

Sec. J.9. IMPLEMENTATION

Secs. J.1– J.3 and J.6 of this act shall apply only to tax increment financing district applications filed, and districts approved, on or after the date of passage of this act.

Second: In Sec. A.1, 32 V.S.A. chapter 105, by striking out section 3341 in its entirety.

Third: By redesignating Secs. H.9–H.10 as Secs. H.10–H.11 and inserting a new Sec. H.9 to read:

Sec. H.9. 32 V.S.A. § 5930bb(a) is amended to read:

(a) Qualified applicants may apply to the State Board to obtain the tax credits provided by this subchapter for a qualified project at any time before ~~one year after~~ the completion of the qualified project.

Fourth: By inserting a Sec. M.3 to read:

Sec. M.3. 2014 Acts and Resolves No. 179, Sec. G.100(b), as amended by 2015 Acts and Resolves No. 51, Sec. G.9, and 2016 Acts and Resolves No. 172, Sec. E.801, is further amended to read:

(b) Sec. E.100.6 (wood products manufacture incentive) shall take effect retroactively on January 1, 2014 and apply to tax years 2014, 2015, ~~and~~ 2016,

2017, and 2018.

Fifth: In Sec. N.1, Effective Dates, in subsection (a), by striking out “J-J.3” and inserting in lieu thereof “J-J.9”

Rep. Trieber of Rockingham for the committee on Appropriations recommends the bill ought to pass in concurrence with proposal of amendment when amended as recommended by the committees on Commerce and Economic Development and Ways and Means.

The bill having appeared on the Calendar one day for notice was taken up, read the second time and the report of the committee on Ways and Means agreed to. Thereupon, the report of the committee on Commerce and Economic Development, as amended, was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as offered by the committee on Commerce and Economic Development, as amended? **Rep. Masland of Thetford** moved to amend the proposal of amendment as offered by the committee on Commerce and Economic Development as follows:

In Sec. J.6, 32 V.S.A. § 5404a(h), in subdivision (4)(B), by striking out subdivision (B) in its entirety and by inserting in lieu thereof the following:

(B) The development includes one or more new or rehabilitated affordable housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. “Affordable” has the same meaning as in 10 V.S.A. § 6001(29) developments, as defined in 24 V.S.A. § 4303.

Thereupon, **Rep. Masland of Thetford** asked and was granted leave of the House to withdraw his amendment.

Pending the question, Shall the House propose to the Senate to amend the bill as offered by the committee on Commerce and Economic Development, as amended? **Rep. Christie of Hartford** moved to amend the proposal of amendment as offered by the committee on Commerce and Economic Development, as amended, as follows:

Sec. K.3 BUSINESS INCUBATOR AND ACCELERATOR CONFERENCE

The Agency of Commerce and Community Development, in collaboration with the Center for Entrepreneurial Programs at Castleton University, shall have the authority to convene the first annual “Business Incubator and Accelerator Conference,” which shall be designed to facilitate networking, collaboration, and the exchange of ideas among business professionals and entrepreneurs, including those involved in incubators, microbusiness

development programs, the Vermont Center for Emerging Technologies, accelerators, regional development corporations, and businesses.

Which was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as offered by the committee on Economic Development, as amended? **Rep. O'Sullivan of Burlington** moved to amend the proposal of amendment as offered by the committee on Commerce and Economic Development, as amended, as follows:

By inserting a Sec. J.10 to read as follows:

Sec. J.10. TAX INCREMENT FINANCING CAPACITY

(a) The Joint Fiscal Office, with the assistance of the consulting Legislative Economist, the Department of Taxes, the State Auditor, and the Agency of Commerce and Community Development, shall examine the use of both tax increment financing districts (TIFs) and other policy options for State assistance to municipalities for funding infrastructure in support of economic development and shall report on the capacity of Vermont to utilize TIFs moving forward.

(b) The report shall include for TIFs, and for other potential tools for funding infrastructure in support of economic development as applicable:

(1) a recommendation for a sustainable statewide capacity level for TIFs or other tools and relevant permitting criteria;

(2) the impact on the State fiscal health, including the General Fund and Education Fund;

(3) the economic development impacts on the State, both positive and negative;

(4) the mechanics for ensuring geographic diversity of TIFs or other tools throughout the State; and

(5) the parameters of TIFs and other tools in other states.

(c) The report in this section shall be made to the General Assembly on or before January 15, 2018.

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

Pending the question, Shall the bill be read a third time? **Rep. Botzow of Pownal** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question,

Shall the bill be read a third time? was decided in the affirmative. Yeas, 142.
Nays, 2.

Those who voted in the affirmative are:

Ancel of Calais	Gannon of Wilmington	Nolan of Morristown
Bancroft of Westford	Gardner of Richmond	Norris of Shoreham
Bartholomew of Hartland	Giambatista of Essex	Noyes of Wolcott
Baser of Bristol	Gonzalez of Winooski	Ode of Burlington
Batchelor of Derby	Grad of Moretown	O'Sullivan of Burlington
Beck of St. Johnsbury	Graham of Williamstown	Parent of St. Albans Town
Belaski of Windsor	Greshin of Warren	Pearce of Richford
Beyor of Highgate	Haas of Rochester	Poirier of Barre City
Bissonnette of Winooski	Harrison of Chittenden	Potter of Clarendon
Bock of Chester	Head of South Burlington	Pugh of South Burlington
Botzow of Pownal	Hebert of Vernon	Quimby of Concord
Brennan of Colchester	Helm of Fair Haven	Rachelson of Burlington
Briglin of Thetford	Higley of Lowell	Rosenquist of Georgia
Browning of Arlington	Hill of Wolcott	Savage of Swanton
Brumsted of Shelburne	Hooper of Montpelier	Scheu of Middlebury
Buckholz of Hartford	Hooper of Brookfield	Scheuermann of Stowe
Burke of Brattleboro	Houghton of Essex	Sharpe of Bristol
Canfield of Fair Haven	Howard of Rutland City	Shaw of Pittsford
Carr of Brandon	Jessup of Middlesex	Sibilia of Dover
Chesnut-Tangerman of Middletown Springs	Jickling of Brookfield	Smith of Derby
Christensen of Weathersfield	Johnson of South Hero	Smith of New Haven
Christie of Hartford	Joseph of North Hero	Squirrell of Underhill
Cina of Burlington	Juskiewicz of Cambridge	Stevens of Waterbury
Colburn of Burlington	Keefe of Manchester	Strong of Albany
Condon of Colchester	Keenan of St. Albans City	Stuart of Brattleboro
Conlon of Cornwall	Kimbell of Woodstock	Sullivan of Dorset
Connor of Fairfield	Kitzmiller of Montpelier	Sullivan of Burlington
Conquest of Newbury	LaClair of Barre Town	Taylor of Colchester
Copeland-Hanzas of Bradford	Lalonde of South Burlington	Terenzini of Rutland Town
Corcoran of Bennington	Lanpher of Vergennes	Till of Jericho
Cupoli of Rutland City	Lawrence of Lyndon	Toleno of Brattleboro
Dakin of Colchester	Lefebvre of Newark	Toll of Danville
Deen of Westminster	Lewis of Berlin	Townsend of South Burlington
Devereux of Mount Holly	Lippert of Hinesburg	Trieber of Rockingham
Dickinson of St. Albans Town	Long of Newfane	Troiano of Stannard
Donahue of Northfield	Lucke of Hartford	Turner of Milton
Donovan of Burlington	Macaig of Williston	Van Wyck of Ferrisburgh
Dunn of Essex	Marcotte of Coventry	Viens of Newport City
Emmons of Springfield	Masland of Thetford	Walz of Barre City
Fagan of Rutland City	McCormack of Burlington	Webb of Shelburne
Feltus of Lyndon	McCoy of Poultney	Weed of Enosburgh
Fields of Bennington	McCullough of Williston	Willhoit of St. Johnsbury
Forguites of Springfield	McFaun of Barre Town	Wood of Waterbury
	Miller of Shaftsbury	Wright of Burlington
	Morris of Bennington	Yacovone of Morristown
	Morrissey of Bennington	

Frenier of Chelsea
Gage of Rutland City
Gamache of Swanton

Mrowicki of Putney
Murphy of Fairfax
Myers of Essex

Yantachka of Charlotte
Young of Glover

Those who voted in the negative are:

Ainsworth of Royalton Hubert of Milton

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

Burditt of West Rutland Olsen of Londonderry Sheldon of Middlebury
Martel of Waterford Partridge of Windham

**Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed**

H. 238

The Senate proposed to the House to amend House bill, entitled
An act relating to modernizing and reorganizing Title 7

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

* * * Modernization and Reorganization of Title 7 * * *

Sec. 1. 7 V.S.A. § 1 is amended to read:

§ 1. CONSTRUCTION

This title is based on the taxing power and the police power of the ~~state~~ State, and is for the protection of the public welfare, good order, health, peace, safety, and morals of the people of the ~~state, and all of its~~ State. ~~The provisions of this title shall be liberally construed for the accomplishment of the to accomplish its purposes set forth herein.~~

Sec. 2. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

~~The following words as As used in this title, unless a contrary meaning is required by the context, shall have the following meaning:~~

(1) “Alcohol”~~;~~ means the product of distillation ~~of spirits or any fermented malt or vinous beverage, fermentation, or chemical synthesis,~~ including alcoholic beverages, ethyl alcohol, and nonpotable alcohol.

(2) “Alcoholic beverages” means malt beverages, vinous beverages, spirits, and fortified wines.

(3) “Board of Liquor and Lottery” means the Board of Control appointed under the provisions of chapter 5 of this title.

(4) “Boat”~~;~~ means a vessel suitably equipped and operated for the transportation of passengers in interstate commerce.

(3) ~~“Bottler”~~: any person that bottles malt beverages, vinous beverages, spirits, or fortified wines for sale or for distribution in this State.

(4) ~~“Bottler’s license”~~: the license granted by the Liquor Control Board permitting a bottler to bottle for sale and to distribute and sell at wholesale malt or vinous beverages.

~~(6)~~(5) “Caterer’s license”~~;~~ means a license issued by the ~~Liquor Control Board of Liquor and Lottery~~ authorizing the holder of a first-class license or first- and third-class licenses for a restaurant or hotel premises to serve malt or vinous beverages, spirits, or fortified wines alcoholic beverages at a function located on premises other than those occupied by a first-, first- and third-, or second-class licensee to sell alcoholic beverages.

(6) “Certificate of approval” means a license granted by the Board of Liquor and Lottery to a manufacturer or distributor of malt beverages or vinous beverages, or both, that is not licensed under the provisions of this title, that permits the licensee to sell those beverages to holders of a packager’s or wholesale dealer’s license.

(7) “Club”~~;~~ means an unincorporated association or a corporation authorized to do business in this State, that has been in existence for at least two consecutive years prior to the date of application for a license under this title and owns, hires, or leases a building or space in a building that is suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests and contains suitable and adequate kitchen and dining room space and equipment implements and facilities. ~~A club may be used or leased by a nonmember as a location for a social event as if it were any other licensed commercial establishment. Such club shall file with the Liquor Control Board, before May 1 of each year, a list of the names and residences of its members and a list of its officers. Its affairs and management shall be conducted by a board of directors, executive committee, or similar body chosen by the members at its annual meeting, and no member or any officer, agent, or employee of the club shall be paid, or directly or indirectly receive, in the form of salary or other compensation, any profits from the disposition or sale of alcoholic liquors to the members of the club or its guests introduced by members beyond the amount of such salary as may be fixed and voted at annual meetings by the members or by its directors or other governing body, and as reported by the club to the Liquor Control Board. An auxiliary member of a club may invite one guest at any one time. An officer or director of a club may perform the duties of a bartender without receiving any payment for that service, provided the officer or director is in compliance with the requirements~~

~~of this title that relate to service of alcoholic beverages. An officer, member, or director of a club may volunteer to perform services at the club other than serving alcoholic beverages, including seating patrons and checking identification, without receiving payment for those services. An officer, member, or director of a club who volunteers his or her services shall not be considered to be an employee of the club. A bona fide unincorporated association or corporation whose officers and members consist solely of veterans of the U.S. Armed Forces or a subordinate lodge or local chapter of any national fraternal order, and which fulfills all requirements of ~~this subdivision~~ section 229 of this title, except that it has not been in existence for at least two years, shall come within the terms of this definition six months after the completion of its organization. ~~A club located on and integrally associated with at least a regulation nine hole golf course need only be in existence for six months prior to the date of application for license under this title.~~~~

(8) “Commercial catering license” means a license granted by the Board of Liquor and Lottery permitting a business licensed by the Department of Health as a commercial caterer and having a commercial kitchen facility in the home or place of business to sell alcoholic beverages at a function previously approved by the local control commissioners.

(9) “Commissioner of Liquor and Lottery” or “Commissioner” means the executive officer of the Board of Liquor and Lottery appointed under the provisions of chapter 5 of this title.

~~(8)~~(10) “Control commissioners” means the commissioners of a municipality appointed under section 166 of this title.

(11) “Department” means the Department of Liquor and Lottery.

(12) “Destination resort master license” means a license granted by the Board of Liquor and Lottery pursuant to section 242 of this title permitting a destination resort to designate licensed caterers and commercial caterers that will be permitted to cater individual events within the boundaries of the resort without being required to obtain a request to cater permit for each individual event. For purposes of a destination resort master license, a “destination resort” is a resort that contains at least 100 acres of land, offers at least 50 units of sleeping accommodations, offers meal and beverage service to the public for consideration, and has related sports and recreational facilities for the convenience or enjoyment of its guests. “Destination resort” does not include the University of Vermont, the Vermont State Colleges, or any other university, college, or postsecondary school.

~~(9)~~(13) “Dining car” means a railroad car on which meals are prepared and served.

(14) “Division” means the Division of Liquor Control within the Department of Liquor and Lottery.

(15) “Festival permit” means a permit granted by the Division of Liquor Control permitting a person to conduct an event at which malt or vinous beverages, or both, are sold by the glass to the public, provided the event is approved by the local control commissioners.

~~(10)~~(16) “First-class license” means a license granted by the control commissioners permitting the licensee to sell malt or vinous beverages to the public for consumption only on the premises for which the license is granted.

(17) “Fortified wine permit” means a permit granted to a second-class licensee that permits the licensee to export and sell fortified wines to the public for consumption off the licensed premises.

(18) “Fortified wines” mean 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.

(19) “Fourth-class license” means a license permitting a licensed manufacturer or rectifier to sell by the unopened container and distribute by the glass, with or without charge, beverages manufactured by the licensee.

(20) “Home-fermented beverages” means malt or vinous beverages produced at home and not for sale.

~~(11)~~(21) “Hotel” has the same meaning as in 32 V.S.A. § 9202(3) and as determined by the Liquor Control Board of Liquor and Lottery. A hotel that places a minibar in any room of a registered guest shall assure that the minibar is locked and that access to the minibar is restricted to guests of legal drinking age.

~~(12) “Commissioner of Liquor Control”: the executive officer of the Liquor Control Board appointed under the provisions of this title.~~

(22) “Industrial alcohol distributor’s license” means a license granted by the Board of Liquor and Lottery that allows holders to sell pure ethyl or grain alcohol of at least 190 proof in quantities of five gallons or more directly to manufacturers, industrial users, hospitals, druggists, and institutions of learning.

(23) “Keg” means a reusable container capable of holding at least five gallons of malt beverage or at least two and a half gallons of vinous beverage.

(24) “Legal age” means 21 years of age or older.

~~(13) “Liquor Control Board”:~~ the Board of Control appointed under the provisions of this title.

~~(14)~~(25) “Malt beverages”: means all fermented beverages of any name or description manufactured for sale from malt, wholly or in part, or from any substitute therefor, known as, among other things, beer, ~~porter,~~ ale, ~~and stout or lager,~~ containing not less than one percent nor more than 16 percent of alcohol by volume at 60 degrees Fahrenheit. ~~However, if such a beverage has an alcohol content of more than six percent and has a terminal specific gravity of less than 1.009, it shall be deemed to be a spirit and not a malt beverage. The holder of the certificate of approval or the manufacturer shall certify to the Liquor Control Board the terminal specific gravity of the beverage when the alcohol content is more than six percent.~~

~~(15)~~(26) “Manufacturer’s or rectifier’s license”: means a license granted by the ~~Liquor Control Board~~ of Liquor and Lottery that permits the holder to manufacture or rectify malt beverages, ~~or~~ vinous beverages and fortified wines, or spirits and fortified wines. ~~Spirits and fortified wines may be manufactured or rectified by a license holder for export and sale to the Liquor Control Board, and malt beverages and vinous beverages may be manufactured or rectified by a license holder 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 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 of spirits, fortified wines, vinous beverages, or malt beverages a first class license or a first and a third class 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 or rectifier owns or has direct control over those establishments. 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 may serve, with or without charge, at an event held on the premises of the licensee or at a location on the contiguous real estate of the licensee, spirits, fortified wines, 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.~~

(27) “Minor” means an individual who has not attained 21 years of age.

(28) “Outside consumption permit” means a permit granted by the Division of Liquor Control allowing the holder of a first-class, first- and third-class, or fourth-class license to allow for consumption of alcoholic beverages in a delineated outside area.

(29) “Packager’s license” means a license granted by the Board of Liquor and Lottery permitting a person to bottle or otherwise package alcoholic beverages for sale and to distribute and sell alcoholic beverages at wholesale in this State.

~~(16)~~(30) “Person”; as applied to licensees, means an individual who is a citizen or a lawful permanent resident of the United States; a partnership composed of individuals, a majority of whom are citizens or lawful permanent residents of the United States; a corporation organized under the laws of this State or another state in which a majority of the directors are citizens or lawful permanent residents of the United States; or a limited liability company organized under the laws of this State or another state in which a majority of the members or managers are citizens or lawful permanent residents of the United States.

(31) “Request to cater permit” means a permit granted by the Division of Liquor Control authorizing a licensed caterer or commercial caterer to cater individual events.

~~(17) “Restaurant”: a space in a suitable building, approved by the Liquor Control Board, occupied, used, maintained, advertised, or held out to the public to be a place where food is served at all times when open for business and there are no sleeping accommodations. The space shall have adequate and sanitary kitchen and dining room capacity and the number and kinds of employees for preparing, cooking, and serving suitable food for guests and patrons as required by the Liquor Control Board.~~

~~(18)~~(32) “Retail dealer”; means any person who sells or ~~distributes~~ furnishes malt or vinous beverages to the public.

(33) “Retail delivery permit” means a permit granted by the Division of Liquor Control that permits a second-class licensee to deliver malt beverages or vinous beverages sold from the licensed premises for consumption off the premises to an individual who is at least 21 years of age at a physical address in Vermont.

(34) “Sampler flight” means a flight, ski, paddle, or any similar device by design or name intended to hold alcoholic beverage samples for the purpose

of comparison.

~~(19)~~(35) “Second-class license”~~;~~ means a license ~~granted by the control commissioners~~ permitting the licensee to export malt beverages 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.~~

(36) “Special event permit” means a permit granted by the Division of Liquor Control permitting a licensed manufacturer or rectifier to sell, by the glass or by the unopened bottle, alcoholic beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local control commissioners.

(37) “Special venue serving permit” means a permit granted by the Division of Liquor Control permitting an art gallery, bookstore, public library, or museum to conduct an event at which malt or vinous beverages or both are served by the glass to the public. As used in this section, “art gallery” means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; “bookstore” means a fixed establishment whose primary purpose is to offer books for sale; “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.

(38) “Specialty beer” means a malt beverage that contains more than eight percent alcohol and not more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

~~(20)~~(39) “Spirits” ~~or “spirituous liquors”~~; means beverages that contain more than one percent of alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; vinous beverages containing more than 23 percent of alcohol; and 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.~~

~~(21) “Specialty beer”;~~ ~~a malt beverage that contains more than eight percent alcohol and not more than 16 percent alcohol by volume at 60 degrees Fahrenheit.~~

~~(22)~~(40) “Third-class license”~~;~~ means a license granted by the ~~Liquor Control Board~~ of Liquor and Lottery permitting the licensee to sell spirits and fortified wines for consumption only on the premises for which the license is granted.

~~(23)~~(41) “Vinous beverages”~~;~~ means 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.

~~(24) “Wholesale dealer”: any person other than a bottler who buys malt or vinous beverages for distribution to or resale to retail dealers or to agencies of the United States.~~

~~(25)~~(42) “Wholesale dealer’s license”:~~the~~ means a license granted by the Liquor Control Board of Liquor and Lottery permitting the wholesale dealer holder to sell or distribute malt or vinous beverages as a wholesale dealer to first- and second-class licensees, to educational sampling event permit holders, and to agencies of the United States.

~~(26) “Minor”: a person who has not attained the age of 21.~~

~~(27) “Special events permit”: a permit granted by the Liquor Control Board permitting a licensed manufacturer or rectifier 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 104 special events permits may be issued to a licensed manufacturer or rectifier during a year. A special events 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 annual limit of 104 special events permits.~~

~~(28) “Fourth class license” or “farmers’ market license”: the license granted by the Liquor Control Board permitting a licensed manufacturer or rectifier 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 licensed manufacturer or rectifier 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 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 beverages 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.~~

~~(29) "Festival permit": a permit granted by the Liquor Control Board permitting a person to conduct an event at which malt or vinous beverages, or both, are sold by the glass to the public, provided the event is approved by the local licensing authority. A festival permit holder may purchase invoiced volumes of malt or vinous beverages directly from a manufacturer or bottler, provided the manufacturer or bottler either holds a federal Basic Permit or a Brewers Notice or evidence of licensure in a foreign country, satisfactory to the Board, whichever applies. The invoiced volumes of malt or vinous beverages may be transported to the site and sold by the glass to the public by the permit holder or its employees and volunteers only during the event. A festival permit holder shall be subject to the provisions of this chapter, including section 240 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt or vinous beverages as required by section 421 of this title. A person shall not be granted a festival permit more than four times in one year, and each permit shall be valid for no more than four consecutive days. A request for a festival permit shall be submitted to the Department in a form required by the Department at least 15 days prior to the festival and shall be accompanied by a permit fee as required by subdivision 231(a)(14) of this title to be paid to the Department.~~

~~(30) "Home-fermented beverages": malt or vinous beverages produced at home and not for sale.~~

~~(31) "Legal age": 21 years of age or older.~~

~~(32) "Art gallery or bookstore permit": a permit granted by the Liquor Control Board permitting an art gallery or bookstore to conduct an event at which malt or vinous beverages or both are served by the glass to the public, provided that the event is approved by the local licensing authority. A permit holder may purchase malt 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)(22) of this title. As used in this section, "art gallery" means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; and "bookstore" means a fixed establishment whose primary purpose is to offer books for sale.~~

~~(33) "Commercial catering license": A license granted by the Board permitting a business licensed by the Department of Health as a commercial caterer and having a commercial kitchen facility in the home or place of business to sell malt beverages, vinous beverages, spirits, or fortified wines at a function previously approved by the local licensing authority.~~

~~(34) "Request to cater permit": a permit granted by the Liquor Control Board authorizing a first or first and third class licensed caterer or commercial caterer to cater individual events.~~

~~(35) "Industrial alcohol distributors license": a license granted by the Liquor Control Board that allows holders to sell pure ethyl or grain alcohol of at least 190 proof in quantities of five gallons or more directly to manufacturers, industrial users, hospitals, druggists, and institutions of learning. Alcohol sold under the industrial alcohol distributors license may only be used for manufacturing, mechanical, medicinal, and scientific purposes.~~

~~(36) "Outside consumption permit": a permit granted by the Liquor Control Board allowing the holder of a first class, first and third class, or fourth class license to allow for consumption of alcohol in a delineated outside area.~~

~~(37) "Sampler flight": a flight, ski, paddle, or any similar device by design or name intended to hold alcoholic beverage samples for the purpose of comparison.~~

~~(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.~~

~~(40) "Retail delivery permit": a permit granted by the Liquor Control Board that permits a second class licensee to deliver malt beverages or vinous beverages sold from the licensed premises for consumption off the premises to an individual who is at least 21 years of age at a physical address in Vermont.~~

~~(41) "Destination resort master license": a license granted by the Liquor Control Board pursuant to section 472 of this title permitting a destination resort to designate licensed caterers and commercial caterers that will be permitted to cater individual events within the boundaries of the resort without being required to obtain a request to cater permit for each individual event. For purposes of a destination resort master license, a "destination resort" is a resort that contains at least 100 acres of land, offers at least 50 units of sleeping accommodations, offers food and beverage service to the public for consideration, and has related sports and recreational facilities for the convenience or enjoyment of its guests. "Destination resort" does not include the University of Vermont, the Vermont State Colleges, or any other university, college, or postsecondary school.~~

Sec. 3. 7 V.S.A. § 3 is amended to read:

§ 3. CULINARY ARTS STUDENTS; EXEMPTIONS FROM PROVISIONS OF TITLE

A student ~~aged~~ 18 years of age or older who is enrolled in a postsecondary education culinary arts program, accredited by a commission recognized by the U.S. Department of Education, shall be exempt from the provisions of this title while attending classes that require the possession or consumption of alcoholic beverages.

Sec. 4. 7 V.S.A. § 4 is amended to read:

§ 4. NONPROFIT ORGANIZATIONS; WINE AND BEER AUCTIONS; FUNDRAISING

(a) A nonprofit organization qualified for tax exempt status pursuant to Section 501(c) of the federal Internal Revenue Code, as amended, in the discretion of the ~~commissioner~~ Commissioner, may auction ~~vinous or malt~~

~~beverages, or both,~~ alcoholic beverages to the public without a license, provided that:

(1) Prior to the auction, the organization provides written notification of the auction accompanied by documentation of its nonprofit status satisfactory to the ~~commissioner~~ Commissioner.

(2) The ~~commissioner~~ Commissioner approves the organization's nonprofit qualifications and the organization's ~~right~~ proposal to auction ~~vinous or malt~~ alcoholic beverages.

(3) The profits from the ~~auction sale of~~ auctioned beverages are used solely for the expenses of the nonprofit organization related to ~~conduct~~ conducting the ~~sale~~ auction or for the nonprofit purposes of the organization.

(b) A person who donates ~~vinous or malt~~ alcoholic beverages to a nonprofit organization for an auction under this section is not required to be licensed under this ~~chapter~~ title.

(c) A licensee under this title may donate alcoholic beverages to a nonprofit organization pursuant to this section, provided the licensee pays to the ~~state~~ State all the taxes that would be due as if the alcoholic beverages had been sold in the course of the licensee's business.

* * *

Sec. 5. 7 V.S.A. chapter 3 is redesignated to read:

CHAPTER 3. RESTRICTIONS AND PROHIBITED ACTS

Sec. 6. 7 V.S.A. § 61 is amended to read:

§ 61. RESTRICTIONS; EXCEPTIONS

(a) A person, ~~partnership, association, or corporation~~ shall not furnish or sell, ~~or expose or keep with intent to sell,~~ any ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages, or manufacture, sell, barter, transport, import, export, deliver, prescribe, furnish, or possess any alcohol, except as authorized by this title.

(b) ~~However~~ Notwithstanding subsection (a) of this section, this chapter shall not apply to:

(1) the furnishing of ~~such~~ alcoholic beverages ~~or spirits~~ by a ~~person~~ an individual in his or her private dwelling unless ~~such~~ the dwelling becomes a place of public resort, ~~nor to the sale of fermented cider by the barrel or cask of not less than 32 liquid gallons capacity, provided the same is delivered and removed from the vendor's premises in such barrel or cask at the time of such sale, nor to;~~

(2) the use of sacramental wine, ~~nor to;~~ or

(3) ~~the furnishing, purchase, sale, barter, transportation, importation, exportation, delivery, prescription, or possession of alcohol for manufacturing, mechanical, medicinal, and scientific purposes, provided the same that it is done under and~~ in accordance with the rules and regulations made of the Board of Liquor and Lottery and licenses and permits issued by the ~~Liquor Control Board or Division of Liquor Control~~ as hereinafter provided in this title.

Sec. 7. 7 V.S.A. § 62 is amended to read:

§ 62. HOURS OF SALE

(a) ~~Holders of first or first and third class licenses~~ First- or first- and third-class licensees, or festival, special event, or educational sampling event permit holders may sell ~~malt and vinous beverages or spirits and fortified wines~~ alcoholic beverages between the hours of 8:00 a.m. and 2:00 a.m. the next morning.

(b)(1) ~~Holders of second class licenses~~ Second-class licensees may sell malt and vinous beverages between the hours of 6:00 a.m. and 12:00 ~~a.m. the next morning~~ midnight.

(2) Fourth-class licensees may sell or furnish alcoholic beverages between the hours of 6:00 a.m. and 12:00 midnight.

* * *

Sec. 8. 7 V.S.A. § 63 is amended to read:

§ 63. IMPORTATION OR TRANSPORTATION OF ~~LIQUORS~~ ALCOHOL; PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

(a)(1) All spirits and fortified wines imported or transported into this State shall be imported or transported by and through the ~~Liquor Control Board of~~ Liquor and Lottery. A person importing or transporting or causing to be imported or transported into this State any spirits ~~and~~ or fortified wines, or both, in violation of this section shall be imprisoned not more than one year or fined not more than \$1,000.00, or both.

(2) ~~However~~ Notwithstanding subdivision (1) of this subsection, a person may import or transport not more than eight quarts of spirits ~~and~~ or fortified wines, or both, into this State in his or her own private vehicle or in his or her actual possession at the time of importation without a license or permit, provided the beverages are not for resale.

(b)(1) Except as provided in sections ~~66 and 68~~ 277, 278, and 283 of this title, all malt or vinous beverages, or both, imported or transported into this State shall be imported or transported by and through a ~~wholesale dealer holding the holder of~~ a wholesale dealer's license issued by the ~~Liquor Control Board of~~ Liquor and Lottery. A person importing or transporting or causing to

be imported or transported into this State any malt or vinous beverages, or both, in violation of this section shall be imprisoned not more than one year or fined not more than \$1,000.00, or both.

~~(2) Provided, however~~ Notwithstanding subdivision (1) of this subsection, a person may import or transport not more than six gallons of malt or vinous beverages, or both, into this State in his or her own private vehicle or in his or her actual possession at the time of importation without a license or permit, providing it is provided the beverages are not for resale.

Sec. 9. 7 V.S.A. § 64 is amended to read:

§ 64. SALE OF MALT BEVERAGES AND VINOUS BEVERAGES IN KEGS

~~(a) As used in this section, "keg" means a reusable container capable of holding at least five gallons of malt beverage.~~

~~(b)~~ A keg shall be sold by a ~~second-class~~ second-class or fourth-class licensee only under the following conditions:

(1) The keg shall be tagged in a manner and with a label approved by the ~~board~~ Board of Liquor and Lottery. The label shall be supplied and securely affixed to the keg by the wholesale dealer, or in the case of a second-class license issued for the premises of a licensed manufacturer or a fourth-class licensee, by the manufacturer.

~~(2) A person~~ A purchaser shall exhibit ~~proper proof~~ a valid authorized form of identification upon demand of a licensee or an agent of a licensee. If the ~~person~~ purchaser fails to provide ~~such proof~~ a valid authorized form of identification, the licensee shall be entitled to refuse to sell the keg to the ~~person~~ individual. As used in this subsection, "proper proof a valid authorized form of identification" ~~means a photographic motor vehicle operator's license, a liquor control photographic identification card, a valid passport, a United States military identification card or a photographic nondriver motor vehicle identification card obtained from the department of motor vehicles~~ has the same meaning as in section 589 of this title.

(3) The purchaser shall complete a form, provided by the ~~board~~ Board, ~~which~~ that includes at least the name, address, and date of birth of the purchaser as they appear on the purchaser's ~~proper proof~~ valid authorized form of identification and the identification number of the keg. The form shall also include the provisions of this section and the penalties for a violation of ~~these provisions~~ this section. The licensee shall retain the form for 90 days after return of the keg.

(4) The licensee shall collect a deposit of at least \$25.00 which shall be

returned to the purchaser upon return of the keg with the label intact.

~~(e)~~(b) A licensee shall not:

(1) sell a keg without a legible label attached; or

(2) return a deposit on a keg ~~which~~ that is returned without the label intact.

~~(d)~~(c) Any person, other than ~~the wholesaler~~ a wholesale dealer or manufacturer, who intentionally removes or defaces the label attached to a keg shall be imprisoned not more than two years or fined not more than \$1,000.00, or both.

Sec. 10. 7 V.S.A. § 65 is redesignated and amended to read:

§ ~~65~~ 66. HOME-FERMENTED MALT AND VINOUS BEVERAGES;
TASTING EVENT

(a) ~~A person~~ An individual of legal age may, without obtaining a license under this title or paying ~~state~~ State taxes or fees, produce malt or vinous beverages, or both, at home provided that the amount of home-fermented beverages produced by that ~~person~~ individual does not exceed the quantities limitation in 26 U.S.C. §§ 5053 and 5042.

* * *

Sec. 11. REPEALS

7 V.S.A. §§ 66 (malt and vinous beverage shipping licenses) and 67 (alcoholic beverage tastings) are repealed.

Sec. 12. 7 V.S.A. § 69 is redesignated and amended to read:

§ ~~69~~ 67. POWDERED ALCOHOL PRODUCTS

(a) It shall be unlawful for a person to knowingly possess or sell a powdered alcohol product.

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

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

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

Sec. 13. 7 V.S.A. chapter 5 is amended to read:

CHAPTER 5. DEPARTMENT OF LIQUOR ~~CONTROL~~ AND LOTTERY

§ 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF

LIQUOR CONTROL AND LOTTERY; LIQUOR CONTROL
BOARD OF LIQUOR AND LOTTERY

(a)(1) The Department of Liquor Control and Lottery, created by 3 V.S.A. § 212, shall administer the laws relating to alcoholic beverages, tobacco, and the State Lottery. It shall include the Commissioner of Liquor Control and Lottery and the Liquor Control Board of Liquor and Lottery.

(2) The Board of Liquor and Lottery shall supervise and manage the sales of spirits and fortified wines pursuant to this title and the establishment and management of the State Lottery pursuant to 31 V.S.A. chapter 14.

(3)(A) The Department of Liquor and Lottery shall be under the immediate supervision and direction of the Commissioner of Liquor and Lottery.

(B) The Division of Liquor Control is created within the Department to administer and carry out the laws relating to alcohol and tobacco set forth in this title.

(C) The Division of Lottery is created within the Department to administer and carry out the laws relating to the State Lottery set forth in 31 V.S.A. chapter 14.

(D) The Commissioner, with the approval of the Governor, may appoint a Deputy Commissioner of Liquor Control to supervise and direct the Division of Liquor Control and a Deputy Commissioner of the State Lottery to supervise and direct the Division of Lottery. Both Deputy Commissioners shall be exempt from the classified service and shall serve at the pleasure of the Commissioner.

(b)(1) The Liquor Control Board of Liquor and Lottery shall consist of five persons, not the Chair and four regular members. Not more than three members of which the Board shall belong to the same political party.

(2)(A) With the advice and consent of the Senate, the Governor shall appoint the members of the Board for staggered five three-year terms.

(B) The Governor shall fill a vacancy occurring during a term by an appointment for the unexpired term in accordance with the provisions of 3 V.S.A. § 257(b).

(C) A member's term of office shall commence on February 1 of the year in which the member is appointed.

(3) A member of the Board may serve for no more than two consecutive full terms. A member who is appointed to fill a vacancy occurring during a term may serve two consecutive full terms in addition to the unexpired portion of the term during which the member is first appointed.

(4) The Governor shall biennially designate a member of the Board to be its Chair. The Chair shall have general charge of the offices and employees of the Board.

(c) No member of the Board shall have a financial interest in any licensee under this title or 31 V.S.A. chapter 14, nor shall any member of the Board have a financial interest in any contract awarded by the Board or the Department of Liquor and Lottery.

(d) The Governor shall annually submit a budget for the Department to the General Assembly.

§ 102. REMOVAL

Notwithstanding any provision of 3 V.S.A. § 2004 to the contrary, after notice and hearing, the Governor may remove a member of the ~~Liquor Control~~ Board of Liquor and Lottery for incompetency, failure to discharge his or her duties, malfeasance, immorality, or other cause inimical to the general good of the State. In case of such removal, the Governor shall appoint a person to fill the unexpired term.

§ 103. MEETINGS

The Board shall ~~hold such meetings~~ meet as may be required for the performance of its duties. ~~The times and places for such meetings~~ time and place for each meeting shall be designated by the Chair of the Board. ~~Such~~ The Chair shall call a meeting upon the written request of any two members ~~and~~ or upon the written request of the Governor.

§ 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

The Board shall ~~have supervision and management of~~ supervise and manage the sale of spirits and fortified wines within the State in accordance with the provisions of this title, and through the Commissioner of ~~Liquor Control and Lottery~~ shall:

(1)(A) See that the laws relating to ~~intoxicating liquor~~ alcohol and ~~to the manufacture, sale, transportation, barter, furnishing, importation, exportation, delivery, prescription, and possession of malt and vinous beverages, spirits, fortified wines, and alcohol by licensees and others~~ alcoholic beverages are enforced, using for that purpose ~~such as much~~ such as much of the monies annually available to the ~~Liquor Control~~ Board of Liquor and Lottery as may be necessary.

(B) ~~However, the~~ The ~~Liquor Control~~ Board of Liquor and Lottery and its agents and ~~inspectors~~ investigators shall act in this respect in collaboration with sheriffs, deputy sheriffs, constables, ~~officers~~ law enforcement officers certified as Level II or Level III pursuant to 20 V.S.A. chapter 151, and members of village and city police forces, control

commissioners, the Attorney General, State's Attorneys, and town and city grand jurors.

(C) When the Board acts to enforce any section of this title or any administrative rule ~~or regulation~~ relating to sale to minors, its investigation on the alleged violation shall be forwarded to the Attorney General or the appropriate State's Attorney whether or not there is an administrative finding of wrongdoing. Nothing in this section shall be deemed to affect the responsibility or duties of ~~such law~~ enforcement officers or agencies with respect to the enforcement of ~~such laws~~ the provisions of this title.

(D) The Commissioner or ~~his or her~~ designee is authorized to prosecute administrative matters under this section and shall have the authority to enter into direct negotiations with a licensee to reach a proposed resolution or settlement of an alleged violation, subject to Board approval, or dismissal with or without prejudice.

(2) Supervise the opening and operation of local agencies for the sale and distribution of spirits and fortified wines.

(3) ~~Locate and, establish, and supervise the operation of a central liquor agency warehouse and office for the purpose of supplying spirits and fortified wines to local agencies established in accordance with this title and for the purpose of selling spirits and fortified wines to licensees of the third-class and druggists, and supervise the operation of such central liquor agency fortified wine permit holders.~~

(4) Supervise the financial transactions of ~~such the central liquor agency warehouse and office,~~ and the local agencies established in accordance with this title.

(5) Adopt rules necessary for the execution of its powers and duties and of the powers and duties of all persons under its supervision and control.

(6) Employ ~~such~~ assistants, ~~inspectors~~ investigators, and other officers as it deems necessary, subject to the approval of the Governor.

(7) Fix bonds or other security to be given by licensees.

(8) ~~Make~~ Adopt rules and ~~regulations~~ concerning, and issue licenses and permits under ~~such~~ whatever terms and conditions as it may impose for the furnishing, purchasing, selling, bartering, transporting, importing, exporting, delivering, and possessing of alcohol, including denatured alcohol, for manufacturing, mechanical, medicinal, and scientific purposes.

(9) Adopt rules regarding labeling and advertising of ~~malt or vinous beverages, spirits, and fortified wines~~ alcoholic beverages by adoption of federal regulations or otherwise, and collaborate with federal agencies in

respect ~~thereto~~ to the adoption and the enforcement ~~thereof~~ of the rules.

(10) Adopt rules relating to extension of credit by and to licensees or permittees.

(11) Adopt rules regarding intrastate transportation of malt and vinous beverages.

§ 105. DUTIES OF ATTORNEY GENERAL

The ~~attorney general~~ Attorney General shall collaborate with the ~~liquor control board~~ Board of Liquor and Lottery for the enforcement of the provisions of subdivision ~~(1) of section 104(1)~~ of this title.

§ 106. COMMISSIONER OF LIQUOR ~~CONTROL~~ AND LOTTERY; REPORTS; RECOMMENDATIONS

(a)(1) With the advice and consent of the Senate, the Governor shall appoint from among no fewer than three candidates proposed by the ~~Liquor Control Board~~ of Liquor and Lottery a Commissioner of Liquor ~~Control~~ and Lottery for a term of four years.

(2) The Board shall review the applicants for the position of Commissioner of Liquor ~~Control~~ and Lottery and by a vote of the majority of the members of the Board shall select candidates to propose to the Governor. The Board shall consider each applicant's administrative expertise and his or her knowledge regarding the business of distributing and selling alcoholic beverages and administering the State Lottery.

(b) The Commissioner shall serve at the pleasure of the Governor until the end of the term for which he or she is appointed or until a successor is appointed.

§ 107. DUTIES OF COMMISSIONER OF LIQUOR ~~CONTROL~~ AND LOTTERY

(a) The Commissioner of Liquor ~~Control~~ and Lottery shall direct and supervise the Department of Liquor and Lottery and, subject to the direction of the Board, shall see that the laws relating to alcohol and tobacco under this title and the State Lottery under 31 V.S.A. chapter 14 are carried out. The Commissioner shall annually prepare a budget for the Department and submit it to the Board.

(b) With respect to the laws relating to alcohol, the Commissioner shall:

(1) In towns that vote to permit the sale of spirits and fortified wines, establish local agencies as the Board of Liquor and Lottery shall determine. However, the ~~Liquor Control~~ Board shall not be obligated to establish an agency in every town that votes to permit the sale of spirits and fortified wines.

* * *

(4) Supervise the quantities and qualities of spirits and fortified wines to be kept as stock in local agencies and recommend rules subject to approval and adoption by the Board regarding the filling of requisitions ~~therefor~~ for spirits and fortified wines on the Commissioner of Liquor ~~Control~~ and Lottery.

(5) Purchase ~~through the Commissioner of Buildings and General Services~~ spirits and fortified wines for and in behalf of the ~~Liquor Control Board~~ of Liquor and Lottery; supervise their storage and distribution to local agencies, ~~druggists~~, third-class licensees, and holders of fortified wine permits; and recommend rules subject to approval and adoption by the Board regarding the sale and delivery from the central ~~storage plant~~ liquor warehouse.

* * *

§ 108. ENFORCEMENT BY BOARD; REGULATIONS; FORMS AND REPORTS

The ~~liquor control board~~ Board of Liquor and Lottery shall administer and enforce the provisions of this title, and is authorized and empowered to ~~prescribe such~~ adopt rules and ~~regulations, including the issuing of~~ issue the necessary blanks, forms, and reports, except reports to the ~~commissioner of taxes~~ Commissioner of Taxes and to the ~~commissioner of public safety~~ Commissioner of Public Safety, as may be necessary to carry out the provisions of this title.

§ 109. AUDIT OF ACCOUNTS OF ~~LIQUOR CONTROL BOARD~~ OF LIQUOR AND LOTTERY

All accounts of the ~~liquor control board~~ Board of Liquor and Lottery related to its activities pursuant to this title shall be audited annually by the ~~auditor of accounts~~ Auditor of Accounts and the annual report of ~~such~~ the audit shall accompany the annual reports of ~~such liquor control board~~ the Board of Liquor and Lottery.

§ 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF ~~LIQUOR CONTROL~~ AND LOTTERY

If ~~any~~ a person ~~shall desire~~ desires to purchase any class, variety, or brand of spirits or fortified wine ~~which any~~ that a local agency or fortified wine permit holder does not have in stock, the Commissioner of Liquor ~~Control and Lottery~~ shall order the ~~same~~ through the Commissioner of Buildings and General Services product upon the payment of a reasonable deposit by the purchaser in ~~such~~ a proportion of the approximate cost of the order as ~~shall be~~ prescribed by the ~~regulations~~ rules of the ~~Liquor Control Board~~ of Liquor and Lottery.

§ 111. VINOUS BEVERAGES MANUFACTURED IN VERMONT
TRANSFER OF LOCAL AGENCY STORE IN CONJUNCTION
WITH SALE OF REAL PROPERTY OR BUSINESS

~~Vinous beverages manufactured in Vermont and bearing the Vermont seal of quality:~~

~~(1) shall be sold in State operated stores;~~

~~(2) may be sold in contract agency stores and may be displayed with the spirits and fortified wines or with the vinous beverages, or both.~~

(a) If a proposed sale of real estate or a business in which a local agency store is located is contingent on the transfer of the agency store's contract with the Board to the buyer, the seller and buyer may, prior to completing the sale, submit to the Department a request to approve the transfer of the agency store's contract to the buyer. The request shall be accompanied by any information required by the Department.

(b) The Department shall review the request and evaluate the buyer based on the standards for evaluating an applicant for a new agency store contract.

(c) Within 30 days after receiving the request and all necessary information, the Department shall complete the evaluation of the proposed transfer and notify the parties of whether the agency store's contract may be transferred to the buyer.

(d)(1) If the transfer is approved, the contract shall transfer to the buyer upon completion of the sale.

(2) If the transfer is denied, the seller may continue to operate the agency store pursuant to the existing contract with the Department.

§ 112. LIQUOR CONTROL ENTERPRISE FUND

The Liquor Control Enterprise Fund is ~~hereby~~ established. It shall consist of all receipts from the sale of spirits, fortified wines, and other items by the Board of Liquor and Lottery and Division of Liquor Control; fees paid to the ~~Department~~ Division of Liquor Control for the benefit of the ~~Department~~ Division; all other amounts received by the ~~Department~~ Division of Liquor Control for its benefit; and all amounts that are from time to time appropriated to the ~~Department~~ Division of Liquor Control.

§ 113. ADMINISTRATION OF DEPARTMENT; APPORTIONMENT OF COSTS

The administrative and operating costs of the Department of Liquor and Lottery that are not specific to either the Division of Liquor Control or the Division of Lottery and the cost of any functions that are shared in common by

the two Divisions shall be allocated to and paid from the Liquor Control Enterprise Fund and the State Lottery Fund based on Generally Accepted Accounting Principles.

Sec. 13a. USE OF DEPARTMENTAL ADMINISTRATIVE RESOURCES;
APPORTIONMENT OF COSTS; REPORT

On or before January 15, 2018, the Commissioner of Liquor and Lottery shall submit a written report regarding the allocation of costs to the Liquor Control Enterprise Fund and the State Lottery Fund pursuant to 7 V.S.A. § 113 and the method used for allocating those costs to the House and Senate Committees on Appropriations.

Sec. 14. 7 V.S.A. chapter 7 is amended to read:

CHAPTER 7. MUNICIPAL CONTROL

§ 161. LICENSES VOTED BY TOWN; TOWN MEETINGS; WARNING

(a) Upon petition of not less than five percent of the legal voters of any town, filed with the town clerk in conformance with 17 V.S.A. § 2642, the warning of the annual or special meeting shall contain an article providing for a vote upon the following questions:

Shall licenses for the sale of malt and vinous beverages be granted in this town?

Shall spirits and fortified wines be sold in this town?

The vote under ~~such~~ the article shall be by ballot in the following form:

Shall licenses for the sale of malt and vinous beverages be granted in this town?

Yes _____ No _____

Shall spirits and fortified wines be sold in this town?

Yes _____ No _____

(b) Licenses and permits for the sale of malt and vinous beverages and ~~spirit~~ spirits and fortified wines shall be issued according to the vote at the annual town meeting held in March 1969 until a town votes otherwise.

§ 162. REPORT

After any annual town meeting ~~wherein the~~ in which a town votes on the questions set forth in section 161 of this title, the town clerk ~~of the town~~ shall report promptly the results of the vote to the ~~liquor control board~~ Board of Liquor and Lottery, upon forms furnished by the ~~board~~ Board.

§ 163. BALLOTS; COLOR

(a) Whenever a petition is filed under section 161 of this title, the town clerk shall print, at least two weeks before the annual or special meeting, ~~cause~~ blank ballots for the votes provided for in section 161 of this title ~~to be printed~~ in any color except yellow, ~~in such manner that each ballot can be easily detached, to the number of.~~ The ballots shall be printed in a quantity equal to not less than one and one-tenth times the number of registered voters qualified to vote at the last preceding general election, as shown by the checklist.

(b) Upon each ~~such~~ ballot shall be endorsed the words: "OFFICIAL BALLOT" followed by the name of the town in which it is to be used and the date of the election. The town clerk is authorized to use regular ballots for the requisite number of sample ballots by adding in type or print on the front ~~thereof of each ballot~~, the words: "SAMPLE BALLOT."

§ 164. DUTIES OF BALLOT CLERKS AND TOWN CLERKS

The board of civil authority, or the ballot clerks if directed by ~~them~~ the board of civil authority, shall have charge of the ballots and perform the duties imposed upon ballot clerks and assisting clerks and be subject to the penalties imposed upon such officials by law. The town clerk shall perform the same duties in respect to ~~such~~ the ballots as are imposed upon him or her by the provisions of law governing general elections, except as otherwise provided.

§ 165. HOURS OF OPENING

The box for the reception of ~~such~~ the ballots shall be opened at the hour the meeting is called, and be closed when general voting ceases.

§ 166. CONTROL COMMISSIONERS

There shall be control commissioners in each town and city. ~~Such~~ The control commissioners shall be the selectboard members in each town and the city council members in each city. The town and city clerks shall be recording officers and clerks of the commissioners and be paid as ~~hereinafter~~ provided in 24 V.S.A. §§ 932 and 933.

§ 167. DUTIES OF LOCAL CONTROL COMMISSIONERS

(a) The local control commissioners shall administer ~~such~~ the rules ~~and regulations, which shall be~~ furnished to them by the ~~liquor control board~~ Board of Liquor and Lottery, as ~~shall be~~ necessary to carry out the purposes of this title. Except as provided in subsection (b) of this section, all applications for and forms of licenses and permits, and applications therefor and all rules ~~and regulations~~ shall be prescribed by the ~~liquor control board~~ Board of Liquor and Lottery, which shall prepare and issue ~~such~~ the applications, forms, and rules and regulations.

(b) If the municipality so votes at a meeting duly warned for that purpose,

the local control commissioners may, in the exercise of their authority under ~~subdivision 222(1)~~ of this title, condition the issuance of licenses and permits upon compliance, during the term of the license or permit, with any ordinance regulating entertainment or public nuisances that has been duly adopted by the municipality; ~~and at a meeting duly warned for that purpose.~~

(c) The local control commissioners may, in the exercise of their authority under section ~~236~~ 210 of this title, suspend or revoke a ~~liquor~~ license or permit for a violation of any condition placed upon the issuance of a ~~the~~ license or permit under subsection (b) of this section. ~~The local control commissioners shall give reasons for the suspension or revocation in writing and shall also state the duration of any suspension in writing.~~

§ 168. UNORGANIZED PLACES, CONTROL COMMISSIONERS

In an unorganized town or gore, the supervisor shall be the control commissioner for the administration of the ~~liquor control laws~~ rules necessary to carry out the applicable provisions of this title. He or she may in his or her discretion issue and approve the issuance of licenses and permits as he or she finds will best serve the interests of the inhabitants ~~best served~~. The provisions of sections 161–165, ~~221 and 224~~ and 201 of this title, insofar as they relate to voting, shall not apply to unorganized towns and gores.

Sec. 15. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 1, which shall include sections 201–214, is added to read:

Subchapter 1. General Provisions

Sec. 16. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 2, which shall include sections 221–229, is added to read:

Subchapter 2. Retail Licenses and Permits

Sec. 17. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 3, which shall include sections 241–243, is added to read:

Subchapter 3. Catering Licenses and Permits

Sec. 18. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 4, which shall include sections 251–259, is added to read:

Subchapter 4. Tasting and Event Permits

Sec. 19. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 5, which shall include sections 271–283, is added to read:

Subchapter 5. Manufacturing and Distribution of Alcohol

Sec. 20. 7 V.S.A. § 221 is redesignated and amended to read:

§ ~~224~~ 201. LICENSES CONTINGENT ON TOWN VOTE; ~~RESTRICTIONS AS TO DANCING PAVILIONS~~

Licenses of the first or second class shall not be granted by the control commissioners or the ~~Liquor Control Board~~ of Liquor and Lottery to be exercised in any city or town, the voters of which vote “No” ~~to the question: “Shall license be granted for the sale of malt and vinous beverages?”~~ on the question of whether to permit the sale of malt beverages and vinous beverages pursuant to section 161 of this title. Licenses of the third class shall not be granted by the ~~Liquor Control Board~~ of Liquor and Lottery to be exercised in any city or town, the voters of which vote “No” ~~to the question: “Shall spirits and fortified wines be sold in this town?”~~ on the question of whether to sell fortified wines and spirits pursuant to section 161 of this title. ~~Licenses of the third class shall not be granted to any open air or wayside dancing pavilions.~~

Sec. 21. 7 V.S.A. § 223 is redesignated and amended to read:

§ ~~223~~ 202. LICENSES TO ENFORCEMENT OFFICER OR CONTROL ~~BOARD MEMBER~~ COMMISSIONER; EXCEPTIONS

(a) No license of any class shall be granted to any enforcement officer or to any person acting in the officer’s behalf.

(b) A member of a local control ~~board~~ commission to whom or in behalf of whom a ~~first or second class~~ first- or second-class license was issued by that ~~board~~ commission shall not participate in any control ~~board~~ commission action regarding any ~~first or second class~~ first- or second-class license. If a majority of the members of a local control ~~board~~ commission is unable to participate in a control ~~board~~ commission action regarding any ~~first or second class~~ first- or second-class license, that action shall be referred to the ~~state liquor control board~~ Board of Liquor and Lottery for investigation and action.

(c) An application for a ~~first or second class~~ first- or second-class license by or in behalf of a member of the local control ~~board~~ commission or a complaint or disciplinary action regarding a ~~first or second class~~ first- or second-class license issued by a ~~board~~ commission on which any member is a licensee shall be referred to the ~~state liquor control board~~ Board of Liquor and Lottery for investigation and action.

Sec. 22. 7 V.S.A. § 230 is redesignated and amended to read:

§ ~~230~~ 203. RESTRICTIONS; FINANCIAL INTERESTS; ~~DISPLAY OF LICENSE;~~ EMPLOYEES

(a)(1) Except as provided in ~~subdivision 2(15)~~ section 271 of this title, a ~~bottler packager~~, manufacturer, or rectifier licensed in Vermont or in another state, a certificate of approval holder, or a wholesale dealer shall not have any financial interest in the business of a first-, second-, or third-class ~~licensee~~ licensee, and a first-, second-, or third-class licensee may not have any financial interest in the business of a ~~bottler packager~~, manufacturer, or rectifier licensed in Vermont or in another state, a certificate of approval holder, or a wholesale dealer.

(2) ~~However~~ Notwithstanding subdivision (1) of this subsection and except as otherwise provided in section 271 of this title, a manufacturer of malt beverages may have a financial interest in the business of a first- or second-class license, and a first- or second-class licensee may have a financial interest in the business of a manufacturer of malt beverages, provided ~~a~~ the first- or second-class licensee does not purchase, possess, or sell the malt beverages produced by a manufacturer with which there is any financial interest. ~~All licenses or permits granted under this title shall be conspicuously displayed on the premises for which the license or permit is granted.~~ Any manufacturer of malt beverages that has a financial interest in a first- or second-class licensee and any first- or second-class licensee that has a financial interest in a manufacturer of malt beverages, as permitted under this ~~section~~ subdivision, shall provide to the ~~Department~~ Division of Liquor Control and the applicable wholesale dealer written notification of that financial interest and the licensees involved. A wholesale dealer shall not be in violation of this section for delivering malt beverages to a first- or second-class licensee that is prohibited from purchasing, possessing, or selling those malt beverages under this section.

(b) An individual who is an employee of a wholesale dealer that does not hold a solicitor's license may also be employed by a first- or second-class licensee on a paid or voluntary basis, provided that the employee does not exercise any control over, or participate in, the management of the first- or second-class licensee's business or business decisions, and that ~~either~~ neither employment relationship ~~does not result~~ results in the exclusion of any competitor wholesale dealer or any brand of alcoholic beverages of a competitor wholesale dealer.

Sec. 23. 7 V.S.A. § 231 is redesignated and amended to read:

§ ~~234~~ 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

(a) The following fees shall be paid when applying for a new license or permit or to renew a license or permit:

-
- (1) For a manufacturer's or rectifier's license to manufacture or rectify malt beverages, or vinous beverages and fortified wines, or spirits and fortified wines, \$285.00 for each license.
 - (2) For a ~~bottler's~~ packager's license, \$1,865.00.
 - (3) For a wholesale dealer's license, \$1,245.00 for each location.
 - (4) For a first-class license, \$230.00.
 - (5) For a second-class license, \$140.00.
 - (6) For a third-class license, \$1,095.00 for an annual license and \$550.00 for a six-month license.
 - (7) For a shipping license for malt beverages or vinous beverages:
 - (A) In-state consumer shipping license, ~~initial and renewal~~, \$330.00.
 - (B) Out-of-state consumer shipping license, ~~initial and renewal~~, \$330.00.
 - (C) ~~Retail~~ Vinous beverages retail shipping license, \$250.00.
 - (8)(A) For a caterer's license, \$250.00.
 - (B) For a commercial catering license, \$220.00.
 - (C) For a request to cater permit, \$20.00.
 - (9) [~~Repealed.~~]
 - (10) [~~Repealed.~~]
 - (11) For up to ten fourth-class licenses, \$70.00.
 - (12)(10) For an industrial alcohol ~~distributors~~ distributor's license, \$220.00.
 - (13)(11) For a special events permit, \$35.00.
 - (14)(12) For a festival permit, \$125.00.
 - (15)(13) For ~~a wine~~ an alcoholic beverages tasting permit, \$25.00.
 - (16)(14) For an educational sampling event permit, \$250.00.
 - (17)(15) For an outside consumption permit, \$20.00.
 - (18)(16) For a certificate of approval:
 - (A) For malt beverages, \$2,485.00.
 - (B) For vinous beverages, \$985.00.
 - (19)(17) For a solicitor's license, \$70.00.

~~(20)~~(18) For a vinous beverages storage license, \$235.00.

~~(21)~~(19) For a promotional railroad tasting permit ~~for a railroad~~, \$20.00.

~~(22)~~(20) For an ~~art gallery or bookstore~~ special venue serving permit, \$20.00.

~~(23)~~(21) For a fortified wine permit, \$100.00.

~~(24)~~ For a ~~public library or museum~~ permit, \$20.00.

~~(25)~~(22) For a retail delivery permit, \$100.00.

~~(26)~~(23) For a destination resort master license, \$1,000.00.

(b) Except for fees collected for first-, second-, and third-class licenses, the fees collected pursuant to subsection (a) of this section shall be deposited in the Liquor Control Enterprise Fund. The other fees shall be distributed as follows:

(1) Third-class license fees: 55 percent shall go to the Liquor Control Enterprise Fund, and 45 percent shall go to the General Fund and shall fund alcohol abuse prevention and treatment programs.

(2) First- and second-class license fees: At least 50 percent of first-class and second-class license fees shall go to the respective municipalities in which the licensed premises are located, and the remaining percentage of those fees shall go to the Liquor Control Enterprise Fund. A municipality may retain more than 50 percent of the fees that the municipality collected for first- and second-class licenses to the extent that the municipality has assumed responsibility for enforcement of those licenses pursuant to a contract with the Department. The ~~Department~~ Board of Liquor and Lottery shall adopt rules regarding contracts entered into pursuant to this subdivision.

Sec. 24. 7 V.S.A. § 232 is redesignated and amended to read:

§ ~~232~~ 205. TERMS OF PERMITS AND, LICENSES, AND CERTIFICATES

(a) All permits ~~and, licenses, and certificates~~ shall expire midnight, April 30, of each year ~~and, upon the payment of a new fee,~~

(b) A permit, license, or certificate may be renewed as follows:

(1) A first-class or second-class license, and an outside consumption permit associated with a first-class license, may be renewed by:

(A) payment of the fee provided in section 204 of this title;

(B) submission to the local control commissioners with the of an application demonstrating that the licensee satisfies all applicable rules and requirements; and

(C) approval of the ~~liquor control board~~ Board of Liquor and Lottery

as provided in section 221, 222, or 227 of this title, ~~provided the licensee is entitled thereto.~~

(2) All other permits, licenses, and certificates may be renewed by:

(A) payment of the fee provided in section 204 of this title; and

(B) submission to the Board of Liquor and Lottery or the Division, as appropriate, of an application demonstrating that the holder satisfies all applicable rules and requirements.

Sec 25. 7 V.S.A. § 233 is redesignated and amended to read:

§ ~~233~~ 206. DISPOSAL OF FEES

The control commissioners shall collect all fees for ~~retailers' licenses of the first first- and second-class~~ second-class licenses and shall pay ~~such the~~ fees to the Division and the city and town treasurers of the respective cities and towns where such the fees are collected to be as provided in subsection 204(b) of this chapter. The portion of each fee paid to the city or town may be used as such cities and towns it may direct, less a fee of \$5.00 to be retained by the city or town clerk as a fee for issuing such and recording the license and recording the same. Fees ~~Except as otherwise provided in section 274 and 275 of this title, fees~~ for all other licenses shall be paid to the ~~liquor control board~~ Board of Liquor and Lottery.

Sec. 26. 7 V.S.A. § 234 is redesignated and amended to read:

§ ~~234~~ 207. CHANGE OF LOCATION

~~In case any~~ If a licensee desires to change the location of ~~his~~ its business before the expiration of ~~his~~ its license, ~~upon proper~~ the licensee may submit an application; to the liquor control board Board of Liquor and Lottery, which may amend his the license to cover the new premises without the payment of any additional fee.

Sec. 27. 7 V.S.A. § 208 is added to read:

§ 208. DISPLAY OF LICENSE

All licenses or permits granted under this title shall be conspicuously displayed on the premises for which the license or permit is granted.

Sec. 28. 7 V.S.A. § 235 is redesignated and amended to read:

§ ~~235~~ 209. BANKRUPTCY, DEATH, AND REVOCATION

(a) If a licensee or permittee becomes bankrupt or dies before the expiration of ~~his or her~~ its license or permit, ~~his or her~~ the licensee's or permittee's trustee, executor, or administrator may sell the ~~intoxicating liquors alcohol~~ which that came into ~~his or her~~ its possession to a holder of a license or

permit of the same class.

(b) If a license or permit is revoked under the provisions of this title, after ~~such the~~ revocation, the licensee or permittee may sell the ~~intoxicating liquors in his or her~~ alcohol in its possession at the time of ~~such the~~ revocation to a holder of a license or permit of the same class.

(c)(1) All sales under this section ~~shall be accompanied by immediate and actual delivery and~~ shall be made within 30 days after ~~such the~~ bankruptcy, death, or revocation and shall include immediate and actual delivery of the alcohol.

(2) ~~However~~ Notwithstanding subdivision (1) of this subsection, upon application of the executor or administrator of a deceased licensee or permittee, the ~~board~~ Board may transfer the license or permit of the decedent to ~~such the~~ executor or administrator without payment of any additional fee, and the executor or administrator may then carry on the business of the decedent under the license or permit until ~~the its~~ expiration ~~thereof~~.

(d)(1) The holder of a manufacturer's or rectifier's license may pledge or mortgage ~~intoxicating liquor~~ alcoholic beverages manufactured or rectified by ~~such the~~ licensee and ~~such the~~ pledgee or mortgagee may retain possession of ~~such liquor~~ the alcoholic beverages and ~~after condition broken, if the licensee defaults,~~ may sell and dispose of the alcoholic beverages to persons to whom the licensee might lawfully sell ~~such liquors~~ the alcoholic beverages, subject to the same restrictions and regulations as ~~such the~~ licensee, and to ~~such any~~ further restriction and regulation as may be or rules prescribed by the ~~liquor control board~~ Board of Liquor and Lottery with respect to ~~notice to it in~~ advance notice to it of ~~such the~~ sale and determination by it of the persons entitled to buy and the manner of ~~such the~~ sale.

(2) Any sale ~~under such~~ pursuant to a default on a pledge or mortgage shall not be at public auction as required with respect to ~~like~~ similar sales of other property, but shall be upon not less than ten days' notice to the pledgor or mortgagor and for the highest amount which may be offered ~~under the regulations of such liquor control board as aforesaid~~ pursuant to the rules of the Board of Liquor and Lottery.

Sec. 29. 7 V.S.A. § 236 is redesignated and amended to read:

§ ~~236~~ 210. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT;
ADMINISTRATIVE PENALTY

(a)(1) The control commissioners or the ~~liquor control board~~ Board of Liquor and Lottery shall have power to suspend or revoke any permit or license granted pursuant to this title in the event the person holding ~~such the~~ permit or license shall at any time during the term ~~thereof~~ of the permit or

license conduct ~~his or her~~ its business ~~as to be~~ in violation of this title, the conditions pursuant to which ~~such~~ the permit or license was granted, or ~~of~~ any rule ~~or regulation~~ prescribed by the ~~liquor control board~~ Board of Liquor and Lottery.

(2) No revocation shall be made until the permittee or licensee ~~shall be~~ has been notified and ~~be~~ given a hearing before the ~~liquor control board~~ Board of Liquor and Lottery, unless ~~such~~ the permittee or licensee ~~shall have~~ has been convicted by a court of competent jurisdiction of violating the provisions of this title.

(3) In the case of a suspension, the permittee or licensee shall be notified and given a hearing before the ~~liquor control board~~ Board of Liquor and Lottery or the local governing body control commissioners, whichever applies.

(4) Any decision to suspend or revoke a license shall be issued in writing and set forth the reasons for the suspension or revocation and, if applicable, the duration of the suspension.

(5) A tobacco license may not be suspended or revoked for a first-time violation. Suspension or revocation of a tobacco license shall not affect any liquor license held by the licensee.

(b)(1) As an alternative to and in lieu of the authority to suspend or revoke any permit or license, the ~~liquor control board~~ Board of Liquor and Lottery shall also have the power to impose an administrative penalty of up to \$2,500.00 per violation against a holder of a wholesale dealer's license or a holder of a ~~first first-, second second-, or third class~~ third-class license for a violation of the conditions ~~under which~~ of the license ~~was issued~~ or of this title or of any rule ~~or regulation~~ adopted by the ~~board~~ Board.

(2) The administrative penalty may be imposed after a hearing before the ~~board~~ Board or after the licensee has been convicted by a court of competent jurisdiction of violating the provisions of this title.

(3) The ~~board~~ Board may also impose an administrative penalty under this subsection against a holder of a tobacco license for up to \$100.00 for a first violation and up to \$1,000.00 for subsequent violations.

(4) For the first violation during a tobacco or alcohol compliance check during any three-year period, a licensee or permittee shall receive a warning and be required to attend a ~~department~~ Division server training class.

(c) For suspension or revocation proceedings involving a tobacco license or the imposition of an administrative penalty against a tobacco licensee under this section, the ~~commissioner~~ Commissioner, a ~~board~~ Board member designated by the ~~chair~~ Chair, or a hearing officer designated by the ~~chair~~

Chair pursuant to section ~~236a~~ 211 of this title may conduct the hearing and render a decision.

(d)(1) The ~~board~~ Board shall subpoena any person in this ~~state~~ State to appear for a hearing or for a deposition in the same manner as prescribed for judicial procedures.

(2) Sheriffs and witnesses shall receive the same fees for the service of process and attendance before the ~~board~~ Board as are paid in ~~superior court~~ Superior Court.

Sec. 30. 7 V.S.A. § 236a is redesignated and amended to read:

§ ~~236a~~ 211. HEARING OFFICER

(a) The ~~chair~~ Chair of the ~~board~~ Board of Liquor and Lottery may appoint a hearing officer to conduct hearings pursuant to section ~~236~~ 210 of this title. A hearing officer may be a member of the ~~board~~ Board appointed under section ~~236~~ 210 of this title.

(b) The hearing officer may administer oaths in all cases, so far as the exercise of that power is properly incidental to the performance of the hearing officer's duty or that of the ~~board~~ Board. A hearing officer may hold any hearing in any matter within the jurisdiction of the ~~board~~ Board.

(c) The hearing officer shall make findings of fact in writing to the ~~board~~ Board in the form of a proposal for decision. A copy of the proposal for decision shall be served upon the parties pursuant to 3 V.S.A. § ~~811~~ 812. Judgment on the hearing officer's proposal for decision shall be rendered by a majority of the ~~board~~ Board.

(d) At least 10 days prior to a hearing ~~before the board~~, the hearing officer shall give written notice of the time and place of the hearing to all parties in the case and shall indicate either that the hearing will be before the Board or the name and title of the person designated to conduct the hearing.

(e) The ~~chair~~ Chair may appoint a hearing officer to hear and finally determine any complaint involving a tobacco license. In such a case, the hearing officer may impose administrative penalties as provided in subsection ~~236(b)~~ 210(b) of this title.

Sec. 31. 7 V.S.A. § 237 is redesignated and amended to read:

§ ~~237~~ 212. COMPLAINTS AND PROSECUTIONS

The ~~commissioner of liquor control~~ Commissioner of Liquor and Lottery or the local control commissioners shall make complaint to the ~~state's attorney~~ State's Attorney or town grand juror of any unlawful furnishing, selling, or keeping for sale of alcohol, ~~spirituous liquor, or malt or vinous beverages~~ or

alcoholic beverages, and ~~furnish the evidence thereof to such state's attorney~~ provide evidence in support of the complaint to the State's Attorney or town grand juror, who shall prosecute for ~~such~~ the alleged violation.

Sec. 32. 7 V.S.A. § 239 is redesignated and amended to read:

§ ~~239~~ 213. LICENSEE EDUCATION

(a) A new first-class, second-class, third-class, fourth-class, ~~or farmers' market license~~, or manufacturer's or rectifier's license, or common carrier certificate shall not be granted until the applicant has attended a ~~Department~~ Division of Liquor Control in-person seminar or completed the appropriate ~~Department~~ Division of Liquor Control online training program for the purpose of being informed of the Vermont ~~liquor laws~~, and rules, ~~and regulations~~ pertaining to the purchase, storage, and sale of ~~alcohol~~ alcoholic beverages. A corporation, partnership, or association shall designate a director, partner, or manager who shall comply with the terms of this subsection.

(b)(1) Every holder of a first-class, second-class, third-class, fourth-class, or farmers' market licensee, ~~and every holder of a manufacturer's or rectifier's license~~, or common carrier certificate shall complete the ~~Department~~ Division of Liquor Control in-person licensee training seminar or the appropriate ~~Department~~ Division of Liquor Control online training program at least once every two years. A corporation, partnership, or association shall designate a director, partner, or manager who shall comply with the terms of this subsection.

(2) A first-class, second-class, third-class, fourth-class, ~~or farmers' market license~~, or manufacturer's or rectifier's license shall not be renewed unless the Division's records of the Department of Liquor Control show that the licensee has complied with the terms of this subsection.

(c)(1) Each licensee, permittee, or common carrier certificate holder shall ensure that every employee who is involved in the delivery, sale, or serving of alcohol alcoholic beverages completes a training program approved by the ~~Department~~ Division of Liquor Control before the employee begins serving or selling alcoholic beverages and at least once every 24 months thereafter. Each licensee shall maintain written documentation, signed by each employee trained, of each training program conducted.

(2) A licensee may comply with this requirement by conducting its own training program on its premises, using information and materials furnished or approved by the ~~Department~~ Division of Liquor Control. A licensee who fails to comply with the requirements of this subsection shall be subject to a suspension of the license issued under this title for no less than one day of the

~~license issued under this title.~~

(d) The following fees for ~~Department~~ Division of Liquor Control in-person or online seminars will be paid:

(1) For a first-class or first- and third-class licensee seminar either ~~in person~~ in-person or online, \$25.00 per person.

(2) For a second-class licensee seminar either ~~in person~~ in-person or online, \$25.00 per person.

(3) For a combination first-class, first- and third-class, and second-class licensee seminar either ~~in person~~ in-person or online, \$25.00 per person.

(4) For a manufacturer's or rectifier's, or fourth-class, ~~or farmers' market~~ licensee seminar either ~~in person~~ in-person or online, \$10.00 per person.

(5) For common carrier seminars either ~~in person~~ in-person or online, \$10.00 per person.

(6) For all special event, festival, educational sampling, ~~art gallery, bookstore, museum and library~~ and special venue serving permit holders for either an in-person or online seminar, \$10.00 per person.

(e) Fees for all seminars listed in this section and under other sections of this title with regards to in-person or online training shall be deposited directly in the Liquor Control Enterprise Fund.

Sec. 33. 7 V.S.A. § 240 is redesignated and amended to read:

§ ~~240~~ 214. PROOF OF FINANCIAL RESPONSIBILITY

(a) Any ~~first, second or third class liquor~~ first-, second-, or third-class licensee whose license is suspended by the local control commissioners or suspended or revoked by the ~~liquor control board~~ Board of Liquor and Lottery for selling or furnishing ~~intoxicating liquor~~ alcoholic beverages to a minor, to a person apparently under the influence of ~~intoxicating liquor~~ alcohol, to a person after legal serving hours, or to a person ~~whom~~ who it would be reasonable to expect would be intoxicated as a result of the amount of ~~liquor~~ alcoholic beverages served to that person, shall be required to furnish to the ~~liquor control department~~ Commissioner a certificate of financial responsibility within 60 days of the commencement of the suspension or revocation or at the time of reinstatement of the license, whichever is later. Financial responsibility may be established by any one or a combination of the following: insurance, surety bond, or letter of credit. Coverage shall be maintained at not less than \$25,000.00 per occurrence and \$50,000.00 aggregate per occurrence. Proof of financial responsibility shall be required for license renewal for the three years following the suspension or revocation.

(b)(1) Proof of financial responsibility and completion of the licensee education program established in section 239 213 of this title shall be conditions for a licensee to be permitted to resume operation after a suspension or revocation for any of the reasons in subsection (a) of this section; however,

(2) However, at the discretion of the suspending or revoking authority, the licensee may receive a provisional license prior to the time these conditions are met in order to allow for compliance with the education requirement or to obtain the certificate of financial responsibility. A provisional license may not be issued for a period exceeding 60 days.

Sec. 34. 7 V.S.A. § 221 is added to read:

§ 221. FIRST-CLASS LICENSES

(a)(1) With the approval of the Board of Liquor and Lottery, the control commissioners may grant a first-class license to a retail dealer for the premises where the dealer carries on business if the retail dealer submits an application and pays the fee provided in section 204 of this title, and satisfies the Board that the premises:

(A) are leased, rented, or owned by the retail dealer;

(B) are devoted primarily to dispensing meals to the public, except in the case of clubs; and

(C) have adequate and sanitary space and equipment for preparing and serving meals.

(2) The Board of Liquor and Lottery may grant a first-class license to a boat or railroad dining car if the person that operates it submits an application and pays the fee provided in section 204 of this title.

(3) The Division shall post notice of pending applications on its website.

(b)(1) A first-class license permits the holder to sell malt and vinous beverages for consumption only on those premises.

(2) Except as otherwise provided pursuant to sections 271 and 278 of this title, a first-class license holder shall purchase all malt beverages and vinous beverages sold pursuant to the license from Vermont wholesale dealers or packagers.

(c) A retail dealer carrying on business in more than one place shall acquire a first-class license for each place where the retail dealer sells malt or vinous beverages for consumption on the premises.

(d) Partially consumed bottles of vinous beverages or specialty beers that were purchased with a meal may be removed from first-class licensed premises provided the beverages are recapped or resealed.

(e) No person under 18 years of age shall be employed by a first-class licensee as:

(1) a bartender for the purpose of preparing, mixing, or dispensing alcoholic beverages; or

(2) a waitress or waiter for the purpose of serving alcoholic beverages.

(f)(1) A holder of a first-class license may contract with another person to prepare and dispense food on the licensed premises.

(2) The first-class license holder shall provide to the Division written notification five business days prior to the start of the contract the following information:

(A) the name and address of the license holder;

(B) a signed copy of the contract;

(C) the name and address of the person contracted to provide the food;

(D) a copy of the person's license from the Department of Health for the facility in which food is served; and

(E) the person's rooms and meals tax certificate from the Department of Taxes.

(3) The holder of the first-class license shall notify the Division within five business days of the termination of the contract to prepare and dispense food. The first-class licensee shall be responsible for controlling all conduct on the premises at all times, including the area in which the food is prepared and stored.

(g) A hotel that holds a first-class license and places a minibar in any room of a registered guest shall ensure that the minibar is locked and that access to the minibar is restricted to guests of legal drinking age.

(h) The holder of a first-class license may permit a customer to:

(1) possess or carry no more than two open containers of alcoholic beverages; and

(2) maintain control over his or her open container of alcoholic beverages at all times while on the licensed premises.

Sec. 35. 7 V.S.A. § 222 is amended to read:

§ 222. ~~FIRST AND SECOND-CLASS LICENSES; GRANTING OF; SALE TO MINORS; CONTRACTING FOR FOOD SERVICE~~

(a)(1) With the approval of the ~~Liquor Control~~ Board of Liquor and

Lottery, the control commissioners may grant the following licenses a second-class license to a retail dealer for the premises where the dealer carries on business if the retail dealer submits an application and pays the fee provided in section 204 of this title and satisfies the Board that the premises:

~~(1) Upon making application and paying the license fee provided in section 231 of this title, a first class license which authorizes the dealer to sell malt and vinous beverages for consumption only on those premises, and upon satisfying the Liquor Control Board that the premises are leased, rented, or owned by the retail dealer and are devoted primarily to dispensing meals to the public, except clubs, and that the premises have adequate and sanitary space and equipment for preparing and serving meals. The term "public" includes patrons of hotels, boarding houses, restaurants, dining cars, and similar places where meals are served. A retail dealer carrying on business in more than one place shall acquire a first class license for each place where the retail dealer sells malt and vinous beverages. No malt or vinous beverages shall be sold by a first class licensee to a minor. Partially consumed bottles of vinous beverages or specialty beers that were purchased with a meal may be removed from first class licensed premises provided the beverages are recapped or resealed.~~

~~(2) Upon making application, paying the license fee provided in section 231 of this title, and upon satisfying the Board that such~~

~~(A) premises are leased, rented, or owned by the retail dealer; and~~

~~(B) are a safe, sanitary, and proper place from which to sell malt and vinous beverages, a second class license, which shall authorize such dealer.~~

~~(2) The Division shall post notice of pending applications on its website.~~

~~(b)(1) A second-class license permits the holder to export malt and vinous beverages, and to sell malt and vinous beverages to the public from such the licensed premises for consumption off the premises.~~

~~(2) The Division of Liquor Control may grant a second-class licensee a fortified wine permit pursuant to section 225 of this chapter or a retail delivery permit pursuant to section 226 of this chapter.~~

~~(3) Except as otherwise provided pursuant to sections 225, 271, and 278 of this title, a second-class license holder shall purchase all malt beverages and vinous beverages sold pursuant to its license from Vermont wholesale dealers or packagers.~~

~~(c) A retail dealer carrying on business in more than one place shall be required to acquire a second-class license for each place where the retail dealer sells malt and vinous beverages. No malt or vinous beverages shall be sold by~~

~~a second-class licensee to a minor.~~

~~(3) No person under the age of 18 shall be employed by a first or third-class licensee as a bartender for the purpose of preparing, mixing, or dispensing alcoholic beverages. No person under the age of 18 shall be employed by a first or third-class licensee as a waitress or waiter for the purpose of serving alcoholic beverages.~~

~~(4)(A) A holder of a first-class license may contract with another person to prepare and dispense food on the license holder's premises.~~

~~(B) The first-class license holder shall provide to the Department written notification five business days prior to start of the contract the following information:~~

~~(i) the name and address of the license holder;~~

~~(ii) a signed copy of the contract;~~

~~(iii) the name and address of the person contracted to provide the food;~~

~~(iv) a copy of the person's license from the Department of Health for the facility in which food is served; and~~

~~(v) the person's rooms and meals tax certificate from the Department of Taxes.~~

~~(C) The holder of the first-class license shall notify the Department within five business days of the termination of the contract to prepare and dispense food. It is the responsibility of the first-class licensee to control all conduct on the premises at all times, including the area in which the food is prepared and stored.~~

~~(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 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.~~

~~(7)(A)(i) The Liquor Control Board may grant a retail delivery permit to a second-class licensee if the licensee files an application accompanied by the fee provided in section 231 of this title.~~

~~(ii) Notwithstanding subdivision (i) of this subdivision (7)(A), the Liquor Control Board shall not grant a retail delivery permit in relation to a second-class license issued to a licensed manufacturer or rectifier for the manufacturer's or rectifier's premises.~~

~~(B) A retail delivery permit holder may deliver malt beverages or vinous beverages sold from the licensed premises for consumption off the premises to an individual who is at least 21 years of age subject to the following requirements:~~

~~(i) Deliveries shall only be made by the permit holder or an employee of the permit holder.~~

~~(ii) Deliveries shall only occur between the hours of 9:00 a.m. and 5:00 p.m.~~

~~(iii) Deliveries shall only be made to a physical address located in Vermont.~~

~~(iv) An employee of a retail delivery permit holder shall not be permitted to make deliveries of malt beverages or vinous beverages pursuant to the permit unless he or she has completed a training program approved by the Department as required pursuant to section 239 of this chapter.~~

~~(v) Malt beverages and vinous beverages delivered pursuant to a retail delivery permit shall be for personal use and not for resale.~~

Sec. 36. 7 V.S.A. § 224 is redesignated and amended to read:

§ ~~224~~ 223. THIRD-CLASS LICENSES; ~~OPEN CONTAINERS~~

(a)(1) The ~~Liquor Control Board~~ Liquor and Lottery may grant to a person who operates a hotel, restaurant, ~~or club, boat, or railroad dining car, or who holds a manufacturer's or rectifier's license,~~ a ~~license of the third-class~~ third-class license if the person files an application accompanied by the ~~license~~ fee as provided in section ~~231~~ 204 of this title for the premises in which the business of the hotel, restaurant, or club is carried on or for the boat or railroad

dining car.

(2) The applicant shall satisfy the Board that the applicant is the bona fide owner or lessee of the premises, boat, or railroad dining car and that it is operated for the purpose covered by the license.

(b) ~~The holder of a~~ A third-class license holder may sell spirits and fortified wines for consumption only on the licensed premises covered by the license. The applicant for a third-class license shall satisfy the 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, boat, or railroad dining car.

(b)(c) The holder of a ~~first or first and~~ third-class license may permit a ~~consumer~~ customer to:

(1) Possess possess or carry no more than two open containers of alcoholic beverages; and

(2) Maintain maintain control over his or her open container of alcoholic beverages at all times while on the licensed premises, boat, or railroad dining car.

(e)(d)(1) A Except as otherwise provided in subdivision (2) of this subsection and section 271 of this title, a person who holds a third-class license shall purchase from the ~~Liquor Control~~ Board of Liquor and Lottery all spirits and fortified wines dispensed in accordance with the provisions of the third-class license and this title.

(2) For a third-class license issued for a dining car or boat, the licensee may procure outside the State of Vermont spirits and fortified wines that are sold pursuant to the license.

(e) No person under 18 years of age shall be employed by a third-class licensee as:

(1) a bartender for the purpose of preparing, mixing, or dispensing alcoholic beverages; or

(2) a waitress or waiter for the purpose of serving alcoholic beverages.

Sec. 37. 7 V.S.A. § 241 is redesignated and amended to read:

§ 241 ~~224~~. ~~FOURTH CLASS LICENSE; RULES:~~

ADVERTISING FOURTH-CLASS LICENSES

(a) The Board of Liquor and Lottery may grant up to a combined total of ten fourth-class licenses to a manufacturer or rectifier that submits an application and the fee provided in section 204 of this title.

(b) At each licensed location, a fourth-class licensee may sell by the unopened container or distribute by the glass, with or without charge, alcoholic beverages manufactured by the licensee.

(1) A licensee may, for consumption at the licensed premises or location, distribute the following amounts of alcoholic beverages to a retail customer:

(A) no more than two ounces of malt beverages or vinous beverages with a total of eight ounces; and

(B) no more than one-quarter ounce of spirits or fortified wine with a total of one ounce.

(2) At a fourth-class license location at the licensee's manufacturing premises, the 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 licensed premises.

(3) At each licensed location, a fourth-class licensee may, pursuant to section 64 of this title, sell malt beverages or vinous beverages, or both by the keg.

(c)(1) At only one fourth-class license location, a licensed manufacturer or rectifier may sell by the unopened container or distribute by the glass, with or without charge, alcoholic beverages produced by no more than five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier.

(2) A manufacturer or rectifier may sell its product to no more than five additional manufacturers or rectifiers.

(d) A fourth-class license issued for a farmers' market location shall be valid for all dates of operation for the specific farmers' market location.

(e) Rules and regulations applicable to ~~second-class~~ second-class licenses and pertaining to financial responsibility; ~~education of employees~~, age of employees, ~~hours of sale~~, age of purchasers, the selling and furnishing to apparently intoxicated persons; and leases of businesses shall all apply ~~in like manner~~ to ~~fourth-class~~ fourth-class licenses.

(~~b~~)(f) Signs and advertising of ~~fourth-class~~ fourth-class licenses at tasting rooms and retail shops other than at the manufacturer's or rectifier's premises shall indicate that the premises are a "tasting room and retail shop," and shall be in lettering not less than 75 percent of the height and width of the lettering setting forth the name of the licensee or establishment.

Sec. 38. 7 V.S.A. § 225 is redesignated and amended to read:

§ ~~225~~ 251. EDUCATIONAL SAMPLING EVENT PERMIT

(a) The Division of 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 spirits, or all four are served only for the purposes of marketing and educational sampling, provided if:~~

(1) ~~the event is also approved by the local licensing authority. At control commissioners; and~~

(2) ~~at least 15 days prior to the event, an the applicant shall submit submits an application to the Department Division in a form required by the Department. The application shall include Commissioner that includes a list of the alcoholic beverages to be acquired for sampling at the event, and the application shall be and is accompanied by a the fee in the amount required pursuant to provided in section 231 204 of this title.~~

(b) An educational sampling event permit holder is permitted to conduct an event that is open to the public at which malt beverages, vinous beverages, fortified wines, spirits, or all four are served only for the purposes of marketing and educational sampling.

(c)(1) No more than four educational sampling event permits shall be issued annually to the same person.

(2) An educational sampling event permit shall be valid for no more than four consecutive days.

(d) The permit holder shall ensure all the following:

(1) Attendees at the educational sampling event shall be required to pay an entry fee of no less than \$5.00.

(2)(A) Beverages Malt beverages or vinous beverages for sampling shall be offered in glasses that contain no more than two ounces of either beverage.

(B) Fortified wines and spirits for sampling shall be offered in glasses that contain no more than one quarter ounce of either beverage.

(3) The event shall be conducted in compliance with all the requirements of this title.

~~(b)(c)~~ (e) An educational sampling event permit holder:

(1) May may receive shipments directly from a manufacturer, bottler packager, certificate of approval holder, wholesale dealer, or importer licensed in Vermont or that provides evidence of licensure in another state or foreign country satisfactory to the Board;

(2) ~~May may~~ transport ~~malt beverages, vinous beverages, fortified wines, and spirits~~ alcoholic beverages 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 packager~~, or importer participating in the event, provided they meet the server age and training requirements under section 259 of this chapter; and

(3) ~~[Repealed.]~~

~~(e) All the~~ shall mark all cases and bottles of alcoholic beverages to be served at the event ~~shall be marked by the permit holder~~ "For sampling only. Not for resale."

~~(d)(f)~~ Taxes for the alcoholic beverages served at the event shall be paid as follows:

(1) ~~Malt~~ malt beverages:

(A) \$0.265 per gallon of malt beverages served; that contain not more than six percent of alcohol by volume at 60 degrees Fahrenheit; and

(B) \$0.55 per gallon of malt beverages served that contain more than six percent of alcohol by volume at 60 degrees Fahrenheit;

(2) ~~Vinous~~ vinous beverages: \$0.55 per gallon served;

(3) ~~Spirituous liquors~~ spirits: \$19.80 per gallon served; and

(4) ~~Fortified~~ fortified wines: \$19.80 per gallon served.

Sec. 39. 7 V.S.A. § 225 is added to read:

§ 225. FORTIFIED WINE PERMITS

(a)(1) The Division of Liquor Control may grant a fortified wine permit to a second-class licensee if the licensee files an application accompanied by the fee provided in section 204 of this title.

(2) The Division of Liquor Control shall issue no more than 150 fortified wine permits in any single year.

(b)(1) A fortified wine permit holder may sell fortified wines to the public from the licensed premises for consumption off the premises.

(2) A fortified wine permit holder 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. 40. 7 V.S.A. § 226 is redesignated and amended to read:

§ 226 272. BOTTLERS' PACKAGER'S LICENSE

(a) The ~~liquor control board~~ Board of Liquor and Lottery may grant to a bottler a license to bottle and sell malt and vinous beverages received by such bottler in bulk upon a packager's license to a person if the person:

(1) submits an application and the payment of;

(2) pays the license fee as provided in section ~~231~~ 204 of this title; and

(3) ~~upon satisfying~~ satisfies the commissioner of liquor control Commissioner of Liquor and Lottery as to ~~the~~ its compliance with the rules and regulations of the ~~liquor control board~~ Board relating to the cleanliness of the applicant's facilities for storage and bottling of ~~the malt and vinous~~ alcoholic beverages.

(b) A packager's license holder may:

(1) bottle or otherwise package alcoholic beverages the licensee receives in bulk for sale; and

(2) distribute and sell alcoholic beverages that are bottled or otherwise packaged for sale by the licensee.

(c) A packager's license holder shall comply with the provisions of subsection 274(c) of this subchapter.

Sec. 41. 7 V.S.A. § 226 is added to read:

§ 226. RETAIL DELIVERY PERMITS

(a)(1) The Division of Liquor Control may grant a retail delivery permit to a second-class licensee if the licensee files an application accompanied by the fee provided in section 204 of this title.

(2) Notwithstanding subdivision (1) of this subsection, the Division of Liquor Control shall not grant a retail delivery permit in relation to a second-class license issued to a licensed manufacturer or rectifier for the manufacturer's or rectifier's premises.

(b) A retail delivery permit holder may deliver malt beverages or vinous beverages sold from the licensed premises for consumption off the premises to an individual who is at least 21 years of age subject to the following requirements:

(1) Deliveries shall only be made by the permit holder or an employee of the permit holder.

(2) Deliveries shall only occur between the hours of 9:00 a.m. and 5:00 p.m.

(3) Deliveries shall only be made to a physical address located in Vermont.

(4) An employee of a retail delivery permit holder shall not be permitted to make deliveries of malt beverages or vinous beverages pursuant to the permit unless he or she has completed a training program approved by the Division pursuant to section 213 of this chapter.

(5) Malt beverages and vinous beverages delivered pursuant to a retail delivery permit shall be for personal use and not for resale.

Sec. 42. 7 V.S.A. § 227 is redesignated and amended to read:

§ ~~227~~ 273. WHOLESALE DEALER'S LICENSE

(a) The liquor control board Board of Liquor and Lottery may grant to a wholesale dealer a license to distribute or sell malt and vinous beverages upon application of such wholesale dealer and the payment of a wholesale dealer's license to a person if the person:

(1) submits an application on a form required by the Board;

(2) pays the license fee as provided in section ~~231~~ 204 of this title; and

(3) upon satisfying the liquor control board satisfies the Board as to his or her its qualifications as a wholesale dealer.

(b) A wholesale dealer's license holder may distribute or sell malt beverages or vinous beverages to first- and second-class licensees and holders of educational sampling event permits.

(c)(1) In no event shall a wholesale dealer's license permit-carrying holder be permitted to carry on business allowed by a retail dealer's first-class first-class license or second-class second-class license.

(2) A wholesale dealer's license holder shall comply with the provisions of subsection 274(c) of this subchapter.

Sec. 43. 7 V.S.A. § 228 is redesignated and amended to read:

§ ~~228~~ 258. ~~DINING CARS AND BOATS; FIRST OR THIRD CLASS LICENSE; PURCHASE OF LIQUORS OUTSIDE STATE; PROMOTIONAL RAILROAD TASTING PERMIT~~

(a) The Liquor Control Board may grant to a person that operates a boat or dining car engaged in interstate commerce a license of the first class or third-class upon the application and payment of the license fee as provided in section 231 of this title. A person that operates a dining car or boat engaged in interstate commerce may procure spirits and fortified wines outside the State of Vermont.

(b) The Division of Liquor Control Board may grant to a person that operates a railroad a tasting permit that permits the holder to conduct tastings of ~~Vermont-produced~~ alcoholic beverages in the dining car, ~~provided if~~ the person files with the ~~department~~ Division an application along with the ~~permit~~ fee ~~required pursuant to subdivision 231(a)(21) provided in section 204 of this title.~~

Sec. 44. 7 V.S.A. § 238a is redesignated and amended to read:

§ ~~238a~~ 227. OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND FOURTH-CLASS LICENSEES

Pursuant to ~~regulations of the rules of the Board of Liquor and Lottery,~~ the Division of Liquor Control Board, may grant an outside consumption permit ~~may be granted~~ to the holder of a first- ~~or,~~ first- and third-class licenses ~~for all or part of the outside premises of a golf course or to the holder of a,~~ or fourth-class license for all or part of the outside premises of the license holder; ~~provided that such if the permit is first obtained from approved by the local control commissioners and approved by the Board.~~

Sec. 45. 7 V.S.A. § 228 is added to read:

§ 228. SAMPLER FLIGHTS

(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 spirits or fortified wines to a single customer at one time.

Sec. 46. 7 V.S.A. § 229 is amended to read:

§ 229. NUMBER OF LICENSES ALLOWED CLUBS

~~Unless specially authorized by the board, it shall be unlawful for a person to hold more than one first class license or more than one second class license at the same time or a first class license and a second class license, or a second class license and a third class license at the same time, or a bottler's license or wholesale dealer's license and a license of any other class at the same time. However, nothing herein shall be construed to prevent a person holding a bottler's license and a wholesale dealer's license at the same time provided such person pays both the license fees as provided in section 231 of this title.~~

(a)(1) Except as otherwise provided in subdivisions (2) and (3) of this

subsection, a club shall be permitted to obtain a license under this title if it has existed for at least two consecutive years prior to the date of its application.

(2) A club whose officers and members consist solely of veterans of the U.S. Armed Forces or a subordinate lodge or local chapter of any national fraternal order, which fulfills all requirements of this section except that it has not been in existence for at least two consecutive years, shall be permitted to obtain a license under this title if it has existed for at least six months prior to the date of its application.

(3) A club that is located on and integrally associated with at least a regulation nine-hole golf course shall be permitted to obtain a license under this title if it has existed for at least six months prior to the date of its application.

(b) The premises of a club that is licensed pursuant to this title may be used or leased by a nonmember as a location for a social event as if it were any other licensed commercial establishment.

(c)(1) Before May 1 of each year, each club shall file with the Board of Liquor and Lottery a list of the names and residences of its members and a list of its officers.

(2) Its affairs and management shall be conducted by a board of directors, executive committee, or similar body chosen by the members at its annual meeting.

(3)(A) A club may provide for a salary for members, officers, agents, or employees of the club by a vote at annual meetings by the club's members, directors, or other governing body, and shall report the salary set for the members, officers, agents, or employees to the Board of Liquor and Lottery.

(B) No member, officer, agent, or employee of a club shall be paid, or directly or indirectly receive, in the form of salary or other compensation, any profits from the disposition or sale of alcoholic beverages to the club's members or guests introduced by members beyond the amount of any salary that may be fixed and voted pursuant to subdivision (A) of this subdivision (3).

(4) An auxiliary member of a club may invite one guest at any one time.

(5)(A) An officer or director of a club may perform the duties of a bartender without receiving any payment for that service, provided the officer or director is in compliance with the requirements of this title that relate to service of alcoholic beverages.

(B) An officer, member, or director of a club may volunteer to perform services at the club other than serving alcoholic beverages, including seating patrons and checking identification, without receiving payment for

those services.

(6) An officer, member, or director of a club who volunteers his or her services shall not be considered to be an employee of the club.

Sec. 47. 7 V.S.A. § 238 is redesignated and amended to read:

§ 238 241. CATERER'S LICENSE, GRANTING OF; SALE TO MINORS;
COMMERCIAL CATERING LICENSE

~~(a) The Liquor Control Board of Liquor and Lottery may issue a caterer's license only to those persons who hold a current first-class license or current first- and third-class licenses for a restaurant or hotel premises.~~

~~(b) The Board may issue or a commercial catering license only to those persons a person who hold holds a first-class license or current first- and third-class licenses.~~

~~(c)(b) The Liquor Control Board of Liquor and Lottery shall adopt rules as it deems necessary to effectuate the purposes of this section.~~

~~(d) No malt or vinous beverages, spirits, or fortified wines shall be sold or served to a minor by a holder of a caterer's license.~~

~~(e) Notwithstanding the provisions of subsection (a) of this section, the Liquor Control Board may issue a caterer's license to a licensed manufacturer or rectifier who holds a current first-class license.~~

Sec. 48 7 V.S.A. § 243 is added to read:

§ 243. REQUEST TO CATER PERMIT

(a) The Division of Liquor Control may issue a request to cater permit to the holder of a caterer's license or commercial caterer's license if the licensee:

(1) submits an application for the permit on a form prescribed by the Commissioner;

(2) receives approval for the proposed event from the local control commissioners; and

(3) pays the fee required pursuant to section 204 of this title.

(b) A request to cater permit shall authorize a licensed caterer or commercial caterer to serve alcoholic beverages at an individual event as set forth in the permit.

Sec. 49. 7 V.S.A. § 252 is added to read:

§ 252. SPECIAL EVENT PERMITS

(a)(1) The Division of Liquor Control may issue a special event permit if the application is submitted to the Division of Liquor Control with the fee

provided in section 204 of this title at least five days prior to the date of the event.

(2) A special event permit shall be valid for the duration of each public event or four days, whichever is shorter.

(b)(1) A special event permit holder may sell alcoholic beverages manufactured or rectified by the permit holder by the glass or the unopened bottle.

(2) For purposes of tasting, a special event permit holder may distribute beverages manufactured or rectified by the permit holder with or without charge, provided the beverages are distributed:

(A) by the glass; and

(B) in quantities of 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.

(c)(1) A licensed manufacturer or rectifier may be issued no more than 104 special event permits during a year.

(2) Each manufacturer or rectifier planning to attend a single special event pursuant to this section may be listed on a single permit for the special event. However, each attendance at a special event shall count toward the manufacturer's or rectifier's annual limit of 104 special event permits.

Sec. 50. 7 V.S.A. § 253 is added to read:

§ 253. FESTIVAL PERMITS

(a) The Division of Liquor Control may grant a festival permit if the applicant has:

(1) received approval from the local control commissioners;

(2) submitted a request for a festival permit to the Division in a form required by the Commissioner at least 15 days prior to the festival; and

(3) paid the fee provided in section 204 of this title.

(b)(1) A festival permit holder may purchase invoiced volumes of malt or vinous beverages directly from a manufacturer or packager licensed in Vermont, or a manufacturer or packager that holds a federal Basic Permit or Brewers Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

(2) The invoiced volumes of malt or vinous beverages may be transported to the site and sold by the glass to the public by the permit holder or its employees and volunteers only during the event.

(c) A festival permit holder shall be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt or vinous beverages pursuant to section 421 of this title.

(d) A person shall be granted no more than four festival permits per year, and each permit shall be valid for no more than four consecutive days.

Sec. 51. 7 V.S.A. § 254 is added to read:

§ 254. SPECIAL VENUE SERVING PERMITS

(a) The Division of Liquor Control may grant an art gallery, bookstore, public library, or museum a special venue serving permit if the applicant has:

(1) received approval from the local control commissioners;

(2) submitted a request for a permit to the Division in a form required by the Commissioner at least five days prior to the event; and

(3) paid the fee provided in section 204 of this title.

(b) A permit holder may purchase malt or vinous beverages directly from a licensed retailer.

(c) A permit holder shall be subject to the provisions of this title and the rules of the Board regarding the service of alcoholic beverages.

(d) A public library or museum may only be granted a permit pursuant to this section for an event held for a charitable or educational purpose at which malt and vinous beverages will be served for a period of not more than six hours.

Sec. 52. 7 V.S.A. § 255 is added to read:

§ 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

(a) The Division of Liquor Control may grant a licensee a permit to conduct an alcoholic beverage tasting event as provided in subsection (b) of this section if:

(1) the licensee has submitted a written application in a form required by the Commissioner and paid the fee provided in section 204 of this title at least five days prior to the date of the alcoholic beverage tasting event; and

(2) the Commissioner determines that the licensee is in good standing.

(b) The Division may grant the following alcoholic beverage tasting permits to the following types of licensees:

(1) A second-class licensee.

(A) The permit authorizes the employees of the second-class licensee

or of a designated manufacturer or rectifier to dispense to each customer of legal age on the licensee's premises malt or vinous beverages by the glass not to exceed two ounces of each beverage with a total of eight ounces of malt or vinous beverages.

(B) Malt or vinous beverages dispensed at the tasting event shall be from the inventory of the licensee or purchased from a wholesale dealer.

(C) A second-class licensee may be granted up to 48 tasting permits per year. In addition, a second-class licensee may be granted up to five permits per week to conduct a tasting as part of an educational food preparation class or course conducted by the licensee on the licensee's premises.

(2) A licensed manufacturer or rectifier of malt or vinous beverages.

(A) The permit authorizes the licensed manufacturer or rectifier to dispense to each customer of legal age for consumption on the premises of a second-class licensee beverages produced by the manufacturer or rectifier by the glass not to exceed two ounces of each beverage with a total of eight ounces of malt or vinous beverages.

(B) A manufacturer or rectifier may conduct no more than 48 tastings per year.

(3) A licensed wholesale dealer. The permit authorizes a licensed wholesale dealer to dispense malt or vinous beverages for promotional purposes at the wholesale dealer's premises without charge to invited employees of first-, second-, and third-class licensees, provided the invited employees are of legal age.

(c) A vinous beverage or malt beverage tasting event held pursuant to subsection (b) of this section, not including an alcoholic beverage tasting conducted on the premises of the manufacturer or rectifier, shall comply with the following:

(1) continue for no more than six hours, with no more than six beverages to be offered at a single event, and no more than two ounces of any single beverage and no more than a total of eight ounces of malt or vinous beverages to be dispensed to a customer;

(2) serve no more than eight individuals at one time; and

(3) be conducted totally within a designated area that extends no further than 10 feet from the point of service and that is marked by a clearly visible sign that states that no one under 21 years of age may participate in the tasting.

(d) The holder of a permit issued under this section shall keep an accurate accounting of the beverages consumed at a tasting event and shall be

responsible for complying with all applicable laws under this title.

(e) The holder of a permit issued under this section that provides alcoholic beverages to a minor or permits an individual under 18 years of age to serve alcoholic beverages at a tasting event under this section shall be fined not less than \$500.00 nor more than \$2,000.00 or imprisoned not more than two years, or both.

Sec. 53. 7 V.S.A. § 256 is added to read:

§ 256. PROMOTIONAL TASTINGS FOR LICENSEES

(a)(1) At the request of a first- or second-class licensee, a holder of a manufacturer's, rectifier's, or wholesale dealer's license may distribute without charge to the first- or second-class licensee's management and staff, provided they are of legal age and are off duty for the rest of the day, two ounces per person of vinous or malt beverages for the purpose of promoting the beverage.

(2) At the request of a holder of a third-class license, a manufacturer or rectifier of spirits or fortified wines may distribute without charge to the third-class licensee's management and staff, provided they are of legal age and are off duty for the rest of the day, one-quarter ounce of each beverage and no more than a total of one ounce to each individual for the purpose of promoting the beverage.

(3) No permit is required for a tasting pursuant to this subsection, but written notice of the event shall be provided to the Division of Liquor Control at least two days prior to the date of the tasting.

(b)(1) At the request of a holder of a wholesale dealer's license, a first-class licensee may dispense malt or vinous beverages for promotional purposes without charge to invited management and staff of first-, second-, or third-class licensees, provided they are of legal age.

(2) The event shall be held on the premises of the first-class licensee.

(3) The first-class licensee shall be responsible for complying with all applicable laws under this title.

(4) No permit is required for a tasting pursuant to this subsection, but the wholesale dealer shall provide written notice of the event to the Division of Liquor Control at least 10 days prior to the date of the tasting.

(c)(1) Upon receipt of a first- or second-class application by the Board, a holder of a wholesale dealer's license may dispense malt or vinous beverages for promotional purposes without charge to invited management and staff of the business that has applied for a first- or second-class license, provided they are of legal age.

(2) The event shall be held on the premises of the first- or second-class applicant.

(3) The first- or second-class applicant shall be responsible for complying with all applicable laws under this title.

(4) No malt or vinous beverages shall be left behind at the conclusion of the tasting.

(5) No permit is required under this subdivision, but the wholesale dealer shall provide written notice of the event to the Division at least five days prior to the date of the tasting.

Sec. 54. 7 V.S.A. § 257 is added to read:

§ 257. TASTINGS FOR PRODUCT QUALITY ASSURANCE

(a) A licensed manufacturer or rectifier may distribute to its management and staff who are directly involved in the production of the licensee's products, provided they are of legal age and at the licensed premises, samples of the licensee's products for the purpose of assuring the quality of the products.

(b) Each sample of malt beverages or vinous beverages shall be no larger than two ounces, and each sample of spirits or fortified wines shall be no larger than one-quarter ounce.

(c) No permit is required for a tasting pursuant to this section.

Sec. 55. 7 V.S.A. § 259 is added to read:

§ 259. TASTING EVENTS; AGE AND TRAINING OF SERVERS

No individual who is under 18 years of age or who has not received training as required by the Division may serve alcoholic beverages at a tasting event under this subchapter.

Sec. 56. 7 V.S.A. § 271 is added to read:

§ 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

(a) The Board of Liquor and Lottery may grant a manufacturer's or rectifier's license upon application and payment of the fee provided in section 204 of this title that permits the license holder to manufacture or rectify:

(1) malt beverages;

(2) vinous beverages and fortified wines; or

(3) spirits and fortified wines.

(b) Except as otherwise provided in section 224 of this title and subsections (d)–(f) of this section:

(1) spirits and fortified wine may be manufactured for sale to the Board of Liquor and Lottery or for export, or both; and

(2) malt beverages and vinous beverages may be manufactured or rectified for sale to packagers or wholesale dealers, or for export, or both.

(c) A licensed manufacturer of vinous beverages or fortified wines may receive from another manufacturer licensed in or outside this State bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages or fortified wines produced by the licensed manufacturer may contain no more than 25 percent imported vinous beverages.

(d)(1) The Board of Liquor and Lottery may grant to a licensed manufacturer or rectifier a first-class license or a first- and a third-class license permitting the licensee to sell alcoholic beverages to the public at an establishment located at the manufacturer's premises, provided the manufacturer or rectifier owns or has direct control over that establishment.

(2) For a manufacturer of malt beverages, the premises of the manufacturer may include up to two licensed establishments that are located on the contiguous real estate of the license holder, provided the manufacturer owns or has direct control over both establishments.

(e) The Board of Liquor and Lottery may grant a licensed manufacturer of malt beverages a second-class license permitting the licensee to sell alcoholic beverages to the public anywhere on the manufacturer's premises.

(f)(1) A licensed manufacturer or rectifier may serve alcoholic beverages with or without charge at an event held on the premises of the licensee or at a location on the contiguous real estate of the licensee provided the licensee at least five days before the event gives the Division written notice of the event, including details required by the Division.

(2) 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 Board of Liquor and Lottery.

Sec. 57. REPEAL

7 V.S.A. chapter 11 (Certificates of Approval) is repealed.

Sec. 58. 7 V.S.A. § 274 is added to read:

§ 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT
OR VINOUS BEVERAGES

(a) The Board of Liquor and Lottery may grant to a manufacturer or distributor of malt or vinous beverages that is not licensed under the provisions of this title a certificate of approval if the manufacturer or distributor does all

of the following:

(1) Submits an application on a form prescribed by the Board, including any additional information that the Board may deem necessary.

(2) Agrees to comply with the rules of the Board.

(3) Pays the fee provided in section 204 of this title to the Division of Liquor Control by a certified check payable to the State of Vermont or another form of payment approved by the Board of Liquor and Lottery. If the Board does not grant the application, the certified check or payment shall be returned to the applicant.

(b) A certificate of approval shall permit the holder to export malt or vinous beverages, or sell malt or vinous beverages to holders of packagers' or wholesale dealers' licenses issued under section 272 or 273 of this title, or both.

(c) A holder of a packager's or a wholesale dealer's license issued under this title shall not purchase within or outside the State, or import or cause to be imported into the State, any malt or vinous beverages unless the person, manufacturer, or distributor from which the beverages are obtained holds a valid certificate of approval or packager's license.

(d)(1) The Board of Liquor and Lottery may suspend or revoke a certificate of approval if the holder fails to comply with the rules of the Board or to submit reports to the Commissioner of Taxes in accordance with all applicable laws and rules.

(2)(A) A certificate of approval shall not be revoked unless the holder has been given a hearing following reasonable notice.

(B) Notice of a revocation or suspension shall be sent to each holder of a packager's or wholesale dealer's license prior to the effective date of the revocation or suspension.

(e) A person who violates a provision of this section shall be fined not more than \$300.00 or imprisoned not more than one year, or both, for each offense and shall forfeit any license issued under the provisions of this title.

Sec. 59. REPEAL

7 V.S.A. chapter 13 (Solicitor's License) is repealed.

Sec. 60. 7 V.S.A. § 275 is added to read:

§ 275. SOLICITOR'S LICENSE

(a) The Board of Liquor and Lottery may grant an individual a solicitor's license if he or she does all of the following:

(1) Submits an application to the Board of Liquor and Lottery on a form prescribed by the Board. The application shall include, at a minimum, the name, residence, and business address of the applicant, the name and address of the vendor or employer to be represented by the applicant, and an agreement by the applicant to comply with the rules of the Board.

(2) Submits to the Board a recommendation by the vendor to be represented by the applicant that indicates the applicant is qualified to hold a solicitor's license.

(3) Pays the fee provided in section 204 of this title to the Division of Liquor Control by certified check made payable to the State of Vermont. The certified check shall be returned to the applicant if the Board does not grant him or her a license under this section.

(b) A solicitor's license holder may solicit orders for and promote the sale of malt or vinous beverages by canvassing or interviewing holders of licenses issued under the provisions of this title.

(c) The Board of Liquor and Lottery may suspend or revoke a solicitor's license for failure to comply with any rule of the Board or for other cause. A solicitor's license shall not be revoked until the license holder has had an opportunity for a hearing following reasonable notice.

(d) A person who solicits orders for, or promotes the sale of malt or vinous beverages, or attempts to solicit or promote the sale of malt or vinous beverages by canvassing or interviewing a holder of a license issued under the provisions of this title, without having first obtained a solicitor's license as provided in this section, or who makes a false or fraudulent statement or representation in an application for the license or in connection with an application shall be imprisoned not more than six months or fined not more than \$500.00, or both.

Sec. 61. 7 V.S.A. § 276 is added to read:

§ 276. INDUSTRIAL ALCOHOL DISTRIBUTOR'S LICENSE

(a) The Board of Liquor and Lottery may grant an industrial alcohol distributor's license upon application and payment of the fee provided in section 204 of this title.

(b) Alcohol sold under an industrial alcohol distributor's license may only be used for manufacturing, mechanical, medicinal, and scientific purposes.

Sec. 62. 7 V.S.A. § 277 is added to read:

§ 277. MALT AND VINOUS BEVERAGE CONSUMER SHIPPING
LICENSE

(a)(1) A manufacturer or rectifier of malt or vinous beverages licensed in Vermont may be granted an in-state consumer shipping license by filing with the Division of Liquor Control an application in a form required by the Commissioner accompanied by a copy of the applicant's current Vermont manufacturer's license and the fee provided in section 204 of this title.

(2) An in-state consumer shipping license may be renewed annually by submitting to the Division the fee provided in section 204 of this title accompanied by a copy of the licensee's current Vermont manufacturer's license.

(b)(1) A manufacturer or rectifier of malt or vinous beverages licensed in another state that operates a brewery or winery in the United States and holds valid state and federal permits and licenses may be granted an out-of-state consumer shipping license by filing with the Division of Liquor Control an application in a form required by the Commissioner accompanied by copies of the applicant's current out-of-state manufacturer's license and the fee provided in section 204 of this title.

(2) An out-of-state consumer shipping license may be renewed annually by submitting to the Division the fee provided in section 204 of this title accompanied by the licensee's current out-of-state manufacturer's license.

(3) As used in this section, "out-of-state" means any state other than Vermont, any territory or possession of the United States, and does not include a foreign country.

(c)(1) A consumer shipping license granted pursuant to this section shall permit the licensee to ship malt or vinous beverages produced by the licensee to private residents for personal use and not for resale.

(2) A licensee shall not ship more than 12 cases of malt beverages containing no more than 36 gallons of malt beverages or no more than 12 cases of vinous beverages containing no more than 29 gallons of vinous beverages to any one Vermont resident in any calendar year.

(3) The beverages shall be shipped by common carrier certified by the Division pursuant to section 280 of this subchapter. The common carrier shall comply with all the following:

(A) deliver beverages pursuant to an invoice that includes the name of the licensee and the name and address of the purchaser;

(B) on delivery, require a valid authorized form of identification, as defined in section 589 of this title, from a recipient who appears to be under 30 years of age; and

(C) require the recipient to sign an electronic or paper form or other

acknowledgment of receipt.

Sec. 63. 7 V.S.A. § 278 is added to read:

§ 278. VINOUS BEVERAGE RETAIL SHIPPING LICENSE

(a) A manufacturer or rectifier of vinous beverages that is licensed in-state or out-of-state and holds valid state and federal permits and operates a winery in the United States may apply for a retail shipping license by filing with the Division of Liquor Control an application in a form required by the Commissioner accompanied by a copy of its in-state or out-of-state license and the fee provided in section 204 of this title.

(b) The retail shipping license may be renewed annually by submitting to the Division the fee provided in section 204 of this title accompanied by the licensee's current in-state or out-of-state manufacturer's license.

(c) A retail shipping license holder, including the holder's affiliates, franchises, and subsidiaries, may sell up to 5,000 gallons of vinous beverages per year directly to first- or second-class licensees and deliver the beverages by common carrier, the manufacturer's or rectifier's own vehicle, or the vehicle of an employee of a manufacturer or rectifier, provided that the beverages are sold on invoice, and no more than 100 gallons per month are sold to any single first- or second-class licensee.

(d) The retail shipping license holder shall provide to the Division documentation of the annual and monthly number of gallons sold.

(e) Vinous beverages sold under this section may be delivered by the vehicle of a second-class license holder if the second-class licensee cannot obtain the vinous beverages from a wholesale dealer.

Sec. 64. 7 V.S.A. § 279 is added to read:

§ 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL REQUIREMENTS

A holder of a shipping license granted pursuant to section 277 or 278 of this subchapter shall comply with all of the following:

(1) Ensure that all containers of alcoholic beverages are shipped in a container that is clearly labeled: "contains alcohol; signature of individual 21 years of age or older required for delivery."

(2) Not ship to any address in a municipality that the Division of Liquor Control identifies as having voted to be "dry."

(3) Retain a copy of each record of sale for a minimum of five years from the date of shipping.

(4) Report at least twice per year to the Division if a holder of a consumer shipping license and once per year if a holder of a retail shipping license in a manner and form required by the Commissioner all the following information:

(A) the total amount of malt or vinous beverages shipped into or within the State during the preceding six months if a holder of a consumer shipping license or during the preceding 12 months if a holder of a retail shipping license;

(B) the names and addresses of the purchasers to whom the beverages were shipped; and

(C) the date purchased, the quantity and value of each shipment, and, if applicable, the name of the common carrier used to make each delivery.

(5) Pay to the Commissioner of Taxes the tax required pursuant to section 421 of this title on the malt or vinous beverages shipped pursuant to this subchapter and comply with the provisions of 32 V.S.A. chapter 233, 24 V.S.A. § 138, and any other legally authorized local sales taxes. Delivery in this State shall be deemed to constitute a sale in this State at the place of delivery and shall be subject to all appropriate taxes levied by the State of Vermont.

(6) Permit the State Treasurer, the Division of Liquor Control, and the Department of Taxes, separately or jointly, upon request, to perform an audit of its records.

(7) If an out-of-state license holder, be deemed to have consented to the jurisdiction of the Board of Liquor and Lottery, Department of Liquor and Lottery, Division of Liquor Control, or any other State agency and the Vermont State courts concerning enforcement of this or other applicable laws and rules.

(8) Not have any direct or indirect financial interest in a Vermont wholesale dealer or retail dealer, including a first-, second-, or third-class licensee.

(9) Comply with all applicable laws and Board of Liquor and Lottery rules.

(10) Comply with the beverage container deposit redemption system pursuant to 10 V.S.A. chapter 53.

Sec. 65. 7 V.S.A. § 280 is added to read:

§ 280. COMMON CARRIERS; REQUIREMENTS

(a) A common carrier shall not deliver malt or vinous beverages pursuant

to this chapter until it has complied with the training provisions in section 213 of this title and been certified by the Division of Liquor Control.

(b) No employee of a certified common carrier may deliver malt or vinous beverages until that employee completes the training required pursuant to subsection 213(c) of this title.

(c) A certified common carrier shall deliver only malt or vinous beverages that have been shipped by the holder of a license issued under section 277 or 278 of this subchapter or vinous beverages that have been shipped by the holder of a vinous beverage storage license issued under section 283 of this subchapter.

Sec. 66. 7 V.S.A. § 281 is added to read:

§ 281. PROHIBITIONS

(a)(1) Except as otherwise provided in section 226 of this title, direct shipments of malt or vinous beverages are prohibited if the shipment is not specifically authorized and in compliance with sections 277–280 of this subchapter.

(2) Any person who knowingly makes, participates in, imports, or receives a direct shipment of malt or vinous beverages from a person who does not hold a license, permit, or certificate pursuant to sections 226 or 277–280 of this title may be fined not more than \$1,000.00 or imprisoned not more than one year, or both.

(b) The holder of a license issued pursuant to section 277 or 278 of this title or a common carrier that ships malt or vinous beverages to an individual under 21 years of age shall be fined not less than \$1,000.00 or more than \$3,000.00 or imprisoned not more than two years, or both.

(c) For any violation of sections 277–280 of this subchapter, the Board of Liquor and Lottery may suspend or revoke a license issued under section 277 or 278 of this subchapter, in addition to any other remedies available to the Board.

Sec. 67. 7 V.S.A. § 282 is added to read:

§ 282. RULEMAKING

The Board of Liquor and Lottery and the Commissioner of Taxes may adopt rules and forms necessary to implement sections 277–281 of this subchapter.

Sec. 68. 7 V.S.A. § 68 is redesignated and amended to read:

§ 68 283. VINOUS BEVERAGE STORAGE AND SHIPPING LICENSE

~~(a) The liquor control board~~ Board of Liquor and Lottery may, pursuant to rules adopted by the Board, grant a vinous beverage storage and shipping license to a person ~~who operates that~~ submits an application and pays the fee provided in section 204 of this title.

(b)(1) A vinous beverage storage and shipping licensee may operate a climate-controlled storage facility in which vinous beverages owned by another person are stored for a fee ~~a license that allows the licensee to store and~~ may transport vinous beverages on which all applicable taxes already have been paid.

(2) A vinous beverage storage facility may also accept shipments from any licensed in-state or out-of-state vinous beverage manufacturer that has an in-state or out-of-state consumer shipping license pursuant to section ~~66~~ 277 of this title.

(3) Vinous beverages stored by the licensee may be transported only for shipment to the owner of the beverages or to another licensed vinous beverage storage facility, and the beverages shall be shipped only by common carrier in compliance with subsection ~~66(f)~~ section 280 of this title. ~~The licensee shall pay a fee pursuant to subdivision 231(a)(20) of this title. A license under this section shall be issued pursuant to rules adopted by the board.~~

(c) A person granted a license pursuant to this section may not sell or resell any vinous beverages stored at the storage facility.

Sec. 69. 7 V.S.A. § 421 is amended to read:

§ 421. TAX ON MALT AND VINOUS BEVERAGES

(a) Every ~~bottler packager and wholesaler~~ wholesale dealer shall pay to the Commissioner of Taxes the sum of 26 and one-half cents per gallon for every gallon or its equivalent of malt ~~beverage~~ beverages containing not more than six percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State and the sum of 55 cents per gallon for each gallon of malt ~~beverage~~ beverages containing more than six percent of alcohol by volume at 60 degrees Fahrenheit and each gallon of vinous beverages sold by them to retailers in the State ~~and shall also pay to the Liquor Control Board all fees for bottler's and wholesaler's licenses.~~ A manufacturer or rectifier of malt or vinous beverages shall pay the taxes required by this subsection to the Commissioner of Taxes for all malt and vinous beverages manufactured or rectified by them and sold at retail.

(b) A ~~bottler packager or wholesaler~~ wholesale dealer may sell malt or vinous beverages to any duly authorized agency of the U.S. Armed Forces ~~on the Ethan Allen Air Force Reservation in the towns of Colchester and Essex or the firing range of the U.S. Armed Forces in the towns of Bolton, Jericho, and~~

~~Underhill and at the Air Force bases at St. Albans and at the North Concord Air Force Station at North Concord or any other~~ U.S. Armed Forces' installation presently existing in the State or which may in the future be established as though to a retail dealer but without the payment of the gallonage tax, subject to the filing of the returns ~~hereinafter~~ as provided in subsection (c) of this section.

(c)(1) For the purpose of ascertaining the amount of tax, on the filing dates set out in subdivision (2) of this subsection according to tax liability, each ~~bottler and wholesaler packager, wholesale dealer, manufacturer, or rectifier~~ shall transmit to the Commissioner of Taxes, upon a form prepared and furnished by the Commissioner, a statement or return under oath or affirmation showing the quantity of malt and vinous beverages sold by the ~~bottler or wholesaler packager, wholesale dealer, manufacturer, or rectifier~~ during the preceding filing period, and report any other information requested by the Commissioner accompanied by payment of the tax required by this section. The amount of tax computed under subsection (a) of this section shall be rounded to the nearest whole cent. At the same time this form is due, each ~~bottler and wholesaler packager, wholesale dealer, manufacturer, or rectifier~~ also shall transmit to the Commissioner in electronic format a separate report showing the description, quantity, and price of malt and vinous beverages sold by the ~~bottler or wholesaler packager, wholesale dealer, manufacturer, or rectifier~~ to each retail dealer as defined in ~~subdivision 2(18)~~ section 2 of this title; provided, however, for direct sales to retail dealers by manufacturers or rectifiers of vinous beverages, the report required by this subsection may be submitted in a nonelectronic format.

(2) Where the tax liability for the immediately preceding full calendar year has been (or would have been in cases when the business was not operating for the entire year):

(A) \$2,000.00 or less, then payment of the tax and submission of the documents required by this section shall be due and payable in quarterly installments on or before the 25th day of the calendar month succeeding the quarter ending the last day of March, June, September, and December of each year; or

(B) ~~More~~ more than \$2,000.00, then payment of the tax and submission of the documents required by this section shall be due and payable monthly on or before the 25th (23rd of February) day of the month following the month for which the tax is due.

(d) The exemption provided in this section for beverages sold on any U.S. Armed Forces' installation presently existing in the State is allowed only if the sales are evidenced by a proper voucher or affidavit in a form prescribed by the

Commissioner of Taxes, which shall be a part of the return filed.

(e) A person ~~or corporation~~ failing to pay the tax when due, or failing to make returns as required by this section, shall be subject to and governed by the provisions of 32 V.S.A. §§ 3202 and 3203.

(f) ~~All holders of a license of the first or second class shall purchase all malt and vinous beverages from Vermont wholesalers or bottlers. [Repealed.]~~

Sec. 70. 7 V.S.A. § 423 is amended to read:

§ 423. RULES

(a) The Commissioner of Taxes and the ~~Liquor Control Board~~ Board of Liquor and Lottery shall adopt ~~such~~ rules as ~~they deem~~ necessary for the proper administration and collection of the tax imposed under section 422 of this title.

* * *

Sec. 71. 7 V.S.A. § 425 is amended to read:

§ 425. TAXES A PERSONAL DEBT; ACTION FOR RECOVERY

All taxes imposed by this title and all increases, interest, and penalties ~~thereon~~ on those taxes, from the time they become due and payable, shall become a personal debt, from the person liable to pay the ~~same~~, amounts due to the state State of Vermont, ~~to and may~~ be recovered in ~~an a civil~~ action ~~on this statute~~ brought pursuant to this section.

Sec. 72. 7 V.S.A. chapter 17 is redesignated to read:

CHAPTER 17. SALE TO INTOXICATED PERSONS
AND PUBLIC CHARGES

Sec. 73. 7 V.S.A. § 501 is amended to read:

§ 501. UNLAWFUL SALE OF ~~INTOXICATING LIQUORS~~ ALCOHOLIC BEVERAGES; CIVIL ACTION FOR DAMAGES

(a) Action for damages. A spouse, child, guardian, employer, or other person who is injured in person, property, or means of support by an intoxicated person, or in consequence of the intoxication of any person, shall have a right of action in his or her own name, jointly or severally, against any person or persons who have caused in whole or in part ~~such the~~ intoxication by selling or furnishing ~~intoxicating liquor~~ alcoholic beverages:

(1) to a minor as defined in section 2 of this title;

(2) to a person apparently under the influence of ~~intoxicating liquor~~ alcohol;

(3) to a person after legal serving hours; or

(4) to a person ~~whom~~ who it would be reasonable to expect would be under the influence of ~~intoxicating liquor~~ alcohol as a result of the amount of ~~liquor~~ alcoholic beverages served by the defendant to that person.

(b) Survival of action; joint action. Upon the death of either party, the action and right of action shall survive to or against the party's executor or administrator. The party injured or his or her legal representatives may bring either a joint action against the person intoxicated ~~and~~, the person or persons who furnished the ~~liquor~~ alcoholic beverages, and an owner who may be liable under subsection (c) of this section, or a separate action against either or any of them.

(c) Landlord liability.

(1) If the ~~intoxicating liquor~~ was alcoholic beverages were sold or furnished to the intoxicated person in a rented building, the owner may be joined as a defendant in the action, and judgment ~~therein~~ in the action may be rendered against the owner, if the owner of the building or in the case of a corporation, its agent, knew or had reason to know that ~~intoxicating liquor~~ was alcoholic beverages were sold or furnished by the tenant:

~~(1)~~(A) to minors as defined in section 2 of this title;

~~(2)~~(B) to persons apparently under the influence of ~~intoxicating liquor~~ alcohol;

~~(3)~~(C) to persons after legal serving hours; or

~~(4)~~(D) to persons ~~whom~~ who it would be reasonable to expect would be under the influence of ~~intoxicating liquor~~ alcohol as a result of the amount of ~~liquor~~ alcoholic beverages served to them by the tenant.

(2) It shall be an affirmative defense to an action against an owner that the owner took reasonable steps to prevent the sale of ~~intoxicating liquor~~ alcoholic beverages under the circumstances described in this subsection or to evict the tenant.

(d) Statute of limitations. An action to recover ~~for~~ damages under this section shall be commenced within two years after the cause of action accrues, and not after.

(e) Evidence.

(1) In an action brought under this section, evidence of responsible actions taken or not taken is admissible, if otherwise relevant.

(2) Responsible actions may include, ~~but are not limited to~~, instruction of servers as to laws governing the sale of alcoholic beverages, training of servers regarding intervention techniques, admonishment to patrons or guests

concerning laws regarding the consumption of ~~intoxicating liquor~~ alcoholic beverages, and inquiry under the methods provided by law as to the age or degree of intoxication of the persons involved.

(f) Right of contribution. A defendant in an action brought under this section has a right of contribution from any other responsible person or persons, which may be enforced in a separate action brought for that purpose.

(g) Social host.

(1) Except as set forth in subdivision (2) of this subsection, nothing in this section shall create a statutory cause of action against a social host for furnishing ~~intoxicating liquor~~ alcoholic beverages to any person without compensation or profit, ~~if the social host is not a licensee or required to be a licensee under this title.~~ However, this subdivision shall not be construed to limit or otherwise affect the liability of a social host for negligence at common law.

(2) A social host who knowingly furnishes ~~intoxicating liquor~~ alcoholic beverages to a minor may be held liable under this section if the social host knew, or a reasonable person in the same circumstances would have known, that the person who received the ~~intoxicating liquor~~ alcoholic beverages was a minor.

(h) Definitions. ~~For the purpose of~~ As used in this section:

(1) “Apparently under the influence of ~~intoxicating liquor~~ alcohol” means a state of intoxication accompanied by a perceptible act or series of actions which present signs of intoxication.

(2) “Social host” means a person who is not the holder of a ~~liquor~~ liquor license or permit under this title and is not required to hold a license or permit under this title ~~to hold a liquor license.~~

Sec. 74. 7 V.S.A. § 502 is amended to read:

§ 502. MINORS; PAYMENT OF DAMAGES RECOVERED

All damages recovered by a minor in ~~such an~~ an action under section 501 of this chapter shall be paid over to ~~such the~~ the minor or to his or her guardian on ~~such whatever~~ such terms as the court may order.

Sec. 75. 7 V.S.A. § 503 is amended to read:

§ 503. SATISFACTION OF JUDGMENT; REVOCATION OF LICENSE

If a ~~judgment recovered against~~ a licensee under the provisions of fails to satisfy a judgment entered under section 501 of this title ~~remains unsatisfied~~ for 30 days after ~~the entry thereof~~ the judgment is entered, the ~~board of local control commissioners or the liquor control board~~ Board of Liquor and Lottery

shall revoke ~~his~~ its license. A license shall not be granted to a person against whom ~~such~~ a judgment has been recovered, until the ~~same~~ judgment is satisfied.

Sec. 76. 7 V.S.A. § 504 is amended to read:

~~§ 504. ACTION FOUNDED ON TORT; CERTIFIED EXECUTION~~

~~A judgment for the plaintiff under section 501 of this title shall be treated as rendered in an action founded on tort. At the time of such judgment, the court shall adjudge that the cause of action arose from the wilful and malicious act of the defendant, and that he or she ought to be confined in close jail, and a certificate thereof shall be stated in or upon the execution. [Repealed.]~~

Sec. 77. 7 V.S.A. § 505 is amended to read:

~~§ 505. NOTICE TO PROHIBIT SALES TO CERTAIN PERSONS~~

~~The father, mother, husband, wife, child, brother, sister, guardian, or employer of a person may, in writing, notify any board of control commissioners as defined in section 2 of this title, who may, on investigation, forbid the sale or furnishing of spirits, fortified wines, or malt or vinous beverages, or all four, by licensees as defined in section 2 of this title, within the jurisdiction of that board of control commissioners to that person. [Repealed.]~~

Sec. 78. 7 V.S.A. § 506 is amended to read:

~~§ 506. RECORD OF NOTICES~~

~~(a) Such board of control commissioners shall place on file the notices received under section 505 of this title and they shall be open to public inspection at reasonable times, except that the notices of a husband, father, wife, child, mother or a sister provided for in section 505 of this title shall not be open to inspection nor be disclosed by such board of control commissioners. Upon receipt of a notice, such board of control commissioners may, upon investigation, give written notice forbidding the sale or furnishing of spirits, fortified wines, or malt and vinous beverages, or all four to such person and to all licensees within the jurisdiction of such board of control commissioners.~~

~~(b) Copies of all notices sent by a board of control commissioners shall be furnished forthwith to the Commissioner of Liquor Control who may upon receipt of such copy forbid the sale of spirits and fortified wines by any State agency or agencies to such person. [Repealed.]~~

Sec. 79. 7 V.S.A. § 561 is amended to read:

~~§ 561. AUTHORITY OF LIQUOR CONTROL INVESTIGATORS;
ARREST FOR UNLAWFULLY MANUFACTURING,~~

POSSESSING, OR TRANSPORTING ALCOHOLIC BEVERAGES;
SEIZURE OF PROPERTY

* * *

(b) The Commissioner of ~~Liquor Control and Lottery~~, the Director of ~~the Enforcement Division of~~ for the Department Division of Liquor Control ~~or~~, an investigator employed by the ~~Liquor Control Board of Liquor and Lottery~~ or by the ~~Department Division~~ of Liquor Control ~~and~~, or any other law enforcement officer may arrest or take into custody pursuant to the Vermont Rules of Criminal Procedure a person whom he or she finds in the act of manufacturing alcohol or possessing a still; or other apparatus for the manufacture of alcohol; ~~or~~; unlawfully selling, bartering, possessing, furnishing, or transporting alcohol; ~~;~~ or unlawfully selling, furnishing, or transporting ~~spirits, fortified wines, or malt and vinous~~ alcoholic beverages, and shall seize the ~~liquors~~, alcohol, vessels, and implements of sale and the stills or other apparatus for the manufacture of alcohol in the possession of the person. He or she may also seize and take into custody any property described in this section.

Sec. 80. 7 V.S.A. § 563 is redesignated and amended to read:

§ ~~563~~ 562. SEARCH WARRANTS

(a) If a ~~state's attorney~~ State's Attorney, the ~~commissioner of liquor control~~ Commissioner of Liquor and Lottery, ~~or an inspector~~ investigator duly acting for the ~~liquor control board~~ Board of Liquor and Lottery, ~~or a control commissioner~~, or a town grand juror ~~or two reputable citizens of the county~~, make a complaint under oath or affirmation, ~~before to~~ to a judge of ~~a criminal division~~ the Criminal Division of the ~~superior court~~ Superior Court, that he or she or they have reason to believe that ~~malt or vinous beverages or spirituous liquor~~ alcoholic beverages or alcohol are kept or deposited for sale or distribution contrary to law, or that alcohol is manufactured or possessed contrary to law, in any kind of vehicle, air or water craft, or other conveyance, or a dwelling house, store, shop, steamboat, or water craft of any kind, depot, railway car, motor vehicle or land or air carriage of any kind, warehouse or other building or place in the county, the judge shall issue a warrant to search the premises described in the complaint.

(b) If the ~~liquor~~ alcoholic beverages or alcohol is found ~~therein~~ there under circumstances warranting the belief that it is intended for sale or distribution contrary to law, or if ~~the~~ alcohol is found ~~therein~~ in that place under circumstances warranting the belief that it is unlawfully manufactured or possessed, or if any still; or ~~any~~ other apparatus for the manufacture of alcohol is found ~~therein~~ in that place, the officer shall seize and convey the ~~same~~ alcoholic beverages, alcohol, or still or other apparatus to ~~some~~ a secure place ~~of security~~, and keep it until ~~final action is had thereon~~ the court renders a final

judgment on it.

Sec. 81. 7 V.S.A. 564 is redesignated and amended to read:

§ ~~564~~ 563. SEARCH OF PREMISES WITHOUT WARRANT

(a) A ~~sheriff, deputy sheriff, constable, police~~ law enforcement officer, selectboard member, or grand juror who has information that ~~malt, vinous, and spirituous liquor~~ alcoholic beverages or alcohol is kept with intent to sell, or is sold contrary to law in a ~~tent, shanty, hut, or place of any kind for selling refreshments in a~~ any kind of public place for selling refreshments, except a dwelling ~~houses~~ house, on or near the ~~ground~~ grounds of a ~~cattle show, agricultural exhibition, military muster, or public occasion of any kind;~~ shall search ~~such the~~ the suspected place without a warrant.

(b)(1) If ~~such the~~ the officer finds ~~such liquor~~ alcoholic beverages or alcohol upon the premises, he or she shall seize ~~the same~~ it and apprehend the keeper of ~~such the~~ the place and take him or her, without the ~~liquor so~~ seized alcoholic beverages or alcohol, ~~forthwith or as soon as conveniently may be practicable,~~ before a ~~district judge of the Criminal Division of the Superior Court in whose the jurisdiction where the same alcoholic beverages or alcohol is found, and thereupon such.~~ district judge of the Criminal Division of the Superior Court in whose the jurisdiction where the same alcoholic beverages or alcohol is found,

(2) The officer shall make a written complaint under oath, subscribed by him or her, or affirmation to such magistrate the judge, setting forth the details of the finding of such liquor the alcoholic beverages or alcohol.

(c)(1) Upon proof that ~~the liquor is intoxicating and that the same was the alcoholic beverages or alcohol were~~ found in the possession of the accused in a ~~tent, shanty, or other a public place, with intent to sell contrary to law, the liquor seized alcoholic beverages or alcohol shall be adjudged forfeited and disposed of by order of such magistrate the court, as provided in this chapter. Such~~

(2) The owner or keeper shall be proceeded against, as provided in pursuant to this chapter, for keeping such malt and vinous beverage, spirituous liquor, the alcoholic beverages or alcohol with intent to sell.

Sec. 82. 7 V.S.A. § 565 is redesignated and amended to read:

§ ~~565~~ 564. NOTICE OF SEIZURE; HEARING; FEES

The An officer who makes a seizure of malt, vinous or spirituous liquor or pursuant to section 562 or 563 of this chapter seizes alcoholic beverages, alcohol, or a still or other apparatus for the manufacture of alcohol, with or without a warrant, shall forthwith promptly give notice thereof of the seizure to a grand juror of the town in which such the seizure is made, or to the state's attorney State's Attorney of the county. Such The grand juror or state's

~~attorney~~ State's Attorney shall then attend and act in behalf of the ~~state~~ State at the hearing against the ~~liquor~~ seized alcoholic beverages, alcohol, still, or apparatus ~~so seized, and the.~~ An officer making the a seizure without a warrant shall be allowed the same fees as if he or she had acted under a warrant.

Sec. 83. 7 V.S.A. § 566 is redesignated and amended to read:

§ ~~566~~ 565. ARREST OF OWNER OF SEIZED PROPERTY

The officer shall promptly apprehend and bring ~~forthwith~~ before the ~~magistrate court~~ the owner and, keeper, and all persons having the custody of, or exercising any control over, the ~~liquor~~ alcoholic beverages, alcohol, or other property seized pursuant to section 562 or 563 of this chapter, ~~either whether~~ as principal, clerk, servant, or agent.

Sec. 84. 7 V.S.A. § 567 is redesignated and amended to read:

§ ~~567~~ 566. ARREST OF OWNER OF BUILDING

If the owner or keeper of ~~such liquor~~ the alcoholic beverages, alcohol, or other property seized pursuant to section 562 or 563 of this chapter is unknown to the officer, or if a person is not found in possession or custody of the ~~same seized alcoholic beverages, alcohol, or other property~~, the officer shall apprehend and bring before the ~~magistrate court~~ the owner or occupant of the building or apartments in which ~~such liquor~~ the seized alcoholic beverages, alcohol, or other property was found, if ~~known to him or can be by him ascertained~~ he or she knows or can ascertain the person's identity.

Sec. 85. 7 V.S.A. § 568 is redesignated and amended to read:

§ ~~568~~ 567. FORFEITURE OF SEIZED PROPERTY

(a) If, ~~upon~~ after a hearing, it appears the court determines that ~~such liquor~~ the alcoholic beverages, alcohol, or other property seized pursuant to section 562 or 563 of this chapter was intended for sale, distribution, or use contrary to law, it shall be adjudged forfeited and condemned. ~~When liquor~~

(b) Alcoholic beverages, alcohol, or other property that is adjudged forfeited and condemned under this section, ~~it shall be turned over to the commissioner of liquor control~~ Commissioner of Liquor and Lottery for the benefit of the ~~state~~ State.

Sec. 86. 7 V.S.A. § 569 is redesignated and amended to read:

§ ~~569~~ 568. COSTS OF FORFEITURE AND CONDEMNATION PROCEEDINGS

Upon condemnation of ~~such liquor~~ alcoholic beverages, alcohol, or other property pursuant to section 567 of this title, any ~~and all persons~~ person

apprehended and brought before ~~such magistrate~~ the court under sections ~~564 563 and 566~~ 565 of this title shall be liable ~~to pay for~~ for the costs of ~~such the~~ the proceedings, if, in the judgment of the ~~magistrate court~~, any of them by themselves, or through clerks, servants, or agents, ~~shall have been:~~

(1) engaged in, or aided in, assisted ~~in~~, or abetted the keeping of ~~such liquor~~ the alcoholic beverages, alcohol, or other property for unlawful sale, distribution, or use, ~~or have been;~~

(2) were privy thereto, to the keeping of the alcoholic beverages, alcohol, or other property for unlawful sale, distribution, or use; or have

(3) knowingly permitted the use of any building or apartments ~~by them~~ the person owned or controlled, for ~~the~~ storing or keeping ~~of such liquor~~ the alcoholic beverages, alcohol, or other property for ~~such~~ unlawful sale, distribution, or use.

Sec. 87. 7 V.S.A. § 570 is redesignated and amended to read:

§ ~~570~~ 569. EXECUTION FOR COSTS

~~Against any and all persons by the magistrate adjudged~~ If the court determines that a person is liable to pay for the costs, in case of the proceedings pursuant to section 568 of this title and the costs are not paid, the magistrate court, after a hearing, shall issue an execution in favor of the state ~~State and against the body or bodies of the persons, person that is liable for the costs; upon which.~~ The execution shall be certified as follows: "This execution is issued for the costs of the seizure and condemnation of intoxicating liquor alcoholic beverages, alcohol, or a still or other apparatus for the manufacture of alcohol that was kept in violation of law." ~~Persons committed upon the executions shall not be admitted to the liberties of the jail yard.~~

Sec. 88. 7 V.S.A. § 571 is amended to read:

§ 571. ~~SEARCH OF VEHICLE OR CRAFT WITHOUT WARRANT~~

~~If a sheriff, deputy sheriff, constable, police officer, Commissioner of Liquor Control or inspector duly acting for the Liquor Control Board, or State Police has reason to believe and does believe, that a person is engaged in the act of smuggling, delivering, or transporting, in violation of law, malt or vinous beverages, spirits, fortified wines, or alcohol in any wagon, buggy, automobile, motor vehicle, air or water craft, or other vehicle, he or she shall search for and seize without warrant, malt or vinous beverages, spirits, fortified wines, or alcohol found therein being smuggled, delivered, or transported contrary to law. Whenever malt or vinous beverages, spirits, fortified wines, or alcohol, transported unlawfully or alcohol possessed illegally shall be seized~~

~~by such officer, he or she shall take possession of the vehicle, team, automobile, boat, air or water craft, or other conveyance and shall arrest the person in charge thereof. [Repealed.]~~

Sec. 89. 7 V.S.A. § 572 is redesignated and amended to read:

§ ~~572~~ 570. FORFEITURE AND CONDEMNATION OF SEIZED VEHICLE OR CRAFT

(a) If such an officer seizes ~~malt or vinous beverages, spirits, fortified wines, alcoholic beverages~~ or alcohol and takes possession of a vehicle, team, automobile, boat, air or water craft, or other conveyance ~~in which such malt or vinous beverages, spirits, fortified wines, or alcohol is being unlawfully transported or in which alcohol is unlawfully possessed, without a warrant,~~ he or she shall ~~forthwith~~ promptly make a complaint, under oath, ~~subscribed by him or her, or affirmation~~ to a judge of the Criminal Division of the Superior Court, in ~~whose~~ the jurisdiction ~~the same was seized where the seizure occurred. Thereupon the~~

(b) The same proceedings shall be had as with respect to the liquor alcoholic beverages or alcohol and the vehicle and team or automobile, motor vehicle, boat, air or water craft, or other conveyances as would be had if malt or vinous beverages, spirits, or fortified wines had been seized, except that if the vehicle and team, or automobile, boat, air or water craft, or other conveyance, shall be finally is adjudged forfeited and condemned the same, it shall, upon the written order of the magistrate court, shall be sold at a public sheriff's sale for the benefit of the State. The officer making the sale shall make a return in writing to the court issuing such that issued the order of sale with the proceeds thereof from the sale, less his or her expenses and fees for keeping and selling the same vehicle, air or water craft, or other conveyance, which fees shall be the same as for the sale of personal property upon execution.

Sec. 90. 7 V.S.A. § 573 is redesignated and amended to read:

§ ~~573~~ 572. PROCEEDS OF SALE OF CONDEMNED VEHICLE OR CRAFT

(a) From the net proceeds of ~~such~~ a sale pursuant to section 571 of this title, the court shall pay all liens, according to their priority ~~which are that:~~

(1) are established by intervention or otherwise at the time the court enters the judgment of forfeiture being adjudged or in other proceedings brought for such that purpose, as being; and

(2) are bona fide and having been were created without the owner's having any knowledge that the carrying vehicle was being used or was to

~~would~~ be used for the illegal ~~transportation~~ transport of ~~malt or vinous beverages, spirits, fortified wines,~~ alcoholic beverages or alcohol ~~and.~~

~~(b) The court shall pay the balance of the proceeds to the State Treasurer, as provided for the payment of fines under the provisions of law.~~

Sec. 91. 7 V.S.A. § 574 is redesignated and amended to read:

§ ~~574~~ 573. RIGHTS OF OWNER; ADJOURNED HEARING

~~(a) Nothing herein in this chapter shall be construed to prejudice the rights of the a bona fide owner of any such a vehicle, air or water craft, or other conveyance to have it returned to his or her possession upon affirmative proof by the owner that he or she had no express or implied knowledge that such conveyance it was being used or was to be used for the illegal transportation of malt or vinous beverages, spirits, fortified wines, alcoholic beverages or alcohol, and the owner shall be entitled to a return of the same if provided he or she appears enters an appearance before adjudication the court has entered a judgment of forfeiture.~~

~~(b)(1) If upon, following a hearing, the person in charge of any such a vehicle, air or water craft, or other conveyance does not appear is determined not to be the its owner thereof and no person shall claim such conveyance has claimed it, further the hearing shall be continued to a date certain, and the taking of such the vehicle, air or water craft, or other conveyance and the date of the adjourned hearing shall be advertised in some a newspaper, published in the town or county where it was taken and or, if there be is no newspaper published in such the town or county, then in a newspaper having circulation in such the county, once a week for three successive weeks.~~

~~(2) The magistrate Commissioner of Finance and Management shall provide the court conducting the hearing shall be allowed by the Commissioner of Finance and Management with the cost of such the advertising.~~

Sec. 92. 7 V.S.A. § 575 is redesignated and amended to read:

§ ~~575~~ 574. REOPENING OF FORFEITURE PROCEEDING

~~(a) At any time within one year after such a vehicle, air or water craft, or other conveyance shall have has been adjudged forfeited, and upon notice to the state's attorney of the county, a claimant may provide notice to the State's Attorney of the county and, upon showing that he or she had no knowledge of the forfeiture hearing, may apply to the court or magistrate before whom former proceedings were had to that entered the judgment of forfeiture to have the case reopened, provided he or she shall. The court may require the claimant to give security by way of recognizance posting a bond to the state, with State in a sufficient sureties in such sum, as the court directs, conditioned~~

~~that on~~ the claimant ~~will prosecute~~ prosecuting his or her claim to effect and ~~pay~~ paying the costs awarded against him or her.

(b) If upon rehearing ~~such~~ the claimant establishes his or her claim, the court ~~or magistrate~~ shall certify to the ~~commissioner of finance and management~~ Commissioner of Finance and Management the amount of ~~such~~ the claim, ~~not exceeding~~ which shall not exceed the net amount actually realized by the ~~state~~ State from the sale of ~~such~~ the vehicle, air or water craft, ~~or other~~ conveyance, and the ~~commissioner of finance and management~~ Commissioner of Finance and Management shall issue his or her warrant ~~therefor to pay the sum.~~

Sec. 93. 7 V.S.A. § 576 is redesignated and amended to read:

§ ~~576~~ 575. CLAIM BY OWNER, KEEPER, OR POSSESSOR FOR SEIZED GOODS OR APPARATUS; BOND

(a)(1) When the owner, keeper, or possessor of ~~malt, vinous, or spirituous liquor or~~ alcoholic beverages, alcohol, or a still or other apparatus for the manufacture of alcohol seized under the provisions of this title, appears and makes a claim to the ~~same~~ seized alcoholic beverages, alcohol, or other property, he or she shall file a written claim with the ~~magistrate court~~ before ~~whom~~ which the proceedings are pending, ~~setting.~~

(2) The claim shall set forth his or her interest in the liquor seized alcoholic beverages, alcohol, or other property, and the reasons why it should not be adjudged forfeited.

(b) ~~He or she shall also~~ The court may require the claimant to give security by way of recognizance posting a bond to the state State, with sufficient sureties, in such a sufficient sum as the court directs, conditioned that he or she will prosecute on the claimant prosecuting his or her claim to effect and pay paying the costs awarded against him or her.

Sec. 94. 7 V.S.A. § 577 is redesignated and amended to read:

§ ~~577~~ 576. APPEAL; BOND

~~An appeal shall not be allowed to the~~ If a claimant elects to appeal from the judgment of the court until he or she gives security by way of recognizance under this chapter, the court may require that he or she give security by posting a bond to the state State, with sufficient sureties, in such a sufficient sum, as the court directs, conditioned that he or she will prosecute on the claimant's prosecuting his or her appeal to effect and pay paying the costs awarded against him or her.

Sec. 95. 7 V.S.A. § 578 is redesignated and amended to read:

§ ~~578~~ 577. JUDGMENT AGAINST CLAIMANT; FORFEITURE; COSTS

If the court renders judgment is against the claimant pursuant to section 575 or 576 of this title, the ~~liquor~~ alcoholic beverages or alcohol and the casks or vessels containing the ~~same~~ alcoholic beverages or alcohol shall be adjudged forfeited and condemned, as provided in this ~~title~~ chapter, and the court shall also enter judgment shall be rendered against the claimant for all costs of prosecution incurred after the filing of his or her claim.

Sec. 96. 7 V.S.A. § 579 is redesignated and amended to read:

§ ~~579~~ 578. DISPOSITION OF LIQUOR CONDEMNED ON APPEAL

If the appellant fails to enter and prosecute his or her appeal pursuant to section 576 of this title, or if judgment is against him or her on appeal, the court in which ~~such~~ the appeal is finally decided shall order the ~~liquor~~ alcoholic beverages or alcohol to be disposed of as in the case of liquor alcoholic beverages or alcohol adjudged forfeited and condemned under an order of a ~~district judge of the Criminal Division of the Superior Court~~ pursuant to section 567 of this title.

Sec. 97. 7 V.S.A. § 580 is redesignated and amended to read:

§ ~~580~~ 579. SEIZED PROPERTY TAKEN BY WRIT OF REPLEVIN

If ~~liquor~~ alcoholic beverages, alcohol, or other property seized by an officer under the provisions of this ~~title~~ chapter is taken from his or her possession by a writ of replevin, it shall not be delivered to the claimant, but shall be held by the officer serving ~~such~~ the writ, until the final determination of the seizure action; whereupon the same. Upon the final determination of the action, the alcoholic beverages, alcohol, or other property held by the officer who served the writ shall be delivered to the party in whose favor judgment is rendered, or to ~~such~~ an officer as who has authority to hold or dispose of ~~the same~~ it under the original seizure proceedings.

Sec. 98. 7 V.S.A. § 581 is redesignated and amended to read:

§ ~~581~~ 580. SEIZURE PROCEEDINGS WITHOUT DELAY BY REPLEVIN

Proceedings on the seizure of malt, vinous or spirituous liquor or alcoholic beverages, alcohol, or a still or other apparatus for the manufacture of alcohol, except final execution, shall not be delayed by a replevin ~~thereof of the seized alcoholic beverages, alcohol, or other property~~, but the cause shall proceed to final judgment as if the action for replevin had not been commenced.

Sec. 99. 7 V.S.A. § 582 is redesignated and amended to read:

§ ~~582~~ 581. COSTS AGAINST OWNER OR KEEPER

If proceedings for the condemnation of ~~malt, vinous, spirituous liquor or alcoholic beverages, alcohol, or a still or other apparatus for the manufacture~~

of alcohol result in the prosecution and conviction of the owner or keeper ~~thereof of the alcoholic beverages, alcohol, or other property~~ for an offense ~~hereunder~~ under this title, the costs in ~~such~~ the proceedings shall be taxed against ~~such~~ the owner or keeper.

Sec. 100. 7 V.S.A. § 584 is redesignated and amended to read:

§ ~~584~~ 582. SALE OF LIQUOR TAKEN BY ATTACHMENT OR ON EXECUTION

~~Malt, vinous, or spirits and fortified wines~~ Alcoholic beverages lawfully taken by attachment or on execution issued by a court of this State may be sold by a duly authorized officer as other personal property taken on execution, but only to the persons and institutions to which ~~liquor~~ alcoholic beverages may be sold under the provisions of this title.

Sec. 101. 7 V.S.A. § 585 is redesignated and amended to read:

§ ~~585~~ 583. ENFORCEMENT AS STATE EXPENSE

Fees payable and expenses incurred under the provisions of this title shall be paid by the ~~state~~ State.

Sec. 102. 7 V.S.A. § 586 is amended to read:

§ 586. ~~NOTICE TO FEDERAL GOVERNMENT~~

~~When a person is convicted of or pleads guilty to furnishing or selling intoxicating liquor contrary to law, the court shall forthwith give notice thereof to the United States district director of internal revenue for this district, if such court has reason to believe that such person has not paid any special tax imposed by the United States government upon dealers in intoxicating liquors. [Repealed.]~~

Sec. 103. 7 V.S.A. § 588 is redesignated and amended to read:

§ ~~588~~ 584. SUFFICIENCY OF SPECIFICATION

If a specification is required in prosecutions for offenses under this title, it shall be sufficient to specify the offenses with ~~such~~ as much certainty as to the time, place, and person as the prosecutor is able to provide, and the ~~same~~ the specifications provided may be amended ~~upon~~ at trial. When the specifications set forth the sale or furnishing of alcoholic beverages or alcohol to any unknown person or persons ~~unknown~~, the witnesses may be inquired of as to ~~such~~ those transactions. If the name of the person is disclosed, it may be added to the specifications, and upon ~~such~~ any terms as related to postponement of the trial as the court deems reasonable.

Sec. 104. 7 V.S.A. § 589 is redesignated and amended to read:

§ 589 ~~585~~. ~~TAX RECEIPT~~ ALCOHOL DEALER REGISTRATION AS EVIDENCE

~~The receipt for or record of the payment of the United States special tax as liquor seller~~ A copy or record of a person's Alcohol Dealer Registration with the U.S. Alcohol and Tobacco Tax and Trade Bureau shall be prima facie evidence that the person named therein in the registration keeps for sale and sells intoxicating liquors alcoholic beverages or alcohol.

Sec. 105. 7 V.S.A. § 590 is redesignated and amended to read:

§ 590 ~~587~~. FINES AND COSTS

Fines collected under this title shall be remitted to the ~~general fund~~ General Fund. Costs collected under this title shall be remitted to the ~~liquor control fund~~ Liquor Control Enterprise Fund.

Sec. 106. 7 V.S.A. § 598 is amended to read:

§ 598. ~~FORM OF NOTICE TO FEDERAL GOVERNMENT~~

~~The notice to the United States district director of internal revenue shall be in substance as follows:~~

~~I hereby notify you that _____ of _____ in the county of _____ and state of Vermont, has this day been convicted of or has pleaded guilty to the crime of furnishing or selling intoxicating liquor, contrary to law. I give you this information so that you may, if you desire, investigate as to whether or not said _____ has paid the special internal revenue tax to the United States government. [Repealed.]~~

Sec. 107. 7 V.S.A. § 600 is redesignated and amended to read:

§ 600 ~~588~~. FEES OF SHERIFF, CONSTABLE, OR POLICE OFFICER

~~When a sheriff, constable, or police officer makes a search for intoxicating liquor by direction of a lawful~~ under this title pursuant to a warrant, he or she shall receive as fees for such services \$2.00 a fee for the search, \$0.15 a mile for actual travel reimbursement for mileage at the rate set pursuant to 32 V.S.A. § 1267, and such the sum as that he or she shall actually pay paid out for necessary assistance, if deemed reasonable by the commissioner of finance and management,;

(1) the Commissioner of Liquor and Lottery deems the amount to be reasonable; and if

(2) the officer makes declares under oath that the money was so expended as claimed, stating and, if applicable, states the name of his or her assistant and the amount paid for the assistance.

Sec. 108. 7 V.S.A. § 602 is redesignated as follows:

§ ~~602~~ 589. EXHIBITION OF CARD

Sec. 109. 7 V.S.A. § 603 is redesignated and amended to read:

§ ~~603~~ 590. LIQUOR CONTROL BOARD OF LIQUOR AND LOTTERY;
RULES

The ~~liquor control board~~ Board of Liquor and Lottery shall ~~make~~ adopt rules ~~and regulations~~ as necessary to effectuate the purposes of section ~~602~~ 589 of this title.

Sec. 110. 7 V.S.A. § 651 is amended to read:

§ 651. SOLICITING ORDERS

A person who, for himself or herself or as agent, takes or solicits orders for the sale of malt or vinous beverages, except for licensees or from agencies of the U.S. ~~Army~~ Armed Forces as specified in section 421 of this title, or of spirits or fortified wines shall be imprisoned not more than six months nor less than three months or fined not more than \$500.00 nor less than \$100.00, or both.

Sec. 111. 7 V.S.A. § 652 is amended to read:

§ 652. TRANSPORTATION

A person who, by himself or herself, or through a clerk or agent, brings into the ~~state~~ State, or conveys or transports over or along a railroad or public highway, or by land, air, or water, ~~malt or vinous beverages or spirituous liquor~~ alcoholic beverages, or alcohol which the person knows or has reason to believe is to be unlawfully kept, sold, or furnished, shall be imprisoned not more than six months nor less than three months or fined not more than \$500.00 nor less than \$100.00, or both.

Sec. 112. 7 V.S.A. § 654 is amended to read:

§ 654. ~~TAMPERING WITH SAMPLES~~

~~A person who tampers with samples of alcohol, malt or vinous beverages or spirituous liquor taken for analysis under this chapter shall be imprisoned not more than 12 months nor less than six months or fined not more than \$500.00 nor less than \$100.00, or both. [Repealed.]~~

Sec. 113. 7 V.S.A. § 655 is amended to read:

§ 655. BARTER

(a) A licensee or permittee ~~who~~ shall be imprisoned not more than 12 months nor less than six months or fined not more than \$1,000.00 nor less than

\$300.00, or both, if the licensee or permittee:

(1) purchases or receives ~~wearing~~ apparel, tools, implements of trade or husbandry, household goods, furniture, or provisions, directly or indirectly, by way of sale or barter, the consideration ~~of~~ for which is, in whole or in part ~~is~~, ~~malt or vinous beverages or spirituous liquor~~ alcoholic beverages or alcohol or the price ~~thereof~~, of the alcoholic beverages or alcohol; or

(2) receives ~~such article~~ apparel, tools, implements of trade or husbandry, household goods, furniture, or provisions in pawn for ~~such beverage or liquor~~ alcoholic beverages or alcohol or the price ~~thereof~~, shall be imprisoned not more than twelve months nor less than six months or fined not more than \$1,000.00 nor less than \$300.00, or both of the alcoholic beverages or alcohol.

~~On~~ A person's license or permit issued under this title shall be revoked following a conviction thereof, his or her license or permit shall be revoked under subsection (a) of this section.

Sec. 114. 7 V.S.A. § 658 is amended to read:

§ 658. SALE OR FURNISHING TO MINORS; ENABLING
CONSUMPTION BY MINORS; MINORS CAUSING DEATH OR
SERIOUS BODILY INJURY

(a) ~~No~~ A person shall not:

(1) sell or furnish ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages to a person under ~~the age of 21~~ years of age; or

(2) knowingly enable the consumption of ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages by a person under ~~the age of 21~~ years of age.

(b) As used in this section, “enable the consumption of ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages” means creating a direct and immediate opportunity for a person to consume ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages.

(c) A person who violates subsection (a) of this section shall be fined not less than \$500.00 nor more than \$2,000.00 or imprisoned not more than two years, or both. However, an employee of a licensee or an employee of a ~~State-contracted~~ State liquor agency, who in the course of employment violates subdivision (a)(1) of this section:

(1) during a compliance check conducted by a law enforcement officer as defined in 20 V.S.A. § 2358:

(A) shall be assessed a civil penalty of not more than \$100.00 for the

first violation, and a civil penalty of not less than \$100.00 nor more than \$500.00 for a second violation that occurs more than one year after the first violation; and

(B) shall be subject to the criminal penalties provided in this subsection for a second violation within a year of the first violation, and for a third or subsequent violation within three years of the first violation.

(2) may plead as an affirmative defense that:

(A) the purchaser exhibited and the employee carefully viewed photographic identification that complied with section ~~602~~ 589 of this title and indicated the purchaser to be 21 years of age or older; and

(B) an ordinary prudent person would believe the purchaser to be of legal age to make the purchase; and

(C) the sale was made in good faith, based upon the reasonable belief that the purchaser was of legal age to purchase alcoholic beverages.

(d) A person who violates subsection (a) of this section, where the person under ~~the age of~~ 21 years of age, while operating a motor vehicle on a public highway causes death or serious bodily injury to himself or herself or to another person as a result of the violation, shall be imprisoned not more than five years or fined not more than \$10,000.00, or both.

Sec. 115. 7 V.S.A. § 659 is amended to read:

§ 659. REFUSAL OR NEGLECT OF OFFICERS TO PERFORM DUTIES

(a) ~~The sheriffs of the several counties and their~~ county sheriffs, sheriff's deputies, constables, officers or members of the village or city police, state police State Police, and ~~inspectors~~ investigators of the ~~liquor control board~~ are hereby empowered, and it is hereby made their Board of Liquor and Lottery shall have the authority and duty to see that the provisions of this title and the rules and regulations made as authorized adopted by the ~~liquor control board herein provided for~~ Board of Liquor and Lottery pursuant to this title are enforced within their respective jurisdictions. Any ~~such~~ officer who ~~wilfully~~ willfully refuses or neglects to perform the duties imposed upon him or her by this section shall be fined not more than \$500.00 or imprisoned not more than 90 days, or both.

(b) A control commissioner, ~~state's attorney~~ State's Attorney, or town grand juror who ~~wilfully~~ willfully refuses or neglects to investigate a complaint for a violation of this chapter, when accompanied by evidence in support ~~thereof~~ of the complaint, shall be fined \$300.00.

Sec. 116. 7 V.S.A. § 665 is amended to read:

~~§ 665. PRESCRIPTIONS FOR OTHER THAN MEDICAL USE~~

~~A physician who gives a prescription for spirituous liquor, when he knows or has reason to believe it is not necessary for medicinal use, shall be fined not more than \$200.00 for the first offense and \$500.00 for each subsequent offense. [Repealed.]~~

Sec. 117. 7 V.S.A. § 666 is redesignated and amended to read:

§ ~~666~~ 660. ADVERTISING

(a) ~~No~~ A person shall not display on outside billboards or signs erected on the highway any advertisement of any kind ~~of malt, vinous beverage or spirituous liquor~~ relating to alcoholic beverages, or indicate where ~~the same alcoholic beverages~~ alcoholic beverages may be procured. ~~However, the prohibition contained in this section shall not apply to a motor vehicle lawfully transporting in transit malt, vinous beverage or spirituous liquor from a place in another state to a place in another state.~~ A person who violates any provision of this section shall be fined not more than \$100.00 nor less than \$10.00, for each offense, and ~~such a conviction for a violation shall be cause for revoking the person's license after conviction~~ issued under this title.

(b) ~~Advertising of malt or vinous~~ Notwithstanding subsection (a) of this section, advertising of alcoholic beverages on vehicles a motor vehicle lawfully transporting alcoholic beverages or on a vehicle drawn by horses shall be permitted.

(c)(1) ~~The alcoholic alcohol~~ alcohol content of any malt beverage shall not be set forth or stated in any advertising or promotion ~~thereof~~ of the beverage in any medium.

(2) ~~No~~ A person shall not advertise or promote the sale of any fermented beverage made from malt by indicating in any way that the beverage has a higher alcoholic content than other similar beverages.

(3) ~~However~~ Notwithstanding subdivisions (1) and (2) of this subsection, the alcoholic content of a malt beverage may be set forth on its label or packaging.

Sec. 118. 7 V.S.A. § 667 is redesignated and amended to read:

§ ~~667~~ 661. VIOLATIONS OF TITLE

(a)(1) A person, ~~partnership, association, or corporation who~~ that furnishes, sells, ~~exposes,~~ or keeps with intent to sell, or bottles or prepares for sale any ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages, except as authorized by this title, or sells, barter, transports, imports, exports, delivers, prescribes, furnishes, or possesses alcohol, except as authorized by the ~~Liquor Control Board of Liquor and Lottery,~~ or who that unlawfully

manufactures alcohol or possesses a still or other apparatus for the manufacture of alcohol shall be imprisoned not more than 12 months nor less than three months or fined not more than \$1,000.00 nor less than \$100.00, or both.

(2) For a subsequent conviction ~~thereof~~ under subdivision (1) of this subsection within one year, ~~such a person, partnership, association, or corporation~~ shall be imprisoned not more than three years nor less than six months or fined not more than \$2,000.00 nor less than \$500.00, or both.

(b) A person, ~~partnership, association, or corporation, who~~ that willfully violates a provision of this title for which no other penalty is prescribed or ~~who~~ that willfully violates a ~~provision of the regulations~~ rule of the ~~Liquor Control Board of Liquor and Lottery~~ shall be imprisoned not more than three months nor less than one month or fined not more than \$200.00 nor less than \$50.00, or both.

(c) The provisions of subsection (b) of this section shall not apply to a violation of subsection 1005(a) of this title, relating to purchase of tobacco products by a person less than 18 years of age.

Sec. 119. 7 V.S.A. § 668 is redesignated and amended to read:

§ ~~668~~ 662. LIMIT OF SENTENCE

A sentence of imprisonment under this title, ~~either cumulative or on failure to pay fine and costs,~~ shall not exceed ~~the~~ a term of three years.

Sec. 120. 7 V.S.A. § 671 is redesignated and amended to read:

§ ~~671~~ 65. PURCHASE OF KEGS OF MALT BEVERAGES

Any ~~person~~ individual who, within 60 days of purchase, fails to return a keg, ~~as defined in section 64 of this title,~~ sold pursuant to section 64 of this chapter to the ~~second-class~~ second-class or fourth-class licensee from which the keg was purchased shall be fined not more than \$200.00.

Sec. 121. 7 V.S.A. § 701 is amended to read:

§ 701. DEFINITIONS

As used in this chapter, ~~and unless otherwise required by the context:~~

(1) “Certificate of approval” ~~shall mean~~ means an authorization by the ~~liquor control board~~ Board of Liquor and Lottery pursuant to section 274 of this title to a manufacturer or distributor of malt beverages or vinous beverages, or both not licensed under the provisions of this title, to sell ~~such those~~ those beverages ~~either to holders of bottlers a packager’s or wholesale dealers licenses~~ dealer’s license issued by the ~~board~~ Board ~~under the provisions of~~ pursuant to section ~~226~~ 272 or ~~227~~ 273 of this title.

(2) “Franchise” or “agreement” shall mean one or more of the following:

(A) a commercial relationship between a wholesale dealer and a certificate of approval holder or a manufacturer of a definite duration or indefinite duration, ~~which that~~ is or is not in writing and which relationship has been in existence for at least one year;

(B) a relationship ~~whereby that~~ has been in existence for at least one year in which the wholesale dealer is granted the right to offer and sell the brands of ~~beer~~ malt beverages or ~~wine~~ vinous beverages offered by the certificate of approval holder or manufacturer ~~and which relationship has been in existence for at least one year;~~

(C) a relationship ~~whereby that~~ has been in existence for at least one year in which the wholesale dealer, as an independent business, constitutes a component of a certificate of approval holder’s or manufacturer’s distribution system ~~and which relationship has been in existence for at least one year;~~

(D) a relationship ~~whereby that~~ has been in existence for at least one year in which the wholesale dealer’s business is substantially associated with the certificate of approval holder’s or manufacturer’s brand, advertising, or other commercial symbol designating the manufacturer ~~and which relationship has been in existence for at least one year;~~

(E) a relationship ~~whereby that~~ has been in existence for at least one year in which the wholesale dealer’s business is substantially reliant on the certificate of approval holder or manufacturer for the continued supply of ~~beer~~ malt beverages or ~~wine~~ and which relationship has been in existence for at least one year vinous beverages; and

(F) a written or oral arrangement for a definite or indefinite period ~~whereby that~~ has been in existence for at least one year in which a certificate of approval holder or manufacturer grants to a wholesale dealer a license to use a trade name, trade mark, service mark, or related characteristic, and in which there is a community of interest in the marketing of goods or services at wholesale, retail, by lease, or otherwise ~~and which arrangement has been in existence for at least one year.~~

(3) “Franchisee” means any ~~beer~~ malt beverages or ~~wine~~ vinous beverages wholesale dealer to whom a franchise or agreement as defined herein in this section is granted or offered, or any ~~beer~~ malt beverages or ~~wine~~ vinous beverages certificate of approval holder or manufacturer who is a party to a franchise or agreement as defined herein in this section.

(4) “Franchisor” means any ~~beer~~ malt beverages or ~~wine~~ vinous beverages certificate of approval holder or manufacturer who enters into any

franchise or agreement with a ~~beer~~ malt beverages or ~~wine~~ vinous beverages wholesale dealer, or any ~~beer~~ malt beverages or ~~wine~~ vinous beverages certificate of approval holder or manufacturer who is a party to a franchise or agreement as defined ~~herein~~ in this section.

(5) “Territory” or “sales territory” ~~shall mean~~ means the area of sales responsibility designated by any agreement or franchise between any franchisee or franchisor for the brand or brands of any franchisor or manufacturer.

(6) ~~As used herein, brand~~ “Brand” and “brands” are synonymous with label and labels.

Sec. 122. 7 V.S.A. § 702 is amended to read:

§ 702. PROHIBITED ACTS BY MANUFACTURER

~~No~~ A manufacturer shall not:

(1) induce or coerce, or attempt to induce or coerce, any wholesale dealer to accept delivery of any alcoholic beverage, any form of advertisement, or any other commodity, ~~which shall not have been~~ that was not ordered by the wholesale dealer;

(2) induce or coerce, or attempt to induce or coerce, any wholesale dealer to do any illegal act or thing by threatening to cancel or terminate ~~his~~ the wholesale dealer’s malt beverages or wine vinous beverages franchise agreement; or

(3) fail or refuse to deliver promptly to a wholesale dealer after the receipt of ~~his~~ its order any ~~beer~~ malt beverages or ~~wine~~ vinous beverages when the product is publicly advertised for immediate sale.

Sec. 123. 7 V.S.A. § 703 is amended to read:

§ 703. CANCELLATION OF FRANCHISE

Notwithstanding the terms, provisions, or conditions of any agreement or franchise, no certificate of approval holder or manufacturer shall cancel, terminate, or refuse to continue a franchise, or cause a wholesale dealer to relinquish a franchise, unless good cause is shown to exist.

Sec. 124. 7 V.S.A. § 704 is amended to read:

§ 704. ~~120 DAYS~~ DAYS’ NOTICE FOR CANCELLATION; RECTIFICATION

(a)(1) Except as provided in subsection (c) of this section, a certificate of approval holder or manufacturer shall provide a franchisee or agreement holder at least 120 ~~days~~ days’ written notice of any intent to terminate or cancel any

franchise or agreement.

(2) The notice shall state the causes and reasons for the intended termination or cancellation. The franchisee shall have ~~such~~ 120 days in which to rectify any claimed deficiency.

(b) The ~~superior court~~ Superior Court, upon petition and after due notice to both parties and the opportunity to be heard, shall decide whether good cause exists to allow termination or cancellation of the franchise or agreement.

(c) The notice provisions of subsection (a) of this section may be waived if the reason for termination, cancellation, or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors, bankruptcy, or if the certificate of approval holder or manufacturer is able to prove to the court that ~~such~~ providing the required notice would do irreparable harm to the marketing of ~~his~~ its product.

Sec. 125. 7 V.S.A. § 705 is amended to read:

§ 705. EXCLUSIVE TERRITORIES

No certificate of approval holder or manufacturer, who ~~shall designate~~ designates a sales territory for which ~~any~~ a wholesale dealer shall be primarily responsible or in which ~~any~~ a wholesale dealer is required to concentrate its efforts, shall enter into any franchise or agreement with any other wholesale dealer for the purpose of establishing an additional franchisee for its brand or brands of ~~beer~~ malt beverages or ~~wine~~ vinous beverages in the territory being primarily served or concentrated upon by a the first licensed wholesale dealer.

Sec. 126. 7 V.S.A. § 706 is amended to read:

§ 706. SALE TO RETAILERS BY FRANCHISEES

No franchisee ~~who shall be~~ that is granted a sales territory for which the franchisee shall be primarily responsible or in which the franchisee is required to concentrate its efforts shall make any sale or delivery of ~~beer~~ malt beverages or ~~wine~~ vinous beverages to any retail licensee whose place of business is not within the sales territory granted to the franchisee.

Sec. 127. 7 V.S.A. § 707 is amended to read:

§ 707. SALE OR TRANSFER; PURCHASE BY MANUFACTURER

(a) A wholesale dealer wishing to sell or otherwise transfer ~~his~~ its interests in a franchise shall give at least 90 days' written notice to the certificate of approval holder or manufacturer, prior to ~~such~~ the sale or transfer. The notice of intended sale or transfer shall give the full name and address of the proposed transferee, along with full details outlining the qualifications of the proposed transferee which, in the opinion of the wholesale dealer, make the proposed

transferee competent to operate the franchise.

(b) In the event the certificate of approval holder or manufacturer wishes to resist the proposed sale or transfer to the proposed transferee, ~~he~~ the certificate of approval holder or manufacturer shall petition the ~~superior court~~ Superior Court for a hearing no later than 60 days prior to the date of the proposed sale or transfer, ~~clearly stating his~~. The petition shall clearly state the certificate of approval holder's or manufacturer's reasons for resisting the proposed sale or transfer.

(c) Upon receipt of a petition brought resisting a sale or transfer, the ~~superior court~~ Superior Court shall hold a hearing on the proposed transfer or sale. The court shall make a full inquiry into the qualifications of the proposed transferee, and shall determine whether or not ~~such~~ the proposed transferee is in a position to substantially continue the operations of the franchise, to assume the obligations of the franchise holder, and to conduct the business in a manner ~~which that will serve to~~ protect the legitimate interests of the certificate of approval holder or manufacturer.

(d) ~~In the event~~ If the ~~superior court~~ Superior Court finds the proposed transferee to be qualified to operate the franchise, it shall approve the transfer of the franchise to the proposed transferee ~~shall be approved~~.

Sec. 128. 7 V.S.A. § 709 is redesignated to read:

§ ~~709~~ 708. MERGER OF FRANCHISOR

Sec. 129. 7 V.S.A. § 710 is redesignated to read:

§ ~~710~~ 709. HEIRS, SUCCESSORS, AND ASSIGNS

Sec. 130. REPEAL

7 V.S.A. chapter 25 (rathskellars) is repealed.

Sec. 131. 7 V.S.A. § 1002 is amended to read:

§ 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

(a)(1) No person shall engage in the retail sale of tobacco products, tobacco substitutes, or tobacco paraphernalia, ~~or provide a vending machine for their sale~~ in his or her place of business without a tobacco license obtained from the ~~Department~~ Division of Liquor Control; ~~provided, however, that no~~.

(2) No person shall engage in the retail sale of tobacco substitutes without also obtaining a tobacco substitute endorsement from the ~~Department~~ Division of Liquor Control.

(3) Tobacco licenses and tobacco substitute endorsements shall expire at midnight, April 30, of each year.

(b)(1) The Board shall prepare and issue tobacco license and tobacco substitute endorsement forms and applications. These shall be incorporated into the liquor license forms and applications prepared and issued under this title.

(2) The licenses issued under this section shall be entitled "LIQUOR LICENSE," "LIQUOR-TOBACCO LICENSE," or "TOBACCO LICENSE," as applicable. The endorsements issued under this section shall be entitled "TOBACCO SUBSTITUTE ENDORSEMENT."

(3) The Board shall also provide simple instructions for licensees designed to assist them in complying with the provisions of this chapter.

(c) Each tobacco license and tobacco substitute endorsement shall be prominently displayed on the premises identified in the license.

(d)(1) For a license or endorsement required under this section, a person shall apply to the legislative body of the municipality and shall pay the following fees:

(A) to the ~~Department~~ Division of Liquor Control, the applicable liquor license fee, ~~as set forth in chapter 9~~ provided in section 204 of this title, for a liquor license and a tobacco license;

(B) to the legislative body of the municipality, a fee of \$110.00 for a tobacco license or renewal; and

(C) to the legislative body of the municipality, a fee of \$50.00 for a tobacco substitute endorsement as provided in ~~subsection (a)~~ subdivision (a)(2) of this section.

(2) The municipal clerk shall forward the application to the ~~Department~~ Division, and the ~~Department~~ Division shall issue the tobacco license and the tobacco substitute endorsement, as applicable, and shall forward all fees to the Commissioner for deposit in the Liquor Control Enterprise Fund.

* * *

Sec. 132. 7 V.S.A. § 1002a is amended to read:

§ 1002a. LICENSEE EDUCATION

(a) An applicant for a tobacco license that does not hold a liquor license issued under this title shall be granted a tobacco license pursuant to section 1002 of this title only after the applicant has attended a ~~Department~~ Division of Liquor Control in-person seminar or completed the appropriate ~~Department~~ Division of Liquor Control online training program for the purpose of being informed about the Vermont tobacco laws pertaining to the purchase, storage, and sale of tobacco products. A corporation, partnership, or association shall designate a director, partner, or manager to comply with the requirements of

this subsection.

(b) The holder of a tobacco license that does not also hold a liquor license issued pursuant to this title for the same premises shall:

(1) Complete the ~~Department's~~ Division's in-person or online enforcement seminar at least once every two years. A corporation, partnership, or association shall designate a director, partner, or manager to comply with this subdivision.

(2) Ensure that every employee involved in the sale of tobacco products completes a ~~Department~~ Division of Liquor Control in-person or online training program or other training programs approved by the ~~Department~~ Division before the employee begins selling or providing tobacco products, and at least once every 24 months thereafter. A licensee may comply with this subdivision by conducting its own training program on its premises using information and materials furnished by the ~~Department~~ Division of Liquor Control. A licensee ~~who~~ that fails to comply with the requirements of this subsection shall be subject to suspension of ~~the~~ its tobacco license for no less than one day.

(3) Fees for ~~Department~~ Division of Liquor Control in-person and online seminars for tobacco only ~~will~~ shall be \$10.00 per person.

Sec. 133. 7 V.S.A. § 1003 is amended to read:

§ 1003. SALE OF TOBACCO PRODUCTS; TOBACCO SUBSTITUTES;
TOBACCO PARAPHERNALIA; REQUIREMENTS;
PROHIBITIONS

(a) A person shall not sell or provide tobacco products, tobacco substitutes, or tobacco paraphernalia to any person ~~younger than~~ under 18 years of age.

~~(b) Beginning August 28, 1997, vending machines selling tobacco products, tobacco substitutes, or tobacco paraphernalia are prohibited. This subsection shall not apply to a vending machine that is located in a commercial establishment in which by law no person younger than 18 years of age is permitted to enter at any time. A single vending machine may not be used to sell other commodities in combination with tobacco products, tobacco substitutes, or tobacco paraphernalia. A violation of this subsection shall result in the seizure of the vending machine.~~

~~(c) Beginning January 1, 2001, and subject to receiving any necessary exemption from preemption from the U.S. Food and Drug Administration, all All vending machines selling tobacco products are prohibited.~~

~~(d)~~(c)(1) Persons holding a tobacco license may only display or store tobacco products or tobacco substitutes:

(A) behind a sales counter or in any other area of the establishment that is inaccessible to the public; or

(B) in a locked container.

(2) This subsection shall not apply to the following:

(A) a display of tobacco products that is located in a commercial establishment in which by law no person ~~younger than~~ under 18 years of age is permitted to enter at any time;

(B) cigarettes in unopened cartons and smokeless tobacco in unopened multipack containers of 10 or more packages, any of which shall be displayed in plain view and under the control of a responsible employee so that removal of the cartons or multipacks from the display can be readily observed by that employee; or

(C) cigars and pipe tobacco stored in a humidor on the sales counter in plain view and under the control of a responsible employee so that the removal of these products from the humidor can be readily observed by that employee.

~~(e)~~(d) The sale and the purchase of bidis is prohibited. A person who holds a tobacco license who sells bidis as prohibited by this subsection shall be fined not more than \$500.00. A person who purchases bidis from any source shall be fined not more than \$250.00.

~~(f)~~(e) No person holding a tobacco license shall sell cigarettes or little cigars individually or in packs that contain fewer than 20 cigarettes or little cigars.

~~(g)~~(f) As used in this section, "little cigars" means any rolls of tobacco wrapped in leaf tobacco or any substance containing tobacco, other than any roll of tobacco which is a cigarette within the meaning of 32 V.S.A. § 7702(1), and as to which 1,000 units weigh not more than three pounds.

Sec. 134. 7 V.S.A. 1004 is amended to read:

§ 1004. PROOF OF AGE FOR THE SALE OF TOBACCO PRODUCTS;
TOBACCO SUBSTITUTES; TOBACCO PARAPHERNALIA

(a) A person shall exhibit proper proof of his or her age upon demand of a person licensed under this chapter, an employee of a licensee, or a law enforcement officer. If the person fails to provide ~~such~~ proper proof of age, the licensee shall be entitled to refuse to sell tobacco products, tobacco substitutes, or tobacco paraphernalia to the person. The sale or furnishing of tobacco products, tobacco substitutes, or tobacco paraphernalia to a person exhibiting proper proof of age shall be prima facie evidence of a licensee's compliance with section 1007 of this title.

(b) As used in this section, “proper proof of age” means ~~a photographic motor vehicle operator’s license, a valid passport, a U.S. Military identification card, or a photographic nondriver motor vehicle identification card obtained from the Department of Motor Vehicles~~ a valid authorized form of identification as defined in section 589 of this title.

Sec. 135. 7 V.S.A. § 1005 is amended to read:

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

(a)(1) A person under 18 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia unless the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, or tobacco paraphernalia to effect a sale in the course of employment.

(2) A person under 18 years of age shall not misrepresent his or her age to purchase or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia.

(b) A person who possesses tobacco products, tobacco substitutes, or tobacco paraphernalia in violation of ~~this subsection (a) of this section~~ shall be subject to having the tobacco products, tobacco substitutes, or tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of \$25.00. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

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

Sec. 136. 7 V.S.A. 1006 is amended to read:

§ 1006. POSTING OF SIGNS

(a) A person licensed under this chapter shall post in a conspicuous place on the premises identified in the tobacco license a warning sign stating that the sale of tobacco products, tobacco substitutes, and tobacco paraphernalia to ~~minors~~ persons under 18 years of age is prohibited. The Board shall prepare the sign and make it available with the license forms issued under this chapter. The sign may include information about the health effects of tobacco and tobacco cessation services. The Board, in consultation with a representative of the licensees when appropriate, is authorized to change the design of the sign as needed to maintain its effectiveness.

(b) A person violating this section shall be guilty of a misdemeanor and fined not more than \$100.00.

Sec. 137. 7 V.S.A. § 1007 is amended to read:

§ 1007. FURNISHING TOBACCO TO PERSONS UNDER 18 YEARS OF AGE; REPORT

(a) ~~An individual who~~ A person that sells or furnishes tobacco products, tobacco substitutes, or tobacco paraphernalia to a person under 18 years of age shall be subject to a civil penalty of not more than \$100.00 for the first offense and not more than \$500.00 for any subsequent offense. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours of the occurrence of the alleged violation.

(b)(1) The ~~Department~~ Division of Liquor Control shall conduct or contract for compliance tests of tobacco licensees as frequently and as comprehensively as necessary to ensure consistent statewide compliance with the prohibition on sales to ~~minors~~ persons under 18 years of age of at least 90 percent for buyers who are 16 or 17 years of age. An individual under 18 years of age participating in a compliance test shall not be in violation of ~~7 V.S.A. § section~~ 1005 of this title.

(2) Any violation by a tobacco licensee of subsection 1003(a) of this title and this section after a first sale violation or during a compliance test conducted within six months of a previous violation shall be considered a multiple violation and shall result in the minimum license suspension in addition to any other penalties available under this title. Minimum license suspensions for multiple violations shall be assessed as follows:

- (A) Two violations one weekday;
- (B) Three violations two weekdays;
- (C) Four violations three weekdays;
- (D) Five violations three weekend days, Friday through Sunday.

(3) The ~~Department~~ Commissioner shall report to the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the Tobacco Evaluation and Review Board annually, on or before January 15, the methodology and results of compliance tests conducted during the previous year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the required report to be made under this subsection.

Sec. 138. 7 V.S.A. § 1008 is amended to read:

§ 1008. RULEMAKING

The ~~board~~ Board of Liquor and Lottery shall adopt rules for the administration and enforcement of this chapter.

Sec. 139. 7 V.S.A. § 1009 is amended to read:

§ 1009. CONTRABAND AND SEIZURE

Any cigarettes or other tobacco products that have been sold, offered for sale, or possessed for sale in violation of section 1003 of this title, 20 V.S.A. § 2757, 32 V.S.A. § 7786, or 33 V.S.A. § 1919, and any commercial cigarette rolling machines possessed or utilized in violation of section 1011 of this title, shall be deemed contraband, and shall be subject to seizure by the Commissioner, the Commissioner's agents or employees, the Commissioner of Taxes, or any agent or employee ~~thereof~~ of the Commissioner of Taxes, or by any ~~peace law enforcement~~ officer of this State when directed to do so by the Commissioner. All cigarettes or other tobacco products seized shall be destroyed.

Sec. 140. 7 V.S.A. § 1010 is amended to read:

§ 1010. INTERNET SALES

(a) As used in this section:

(1) "Cigarette" has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(1).

(2) [Repealed.]

(3) "Licensed wholesale dealer" has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(5).

(4) "Little cigars" has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(6).

(5) "Retail dealer" has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(10).

(6) "Roll-your-own tobacco" has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(11).

(7) "Snuff" has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(13).

(b) No person shall cause cigarettes, roll-your-own tobacco, little cigars, or snuff, ordered or purchased by mail or through a computer network, telephonic network, or other electronic network, to be shipped to anyone other than a licensed wholesale dealer or retail dealer in this State.

(c) No person shall, with knowledge or reason to know of the violation, provide substantial assistance to a person in violation of this section.

(d) A violation of this section is punishable as follows:

(1) A knowing or intentional violation of this section shall be punishable by imprisonment for not more than five years or a fine of not more than \$5,000.00, or both.

(2) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed \$5,000.00 for each violation. For purposes of this subsection, each shipment or transport of cigarettes, roll-your-own tobacco, little cigars, or snuff shall constitute a separate violation.

(3) The Attorney General may seek an injunction to restrain a threatened or actual violation of this section.

(4) In any action brought pursuant to this section, the State shall be entitled to recover the costs of investigation, of expert witness fees, of the action, and reasonable attorney's fees.

(5) A person who violates this section engages in an unfair and deceptive trade practice in violation of the State's Consumer Protection Act, 9 V.S.A. §§ 2451 et seq.

(6) If a court determines that a person has violated the provisions of this section, the court shall order any profits, gain, gross receipts, or other benefit from the violation to be disgorged and paid to the State Treasurer for deposit in the General Fund.

(7) Unless otherwise expressly provided, the penalties or remedies, or both, under this section are in addition to any other penalties and remedies available under any other law of this State.

Sec. 141. 7 V.S.A. § 1011 is amended to read:

§ 1011. COMMERCIAL CIGARETTE ROLLING MACHINES

(a) A person shall not possess or use a cigarette rolling machine for commercial purposes.

(b) A person who knowingly violates subsection (a) of this section shall be subject to the following civil penalties:

(1) The revocation or termination of any license, permit, appointment, or commission under this chapter.

(2) A civil penalty of up to \$50,000.00 in any action brought by the

Department of Taxes, the Department of Liquor and Lottery, the Division of Liquor Control, or the Attorney General.

(c) Penalties assessed under subsection (b) of this section shall be paid into the General Fund.

(d) A person who violates subsection (a) of this section shall be imprisoned for not more than three years or fined not more than \$100,000.00, or both.

(e) This section shall not apply to the possession of a cigarette rolling machine intended solely for personal use by individuals who do not intend to offer the resulting product for resale.

(f) A cigarette rolling machine capable of rolling 200 cigarettes in fewer than 15 minutes ~~is~~ shall be presumed to be for commercial purposes.

Sec. 142. 7 V.S.A. § 1012 is amended to read:

§ 1012. LIQUID NICOTINE; PACKAGING

(a) Unless specifically preempted by federal law, no person shall manufacture, regardless of location, for sale in; offer for sale in; sell in or into the stream of commerce in; or otherwise introduce into the stream of commerce in Vermont:

(1) any liquid or gel substance containing nicotine unless that product is contained in child-resistant packaging; or

(2) any nicotine liquid container unless that container constitutes child-resistant packaging.

(b) As used in this section:

(1) “Child-resistant packaging” means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance ~~contained therein~~ in the container within a reasonable time and not difficult for normal adults to use properly, but does not mean packaging which all ~~such~~ children under five years of age cannot open or obtain a toxic or harmful amount of the substance in the container within a reasonable time.

(2) “Nicotine liquid container” means a bottle or other container of a nicotine liquid or other substance containing nicotine ~~which~~ that is sold, marketed, or intended for use in a tobacco substitute. The term does not include a container containing nicotine in a cartridge that is sold, marketed, or intended for use in a tobacco substitute if the cartridge is prefilled and sealed by the manufacturer and not intended to be opened by the consumer.

Sec. 143. 10 V.S.A. § 1522 is amended to read:

§ 1522. BEVERAGE CONTAINERS; DEPOSIT

(a) Except with respect to beverage containers which contain liquor, a deposit of not less than five cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. With respect to beverage containers of volume greater than 50 ml. which contain liquor, a deposit of 15 cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. The difference between liquor bottle deposits collected and refunds made is hereby retained by the ~~liquor control fund~~ Liquor Control Enterprise Fund for administration of this subsection.

* * *

Sec. 144. 10 V.S.A. § 6605f is amended to read:

§ 6605f. WASTE MANAGEMENT PERSONNEL BACKGROUND REVIEW

(a) Disqualifying criteria. Any nongovernmental entity or person applying for a certification under section 6605, 6605a, or 6606 of this title, for interim certification under section 6605b of this title, or for a waste transportation permit under section 6607a of this title, shall be denied certification or other authorization if the Secretary finds:

(1) that the applicant or any person required to be listed on the disclosure statement pursuant to subdivision (b)(1) of this section has been convicted of any of the following disqualifying offenses in this or any other jurisdiction within the 10 years preceding the date of the application:

* * *

(L) ~~trafficking in alcoholic beverages as defined in~~ unlawfully selling, bartering, possessing, furnishing, or transporting alcohol pursuant to 7 V.S.A. § 561;

* * *

Sec. 145. 12 V.S.A. § 7156 is amended to read:

§ 7156. EFFECT OF EMANCIPATION

* * *

(b) The order of emancipation shall not affect the status of the minor in the applicability of any provision of law which requires specific age requirements under the ~~state~~ State or federal constitution or any ~~state~~ State or federal law including laws that prohibit the sale, purchase, or consumption of ~~intoxicating liquor~~ alcoholic beverages to or by a person under 21 years of age.

Sec. 146. 13 V.S.A. § 6505 is amended to read:

§ 6505. PAYMENT

The ~~commissioner of finance and management~~ Commissioner of Finance and Management shall allow counsel so employed a reasonable compensation for his or her services and expenses and shall issue his or her warrant for the amount allowed. Compensation shall not be allowed where it appears to the ~~commissioner~~ Commissioner that the prosecution was superfluous and instituted to enhance costs, nor in the trial of a person upon a complaint for intoxication or for any other offense against the ~~chapter~~ title relating to ~~intoxicating liquors~~ alcoholic beverages, except where the respondent pleads not guilty.

Sec. 147. 18 V.S.A. § 4249 is amended to read:

§ 4249. TRANSPORTATION OF ALCOHOL, TOBACCO, OR
REGULATED DRUGS INTO PLACES OF DETENTION

(a) No person shall knowingly carry or introduce or cause to be carried or introduced into a lockup, jail, prison, or correctional facility:

(1) ~~alcohol, malt or vinous beverages, or spirituous liquor~~ alcoholic beverages;

* * *

Sec. 148. 18 V.S.A. § 4254 is amended to read:

§ 4254. IMMUNITY FROM LIABILITY

* * *

(b) A person who, in good faith and in a timely manner, seeks medical assistance for someone who is experiencing a drug overdose shall not be cited, arrested, or prosecuted for a violation of this chapter or cited, arrested, or prosecuted for procuring, possessing, or consuming alcohol by someone under age 21 years of age pursuant to 7 V.S.A. §§ § 656 ~~and 657~~ or for providing to or enabling consumption of alcohol by someone under age 21 years of age pursuant to 7 V.S.A. § 658(a)-(c).

(c) A person who is experiencing a drug overdose and, in good faith, seeks medical assistance for himself or herself or is the subject of a good faith request for medical assistance shall not be cited, arrested, or prosecuted for a violation of this chapter or cited, arrested, or prosecuted for procuring, possessing, or consuming alcohol by someone under age 21 years of age pursuant to 7 V.S.A. §§ § 656 ~~and 657~~ or for providing to or enabling consumption of alcohol by someone under age 21 years of age pursuant to 7 V.S.A. § 658(a)-(c).

(d) A person who seeks medical assistance for a drug overdose or is the subject of a good faith request for medical assistance pursuant to subsection (b) or (c) of this section shall not be subject to any of the penalties for violation of 13 V.S.A. § 1030 (violation of a protection order), for a violation of this

chapter or 7 V.S.A §§ § 656 and ~~657~~, for being at the scene of the drug overdose, or for being within close proximity to any person at the scene of the drug overdose.

(e) A person who seeks medical assistance for a drug overdose or is the subject of a good faith request for medical assistance pursuant to subsection (b) or (c) of this section shall not be subject to any sanction for a violation of a condition of pretrial release, probation, furlough, or parole for a violation of this chapter or 7 V.S.A §§ § 656 and ~~657~~ for being at the scene of the drug overdose or for being within close proximity to any person at the scene of the drug overdose.

* * *

Sec. 149. 20 V.S.A. § 1817 is amended to read:

§ 1817. REPORTS OF LAW ENFORCEMENT OFFICER; ACCIDENTS
INVOLVING ~~LIQUOR~~ ALCOHOL

Any law enforcement officer who, upon investigation of a motor vehicle accident or other incident involving the use of ~~intoxicating liquor~~ alcohol, shall inquire whether the person involved in the accident or incident was served or furnished ~~intoxicating liquor~~ alcoholic beverages at a licensed establishment and, if the officer determines that a person was served or furnished ~~intoxicating liquor~~ alcoholic beverages at a licensed establishment, the officer shall so inform ~~in writing~~ the appropriate licensee or licensees in writing. A law enforcement officer shall not be subject to civil liability for an omission or failure to comply with a provision of this section.

Sec. 150. 20 V.S.A. § 2358 is amended to read:

§ 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

* * *

(b) The Council shall offer or approve basic training and annual in-service training for each of the following three levels of law enforcement officer certification in accordance with the scope of practice for each level, and shall determine by rule the scope of practice for each level in accordance with the provisions of this section:

* * *

(2) Level II certification.

(A) An applicant for certification as a Level II law enforcement officer shall first complete Level II basic training and may then become certified in a specialized practice area as set forth in subdivision (B)(ii) of this subdivision (2). Level II basic training shall include training to respond to calls regarding alleged crimes in progress and to react to the circumstances described in subdivision (B)(iii) of this subdivision (2).

(B)(i) Except as provided in subdivisions (ii) and (iii) of this subdivision (B), the scope of practice of a Level II law enforcement officer shall be limited to investigating the following matters:

(I) ~~7 V.S.A. § 657 (person under 21 years of age misrepresenting age procuring, possessing, or consuming alcoholic beverages; third or subsequent offense); [Repealed.]~~

(II) 7 V.S.A. § 658 (sale or furnishing to minors; enabling consumption by minors);

* * *

Sec. 151. 23 V.S.A. § 1134 is amended to read:

§ 1134. MOTOR VEHICLE OPERATOR; CONSUMPTION OR POSSESSION OF ALCOHOL

(a) A person shall not consume alcoholic beverages while operating a motor vehicle on a public highway. As used in this section, “alcoholic beverages” shall have the same meaning as ~~“intoxicating liquor”~~ “alcohol” as defined in section 1200 of this title.

* * *

Sec. 152. 23 V.S.A. § 1134a is amended to read:

§ 1134a. MOTOR VEHICLE PASSENGER; CONSUMPTION OR POSSESSION OF ALCOHOL

(a) Except as provided in subsection (c) of this section, a passenger in a motor vehicle shall not consume alcoholic beverages or possess any open container which contains alcoholic beverages in the passenger area of any motor vehicle on a public highway. As used in this section, “alcoholic beverages” shall have the same meaning as ~~“intoxicating liquor”~~ “alcohol” as defined in section 1200 of this title.

* * *

Sec. 153. 23 V.S.A. § 1200 is amended to read:

§ 1200. DEFINITIONS

As used in this subchapter:

* * *

(4) ~~“Intoxicating liquor”~~ “Alcohol” includes alcohol, malt beverages, ~~spirituous liquors~~ spirits, fortified wines, and vinous beverages, as defined in 7 V.S.A. § 2, and any beverage or liquid containing any of them.

* * *

(7) ~~“Highway” shall be defined~~ has the same meaning as in subdivision 4(13) of this title, except that for purposes of this subchapter, “highway” does not include the driveway which serves only a single-family or two-family residence of the operator. This exception shall not apply if a person causes the

death of a person, causes bodily injury to a person, or causes damage to the personal property of another person, while operating a motor vehicle on a driveway in violation of section 1201 of this subchapter.

* * *

(9)(A) “Ignition interlock restricted driver’s license” or “ignition interlock RDL” or “RDL” means a restricted license or privilege to operate a motor vehicle issued by the Commissioner allowing a resident whose license or privilege to operate has been suspended or revoked for operating under the influence of ~~intoxicating liquor~~ alcohol or in excess of legal limits of alcohol concentration, or for refusing an enforcement officer’s reasonable request for an evidentiary test, to operate a motor vehicle, other than a commercial motor vehicle as defined in section 4103 of this title, installed with an approved ignition interlock device.

(B) “Ignition interlock certificate” means a restricted privilege to operate a motor vehicle issued by the Commissioner allowing a nonresident whose privilege to operate a motor vehicle in Vermont has been suspended or revoked for operating under the influence of ~~intoxicating liquor~~ alcohol or in excess of legal limits of alcohol concentration, or for refusing an enforcement officer’s reasonable request for an evidentiary test, to operate a motor vehicle, other than a commercial motor vehicle as defined in section 4103 of this title, installed with an approved ignition interlock device.

* * *

Sec. 154. 23 V.S.A. § 3207a is amended to read:

§ 3207a. OPERATING UNDER THE INFLUENCE OF ~~INTOXICATING LIQUOR~~ ALCOHOL OR DRUGS; SWI

(a) A person shall not operate, attempt to operate, or be in actual physical control of a snowmobile on any lands, waters, or public highways of this State:

(1) when the person’s alcohol concentration is 0.08 or more; or

(2) when the person is under the influence of ~~intoxicating liquor~~ alcohol; or

(3) when the person is under the influence of any other drug or under the combined influence of alcohol and any other drug to a degree which renders the person incapable of safely operating a snowmobile.

(b) A person who is a habitual user of or under the influence of any narcotic drug or who is under the influence of any other drug, substance, or inhalant other than ~~intoxicating liquor~~ alcohol to a degree which renders the person incapable of safely operating a snowmobile may not operate, attempt to operate, or be in actual physical control of a snowmobile.

* * *

(e) As used in this section, ~~“intoxicating liquor” includes~~ “alcohol;” ~~includes~~ “alcohol,” “malt beverages,” ~~“spirituous liquors spirits,”~~ “fortified wines,” and “vinous beverages” as defined in 7 V.S.A. § 2, and any beverage or liquid containing any of them.

* * *

Sec. 155. 23 V.S.A. § 3323 is amended to read:

§ 3323. OPERATING UNDER THE INFLUENCE OF ~~INTOXICATING LIQUOR~~ ALCOHOL OR DRUGS; B.W.I.

(a) A person shall not operate, attempt to operate, or be in actual physical control of a vessel on the waters of this State while:

(1) there is 0.08 percent or more by weight of alcohol in his or her blood, as shown by analysis of his or her breath or blood; or

(2) under the influence of ~~intoxicating liquor~~ alcohol; or

(3) under the influence of any other drug or under the combined influence of alcohol and any other drug to a degree which renders the person incapable of operating safely.

(b) ~~For purposes of~~ As used in this section, ~~“intoxicating liquor” includes~~ “alcohol;” ~~includes~~ “alcohol,” “malt beverages,” ~~“spirituous liquors spirits,”~~ “fortified wines,” and “vinous beverages” as defined in 7 V.S.A. § 2, and any beverage or liquid containing any of ~~the foregoing~~ them.

(c) A person who is a habitual user of or under the influence of any narcotic drug or who is under the influence of any other drug, substance, or inhalant other than ~~intoxicating liquor~~ alcohol to a degree which renders the person incapable of safely operating a vessel may not operate, attempt to operate, or be in actual physical control of a vessel. The fact that a person charged with a violation of this section is or has been entitled to use such drug under the laws of this State shall not constitute a defense against any charge of violating this section.

* * *

Sec. 156. 23 V.S.A. § 3506 is amended to read:

§ 3506. OPERATION

* * *

(b) An all-terrain vehicle may not be operated:

* * *

(8) While the operator is under the influence of drugs or ~~intoxicating beverages~~ alcohol as defined by this title.

* * *

Sec. 157. 24 V.S.A. § 301 is amended to read:

§ 301. PENALTY FOR REFUSAL TO ASSIST

A person being required in the name of the State by a sheriff, deputy sheriff, high bailiff, deputy bailiff, or constable, who neglects or refuses to assist ~~such an~~ the officer in the execution of his or her office, in a criminal cause, ~~or~~ in the preservation of the peace, ~~or~~ in the apprehension and securing of a person for a breach of the peace, ~~or~~ in a search and seizure of ~~intoxicating liquors~~ alcohol as defined in 7 V.S.A. § 2 or in transporting ~~such liquors~~ the alcohol when seized, or in a case of escape or rescue of persons arrested on civil process, shall be fined not more than \$500.00, unless the circumstances under which his or her assistance is called for amount to a riot, in which case he or she shall be imprisoned not more than six months or fined not more than \$100.00, or both.

Sec. 158. 29 V.S.A. § 902 is amended to read:

§ 902. DUTIES OF COMMISSIONER OF BUILDINGS AND GENERAL SERVICES

* * *

(f) The Commissioner of Buildings and General Services may also:

* * *

(4) receive, warehouse, manage, and distribute all State property and commodities, except alcoholic beverages purchased ~~for~~ by the ~~Liquor Control Board of Liquor and Lottery~~; and all surplus federal property and commodities;

* * *

(i) Notwithstanding subsection (a) of this section, all alcoholic beverages sold by the Board of Liquor and Lottery shall be purchased by the Board as set forth in 7 V.S.A. §§ 104 and 107.

Sec. 159. 32 V.S.A. § 10203 is amended to read:

§ 10203. DISTRIBUTION; RETAIL PURCHASE AND SALE

* * *

(f) Break-open tickets shall not be sold at premises licensed to sell alcoholic beverages except ~~at clubs~~ for clubs as defined in 7 V.S.A. § ~~2(7)~~ 2. However, a nonprofit organization may sell break-open tickets at premises licensed to sell alcoholic beverages if, notwithstanding 13 V.S.A. § 2143(e), all proceeds from the sale of the break-open tickets are used by the nonprofit organization exclusively for charitable, religious, educational, and civic undertakings, with only the following costs deducted from the proceeds:

(1) the actual cost of the break-open tickets;

(2) the prizes awarded;

(3) the reasonable legal fees necessary to organize the nonprofit organization and to ~~assure~~ ensure compliance with all legal requirements; and

(4) the reasonable accounting fees necessary to account for the proceeds from the sale of ~~the~~ break-open tickets.

* * *

Sec. 160. 33 V.S.A. § 5102 is amended to read:

§ 5102. DEFINITIONS AND PROVISIONS OF GENERAL APPLICATION

As used in the juvenile judicial proceedings chapters,~~unless the context otherwise requires:~~

* * *

(9) “Delinquent act” means an act designated a crime under the laws of this State, or of another state if the act occurred in another state, or under federal law. A delinquent act shall include a violation of 7 V.S.A. §§ § 656 and 657; however, it shall not include:

(A) snowmobile offenses in 23 V.S.A. chapter 29, subchapter 1 and motorboat offenses in 23 V.S.A. chapter 29, subchapter 2, except for violations of sections 3207a, 3207b, 3207c, 3207d, and 3323;

(B) motor vehicle offenses committed by an individual who is at least 16 years of age, except for violations of 23 V.S.A. chapter 13, subchapter 13 and of 23 V.S.A. § 1091.

* * *

Sec. 161. REPLACEMENTS

In the following sections, the phrase “intoxicating liquor” or “intoxicating liquors,” wherever it appears, shall be replaced with “alcohol”:

(1) 5 V.S.A. §§ 427, 3728, and 3729;

(2) 9 V.S.A. § 3807;

(3) 13 V.S.A. §§ 4017, 5041, 5042, 5301, and 7601;

(4) 23 V.S.A. §§ 308, 1130, 1201, 1204, 1211, 1213, 1218, 3206, 3207d, 3311, 3325, 3326, 3905, and 4116; and

(5) 32 V.S.A. § 805.

Sec. 162. REVIEW OF FINES AND PENALTIES; REPORT

The Commissioner of Liquor and Lottery shall review the adequacy and effectiveness of all fines and penalties in Title 7 to determine which fines and penalties, if any, require an amendment to improve their efficacy and operation in concert with the regulatory and enforcement provisions of Title 7. On or before January 15, 2018, the Commissioner shall submit a written report to the House Committees on General, Housing and Military Affairs and on Judiciary, and the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary regarding his or her findings and any

recommendations for legislative action.

* * * Merger of State Lottery into Department of Liquor and Lottery * * *

Sec. 163. FINDINGS AND PURPOSE

(a) The General Assembly finds that:

(1) The Department of Liquor Control and the State Lottery serve similar roles in Vermont's government by generating significant revenue for the State through the sales of a controlled product.

(2) The similarities between the roles and functions of the Department of Liquor Control and the State Lottery create the potential for the two entities to merge and collaborate in carrying out their respective functions and missions.

(3) Merging the Department of Liquor Control and State Lottery into a single Department of Liquor and Lottery will enable the State to deliver services more effectively and efficiently to the public.

(4) Merging the Department of Liquor Control and the State Lottery into a single Department of Liquor and Lottery will also enable the State to realize significant cost savings by eliminating redundancy, improving accountability, providing for more efficient use of specialized expertise and facilities, and promoting the effective sharing of best practices and state-of-the-art technology.

(b) Accordingly, it is the intent of the General Assembly to:

(1) create a combined Department of Liquor and Lottery that will be a successor to and continuation of the Department of Liquor Control and the State Lottery; and

(2) create a Board of Liquor and Lottery that shall be the successor to and a continuation of the Liquor Control Board and the Lottery Commission.

Sec. 164. REPEALS

31 V.S.A. §§ 651 (State Lottery Commission), 652 (organization), and 653 (compensation) are repealed.

Sec. 165. 31 V.S.A. § 654 is redesignated and amended to read:

§ ~~654~~ 651. POWERS AND DUTIES OF BOARD OF LIQUOR AND LOTTERY

The ~~Commission~~ Board of Liquor and Lottery shall adopt rules pursuant to 3 V.S.A. chapter 25, governing the establishment and operation of the State Lottery. The rules may include the following:

* * *

(7) Lottery product sales locations, which may include State agency 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 fairs, race tracks, and other sporting arenas.

* * *

(11) Apportionment of total revenues, within limits hereinafter specified, accruing to the State Lottery Fund among:

(A) the payment of prizes to winning ticket holders;

(B) the payment of all costs incurred in the creation, operation, and administration of the ~~lottery~~ State Lottery, including compensation of the ~~Commission Board, Director~~ Commissioner of Liquor and Lottery, employees of the Department of Liquor and Lottery, consultants, contractors, and other necessary expenses;

(C) the repayment of monies advanced to the State Lottery Fund for initial funding of the ~~lottery~~ State Lottery;

* * *

Sec. 166. 31 V.S.A. § 654a is redesignated and amended to read:

§ ~~654a~~ 652. MULTIJURISDICTIONAL LOTTERY GAME

(a) In addition to the Tri-State Lotto Compact provided for in subchapter 2 of this chapter, and the other authority to operate lotteries contained in this chapter, the ~~Commission Board of Liquor and Lottery~~ is authorized to negotiate and contract with up to four multijurisdictional lotteries to offer and provide multijurisdictional lottery games. The ~~Commission Board~~ may join any multijurisdictional lottery that provides indemnification for its standing committee members, officers, directors, employees, and agents. The ~~Commission Board~~ shall adopt rules under 3 V.S.A. chapter 25 to govern the establishment and operation of any multijurisdictional lottery game authorized by this section.

* * *

(c) The provisions of subdivisions 674L.1.1A through 674L.1.1I of this title shall apply to the payment of prizes to a person other than a winner for prizes awarded under any multijurisdictional lottery authorized by this section, except that the ~~Vermont Lottery Commission~~ Board of Liquor and Lottery shall be responsible for implementing ~~such~~ the provisions under this section, rather than the Tri-State Lotto Commission.

Sec. 167. 31 V.S.A. § 655 is redesignated and amended to read:

§ ~~655~~ 653. LICENSE FEES

A license fee shall be charged for each sales license granted to a person for

the purpose of selling lottery tickets at the time the person is first granted a license. The fee shall be fixed by the ~~Commission~~ Board of Liquor and Lottery, but no license fee in excess of \$50.00 may be charged.

Sec. 168. 31 V.S.A. § 656 is redesignated and amended to read:

§ ~~656~~ 654. INTERSTATE LOTTERY; CONSULTANT; MANAGEMENT

(a) The ~~Commission~~ Board of Liquor and Lottery may develop and operate a lottery or the State may enter into a contractual agreement with another state or states to provide for the operation of the lottery. Approval of the Joint Fiscal Committee and the Governor shall be required for such contractual agreements with other states.

(b) If no interstate contract is entered into, the ~~Commission~~ Board shall obtain the service of an experienced lottery design and implementation consultant. The fee for the consultant may be fixed or may be based ~~upon~~ on a percentage of gross receipts realized from the lottery.

(c) The ~~Commission~~ Board may enter into a facilities management type of agreement for operation of the lottery by a third party.

Sec. 169. 31 V.S.A. § 657 is redesignated and amended to read:

§ ~~657~~ 655. ~~DIRECTOR AND~~ DUTIES OF THE COMMISSIONER

(a) The State Lottery shall be under the immediate supervision and direction of a ~~Lottery Director~~ the Commissioner of Liquor and Lottery. ~~The Director shall devote his or her entire time and attention to the duties of his or her office and shall not be engaged in any other profession or occupation. The Office of Director of the State Lottery is an executive position and shall not be included in the plan of classification of State employees, notwithstanding 3 V.S.A. § 310(a).~~

(b) The ~~Director~~ Commissioner shall:

(1) supervise and administer the operation of the ~~lottery~~ Lottery within the rules adopted by the ~~Commission~~ Board of Liquor and Lottery;

(2) subject to the approval of the ~~Commission~~ Board, enter into such contracts ~~as may be required~~ necessary for the proper creation, administration, operation, modification, and promotion of the ~~lottery~~ Lottery or any part ~~thereof~~ of the Lottery. These contracts shall not be assignable;

(3) license sales agents and suspend or revoke any license in accordance with the provisions of this chapter and the rules of the ~~Commission~~ Board;

(4) act as Secretary to the ~~Commission~~ Board, but as a nonvoting member of the ~~Commission~~ Board;

(5) employ ~~such~~ professional and secretarial staff as ~~may be required~~ necessary to carry out the functions of the ~~Commission~~ Division of the Lottery. 3 V.S.A. chapter 13 shall apply to employees of the ~~Commission~~ Division; and

(6) annually prepare a budget and submit it to the ~~Commission~~ Board.

Sec. 170. 31 V.S.A. § 658 is redesignated and amended to read:

§ ~~658~~ 656. STATE LOTTERY FUND

(a) There is hereby created in the State Treasury a separate fund to be known as the State Lottery Fund. ~~This fund~~ The Fund shall consist of all revenues received from the Treasurer for initial funding, from sale of lottery tickets, from license fees, and from all other money credited or transferred from any other fund or source pursuant to law. The monies in the State Lottery Fund shall be disbursed pursuant to subdivision ~~654(11)~~ 651(11) of this title, and shall be disbursed by the Treasurer on warrants issued by the Commissioner of Finance and Management, when authorized by the Commissioner of Liquor and Lottery ~~Director~~ and approved by the Commissioner of Finance and Management.

(b) Expenditures for administrative and overhead expenses of the operation of the ~~lottery~~ Lottery, except agent and bank commissions, shall be paid from ~~lottery~~ Lottery receipts from an appropriation authorized for that purpose. Agent commissions shall be set by the ~~Lottery Commission~~ Board of Liquor and Lottery and ~~may shall~~ not exceed 6.25 percent of gross receipts and bank commissions ~~may shall~~ not exceed ~~1~~ one percent of gross receipts. Once the draw game results become official, the payment of any commission on any draw game ticket that wins at least \$10,000.00 shall be made through the normal course of processing payments to lottery agents, regardless of whether the winning ticket is claimed.

* * *

Sec. 171. 31 V.S.A. § 659 is redesignated and amended to read:

§ ~~659~~ 657. REPORT OF THE ~~COMMISSION~~ BOARD

The ~~Commission~~ Board of Liquor and Lottery shall make an annual report to the Governor and to the General Assembly on or before the 10th day of January in each year, ~~including therein~~. The report shall include an account of its the Board's actions, and the receipts derived under the provisions of this chapter, the practical effects of the application thereof of the proceeds of the Lottery, and any recommendation for legislation which that the Commission Board deems advisable.

Sec. 172. 31 V.S.A. § 660 is redesignated and amended to read:

§ ~~660~~ 658. ~~POST AUDITS~~ POSTAUDITS

All ~~lottery~~ Lottery accounts and transactions of the ~~Lottery Commission~~ Board of Liquor and Lottery and Division of the Lottery pursuant to this chapter shall be subject to annual ~~post-audits~~ postaudits conducted by independent auditors retained by the ~~Commission Board~~ Board for this purpose. The ~~Commission Board~~ Board may order ~~such~~ other audits as it deems necessary and desirable.

Sec. 173. 31 V.S.A. § 661 is redesignated and amended to read:

§ ~~661~~ 659. SALES AND PURCHASE OF LOTTERY TICKETS

The following acts relating to the purchase and sale of lottery tickets are prohibited:

* * *

(4) No member of the ~~Commission Board of Liquor and Lottery~~ Board of Liquor and Lottery or employee of the ~~Commission Department of Liquor and Lottery~~ Department of Liquor and Lottery, or ~~members member of their~~ his or her immediate household, may claim or receive prize money ~~hereunder~~ under this chapter.

Sec. 174. 31 V.S.A. § 662 is redesignated to read:

§ ~~662~~ 660. UNCLAIMED PRIZE MONEY

Sec. 175. 31 V.S.A. § 663 is redesignated to read:

§ ~~663~~ 661. STATE GAMING LAWS INAPPLICABLE AS TO LOTTERY

Sec. 176. 31 V.S.A. § 665 is redesignated to read:

§ ~~665~~ 662. PENALTIES

Sec. 177. 31 V.S.A. § 666 is redesignated to read:

§ ~~666~~ 663. PUBLICATION OF ODDS

Sec. 178. 31 V.S.A. § 667 is redesignated to read:

§ ~~667~~ 664. FISCAL COMMITTEE REVIEW

* * *

(b) This section shall not apply in the event the ~~Commission Board of Liquor and Lottery~~ Board of Liquor and Lottery enters into a facilities management agreement pursuant to the provisions of subsection ~~656(e)~~ 654(c) of this title.

Sec. 179. 3 V.S.A. § 212 is amended to read:

§ 212. DEPARTMENTS CREATED

The following administrative departments are hereby created, through the instrumentality of which the Governor, under the Constitution, shall exercise such functions as are by law assigned to each department respectively:

* * *

(14) The Department of Liquor ~~Control~~ and Lottery

* * *

Sec. 180. 32 V.S.A. § 1010 is amended to read:

§ 1010. MEMBERS OF CERTAIN BOARDS

(a) Except for those members serving ex officio or otherwise regularly employed by the State, the compensation of the members of the following Boards shall be \$50.00 per diem:

* * *

(7) ~~Liquor Control Board~~ Board of Liquor and Lottery

* * *

Sec. 181. [Deleted.]

Sec. 182. BOARD OF LIQUOR AND LOTTERY; DEPARTMENT OF
LIQUOR AND LOTTERY; POWERS AND DUTIES

On July 1, 2017:

(1)(A) The Board of Liquor and Lottery shall assume all the powers, duties, rights, and responsibilities of the Liquor Control Board and the Lottery Commission.

(B) The rules of the Liquor Control Board and the Lottery Commission in effect on July 1, 2017 shall be the rules of the Board of Liquor and Lottery until they are amended or repealed.

(2)(A) The Department of Liquor and Lottery shall assume all the powers, duties, rights, and responsibilities of the Department of Liquor Control and the State Lottery.

(B) All positions and appropriations of the Department of Liquor Control and the State Lottery shall be transferred to the Department of Liquor and Lottery.

(3)(A) The Commissioner of Liquor Control shall become the Commissioner of Liquor and Lottery.

(B) The Commissioner of Liquor and Lottery shall assume all the powers, duties, rights, and responsibilities of the Commissioner of Liquor Control and the Director of the State Lottery.

Sec. 183. LEGISLATIVE COUNCIL; PREPARATION OF A DRAFT BILL

On or before January 15, 2018, the Office of Legislative Council shall prepare and submit a draft bill to the House Committees 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 that makes statutory amendments of a technical nature

and identifies all statutory sections that the General Assembly may need to amend substantively to effect the intent of this act.

Sec. 184. DEPARTMENT OF LIQUOR AND LOTTERY; FUNCTIONS AND DUTIES; EFFECTIVENESS; REPORT

The Commissioner Liquor and Lottery, in consultation with the Board of Liquor and Lottery, shall examine the effectiveness of the Department of Liquor and Lottery in fulfilling its functions and duties and shall identify specific measures to enhance the Department's ability to carry out its functions and duties effectively and efficiently. On or before November 15, 2017, the Chair of the Board shall submit a written report to the Governor and the General Assembly of his or her findings and recommendations for legislative action.

* * * Casino Events Hosted by Nonprofit Organizations * * *

Sec. 185. 13 V.S.A. § 2143 is amended to read:

§ 2143. NONPROFIT ORGANIZATIONS

(a) Notwithstanding the provisions of this chapter, a nonprofit organization, as defined in 32 V.S.A. § 10201(5), may organize and execute, and an individual may participate in lotteries, raffles, or other games of chance for the purpose of raising funds to be used in charitable, religious, educational, and civic undertakings or used by fraternal organizations to provide direct support to charitable, religious, educational, or civic undertakings with which they are affiliated. Except as provided in subsection (d) of this section, gambling machines and other mechanical devices described in section 2135 of this title shall not be utilized under authority of this section.

* * *

(d) Casino events shall be limited as follows:

(1) A location may be the site of no more than:

(A) one casino event in any calendar quarter; or

(B) three casino events in any calendar year, as long as there are at least 15 days between each event.

(2) A location that is owned by a nonprofit, as defined in 32 V.S.A. § 10201(5), may be the site of no more than ~~three casino events in any calendar quarter and no more than 12 casino events in any calendar year~~ two casino events in any calendar month as long as there are at least ~~15~~ 10 days between each event.

(3) A nonprofit organization, as defined in 32 V.S.A. § 10201(5), may organize and execute no more than:

~~(A) one casino event in any calendar quarter; or~~

~~(B) three casino events in any calendar year, as long as there are at least 15 days between each event month.~~

(4) For the purposes of As used in this subsection, “casino event” means an event held during any 24-hour period at which any game of change chance is conducted except those prohibited by ~~13 V.S.A. § subdivision~~ 2135(a)(1) or (2) of this title. A “casino event” shall not include a fair, bazaar, field days, agricultural exposition, or similar event ~~which that~~ utilizes a wheel of fortune, chuck-a-luck, or other such games commonly conducted at such events, or break-open tickets, bingo, a lottery, or a raffle.

(e) Games of chance shall be limited as follows:

(1) All proceeds raised by a game of chance shall be used exclusively for charitable, religious, educational, and civic undertakings after deducting:

(A) reasonable expenses, as determined by fair market value, of purchasing or renting materials and equipment used for the game of chance and, of printing advertisements, and of the direct purchase of advertising through established media, such as newspapers, radio, and television; and

(B) reasonable expenses, as determined by fair market value, for rent for the premises on which the game of change chance is executed, ~~except that rent paid prior to August 1, 1994, pursuant to a written lease in effect on June 1, 1994, and not subject to cancellation, may be deducted, whether or not such rent is reasonable,~~ and repairs and upkeep to the premises for nonprofit organizations having ownership in premises; and

(C) prizes awarded to players as limited in subdivision (4) of this subsection (e); and

(D) payments to persons as limited in subdivision (2) of this subsection (e).

* * *

(6) A nonprofit organization shall not organize and execute games of chance on more than two days in any calendar week, nor shall games of chance be organized and executed at any location on more than two days in any calendar week, except that:

(A) Casino events may be conducted only as permitted under subsection (d) of this section.

* * *

~~(D) Agricultural fairs qualified to receive a State stipend pursuant to 31 V.S.A. § 617 may organize and execute games of chance for not more than 12 consecutive days during the fair once each calendar year. [Repealed.]~~

* * *

* * * Division of Liquor Control; Raffles of Rare and Unusual Products * * *

Sec. 186. 7 V.S.A. § 5 is added to read:

§ 5. DEPARTMENT OF LIQUOR AND LOTTERY; RAFFLES FOR RIGHT TO PURCHASE RARE AND UNUSUAL PRODUCTS

(a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary, the Division of Liquor Control may conduct raffles for the right to purchase certain rare and unusual spirits and fortified wines that are acquired by the Board of Liquor and Lottery. A raffle conducted pursuant to this section shall meet the following requirements:

(1) Tickets to enter the raffle shall only be available for purchase to a member of the general public who is 21 years of age or older.

(2) Tickets for the raffle shall be sold at a price fixed by the Commissioner.

(3) All notices or advertisements relating to the raffle shall clearly state:

(A) the price of a raffle ticket;

(B) the date of the drawing;

(C) the sales price of each rare and unusual spirit or fortified wine; and

(D) that the winning prize will be the right to purchase the rare and unusual spirit or fortified wine for the specified sales price.

(4) No Board member or employee of the Department, and no immediate family member of a Board member or employee of the Department shall be permitted to enter the raffle.

(b) The proceeds from the sale of tickets for each raffle shall be deposited in the Liquor Control Enterprise Fund established pursuant to section 112 of this title.

(c) As used in this section, “rare and unusual spirits and fortified wines” means spirits and fortified wines that are distributed or allocated to the Board in an amount that is insufficient for general distribution to local agency stores and for which the Commissioner determines that an extraordinary level of public demand exists.

Sec. 186a. PROCEEDS FROM SALE OF RAFFLE TICKETS FOR
PURCHASE OF RARE AND UNUSUAL PRODUCTS;
REPORT

On or before January 15, 2018, the Commissioner of Liquor and Lottery

shall submit a written report regarding raffles conducted by the Department pursuant to 7 V.S.A. § 5, including the number of products for which a raffle was conducted, the total number of tickets sold, and the proceeds from the sales of raffle tickets to the House Committees on Appropriations and on General, Housing and Military Affairs and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs.

Sec. 187. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to modernizing and reorganizing Title 7 and creating the Department of Liquor and Lottery.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Head of South Burlington** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Head of South Burlington

Rep. Stevens of Waterbury

Rep. Gonzalez of Winooski

**Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed**

S. 9

The Senate proposed to the House to amend House bill, entitled

An act relating to the preparation of poultry products

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

First: In Sec. 2, 6 V.S.A. § 3312, in subdivision (c)(2), by striking out subdivision (B) in its entirety and inserting in lieu thereof the following:

(B) rooms or compartments in which an edible product is processed, handled, or stored shall be separated from areas used for slaughter, provided that a producer may use food-grade plastic sheeting as a means of separation when such sheeting prevents the creation of insanitary conditions;

Second: In Sec. 2, 6 V.S.A. § 3312, in subdivision (c)(2), by striking out subdivisions (F) and (G) in their entirety and inserting in lieu thereof the following:

(F)(i) sewage from human waste shall be disposed of in a sewage

system separate from other drainage lines; or

(ii) sewage is disposed of through other means to prevent the creation of insanitary conditions or the backup into the area where the product is processed, handled, or stored, including disposal of process wastewater through on-farm composting under the Required Agricultural Practices;

And by relettering the subsequent subdivisions to be alphabetically correct

Third: In Sec. 2, 6 V.S.A. § 3312 in subdivision (c)(2), by striking out relettered subdivision (K) in its entirety and inserting in lieu thereof the following:

(K) clothing worn by persons who handle poultry products shall be of material that is cleanable or disposable.

Fourth: In Sec. 2, 6 V.S.A. § 3312, by striking out subsection (h) (approved label) in its entirety

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Buckholz of Hartford** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Buckholz of Hartford
Rep. Bartholomew of Hartland
Rep. Norris of Shoreham

**Rules Suspended; Third Reading; Bill Passed in Concurrence
 with Proposal of Amendment**

S. 135

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed in concurrence with proposal of amendment.

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the following bills were ordered messaged to the Senate forthwith.

S. 34

Senate bill, entitled

An act relating to cross-promoting development incentives and State policy goals

S.135

Senate bill, entitled

An act relating to promoting economic development

S. 9

Senate bill, entitled

An act relating to the preparation of poultry products

H. 238

House bill, entitled

An act relating to modernizing and reorganizing Title 7

Recess

At twelve o'clock and thirty-seven minutes in the afternoon, the Speaker declared a recess until one o'clock and fifteen minutes in the afternoon.

At one o'clock and forty-one minutes in the afternoon, the Speaker called the House to order.

Message from the Senate No. 65

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 495. An act relating to miscellaneous agriculture subjects.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 171. An act relating to expungement.

And has accepted and adopted the same on its part.

The Senate has considered bills originating in the House of the following titles:

H. 58. An act relating to awarding hunting and fishing licenses at no cost to persons 65 years of age or older.

H. 154. An act relating to approval of amendments to the charter of the City of Burlington and to charter amendment procedure.

H. 241. An act relating to the charter of the Central Vermont Solid Waste Management District.

H. 312. An act relating to retirement and pensions.

H. 522. An act relating to approval of amendments to the charter of the City of Burlington.

H. 529. An act relating to approval of amendments to the charter of the City of Barre.

H. 534. An act relating to approval of the adoption and codification of the charter of the Town of Calais.

And has passed the same in concurrence.

Message from the Senate No. 66

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill entitled:

S. 9. An act relating to the preparation of poultry products.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Starr
Senator Brooks
Senator Branagan

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

H. 238. An act relating to modernizing and reorganizing Title 7.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Clarkson
Senator Baruth
Senator McCormack

The Senate has considered House proposal of amendment to Senate bill entitled:

S. 135. An act relating to promoting economic development.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Mullin
Senator Balint
Senator Sirotkin

**Second Reading; Proposal of Amendment Agreed to;
Third Reading Ordered**

S. 131

Rep. Weed of Enosburgh, for the committee on Government Operations, to which had been referred Senate bill, entitled

An act relating to State's Attorneys and sheriffs

Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Retirement and Benefits * * *

Sec. 1. 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) As used in this subchapter:

* * *

(9) "Employee" shall mean:

(A) Any regular officer or employee of the Vermont Historical Society or in a department other than a person included under subdivision (B) of this subdivision (9), who is employed for not less than 40 calendar weeks in a year. "Employee" includes deputy State's Attorneys, victim advocates employed by a State's Attorney pursuant to 13 V.S.A. § 5306, secretaries employed by a State's Attorney pursuant to 32 V.S.A. § 1185, and other positions created within the State's Attorneys' offices that meet the eligibility requirements for membership in the Retirement System.

(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. 2. 3 V.S.A. § 631 is amended to read:

§ 631. GROUP INSURANCE FOR STATE EMPLOYEES; SALARY
DEDUCTIONS FOR INSURANCE, SAVINGS PLANS, AND
CREDIT UNIONS

(a)(1) The Secretary of Administration may contract on behalf of the State with any insurance company or nonprofit association doing business in this State to secure the benefits of franchise or group insurance. Beginning July 1, 1978, the terms of coverage under the policy shall be determined under section 904 of this title, but it may include:

* * *

(2)(A)(i) The As used in this section, the term "employees" as used in this section shall include among others includes any class or classes of elected or appointed officials, but it State's Attorneys, sheriffs, employees of State's Attorney's offices whose compensation is administered through the State of Vermont payroll system, except contractual and temporary employees, and deputy sheriffs paid by the State of Vermont pursuant to 24 V.S.A. § 290(b). The term "employees" shall not include members of the General Assembly as such, ~~nor shall it include~~ any person rendering service on a retainer or fee basis, members of boards or commissions, or persons other than employees of the Vermont Historical Society, the Vermont Film Corporation, the Vermont State Employees' Credit Union, Vermont State Employees' Association, and the Vermont Council on the Arts, whose compensation for service is not paid from the State Treasury, ~~nor shall it include~~ or any elected or appointed official unless the official is actively engaged in and devoting substantially full-time to the conduct of the business of his or her public office.

(ii) For purposes of group hospital-surgical-medical expense insurance, the term “employees” shall include employees as defined in subdivision (i) of this subdivision (2)(A) and former employees as defined in this subdivision who are retired and are receiving a retirement allowance from the Vermont State Retirement System or the State Teachers’ Retirement System of Vermont and, for the purposes of group life insurance only, are retired on or after July 1, 1961, and have completed 20 creditable years of service with the State before their retirement dates and are insured for group life insurance on their retirement dates.

(iii) For purposes of group hospital-surgical-medical expense insurance only, the term “employees” shall include employees as defined in subdivision (i) of this subdivision (2)(A) and employees who are receiving a retirement allowance based upon their employment with the Vermont State Employees’ Association, the Vermont State Employees’ Credit Union, the Vermont Council on the Arts, as long as they are covered as active employees on their retirement date, and:

(i)(I) they have at least 20 years of service with that employer; or

(i)(II) have attained 62 years of age, and have at least 15 years of service with that employer.

* * *

* * * Collective Bargaining * * *

Sec. 3. 3 V.S.A. § 902 is amended to read:

§ 902. DEFINITIONS

As used in this chapter:

* * *

(2) “Collective bargaining,” or “bargaining collectively” means the process of negotiating terms, tenure, or conditions of employment between the State of Vermont, the Vermont State Colleges, ~~or~~ the University of Vermont, or the Department of State’s Attorneys and Sheriffs and representatives of employees with the intent to arrive at an agreement ~~which~~ that, when reached, shall be reduced to writing.

* * *

(5) “State employee” means any individual employed on a permanent or limited status basis by the State of Vermont, the Vermont State Colleges, ~~or~~ the University of Vermont, or the State’s Attorneys’ offices, including permanent part-time employees, and an individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, but excluding an individual:

(A) exempt or excluded from the State classified service under the

provisions of section 311 of this title, except that the State Police in the Department of Public Safety, ~~and~~; employees of the Defender General, excluding attorneys employed directly by the Defender General and attorneys contracted to provide legal services; deputy State's Attorneys; and employees of State's Attorneys' offices are included within the meaning of "State employee";

* * *

(7) "Employer" means the State of Vermont, excluding the Legislative and Judiciary Departments, represented by the Governor or ~~the Governor's~~ designee, the Office of the Defender General represented by the Defender General or ~~the Defender General's~~ designee, and Vermont State Colleges, represented by the Chancellor or ~~the Chancellor's~~ designee, and the University of Vermont, represented by the President or ~~the President's~~ designee. With respect to employees of State's Attorneys' offices, "employer" means the Department of State's Attorneys and Sheriffs represented by the Executive Director or designee.

* * *

(10) "Person," includes one or more individuals, the State of Vermont, Vermont State Colleges, University of Vermont, Department of State's Attorneys and Sheriffs, employee organizations, labor organizations, partnerships, corporations, legal representatives, trustees, or any other natural or legal entity whatsoever.

* * *

Sec. 4. 3 V.S.A. § 904 is amended to read:

§ 904. SUBJECTS FOR BARGAINING

(a) All matters relating to the relationship between the employer and employees shall be the subject of collective bargaining except those matters ~~which~~ that are prescribed or controlled by statute. ~~Such~~ The matters appropriate for collective bargaining to the extent they are not prescribed or controlled by statute include:

- (1) wages, salaries, benefits, and reimbursement practices relating to necessary expenses and the limits of reimbursable expenses;
- (2) minimum hours per week;
- (3) working conditions;
- (4) overtime compensation and related matters;
- (5) leave compensation and related matters;
- (6) reduction-in-force procedures;
- (7) grievance procedures, including whether an appeal to the Vermont

Labor Relations Board or binding arbitration, or both, will constitute the final step in a grievance procedure;

(8) terms of coverage and amount of employee financial participation in insurance programs, except that the Department of State's Attorneys and Sheriffs and the deputy State's Attorneys and other employees of the State's Attorneys' offices shall not bargain in relation to terms of coverage;

(9) ~~rules and regulations~~ for personnel administration, except the following: ~~rules and regulations~~ relating to persons exempt from the classified service under section 311 of this title and ~~rules and regulations~~ relating to applicants for employment in State service and employees in an initial probationary status, including any extension or extensions thereof, provided such the rules and regulations are not discriminatory by reason of an applicant's race, color, creed, sex, or national origin, sexual orientation, gender identity, ancestry, place of birth, age, or physical or mental condition; and

(10) the manner in which to enforce an employee's obligation to pay the collective bargaining service fee.

(b) This chapter shall not be construed to be in derogation of, or contravene the spirit and intent of the merit system principles and the personnel laws.

Sec. 5. 3 V.S.A. § 905 is amended to read:

§ 905. MANAGEMENT RIGHTS

(a) ~~The Governor, or a person or persons designated by the Governor, designee for the State of Vermont, and the provost, Chancellor or a person or persons designated by the provost designee for Vermont State Colleges and, the President, or a person or persons designated by the President designee for the University of Vermont, and the Executive Director or designee for the Department of State's Attorneys and Sheriffs~~ shall act as the employer representatives in collective bargaining negotiations and administration. The representative shall be responsible for ~~insuring~~ ensuring consistency in the terms and conditions in various agreements throughout the State service; ~~insuring and ensuring~~ compatibility with merit system statutes and principles; and shall not agree to any terms or conditions for which there are not adequate funds available.

* * *

Sec. 6. 3 V.S.A. § 906 is added to read:

§ 906. DESIGNATION OF MANAGERIAL, SUPERVISORY, AND CONFIDENTIAL EMPLOYEES

(a) The Commissioner of Human Resources shall determine those positions in the classified service whose incumbents the Commissioner believes should

be designated as managerial, supervisory, or confidential employees. Any disputes arising ~~therefrom~~ from the determination shall be finally resolved by the Board.

(b) The Executive Director of the Department of State's Attorneys and Sheriffs may determine positions in the State's Attorneys' offices whose incumbents the Executive Director believes should be designated as managerial, supervisory, or confidential employees. Any disputes arising from the determination shall be finally resolved by the Board.

Sec. 7. 3 V.S.A. § 908 is added to read:

§ 908. DESIGNATION OF STATE'S ATTORNEYS' EMPLOYEES;
STATEWIDE BARGAINING RIGHTS

Employees of the State's Attorney's offices shall be part of one or more statewide bargaining units, as determined to be appropriate by the Board pursuant to sections 927 and 941 of this title, for the purpose of bargaining collectively pursuant to this chapter.

Sec. 8. 3 V.S.A. § 925 is amended to read:

§ 925. MEDIATION; FACT FINDING

* * *

(k) In the case of the State of Vermont or the Department of State's Attorneys and Sheriffs, the decision of the Board shall be final, and the terms of the chosen agreement shall be binding on each party, subject to appropriations in accordance with subsection 982(d) of this title. In the case of the University of Vermont or the Vermont State Colleges, the decision of the Board shall be final and binding on each party.

* * *

Sec. 9. 3 V.S.A. § 982 is amended to read:

§ 982. AGREEMENTS; LIMITATIONS, RENEGOTIATION, AND
RENEWAL

* * *

(c)(1) Except in the case of the Vermont State Colleges or the University of Vermont, agreements between the State and certified bargaining units ~~which~~ that are not arrived at under the provisions of subsection 925(i) of this title shall, after ratification by the appropriate unit memberships, be submitted to the Governor who shall request sufficient funds from the General Assembly to implement the agreement. If the General Assembly appropriates sufficient funds, the agreement shall become effective at the beginning of the next fiscal year. If the General Assembly appropriates a different amount of funds, the terms of the agreement affected by that appropriation shall be renegotiated based on the amount of funds actually appropriated by the General Assembly,

and the agreement with the negotiated changes shall become effective at the beginning of the next fiscal year.

(2)(A) Agreements between the Department of State's Attorneys and Sheriffs and the certified bargaining units that are not arrived at under the provisions of subsection 925(i) of this title shall, after ratification by the appropriate unit memberships, be submitted to the Governor and the General Assembly.

(B) The Executive Director of the Department of State's Attorneys and Sheriffs shall request sufficient funds from the General Assembly to implement the agreement. If the General Assembly appropriates sufficient funds, the agreement shall become effective at the beginning of the next fiscal year. If the General Assembly appropriates a different amount of funds, the terms of the agreement affected by that appropriation shall be renegotiated based on the amount of funds actually appropriated by the General Assembly, and the agreement with the negotiated changes shall become effective at the beginning of the next fiscal year.

* * *

(g) In the event the State of Vermont, the Department of State's Attorneys and Sheriffs, the University of Vermont, and the Vermont State Colleges as employer and the collective bargaining unit are unable to arrive at an agreement and there is not an existing agreement in effect, the existing contract shall remain in force until a new contract is ratified by the parties. However, nothing in this subsection shall prohibit the parties from agreeing to a modification of certain provisions of the existing contract which, as amended, shall remain in effect until a new contract is ratified by the parties.

* * *

Sec. 10. 13 V.S.A. § 5306 is amended to read:

§ 5306. VICTIM ADVOCATES

In order to carry out the provisions of the victims assistance program, ~~state's attorneys~~ State's Attorneys are authorized to hire victim advocates who shall serve at their pleasure unless otherwise modified by a collective bargaining agreement entered into pursuant to 3 V.S.A. chapter 27. Nothing in this section shall be construed to limit the subjects for bargaining pursuant to 3 V.S.A. § 904.

Sec. 11. 32 V.S.A. § 1185 is amended to read:

§ 1185. OFFICE EXPENSES

* * *

(b)(1) Secretaries shall be hired by and shall serve at the pleasure of the State's Attorney unless otherwise modified by a collective bargaining agreement entered into pursuant to 3 V.S.A. chapter 27. Secretaries shall be

State employees paid by the State, and shall receive those benefits available to other classified State employees who are similarly situated but they shall not be subject to the rules provided for under 3 V.S.A. chapter 13. The compensation of each Secretary shall be determined by the Commissioner of Human Resources with the approval of the Governor unless otherwise determined through collective bargaining pursuant to 3 V.S.A. chapter 27. In fixing compensation, there shall be taken into consideration, among other things, the volume of work requiring the services of the Secretary and whether the services are on a full- or part-time basis.

(2) Nothing in this subsection shall be construed to limit the subjects for bargaining pursuant to 3 V.S.A. § 904.

Sec. 12. 24 V.S.A. § 363 is amended to read:

§ 363. DEPUTY STATE'S ATTORNEYS

(a) A State's Attorney may appoint as many deputy State's Attorneys as necessary for the proper and efficient performance of his or her office, ~~and with the approval of the Governor, fix their pay not to exceed that of the State's Attorney making the appointment,~~ and may remove them at pleasure.

(b) The pay for deputy State's Attorneys shall be fixed by the Executive Director of the Department of State's Attorneys and Sheriffs or through collective bargaining pursuant to 3 V.S.A. chapter 27, but it shall not exceed the pay of the State's Attorney making the appointment. Deputy State's Attorneys shall be compensated only for periods of actual performance of the duties of ~~such~~ the office. Deputy State's Attorneys shall be reimbursed for their necessary expenses incurred in connection with their official duties when approved by the State's Attorneys and the Commissioner of Finance and Management.

(c) Deputy State's Attorneys shall exercise all the powers and duties of the State's Attorneys except the power to designate someone to act in the event of their own disqualification.

(d) Deputy State's Attorneys may not enter upon the duties of the office until they have taken the oath or affirmation of allegiance to the State and the oath of office required by the Constitution, and until ~~such~~ the oath together with their appointment is filed for record with the county clerk. If appointed and under oath, a deputy State's Attorney may prosecute cases in another county if the State's Attorney in the other county files the deputy's appointment in the other county clerk's office. In case of a vacancy in the office of State's Attorney, the appointment of the deputy shall expire upon the appointment of a new State's Attorney.

Sec. 13. 24 V.S.A. § 367 is amended to read:

§ 367. DEPARTMENT OF STATE'S ATTORNEYS AND SHERIFFS

* * *

(c)(1) The Executive Director shall prepare and submit all budgetary and financial materials and forms which are required of the head of a department of State government with respect to all State funds appropriated for all of the Vermont State's Attorneys and sheriffs. At the beginning of each fiscal year, the Executive Director, with the approval of the Executive Committee, shall establish allocations for each of the State's Attorneys' offices from the State's Attorneys' appropriation. Thereafter, the Executive Director shall exercise budgetary control over these allocations and the general appropriation for State's Attorneys. The Executive Director shall monitor the sheriff's transport budget and report to the sheriffs on a monthly basis the status of the budget. He or she shall provide centralized support services for the State's Attorneys and sheriffs with respect to budgetary planning, training, and office management, and perform such other duties as the Executive Committee directs. The Executive Director may employ clerical staff as needed to carry out the functions of the Department.

(2) The Executive Director shall prepare and submit a funding request to the Governor and the General Assembly for the purpose of securing General Fund appropriations for any increased costs related to a collective bargaining agreement and to the Department's contract bargaining and administration.

* * *

Sec. 14. ADJUSTMENT FOR INITIAL CONTRACT

For increased costs related to the initial collective bargaining agreement that the Department of State's Attorneys and Sheriffs enters into pursuant to this act, including the costs of bargaining, implementation, and contract administration, the Department may prepare and submit a funding request to the General Assembly during the budget adjustment process if the timing of the implementation of the agreement does not permit the Department to secure sufficient funding during the regular budgetary process.

Sec. 15. EXISTING BARGAINING UNITS; DECERTIFICATION

On the effective date of this act, the existing bargaining units and the related certifications of an exclusive bargaining representative for the deputy State's Attorneys, victim advocates, and secretaries employed by the Chittenden County State's Attorney and Franklin County State's Attorney shall be dissolved and the members of those bargaining units shall be eligible to organize and bargain collectively under the provisions of the State Employees Labor Relations Act, 3 V.S.A. chapter 27.

* * * Effective Date * * *

Sec. 16. EFFECTIVE DATE

This act shall take effect on passage.

Rep. Hooper of Montpelier, for the committee on Appropriations, recommended that House propose to the Senate to amend the bill as recommended by the committee on Government Operations.

The bill having appeared on the Calendar one day for notice, was taken up, read the second time.

Thereupon, **Rep. Turner of Milton** asked that the question be divided and Section one and two be taken first and the remainder taken second. Thereupon the first instance was agreed to.

Pending the question, Shall the House propose to the Senate that the bill be amended as recommended by the Committee on Government Operations in the second instance, Section 3 to Section 16 only? **Rep. Turner of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate that the bill be amended as recommended by the Committee on Government Operations in the second instance, Section 3 to Section 16 only? was decided in the affirmative. Yeas, 144. Nays, 2.

Those who voted in the affirmative are:

Ainsworth of Royalton	Gamache of Swanton	Nolan of Morristown
Ancel of Calais	Gannon of Wilmington *	Norris of Shoreham
Bancroft of Westford	Gardner of Richmond	Noyes of Wolcott
Bartholomew of Hartland	Giambatista of Essex	Ode of Burlington
Baser of Bristol	Gonzalez of Winooski	Olsen of Londonderry
Batchelor of Derby	Grad of Moretown	O'Sullivan of Burlington
Beck of St. Johnsbury	Graham of Williamstown	Parent of St. Albans Town
Belaski of Windsor	Greshin of Warren	Pearce of Richford
Beyor of Highgate	Haas of Rochester	Poirier of Barre City
Bissonnette of Winooski	Harrison of Chittenden	Potter of Clarendon
Bock of Chester	Head of South Burlington	Pugh of South Burlington
Botzow of Pownal	Hebert of Vernon	Quimby of Concord
Brennan of Colchester	Helm of Fair Haven	Rachelson of Burlington
Briglin of Thetford	Higley of Lowell	Rosenquist of Georgia
Browning of Arlington	Hill of Wolcott	Savage of Swanton
Brumsted of Shelburne	Hooper of Montpelier	Scheu of Middlebury
Buckholz of Hartford	Hooper of Brookfield	Scheuermann of Stowe
Burditt of West Rutland	Houghton of Essex	Sharpe of Bristol
Burke of Brattleboro	Howard of Rutland City	Shaw of Pittsford
Canfield of Fair Haven	Hubert of Milton	Sheldon of Middlebury
Carr of Brandon	Jessup of Middlesex	Sibilia of Dover
Chesnut-Tangerman of	Jickling of Brookfield	Smith of Derby
Middletown Springs	Joseph of North Hero	Smith of New Haven
Christensen of Weathersfield	Juskiewicz of Cambridge	Squirrell of Underhill
Christie of Hartford	Keenan of St. Albans City	Stevens of Waterbury

Cina of Burlington	Kimbell of Woodstock	Strong of Albany
Colburn of Burlington	Kitzmiller of Montpelier	Stuart of Brattleboro
Condon of Colchester	Krowinski of Burlington	Sullivan of Dorset
Conlon of Cornwall	LaClair of Barre Town	Sullivan of Burlington
Connor of Fairfield	Lalonde of South Burlington	Taylor of Colchester
Conquest of Newbury	Lanpher of Vergennes	Till of Jericho
Copeland-Hanzas of Bradford	Lawrence of Lyndon	Toleno of Brattleboro *
Corcoran of Bennington	Lefebvre of Newark	Toll of Danville
Cupoli of Rutland City	Lewis of Berlin	Townsend of South Burlington
Dakin of Colchester	Lippert of Hinesburg	Trieber of Rockingham
Deen of Westminster	Long of Newfane	Troiano of Stannard
Devereux of Mount Holly	Lucke of Hartford	Turner of Milton *
Dickinson of St. Albans Town	Macaig of Williston	Viens of Newport City
Donahue of Northfield	Marcotte of Coventry	Walz of Barre City
Donovan of Burlington	Masland of Thetford	Webb of Shelburne
Dunn of Essex	McCormack of Burlington	Weed of Enosburgh
Emmons of Springfield	McCoy of Poultney	Willhoit of St. Johnsbury
Fagan of Rutland City	McCullough of Williston	Wood of Waterbury
Feltus of Lyndon	McFaun of Barre Town	Wright of Burlington
Fields of Bennington	Miller of Shaftsbury	Yacovone of Morristown
Forguites of Springfield	Morris of Bennington	Yantachka of Charlotte
Frenier of Chelsea	Morrissey of Bennington	Young of Glover
Gage of Rutland City	Mrowicki of Putney	
	Murphy of Fairfax	
	Myers of Essex	

Those who voted in the negative are:

Keefe of Manchester * Van Wyck of Ferrisburgh *

Those members absent with leave of the House and not voting are:

Martel of Waterford Partridge of Windham Terenzini of Rutland Town

Rep. Gannon of Wilmington explained his vote as follows:

“Madam Speaker:

I voted yes because of the unique and complex employment situation in the Department of State’s Attorneys and Sheriffs.”

Rep. Keefe of Manchester explained his vote as follows:

“Madam Speaker:

I voted no because this bill has not been adequately vetted, as evidenced by the fact it is fundamentally opposite of the action we took just last night, yet the vote outcome is starkly different.”

Rep. Toleno of Brattleboro explained his vote as follows:

”Madam Speaker:

I vote yes because this bill addresses a unique challenge faced by a small number of critical employees in our judicial system. By clarifying the legal ambiguities they face, it allows all parties, partners in this compromise, to move forward.”

Rep. Turner of Milton explained his vote as follows:

“Madam Speaker:

I believe that employment contracts negotiated directly with the state are in the best interests of both the employees and the taxpayers. It should not matter if we’re talking about NEA-represented teachers or sheriffs and state’s attorneys. It’s ironic that the outcome of this vote is so different than last night’s vote for a state wide negotiation on teachers’ healthcare benefits. Thank you.”

Rep. VanWyck of Ferrisburgh explained his vote as follows:

“Madam Speaker:

I voted no. It’s time to change the sign outside this chamber from Representatives Hall to Union Hall. I’m with FDR.”

Thereupon, third reading was ordered.

Action on Bill Postponed

S. 122

Senate bill, entitled

An act relating to increased flexibility for school district mergers

Was taken up and pending the reading of the report of the committee on Education, on motion of **Rep. Sharpe of Bristol**, action on the bill was postponed until May 5, 2017.

Bill Amended, Read Third Time; Bill Passed

H. 233

House bill, entitled

An act relating to protecting working forests and habitat

Was taken up and pending third reading of the bill, **Rep. Nolan of Morristown** moved to amend the bill as follows:

Sec. 1, 10 V.S.A. § 6001, in subdivision (42), after “not paved” by striking out “, that has a minor impact on the values of a forest block or habitat connector.”

Which was agreed to.

Pending the third reading of the bill, **Rep. Keefe of Manchester** moved to

amend the bill as follows:

First: In Sec. 2, 10 V.S.A. § 6086, in subsection (a), in subdivision (8)(B) (forest blocks), in subdivision (i), by striking out the lead-in language and subdivision (I) and inserting in lieu thereof new lead-in language and subdivision (I) to read:

A permit will not be granted for a development or subdivision within or partially within a forest block unless the applicant demonstrates that:

(I) the development or subdivision will avoid fragmentation of the forest block through the design of the project or the location of project improvements, or both;

Second: In Sec. 2, 10 V.S.A. § 6086, in subsection (a), in subdivision (8)(C) (habitat connectors), in subdivision (i), by striking out the lead-in language and subdivision (I) and inserting in lieu thereof new lead-in language and subdivision (I) to read:

A permit will not be granted for a development or subdivision within or partially within a habitat connector that is inside a forest block unless the applicant demonstrates that:

(I) the development or subdivision will avoid fragmentation of the habitat connector through the design of the project or the location of project improvements, or both;

Thereupon **Rep. Ode of Burlington** asked the question be divided and the first instance be taken first and the second instance taken second.

Thereupon, the first instance was agreed to, the second instance was disagreed to and the bill was read the third time.

Pending the question, Shall the bill pass? **Rep. Savage of Swanton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill pass? was decided in the affirmative. Yeas, 85. Nays, 58.

Those who voted in the affirmative are:

Ancel of Calais	Gardner of Richmond	Noyes of Wolcott
Bartholomew of Hartland	Giambatista of Essex	Ode of Burlington
Belaski of Windsor	Gonzalez of Winooski	O'Sullivan of Burlington
Bissonnette of Winooski	Grad of Moretown	Potter of Clarendon
Bock of Chester	Greshin of Warren	Pugh of South Burlington
Briglin of Thetford	Haas of Rochester	Rachelson of Burlington
Browning of Arlington	Head of South Burlington	Scheu of Middlebury
Brumsted of Shelburne	Hill of Wolcott	Sharpe of Bristol
Buckholz of Hartford	Hooper of Montpelier	Sheldon of Middlebury
Burke of Brattleboro	Hooper of Brookfield	Squirrell of Underhill

Carr of Brandon	Houghton of Essex	Stevens of Waterbury
Chesnut-Tangerman of Middletown Springs	Howard of Rutland City	Stuart of Brattleboro
Christensen of Weathersfield	Jessup of Middlesex	Sullivan of Burlington
Christie of Hartford	Keenan of St. Albans City	Taylor of Colchester
Cina of Burlington	Kimbell of Woodstock	Till of Jericho
Colburn of Burlington	Kitzmiller of Montpelier	Toleno of Brattleboro
Conlon of Cornwall	Krowinski of Burlington	Toll of Danville
Conquest of Newbury	Lalonde of South Burlington	Townsend of South Burlington
Copeland-Hanzas of Bradford	Lanpher of Vergennes	Trieber of Rockingham
Corcoran of Bennington	Lippert of Hinesburg	Troiano of Stannard
Dakin of Colchester	Long of Newfane	Walz of Barre City
Deen of Westminster	Lucke of Hartford	Webb of Shelburne
Donahue of Northfield	Macaig of Williston	Weed of Enosburgh
Donovan of Burlington	Masland of Thetford	Wood of Waterbury
Dunn of Essex	McCormack of Burlington	Yacovone of Morristown
Emmons of Springfield	McCullough of Williston *	Yantachka of Charlotte *
Fields of Bennington	Miller of Shaftsbury	Young of Glover
Forguites of Springfield	Morris of Bennington	
	Mrowicki of Putney *	
	Murphy of Fairfax	

Those who voted in the negative are:

Ainsworth of Royalton	Graham of Williamstown *	Olsen of Londonderry
Bancroft of Westford	Harrison of Chittenden	Parent of St. Albans Town
Baser of Bristol	Hebert of Vernon	Pearce of Richford
Batchelor of Derby	Helm of Fair Haven	Poirier of Barre City
Beck of St. Johnsbury	Higley of Lowell	Quimby of Concord
Beyor of Highgate	Hubert of Milton	Rosenquist of Georgia
Brennan of Colchester	Jickling of Brookfield	Savage of Swanton
Burditt of West Rutland	Joseph of North Hero	Scheuermann of Stowe
Canfield of Fair Haven	Juskiewicz of Cambridge	Shaw of Pittsford
Connor of Fairfield	Keefe of Manchester	Sibilia of Dover
Cupoli of Rutland City	LaClair of Barre Town	Smith of Derby *
Devereux of Mount Holly	Lawrence of Lyndon	Smith of New Haven
Dickinson of St. Albans Town	Lefebvre of Newark	Strong of Albany
Fagan of Rutland City	Lewis of Berlin	Sullivan of Dorset
Feltus of Lyndon	McCoy of Poultney	Turner of Milton
Frenier of Chelsea	McFaun of Barre Town	Van Wyck of Ferrisburgh
Gage of Rutland City	Morrissey of Bennington	Viens of Newport City
Gamache of Swanton	Myers of Essex	Willhoit of St. Johnsbury
Gannon of Wilmington	Nolan of Morristown	Wright of Burlington
	Norris of Shoreham *	

Those members absent with leave of the House and not voting are:

Botzow of Pownal	Marcotte of Coventry	Partridge of Windham
Condon of Colchester	Martel of Waterford	Terenzini of Rutland Town

Rep. Graham of Williamstown explained his vote as follows:

“Madam Speaker:

I voted no. My family has owned two hundred plus acres of forest land for over one hundred years. It has been logged, had a couple of homes for family added, firewood cut, maple sugaring done. Guess what, we still have trees, deer, woodchuck and more. I don't need any help from Act 250 to manage my land."

Rep. McCullough of Williston explained his vote as follows:

"Madam Speaker:

I voted yes on H. 233. This is a historic vote on a visionary legislation. Fifty years from today, all citizens and indeed the critters themselves will be celebrating!"

Rep. Mrowicki of Putney explained his vote as follows:

"Madam Speaker:

I voted yes to support the work of your Natural Resources, Fish and Wildlife committee taking on the challenge of balancing competing interests and still creating a sustainability plan for our working landscape, is work that I recognize as fair and effective. Such protections and planning will ensure healthy forests for generations to come."

Rep. Norris of Shoreham explained his vote as follows:

"Madam Speaker:

As a member of the Ag and Forestry committee I feel that we should of seen this bill and taken testimony."

Rep. Smith of Derby explained his vote as follows"

"Madam Speaker:

I am one of the few in this room that still believe in personal property rights!"

Rep. Yantachka of Charlotte explained his vote as follows:

"Madam Speaker:

I vote yes on H.233 because it is necessary to protect our valuable forest habitats which have been increasingly fragmented over the last decade. This bill does nothing to impact the occupation of forestry that is conducted according to approved forest management practices. It will instead contribute to a sustainable working landscape well into the future."

Senate Proposal of Amendment Concurred in

H. 130

The Senate proposed to the House to amend House bill, entitled

An act relating to approval of amendments to the charter of the Town of Hartford

The Senate proposes to the House to amend the bill in Sec. 2, 24 App. V.S.A. chapter 123A, by striking out in its entirety section 201 (town meeting).

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in

H. 347

The Senate proposed to the House to amend House bill, entitled

An act relating to the State Telecommunications Plan

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 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 Agency of Commerce and Community Development, and the Agency of Transportation shall assist the Department in preparing the Plan. The Plan shall be for a 10-year period and shall serve as a basis for State telecommunications policy. Prior to preparing the Plan, the Department shall prepare:

(1) ~~a~~ An overview, looking 10 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~~ One or more surveys of Vermont residents and businesses, conducted in cooperation with the Agency of Commerce and Community Development to determine what telecommunications services are needed now and in the succeeding ~~ten~~ 10 years, generally, and with respect to the following specific sectors in Vermont;

(A) the educational sector, with input from the Secretary of Education;

(B) the health care and human services sectors, with input from the Commissioner of Health and the Secretary of Human Services;

(C) the public safety sector, with input from the Commissioner of Public Safety and the Executive Director of the Enhanced 911 Board; and

(D) the workforce training and development sectors, with input from the Commissioner of Labor.

(3) ~~an~~ An assessment of the current state of telecommunications infrastructure;

(4) ~~an~~ An assessment, conducted in cooperation with the Department of Innovation and Information and the 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~~ 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 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 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. 2. 30 V.S.A. § 218(c) is amended to read:

~~(c)(1) The Public Service Board shall take any action, ~~including the setting of telephone rates, enabling necessary to enable~~ the State of Vermont and telecommunications companies offering service in Vermont to participate in the ~~Federal Communications Commission telephone~~ federal Lifeline program administered by the Federal Communications Commission (FCC) or its agent and also the Vermont Lifeline program described in subdivision (2) of this subsection. ~~The Board shall set one or more residential basic exchange Lifeline telephone service credits, for those persons eligible to participate in the Federal Communications Commission Lifeline program.~~~~

~~(2) A person shall be eligible for the Lifeline benefit who meets the Department for Children and Families means test of eligibility, which shall include all persons participating in public assistance programs administered by the Department. The Department for Children and Families shall verify this eligibility, in compliance with Federal Communications Commission requirements.~~

~~(A) The benefit under this subdivision shall be equal to the full subscriber line charge, plus an amount equal to the larger of:~~

~~(i) 50 percent of the monthly basic service charge, including 50 percent of all mileage charges and, if the Board determines after notice and opportunity for hearing that their inclusion will make Lifeline benefits more comparable in different areas, 50 percent of the usage cost arising from a fixed amount of monthly local usage; and~~

~~(ii) \$7.00 per month;~~

~~(B) provided that in no event shall the amount of the monthly credit exceed the monthly basic service charge, including any standard usage and mileage charges household that qualifies for participation in the federal Lifeline program under criteria established by the FCC or other federal law or regulation shall also be eligible to receive a Vermont Lifeline benefit for wireline voice telephone service. The Vermont Lifeline benefit established under this subdivision shall be set at an amount not to exceed the benefit provided to a household as of October 31, 2017, or \$4.25, whichever is greater, and shall be applied as a supplement to any wireline voice benefit received through participation in the federal Lifeline program. However, in no event shall the aggregate amount of benefits received through the federal and State programs described in this subdivision exceed a household's monthly basic service charge for wireline services, including any standard usage and mileage charges.~~

~~(3) A person shall also be eligible for the Lifeline benefit who submits to the Commissioner for Children and Families an application containing any information and disclosure of information authorization necessary to process the Lifeline credit. Such application shall be filed with the Commissioner on or before June 15 of each year and shall be signed by the applicant under the pains and penalties of perjury. A person shall be eligible who is 65 years of age or older whose modified adjusted gross income as defined in 32 V.S.A. § 6061(5) for the preceding taxable year was less than 175 percent of the official poverty line established by the federal Department of Health and Human Services for a family of two published as of October 1 of the preceding taxable year. A person shall be eligible whose modified adjusted gross income as defined in 32 V.S.A. § 6061(5) for the preceding taxable year was less than 150 percent of the official poverty line established by the federal Department of Health and Human Services for a family of two published as of October 1 of the preceding taxable year. In the case of sickness, absence, disability, excusable neglect, or when, in the judgment of the Secretary of Human Services good cause exists, the Secretary may extend the deadline for filing claims under this section. The provisions of 32 V.S.A. § 5901 shall apply to such application. The Secretary of Human Services shall perform income verification. Upon enrollment in the program, and for each period of renewal, such participant shall receive the credit for 12 ensuing months.~~

~~(A) The benefit under this subdivision shall be equal to the full subscriber line charge, plus an amount equal to the larger of:~~

~~(i) 50 percent of the monthly basic service charge, including 50 percent of all mileage charges and, if the Board determines after notice and opportunity for hearing that their inclusion will make Lifeline benefits more comparable in different areas, 50 percent of the usage cost arising from a fixed~~

~~amount of monthly local usage; and~~

~~(ii) \$7.00 per month.~~

~~(B) The amount of the monthly credit pursuant to subdivision (A) of this subdivision (3) shall not exceed the monthly basic service charge, including any standard usage and mileage charges company designated as an eligible telecommunications carrier by the Board pursuant to 47 U.S.C. § 214(e) shall verify an applicant's eligibility for receipt of federal or State Lifeline benefits as required by federal law or regulation or as directed by the Vermont Agency of Human Services, as applicable. The Agency shall provide the FCC or its agent with categorical eligibility data regarding an applicant's status in qualifying programs administered by the Agency.~~

(4) Notwithstanding any provisions of this subsection to the contrary, a subscriber who is enrolled in the Lifeline program and has obtained a final relief from abuse order in accordance with the provisions of 15 V.S.A. chapter 21 or 33 V.S.A. chapter 69 shall qualify for a Lifeline benefit credit for the amount of the incremental charges imposed by the local telecommunications company for treating the number of the subscriber as nonpublished and any charges required to change from a published to a nonpublished number. ~~Such subscribers shall be deemed to have good cause by the Secretary of Human Services for the purpose of extending the application deadline in subdivision (3) of this subsection. For purposes of~~ As used in this section, "nonpublished" means that the customer's telephone number is not listed in any published directories, is not listed on directory assistance records of the company, and is not made available on request by a member of the general public, notwithstanding any claim of emergency a requesting party may present. The Department for Children and Families shall develop an application form and certification process for obtaining this Lifeline benefit credit. ~~Upon enrollment in the program, such participant shall receive the Lifeline benefit credit until the end of the calendar year. Renewals shall be for a period of one year.~~

Sec. 3. LIFELINE ELIGIBILITY AND PARTICIPATION; REPORT

On or before January 1, 2019 and annually thereafter for the next three years, the Commissioner for Children and Families, in consultation with the Commissioner of Public Service, shall file a report with the General Assembly describing the eligibility and participation rates in Vermont with respect to both the federal and State Lifeline programs. The first report shall include the number of persons 65 years of age or older who became ineligible for the federal and State Lifeline programs pursuant to the repeal of the State-specific eligibility criteria.

Sec. 4. CONSUMER EDUCATION AND OUTREACH; REPORT

(a) On or before September 15, 2017, the Commissioner for Children and Families and the Commissioner of Public Service, with input and assistance from representatives of various advocacy groups, including AARP, Inc., shall prepare and distribute one or more notices for distribution to Vermonters, particularly persons 65 years of age or older, who are eligible to participate in the Lifeline program according to the Department for Children and Families' data. The notices shall describe the criteria for eligibility and the process necessary for such participation. With input and assistance from the same advocacy groups' representatives, the Commissioners shall engage, on or before October 31, 2017, in other education and outreach efforts designed to increase participation in the Lifeline program, with particular focus on eligibility through the Supplemental Nutrition Assistance Program (SNAP). In addition, education and outreach efforts shall be targeted to persons age 65 years or older who are eligible for the Lifeline program pursuant to the State-specific eligibility criteria that will be repealed effective November 1, 2017. Beginning on November 1, 2017, the Commissioners shall cooperate, to the extent necessary, with outreach efforts conducted by eligible telecommunications carriers and the FCC or its agent.

(b) On or before September 15, 2017, the Commissioner for Children and Families, with input from the Commissioner of Public Service, shall file a report with the General Assembly describing the specific efforts made to identify persons age 65 or older who might be at risk of losing eligibility for Lifeline because of the elimination of State-specific eligibility criteria and to inform them of alternative means of obtaining Lifeline eligibility under the new federal criteria and summarizing the results of such outreach efforts.

Sec. 5. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 2 (Lifeline eligibility and administration) shall take effect on November 1, 2017.

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in

H. 424

The Senate proposed to the House to amend House bill, entitled

An act relating to the Commission on Act 250: the Next 50 Years

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS; PURPOSE

(a) Findings. The General Assembly finds as follows:

(1) In 1969, Governor Deane Davis by executive order created the Governor's Commission on Environmental Control, which consisted of 17 members and became known as the Gibb Commission because it was chaired by Representative Arthur Gibb.

(2) The Gibb Commission's recommendations, submitted in 1970, included a new State system for reviewing and controlling plans for large-scale and environmentally sensitive development. The system was not to be centered in Montpelier. Instead, the power to review projects and grant permits would be vested more locally, in commissions for districts within the State.

(3) In 1970, the General Assembly enacted 1970 Acts and Resolves No. 250, an act to create an environmental board and district environmental commissions. This act is now codified at 10 V.S.A. chapter 151 and is commonly known as Act 250. In Sec. 1 of Act 250 (the Findings), the General Assembly found that:

(A) "the unplanned, uncoordinated and uncontrolled use of the lands and the environment of the state of Vermont has resulted in usages of the lands and the environment which may be destructive to the environment and which are not suitable to the demands and needs of the people of the state of Vermont";

(B) "a comprehensive state capability and development plan and land use plan are necessary to provide guidelines for utilization of the lands and environment of the state of Vermont and to define the goals to be achieved through land environmental use, planning and control";

(C) "it is necessary to establish an environmental board and district environmental commissions and vest them with the authority to regulate the use of the lands and the environment of the state according to the guidelines and goals set forth in the state comprehensive capability and development plan and to give these commissions the authority to enforce the regulations and controls"; and

(D) "it is necessary to regulate and control the utilization and usages of lands and the environment to insure that, hereafter, the only usages which will be permitted are not unduly detrimental to the environment, will promote the general welfare through orderly growth and development and are suitable to the demands and needs of the people of this state."

(4) In 1973 Acts and Resolves No. 85, Secs. 6 and 7, the General Assembly adopted the Capability and Development Plan (the Plan) called for by Act 250. Among the Plan's objectives are:

(A) "Preservation of the agricultural and forest productivity of the

land, and the economic viability of agricultural units, conservation of the recreational opportunity afforded by the state's hills, forests, streams and lakes, wise use of the state's non-renewable earth and mineral reserves, and protection of the beauty of the landscape are matters of public good. Uses which threaten or significantly inhibit these resources should be permitted only when the public interest is clearly benefited thereby."

(B) "Increased demands for and costs of public services, such as schools, road maintenance, and fire and police protection must be considered in relation to available tax revenues and reasonable public and private capital investment. . . . Accordingly, conditions may be imposed upon the rate and location of development in order to control its impact upon the community."

(C) "Strip development along highways and scattered residential development not related to community centers cause increased cost of government, congestion of highways, the loss of prime agricultural lands, overtaxing of town roads and services and economic or social decline in the traditional community center."

(D) "Provision should be made for the renovation of village and town centers for commercial and industrial development, where feasible, and location of residential and other development off the main highways near the village center on land which is other than primary agricultural soil."

(E) "In order to achieve a strong economy that provides satisfying and rewarding job and investment opportunities and sufficient income to meet the needs and aspirations of the citizens of Vermont, economic development should be pursued selectively so as to provide maximum economic benefit with minimal environmental impact."

(b) Purpose. The General Assembly establishes a Commission on Act 250: the Next 50 Years (the Commission) and intends that the Commission review the vision for Act 250 adopted in the 1970s and its implementation with the objective of ensuring that, over the next 50 years, Act 250 supports Vermont's economic, environmental, and land use planning goals.

(c) Executive Branch working group. Contemporaneously with the consideration of this act by the General Assembly, the Chair of the Natural Resources Board (NRB) has convened a working group on Act 250 to include the NRB and the Agencies of Commerce and Community Development and of Natural Resources, with assistance from the Agencies of Agriculture, Food and Markets and of Transportation. The working group intends to make recommendations during October 2017. The General Assembly intends that the Commission established by this act receive and consider information and recommendations offered by the working group convened by the Chair of the NRB.

Sec. 2. COMMISSION ON ACT 250: THE NEXT 50 YEARS; REPORT

(a) Establishment. There is established the Commission on Act 250: the Next 50 Years (the Commission) to:

(1) Review the goals of Act 250, including the findings set forth in 1970 Acts and Resolves No. 250, Sec. 1 (the Findings) and the Capability and Development Plan adopted in 1973 Acts and Resolves No. 85, Secs. 6 and 7 (the Plan), and assess, to the extent feasible, the positive and negative outcomes of Act 250's implementation from 1970 to 2017. This review shall include consideration of the information, statistics, and recommendations described in subdivision (d)(1)(B) of this section.

(2) Engage Vermonters on their priorities for the future of the Vermont landscape, including how to maintain Vermont's environment and sense of place, and address relevant issues that have emerged since 1970.

(3) Perform the tasks and the review set forth in subsection (e) of this section and submit a report with recommended changes to Act 250 to achieve the goals stated in the Findings and the Plan, including any suggested revisions to the Plan.

(b) Membership; officers.

(1) The Commission shall be composed of the following six members:

(A) three members of the House of Representatives, not all from the same party, appointed by the Speaker of the House; and

(B) three members of the Senate, not all from the same party, appointed by the Committee on Committees.

(2) At its first meeting, the Commission shall elect a Chair and Vice Chair. The Vice Chair shall function as Chair in the Chair's absence.

(c) Advisors. Advisors to the Commission shall be appointed as set forth in this subsection. The advisors are referred to collectively as the "Act 250 Advisors." The Commission may seek assistance from additional persons or organizations with expertise relevant to the Commission's charge.

(1) The advisors may attend and participate in Commission meetings and shall have the opportunity to present information and recommendations to the Commission. The Commission shall notify the advisors of each Commission meeting.

(2) The advisors to the Commission shall be:

(A) the Chair of the Natural Resources Board or designee;

(B) a representative of a Vermont-based, statewide environmental

organization that has a focus on land use and significant experience in the Act 250 process, appointed by the Committee on Committees;

(C) a person with expertise in environmental science affiliated with a Vermont college or university, appointed by the Speaker of the House;

(D) a representative of the Vermont Association of Planning and Development Agencies, appointed by the Speaker of the House;

(E) a representative of the Vermont Planners Association, appointed by the Committee on Committees;

(F) a representative of a Vermont-based business organization with significant experience in real estate development and land use permitting, including Act 250, appointed by the Committee on Committees;

(G) a person currently serving or who formerly served in the position of an elected officer of a Vermont city or town, appointed by the Vermont League of Cities and Towns;

(H) the Chair of the Environmental Law Section of the Vermont Bar Association;

(I) each of the following or their designees:

(i) the Secretary of Agriculture, Food and Markets;

(ii) the Secretary of Commerce and Community Development;

(iii) the Secretary of Natural Resources; and

(iv) the Secretary of Transportation; and

(J) a current or former district coordinator or district commissioner, appointed by the Chair of the Natural Resources Board.

(3) The Commission and the Chair of the Natural Resources Board each may appoint one advisor in addition to the advisors set forth in subdivision (c)(2) of this section.

(4) Each appointing authority for an advisor to the Commission shall promptly notify the Office of Legislative Council of the appointment when made.

(d) Meetings; phases. The Commission shall meet as needed to perform its tasks and shall conduct three phases of meetings: a preliminary meeting phase, a public discussion phase, and a deliberation and report preparation phase. The initial meeting shall be part of the preliminary meeting phase, convened by the Office of Legislative Council during September 2017 after notice to the Commission members and the Act 250 Advisors. Subsequent Commission meetings shall be at the call of the Chair or of any three members of the

Commission.(1) Preliminary meeting phase.

(A) The preliminary meeting phase shall include the initial meeting of the Commission and such additional meetings as may be scheduled.

(B) During the preliminary meeting phase, the Commission shall become informed on the history, provisions, and implementation of Act 250, including its current permitting and appeals processes. This phase shall include:

(i) Review of available information on the outcomes of Act 250 from 1970 to 2017, including case studies and analyses. When information relevant to this review does not exist, the Commission may request its preparation.

(ii) Review of the history and implementation of land use planning in Vermont, including municipal and regional planning under 24 V.S.A. chapter 117.

(iii) Receipt of the information and recommendations of the working group described in Sec. 1(c) of this act;

(iv) Information prepared by the Natural Resources Board on:

(I) the Act 250 application process;

(II) coordination of the Act 250 program with the Agencies of Agriculture, Food and Markets, of Commerce and Community Development, of Natural Resources, and of Transportation;

(III) over multiple years, application processing times by district, number of appeals of application decisions and time to resolve, and number of appeals of jurisdictional opinions and time to resolve; and

(IV) an overview of the history of the Natural Resources Board.

(v) Opportunity for the Act 250 Advisors to present relevant information.

(2) Public discussion phase. Following the preliminary meeting phase, the Commission, with assistance from the Act 250 Advisors, shall conduct a series of information and interactive meetings on 2070: A Vision for Vermont's Future.

(A) The purpose of this phase shall be to accomplish the public engagement set forth in subdivision (a)(2) of this section.

(B) The Commission shall conduct this phase during adjournment of the General Assembly.

(3) Deliberation and report preparation phase. Following completion of the public meeting phase, the Commission shall meet to perform the tasks set forth in subsection (e) of this section and deliberate and prepare its written report and recommendations, with assistance from the Act 250 Advisors.

(e) Tasks; report and recommendations. After considering the information from its public discussion meetings and consultation with the Act 250 Advisors, the Commission shall perform the tasks set forth in this subsection and submit its report, including:

(1) A statistical analysis based on available data on Vermont environmental and land use permitting in general and on Act 250 permit processing specifically, produced in collaboration with municipal, regional, and State planners and regulatory agencies.

(2) Review and recommendations related to:

(A) An evaluation of the degree to which Act 250 has been successful or unsuccessful in meeting the goals set forth in the Findings and the Plan.

(B) An evaluation of whether revisions should be made to the Plan.

(C) An examination of the criteria and jurisdiction of Act 250, including:

(i) Whether the criteria reflect current science and adequately address climate change and other environmental issues that have emerged since 1970. On climate change, the Commission shall seek to understand, within the context of the criteria of Act 250, the impacts of climate change on infrastructure, development, and recreation within the State, and methods to incorporate strategies that reduce greenhouse gas emissions.

(ii) Whether the criteria support development in areas designated under 24 V.S.A. chapter 76A, and preserve rural areas, farms, and forests outside those areas.

(iii) Whether the criteria support natural resources, working lands, farms, agricultural soils, and forests in a healthy ecosystem protected from fragmentation and loss of wildlife corridors.

(iv) Whether Act 250 promotes compact centers of mixed use and residential development surrounded by rural lands.

(v) Whether Act 250 applies to the type and scale of development that provides adequate protection for important natural resources as defined in 24 V.S.A. § 2791.

(vi) Whether the exemptions from Act 250 jurisdiction further or

detract from achieving the goals set forth in the Findings and the Plan, including the exemptions for farming and for energy projects.

(D) An examination of changes that have occurred since 1970 that may affect Act 250, such as changes in demographics and patterns and structures of business ownership.

(E) An examination of the interface between Act 250 and other current permit processes at the local and State levels and opportunities to consolidate and reduce duplication. This examination shall include consideration of the relationship of the scope, criteria, and procedures of Act 250 with the scope, criteria, and procedures of Agency of Natural Resources permitting, municipal and regional land use planning and regulation, and designation under 24 V.S.A. chapter 76A.

(F) An evaluation of how well the Act 250 application, review, and appeals processes are serving Vermonters and the State's environment and how they can be improved, including consideration of:

(i) Public participation before the District Environmental Commissions and in the appeals process, including party status.

(ii) The structure of the Natural Resources Board.

(iii) De novo or on the record appeals.

(iv) Comparison of the history and structure of the former Environmental Board appeals process with the current process before the Environmental Division of the Superior Court.

(v) Other appellate structures.

(G) The following specific considerations:

(i) Circumstances under which land might be released from Act 250 jurisdiction.

(ii) Potential revisions to Act 250's definitions of development and subdivision for ways to better achieve the goals of Act 250, including the ability to protect forest blocks and habitat connectivity.

(iii) The scope of Act 250's jurisdiction over projects on ridgelines, including its ability to protect ridgelines that are lower than 2,500 feet, and projects on ridgelines that are expressly exempted from Act 250.

(iv) Potential jurisdictional solutions for projects that overlap between towns with and without both permanent zoning and subdivision bylaws.

(v) The potential of a person that obtains party status to offer to withdraw the person's opposition or appeal in return for payment or other

consideration that is unrelated to addressing the impacts of the relevant project under the Act 250 criteria.

(H) Such other issues related to Act 250 as the Commission may consider significant.

(f) Due date. On or before December 15, 2018, the Commission shall submit its report and recommendations to the House Committee on Natural Resources, Fish and Wildlife and the Senate Committee on Natural Resources and Energy (the Natural Resource Committees). The report shall attach the Commission's proposed legislation.

(g) Assistance.

(1) The Office of Legislative Council shall provide administrative and legal assistance to the Commission, including the scheduling of meetings and the preparation of recommended legislation. The Joint Fiscal Office shall provide assistance to the Commission with respect to fiscal and statistical analysis.

(2) The Commission shall be entitled to technical and professional services from the Natural Resources Board and the Agencies of Commerce and Community Development, of Natural Resources, and of Transportation.

(3) On request, the Commission shall be entitled to available statistics and data from municipalities, regional planning commissions, and State agencies on land use and environmental permit processing and decisions.

(4) On request, the Commission shall be entitled to data from the Superior Court on appeals before the Environmental Division from decisions under Act 250, including annual numbers of appeals, length of time, and disposition.

(h) Subcommittees. The Commission may appoint members of the Commission to subcommittees to which it assigns tasks related to specific issues within the Commission's charge and may request one or more of the Act 250 Advisors to assist those subcommittees.

(i) Reimbursement.

(A) For attendance at no more than 10 Commission meetings during adjournment of the General Assembly, legislative members of the Commission shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

(B) There shall be no reimbursement for attendance at subcommittee meetings or more than 10 Commission meetings.

(j) Cessation. The Commission shall cease to exist on February 15, 2019.

Sec. 3. ASSISTANCE; PUBLIC ENGAGEMENT

If requested by the Commission established under Sec. 2 of this act, the Office of Legislative Council may retain professional assistance in the design and conduct of the public discussion phase set forth in Sec. 2(d)(2) of this act, provided the cost of this assistance does not exceed \$20,000.00.

Sec. 3a. ADDITIONAL AUTHORIZED USE; PUBLIC TRUST LANDS

(a) The General Assembly finds that:

(1) the General Assembly has the authority to authorize public uses of filled public trust lands in the City of Burlington; and

(2) the use of the filled public trust lands in the City of Burlington authorized by this act is consistent with the public trust doctrine.

(b) In addition to the uses authorized by the General Assembly in 1990 Acts and Resolves No. 274, 1991 Acts and Resolves No. 53, 1996 Acts and Resolves No. 87, and 1997 Acts and Resolves No. 22, the filled public trust lands within the City of Burlington that are located north of the centerline of Maple Street extending north to the northern terminus of the Lake Street extension completed in 2016 and that extend to the waters of Lake Champlain may be utilized for public markets that benefit Vermont's public and are available to the public on an open and nondiscriminatory basis.

(c) Any use authorized under this act is subject to all applicable requirements of law.

Sec. 3b. 10 V.S.A. § 6607a(g)(1) is amended to read:

(g)(1) Except as set forth in subdivisions (2), (3), and (4) of this subsection, a commercial hauler that offers the collection of municipal solid waste shall:

(A) Beginning on July 1, 2015, offer to collect mandated recyclables separated from other solid waste and deliver mandated recyclables to a facility maintained and operated for the management and recycling of mandated recyclables.

(B) Beginning on July 1, 2016, offer to collect leaf and yard residuals separate from other solid waste and deliver leaf and yard residuals to a location that manages leaf and yard residuals in a manner consistent with the priority uses established under subdivisions 6605k(a)(3)-(5) of this title.

(C) Beginning on July 1, ~~2017~~ 2018, offer collection of food residuals separate from other solid waste and deliver to a location that manages food residuals in a manner consistent with the priority uses established under subdivisions 6605k(a)(2)-(5) of this title.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

Which proposal of amendment was considered and concurred in.

**Senate Proposal of Amendment Concurred in
With a Further Amendment Thereto**

H. 519

The Senate proposed to the House to amend House bill, entitled
An act relating to capital construction and State bonding

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the \$147,282,287.00 authorized in this act, no more than \$73,805,141.00 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

(b) It is the intent of the General Assembly that in the second year of the biennium, any amendments to the appropriations or authorities granted in this act shall take the form of a Capital Construction and State Bonding Adjustment Bill. It is the intent of the General Assembly that unless otherwise indicated, all appropriations in this act are subject to capital budget adjustment.

Sec. 2. STATE BUILDINGS

(a) The following sums are appropriated to the Department of Buildings and General Services, and the Commissioner is authorized to direct funds appropriated in this section to the projects contained in this section; however, no project shall be canceled unless the Chairs of the Senate Committee on Institutions and of the House Committee on Corrections and Institutions are notified before that action is taken.

(b) The following sums are appropriated in FY 2018:

- | | |
|---|-----------------------|
| <u>(1) Statewide, planning, use, and contingency:</u> | <u>\$500,000.00</u> |
| <u>(2) Statewide, major maintenance:</u> | <u>\$6,000,000.00</u> |
| <u>(3) Statewide, BGS engineering and architectural project costs:</u> | <u>\$3,537,525.00</u> |
| <u>(4) Statewide, physical security enhancements:</u> | <u>\$270,000.00</u> |
| <u>(5) Montpelier, State House, Dome, Drum, and Ceres, design, permitting, construction, restoration, renovation, and lighting:</u> | <u>\$300,000.00</u> |
| <u>(6) Randolph, Agencies of Agriculture, Food and Markets and of</u> | |

<u>Natural Resources, collaborative laboratory, construction:</u>	<u>\$4,500,000.00</u>
<u>(7) Springfield, Southern State Correctional Facility, completion of the steamline replacement:</u>	<u>\$300,000.00</u>
<u>(8) Waterbury, Waterbury State Office Complex, site work for the Hanks and Weeks buildings, and renovation of the Weeks building:</u>	<u>\$4,000,000.00</u>
<u>(9) Newport, Northern State Correctional Facility, door control replacement:</u>	<u>\$1,000,000.00</u>
<u>(10) Newport, Northern State Correctional Facility, parking expansion:</u>	<u>\$350,000.00</u>
<u>(11) Montpelier, 109 and 111 State Street, design:</u>	<u>\$600,000.00</u>
<u>(12) Department of Libraries, centralized facility, renovation:</u>	<u>\$1,500,000.00</u>
<u>(13) Burlington, 108 Cherry Street, parking garage, repairs:</u>	<u>\$5,000,000.00</u>
<u>(c) The following sums are appropriated in FY 2019:</u>	
<u>(1) Statewide, planning, use, and contingency:</u>	<u>\$500,000.00</u>
<u>(2) Statewide, major maintenance:</u>	<u>\$5,799,648.00</u>
<u>(3) Statewide, BGS engineering and architectural project costs:</u>	<u>\$3,432,525.00</u>
<u>(4) Statewide, physical security enhancements:</u>	<u>\$270,000.00</u>
<u>(5) Montpelier, State House, Dome, Drum, and Ceres, restoration, renovation, and lighting:</u>	<u>\$1,700,000.00</u>
<u>(6) Montpelier, 120 State Street, life safety and infrastructure improvements:</u>	<u>\$700,000.00</u>
<u>(7) Randolph, Agencies of Agriculture, Food and Markets and of Natural Resources, collaborative laboratory, construction, fit-up, and equipment:</u>	<u>\$3,944,000.00</u>
<u>(8) Waterbury, Waterbury State Office Complex, Weeks building, renovation and fit-up:</u>	<u>\$900,000.00</u>
<u>(9) Newport, Northern State Correctional Facility, door control replacement:</u>	<u>\$1,000,000.00</u>
<u>(10) Montpelier, 109 and 111 State Street, final design and construction:</u>	<u>\$4,000,000.00</u>

(11) Burlington, 108 Cherry Street, parking garage, repairs:
\$5,000,000.00

(12) Montpelier, 133 State Street, renovations of mainframe workspace to Office Space (Agency of Digital Services):
\$700,000.00

(d) Waterbury State Office Complex.

(1) The Commissioner of Buildings and General Services is authorized to use any appropriated funds remaining from the construction of the Waterbury State Office Complex for the projects described in subdivisions (b)(8) and (c)(8) of this section.

(2) On or before January 15, 2018, the Commissioner of Buildings and General Services shall evaluate the potential uses of the Stanley and Wasson buildings in the Waterbury State Office Complex.

<u>Appropriation – FY 2018</u>	<u>\$27,857,525.00</u>
<u>Appropriation – FY 2019</u>	<u>\$27,946,173.00</u>
<u>Total Appropriation – Section 2</u>	<u>\$55,803,698.00</u>

Sec. 3. HUMAN SERVICES

(a) The sum of \$200,000.00 is appropriated in FY 2018 to the Department of Buildings and General Services for the Agency of Human Services for cameras, locks, and perimeter intrusion at correctional facilities.

(b) The sum of \$300,000.00 is appropriated in FY 2019 to the Department of Buildings and General Services for the Agency of Human Services for the projects described in subsection (a) of this section.

<u>Appropriation – FY 2018</u>	<u>\$200,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$300,000.00</u>
<u>Total Appropriation – Section 3</u>	<u>\$500,000.00</u>

Sec. 4. JUDICIARY

(a) The sum of \$3,050,000.00 is appropriated in FY 2018 to the Judiciary for the case management IT system.

(b) It is the intent of the General Assembly to provide funding to complete the project described in subsection (a) of this section in FY 2019, and the Judiciary is encouraged to execute contracts for this project upon enactment of this act.

<u>Appropriation – FY 2018</u>	<u>\$3,050,000.00</u>
<u>Total Appropriation – Section 4</u>	<u>\$3,050,000.00</u>

Sec. 5. COMMERCE AND COMMUNITY DEVELOPMENT

(a) The following sums are appropriated in FY 2018 to the Department of Buildings and General Services for the Agency of Commerce and Community Development:

<u>(1) Major maintenance at historic sites statewide:</u>	<u>\$200,000.00</u>
<u>(2) Stannard House, upgrades:</u>	<u>\$30,000.00</u>
<u>(3) Schooner Lois McClure, repairs and upgrades:</u>	<u>\$50,000.00</u>

(b) The following sums are appropriated in FY 2018 to the Agency of Commerce and Community Development for the following projects described in this subsection:

<u>(1) Underwater preserves:</u>	<u>\$30,000.00</u>
<u>(2) Placement and replacement of roadside historic markers:</u>	<u>\$15,000.00</u>

(3) VT Center for Geographic Information, digital orthophotographic quadrangle mapping: \$125,000.00

(c) The sum of \$200,000.00 is appropriated in FY 2019 to the Department of Buildings and General Services for the Agency of Commerce and Community Development for major maintenance at historic sites statewide.

(d) The following sums are appropriated in FY 2019 to the Agency of Commerce and Community Development for the following projects described in this subsection:

<u>(1) Underwater preserves:</u>	<u>\$30,000.00</u>
<u>(2) Placement and replacement of roadside historic markers:</u>	<u>\$15,000.00</u>

(3) VT Center for Geographic Information, digital orthophotographic quadrangle mapping: \$125,000.00

Appropriation – FY 2018 \$450,000.00

Appropriation – FY 2019 \$370,000.00

Total Appropriation – Section 5 \$820,000.00

Sec. 6. GRANT PROGRAMS

(a) The following sums are appropriated in FY 2018 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 Human Services and Educational Facilities Competitive Grant Program (Human Services): \$100,000.00
- (6) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Education): \$100,000.00
- (7) To the Department of Buildings and General Services for the Regional Economic Development Grant Program: \$200,000.00
- (8) To the Agency of Agriculture, Food and Markets for the Agricultural Fairs Capital Projects Competitive Grant Program: \$200,000.00
- (9) To the Enhanced 911 Board for the Enhanced 911 Compliance Grants Program: \$75,000.00
- (b) The following sums are appropriated in FY 2019 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

<u>Recreational Facilities Grant Program:</u>	<u>\$200,000.00</u>
<u>(5) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Human Services):</u>	<u>\$100,000.00</u>
<u>(6) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Education):</u>	<u>\$100,000.00</u>
<u>(7) To the Department of Buildings and General Services for the Regional Economic Development Grant Program:</u>	<u>\$200,000.00</u>
<u>(8) To the Agency of Agriculture, Food and Markets for the Agricultural Fairs Capital Projects Competitive Grant Program:</u>	<u>\$200,000.00</u>
<u>Appropriation – FY 2018</u>	<u>\$1,475,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$1,400,000.00</u>
<u>Total Appropriation – Section 6</u>	<u>\$2,875,000.00</u>

Sec. 7. EDUCATION

The sum of \$50,000.00 is appropriated in FY 2018 to the Agency of Education for funding emergency projects.

<u>Appropriation – FY 2018</u>	<u>\$50,000.00</u>
<u>Total Appropriation – Section 7</u>	<u>\$50,000.00</u>

Sec. 8. UNIVERSITY OF VERMONT

(a) The sum of \$1,400,000.00 is appropriated in FY 2018 to the University of Vermont for construction, renovation, and major maintenance.

(b) The sum of \$1,400,000.00 is appropriated in FY 2019 to the University of Vermont for the projects described in subsection (a) of this section.

<u>Appropriation – FY 2018</u>	<u>\$1,400,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$1,400,000.00</u>
<u>Total Appropriation – Section 8</u>	<u>\$2,800,000.00</u>

Sec. 9. VERMONT STATE COLLEGES

(a) The sum of \$2,000,000.00 is appropriated in FY 2018 to the Vermont State Colleges for construction, renovation, and major maintenance.

(b) The sum of \$2,000,000.00 is appropriated in FY 2019 to the Vermont State Colleges for the projects described in subsection (a) of this section.

<u>Appropriation – FY 2018</u>	<u>\$2,000,000.00</u>
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<u>Appropriation – FY 2019</u>	<u>\$2,000,000.00</u>
<u>Total Appropriation – Section 9</u>	<u>\$4,000,000.00</u>

Sec. 10. NATURAL RESOURCES

(a) The following sums are appropriated in FY 2018 to the Agency of Natural Resources for the Department of Environmental Conservation for the projects described in this subsection:

- (1) Drinking Water Supply, Drinking Water State Revolving Fund:
\$2,300,000.00
- (2) Dam safety and hydrology projects: \$200,000.00
- (3) State’s share of the Federal Superfund and State Lead Hazardous Waste Program (Elizabeth Mine, Ely Mine, and Williston (Commerce Street))
\$1,719,000.00

(b) The sum of \$2,750,000.00 is appropriated in FY 2018 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for infrastructure rehabilitation, including statewide small scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, and statewide small-scale road rehabilitation projects.

(c) The following sums are appropriated in FY 2018 to the Agency of Natural Resources for the Department of Fish and Wildlife for the projects described in this subsection:

- (1) General infrastructure projects, including conservation camps and shooting ranges, hatchery improvements, wildlife management area infrastructure, and fishing access areas: \$1,200,000.00
- (2) Lake Champlain Walleye Association, Inc., to upgrade and repair the Walleye Rearing, restoration and stocking infrastructure: \$30,000.00

(d) The sum of \$2,720,000.00 is appropriated in FY 2018 to the Department of Buildings and General Services for the Department of Fish and Wildlife for the construction of the Roxbury Hatchery.

(e) The following sums are appropriated in FY 2019 to the Agency of Natural Resources for the Department of Environmental Conservation for the projects described in this subsection:

- (1) Drinking Water Supply, Drinking Water State Revolving Fund:
\$1,400,000.00
- (2) Dam safety and hydrology projects: \$175,000.00
- (3) State’s share of the Federal Superfund and State Lead Hazardous

Waste Program (Elizabeth Mine and Ely Mine): \$2,755,000.00

(f) The sum of \$2,750,000.00 is appropriated in FY 2019 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for infrastructure rehabilitation, including statewide small scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, and statewide small-scale road rehabilitation projects.

(g) The following sums are appropriated in FY 2019 to the Agency of Natural Resources for the Department of Fish and Wildlife for the projects described in this subsection:

(1) General infrastructure projects, including conservation camps and shooting ranges, hatchery improvements, wildlife management area infrastructure, and fishing access areas: \$1,100,000.00

(2) Lake Champlain Walleye Association, Inc., to upgrade and repair the Walleye Rearing, restoration and stocking infrastructure: \$30,000.00

Appropriation – FY 2018 \$10,919,000.00

Appropriation – FY 2019 \$8,210,000.00

Total Appropriation – Section 10 \$19,129,000.00

Sec. 11. CLEAN WATER INITIATIVES

(a) The following sums are appropriated in FY 2018 to the Agency of Agriculture, Food and Markets for the following projects described in this section:

(1) Best Management Practices and Conservation Reserve Enhancement Program: \$3,450,000.00

(2) Water quality grants and contracts: \$600,000.00

(b) The following sums are appropriated in FY 2018 to the Agency of Natural Resources for the Department of Environmental Conservation projects described in this subsection:

(1) Water Pollution Control Fund, Clean Water State/EPA Revolving Loan Fund (CWSRF) match: \$1,000,000.00

(2) EcoSystem restoration and protection: \$6,000,000.00

(3) Municipal Pollution Control Grants, pollution control projects and planning advances for feasibility studies, prior year partially funded projects: \$2,982,384.00

(4) Municipal Pollution Control Grants, pollution control projects and planning advances for feasibility studies, new projects (Ryegate, Springfield,

St. Johnsbury, and St. Albans): \$2,704,232.00

(c) The sum of \$1,400,000.00 is appropriated in FY 2018 to the Agency of Transportation for the Municipal Mitigation Program.

(d) The following sums are appropriated in FY 2018 to the Vermont Housing and Conservation Board for the following projects:

(1) Statewide water quality improvement projects or other conservation projects: \$2,800,000.00

(2) Water quality farm improvement grants or fee purchase projects that enhance water quality impacts by leveraging additional funds: \$1,000,000.00

(e) The sum of \$2,000,000.00 is appropriated in FY 2019 to the Agency of Agriculture, Food and Markets for Best Management Practices and the Conservation Reserve Enhancement Program.

(f) The following sums are appropriated in FY 2019 to the Agency of Natural Resources for the Department of Environmental Conservation projects described in this subsection:

(1) the Water Pollution Control Fund, Clean Water State/EPA Revolving Loan Fund (CWSRF) match: \$1,200,000.00

(2) EcoSystem restoration and protection: \$5,000,000.00

(3) Municipal Pollution Control Grants, new projects (Colchester, Rutland City, St. Albans, Middlebury): \$1,407,268.00

(4) Clean Water Act, implementation projects: \$11,010,704.00

(g) The sum of 2,750,000.00 is appropriated in FY 2019 to the Vermont Housing and Conservation Board for statewide water quality improvement projects or other conservation projects.

(h) It is the intent of the General Assembly that the Secretary of Natural Resources shall use the amount appropriated in subdivision (b)(4) of this section to fund new projects in Ryegate, Springfield, St. Johnsbury, and St. Albans; provided, however, that if the Secretary determines that one of these projects is not ready in FY 2018, the funds may be used for an eligible new project as authorized by 10 V.S.A. chapter 55 and 24 V.S.A. chapter 120.

(i) On or before November 1, 2017, the Clean Water Fund Board, established in 10 V.S.A. § 1389, shall submit a report to the House Committees on Corrections and Institutions and on Natural Resources, Fish and Wildlife, and the Senate Committees on Institutions and on Natural Resources and Energy, providing a list of all clean water initiative programs and projects receiving funding in subsections (a)–(d) of this section and the

amount of the investment.

(j) On or before January 15, 2018:

(1) the Clean Water Fund Board shall review and recommend Clean Water Act implementation programs funded from subdivision (f)(4) of this section; and

(2) the Board shall submit the list of programs recommended for FY 2019 to the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions and to the Governor for the FY 2019 capital budget report.

(k) In FY 2018 and FY 2019, any agency that receives funding from this section shall consult with the State Treasurer to ensure that the projects are capital eligible.

<u>Appropriation – FY 2018</u>	<u>\$21,936,616.00</u>
<u>Appropriation – FY 2019</u>	<u>\$23,367,972.00</u>
<u>Total Appropriation – Section 11</u>	<u>\$45,304,588.00</u>

Sec. 12. MILITARY

(a) The sum of \$750,000.00 is appropriated in FY 2018 to the Department of Military for maintenance, renovations, roof replacements, ADA renovations, and energy upgrades at State armories. To the extent feasible, these funds shall be used to match federal funds.

(b) The following sums are appropriated in FY 2019 to the Department of Military for the projects described in this subsection:

(1) Maintenance, renovations, roof replacements, ADA renovations, and energy upgrades at State armories. To the extent feasible, these funds shall be used to match federal funds:

\$850,000.00

(2) Bennington Armory, site acquisition:

\$60,000.00

Appropriation – FY 2018

\$750,000.00

Appropriation – FY 2019

\$910,000.00

Total Appropriation – Section 12

\$1,660,000.00

Sec. 13. PUBLIC SAFETY

(a) The sum of \$1,927,000.00 is appropriated in FY 2018 to the Department of Buildings and General Services for site acquisition, design, permitting, and construction documents for the Williston Public Safety Field Station.

(b) The sum of \$5,573,000.00 is appropriated in FY 2019 to the

Department of Buildings and General Services for construction of the Williston Public Safety Field Station.

<u>Appropriation – FY 2018</u>	<u>\$1,927,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$5,573,000.00</u>
<u>Total Appropriation – Section 13</u>	<u>\$7,500,000.00</u>

Sec. 14. AGRICULTURE, FOOD AND MARKETS

(a) The sum of \$75,000.00 is appropriated in FY 2018 to the Agency of Agriculture, Food and Markets for the Produce Safety Infrastructure Grant Improvement Program.

(b) The sum of \$75,000.00 is appropriated in FY 2019 to the Agency of Agriculture, Food and Markets for the Produce Safety Infrastructure Grant Improvement Program.

<u>Appropriation – FY 2018</u>	<u>\$75,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$75,000.00</u>
<u>Total Appropriation – Section 14</u>	<u>\$150,000.00</u>

Sec. 15. VERMONT RURAL FIRE PROTECTION

(a) The sum of \$125,000.00 is appropriated in FY 2018 to the Department of Public Safety for the Vermont Rural Fire Protection Task Force for the dry hydrant program.

(b) The sum of \$125,000.00 is appropriated in FY 2019 to the Department of Public Safety for the Vermont Rural Fire Protection Task Force for the project described in subsection (a) of this section.

<u>Appropriation – FY 2018</u>	<u>\$125,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$125,000.00</u>
<u>Total Appropriation – Section 15</u>	<u>\$250,000.00</u>

Sec. 16. VERMONT VETERANS' HOME

(a) The sum of \$90,000.00 is appropriated in FY 2018 to the Vermont Veterans' Home for resident care furnishings.

(b) The sum of \$300,000.00 is appropriated in FY 2018 to the Department of Buildings and General Services for the Vermont Veterans' Home for kitchen renovations, and mold remediation.

(c) It is the intent of the General Assembly that the amount appropriated in subsection (a) of this section shall be used to match federal funds to purchase resident care furnishings for the Veterans' Home.

<u>Appropriation – FY 2018</u>	<u>\$390,000.00</u>
<u>Total Appropriation – Section 16</u>	<u>\$390,000.00</u>

Sec. 17. VERMONT HOUSING AND CONSERVATION BOARD

(a) The sum of \$1,200,000.00 is appropriated in FY 2018 to the Vermont Housing and Conservation Board for housing projects.

(b) The sum of \$1,800,000.00 is appropriated in FY 2019 to the Vermont Housing and Conservation Board for housing projects.

(c) The Vermont Housing and Conservation Board shall use funds appropriated in this section for:

(1) projects that are designed to keep residents out of institutions;

(2) the improvement of projects where there is already significant public investment and affordability or federal rental subsidies that would otherwise be lost;

(3) projects that would alleviate the burden in the most stressed rental markets and assist households into homeownership; or

(4) downtown and village center revitalization projects.

(d) The Vermont Housing and Conservation Board (VHCB) may use the amounts appropriated in this section to increase the amount it allocates to conservation grant awards pursuant to Sec. 11(d) and (g) of this act; provided, however, that VHCB increases any affordable housing investments by the same amount from funds appropriated to VHCB in the FY 2018 Appropriations Act.

<u>Appropriation – FY 2018</u>	<u>\$1,200,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$1,800,000.00</u>
<u>Total Appropriation – Section 17</u>	<u>\$3,000,000.00</u>

* * * Financing this Act * * *

Sec. 18. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

(a) The following sums are reallocated to the Department of Buildings and General Services from prior capital appropriations to defray expenditures authorized in Sec. 2 of this act:

(1) of proceeds from the sale of property authorized in 2008 Acts and Resolves No. 200, Sec. 32 (1193 North Ave., Burlington): \$65,163.14

(2) of the amount appropriated in 2009 Acts and Resolves No. 43, Sec. 11 (Waterbury, Emergency Operations Center): \$0.03

-
- (3) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (Brattleboro, State office building HVAC replacement and renovations): \$178,010.22
- (4) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (statewide, major maintenance): \$28,307.00
- (5) of the proceeds from the sale of property authorized in 2012 Acts and Resolves No. 104, Sec. 1(f) (43 Randall Street, Waterbury): \$101,156.39
- (6) of the amount appropriated in 2013 Acts and Resolves No. 51, Sec. 2 (statewide, contingency): \$44,697.20
- (7) of the amount appropriated in 2013 Acts and Resolves No. 51, Sec. 4 (Corrections, security upgrades): \$391.01
- (8) of the amount appropriated in 2013 Acts and Resolves No. 51, Sec. 6 (Battle of Cedar Creek, roadside markers): \$28,253.60
- (9) of the amount appropriated in 2013 Acts and Resolves No. 51, Sec. 5 (Judiciary, Lamoille County Courthouse): \$1,064.79
- (10) of the amount appropriated in 2013 Acts and Resolves No. 15, Sec. 17 (Veterans' Home, mold remediation): \$858,000.00
- (11) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 1 (project management system): \$250,000.00
- (12) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 1 (statewide, major maintenance): \$1,271,619.46
- (13) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 1 (Vergennes, Weeks School Master Plan): \$5.00
- (14) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 2 (Corrections, NSCF kitchen/serving line reconstruction): \$60,000.00
- (15) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 3 (Caledonia County Courthouse, wall stabilization): \$12,867.40
- (16) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 8 (Public Safety, Robert H. Wood): \$1,937.00
- (17) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2 (statewide, engineering and architectural costs): \$6,912.30
- (18) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2 (Burlington, 32 Cherry Street, HVAC controls upgrade): \$550.38
- (19) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2 (Caledonia County Courthouse, foundation): \$384,000.00

(20) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2 (statewide, major maintenance): \$7,187,408.54

(21) of the amount appropriated in 2016 Acts and Resolves No. 160, Sec. 1 (statewide, major maintenance): \$3,740,972.00

(b) The following unexpended funds appropriated to the Agency of Education for capital construction projects are reallocated to the Department of Buildings and General Services to defray expenditures authorized in Sec. 2 of this act:

(1) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 3 (school construction): \$155,398.62

(2) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 8 (emergency projects): \$61,761.00

(c) The sum of \$353,529.29 in unexpended funds appropriated to the Agency of Agriculture, Food and Markets for capital construction projects in 2013 Acts and Resolves No. 51, Sec. 14 (nonpoint source pollution grants) is reallocated to the Department of Buildings and General Services to defray expenditures authorized in Sec. 2 of this act.

(d) The following unexpended funds appropriated to the Agency of Natural Resources for capital construction projects are reallocated to the Department of Buildings and General Services to defray expenditures authorized in Sec. 2 of this act:

(1) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 12 (Forests, Parks and Recreation, projects): \$1,530.41

(2) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 6 (water pollution control): \$0.02

(3) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 11 (municipal pollution control grants, Pownal): \$28,751.98

Total Reallocations and Transfers – Section 18 \$14,822,286.78

Sec. 19. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

The State Treasurer is authorized to issue general obligation bonds in the amount of \$132,460,000.00 for the purpose of funding the appropriations of this act. The State Treasurer, with the approval of the Governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded. The State Treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this section and for which bonding is required as the source of funds, pursuant to

32 V.S.A. § 954.

Total Revenues – Section 19

\$132,460,000.00

* * * Policy * * *

* * * Buildings and General Services * * *

Sec. 20. PROPERTY TRANSACTIONS; MISCELLANEOUS

(a) The Commissioner of Buildings and General Services is authorized to sell the building and adjacent land located at 26 Terrace Street in Montpelier (the Redstone Building) pursuant to the requirements of 29 V.S.A. § 166(b).

(b) The Commissioner of Buildings and General Services is authorized to sell the Rutland Multi-Modal Transit Center (parking garage) located at 102 West Street in Rutland pursuant to the requirements of 29 V.S.A. § 166. The proceeds from the sale shall be appropriated to future capital construction projects.

Sec. 21. RANDALL STREET; VILLAGE OF WATERBURY

The Commissioner of Buildings and General Services is authorized to sell a portion of State property in the Village of Waterbury that borders Randall Street if the Commissioner determines that it serves the best interest of the State. The proceeds from the sale shall be appropriated to future capital construction projects.

Sec. 22. SALE OF 26 TERRACE STREET; MONTPELIER

Notwithstanding 29 V.S.A. § 166(d), the proceeds from the sale of 26 Terrace Street in Montpelier (the Redstone building) shall be transferred to Sec. 2(c)(2) of this act.

Sec. 23. 29 V.S.A. § 157 is amended to read:

§ 157. FACILITIES CONDITION ANALYSIS

(a) The Commissioner of Buildings and General Services shall:

* * *

(2) Conduct a facilities condition analysis each year of ~~ten~~ 20 percent of the building area and infrastructure under the Commissioner's jurisdiction so that within ~~ten~~ five years all property is assessed. At the end of the ~~ten~~ five years, the process shall begin again. The analysis conducted pursuant to this subsection shall include the thermal envelope of buildings and a report on the annual energy consumption and energy costs and recommendations for reducing energy consumption.

* * *

Sec. 24. 2 V.S.A. § 62(a) is amended to read:

(a) The Sergeant at Arms shall:

* * *

(6) ~~maintain~~ Maintain in a good state of repair and provide security for all furniture, draperies, rugs, desks, ~~paintings~~ and ~~office equipment~~ other furnishings kept in the State House;

* * *

Sec. 25. 2 V.S.A. chapter 19 is amended to read:

CHAPTER 19. LEGISLATIVE ADVISORY COMMITTEE ON THE
STATE HOUSE

§ 651. LEGISLATIVE ADVISORY COMMITTEE ON THE STATE
HOUSE

(a) A Legislative Advisory Committee on the State House is created.

(b) The Committee shall be composed of 11 members: ~~three members of the House of Representatives appointed by the speaker; three members of the Senate appointed by the Committee on Committees; the Chair of the Board of Trustees of the Friends of the Vermont State House; the Director of the Vermont Historical Society; the Director of the Vermont Council on the Arts; the Commissioner of Buildings and General Services; and the Sergeant at Arms~~

(1) three members of the House of Representatives, appointed biennially by the Speaker of the House;

(2) three members of the Senate, appointed biennially by the Committee on Committees;

(3) the Chair of the Board of Trustees of the Friends of the Vermont State House;

(4) the Director of the Vermont Historical Society;

(5) the Director of the Vermont Council on the Arts;

(6) the Commissioner of Buildings and General Services; and

(7) the Sergeant at Arms.

(c) The Committee shall biennially elect a chair from among its legislative members. A quorum shall consist of six members.

(d) The Committee shall meet at the State House ~~on the first Monday of each third month beginning in July, 1984,~~ at least one time during the months of July and December or at the call of the Chair. The Commissioner of Buildings and General Services shall keep minutes of the meetings and maintain a file thereof.

* * *

§ 653. FUNCTIONS

(a) The Legislative Advisory Committee on the State House shall be consulted on all activities relating to the acquisition and care of paintings and historic artifacts and furnishings, and the refurbishing, renovation, preservation, and expansion of the building and its interior.

(b) The Sergeant at Arms and the Commissioner of Buildings and General Services, in discharging responsibilities under subdivision 62(a)(6) of this title and ~~29 V.S.A. § 154(a)~~ 29 V.S.A. §§ 154(a) and 154a, respectively, shall consider the recommendations of the ~~Advisory~~ Committee. The ~~Advisory~~ Committee's recommendations shall be advisory only.

Sec. 26. 29 V.S.A. § 154 is amended to read:

§ 154. PRESERVATION OF STATE HOUSE AND HISTORIC STATE BUILDINGS

(a) ~~The commissioner of buildings and general services~~ Commissioner of Buildings and General Services shall give special consideration to the ~~state house~~ State House as a building of first historical importance and significance. He or she shall preserve the ~~state house~~ State House structure and its unique interior and exterior architectural form and design, with particular attention to the detail of form and design, in addition to keeping the buildings, its furnishings, facilities, appurtenances, appendages, and grounds surrounding and attached to it in the best possible physical and functional condition. ~~No~~ Any permanent change, alteration, addition, or removal in form, materials, design, architectural detail, furnishing, fixed in place or otherwise, interior or exterior, of the ~~state house~~, State House may not be made without legislative mandate. Emergency and immediately necessary repairs may, however, be made without legislative mandate upon prior approval of the ~~governor~~ Governor.

(b) ~~The commissioner of buildings and general services, as time and funds permit, shall prepare such records as will permit the reproduction of state-owned historic buildings should any of them be destroyed. [Repealed.]~~

Sec. 27. 29 V.S.A. § 154a is added to read:

§ 154a. STATE CURATOR

(a) Creation. The position of State Curator is created within the Department of Buildings and General Services.

(b) Duties. The State Curator's responsibilities shall include:

(1) oversight of the general historic preservation of the State House, including maintaining the historical integrity of the State House and works of art in the State House;

(2) interpretation of the State House to the visiting public through exhibits, publications, and tours; and

(3) acquisition, management and care of State collections of art and historic furnishings, provided that any works of art for the State House are acquired pursuant to the requirements of 2 V.S.A. § 653(a).

Sec. 28. 32 V.S.A. § 1001a is amended to read:

§ 1001a. REPORTS

(a) The Capital Debt Affordability Advisory Committee shall prepare and submit consistent with 2 V.S.A. § 20(a) a report on:

(1) ~~General~~ general obligation debt, pursuant to subsection 1001(c) of this title; and

(2) ~~How~~ how many, if any, Transportation Infrastructure Bonds have been issued and under what conditions. ~~The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.~~

(b) 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.

Sec. 29. 2013 Acts and Resolves No. 1, Sec. 100(c), as amended by 2014 Acts and Resolves No. 179, Sec. E.113.1 and 2015 Acts and Resolves No. 58, Sec. E.113.1, is further amended to read:

(c) Sec. 97 (general obligation debt financing) shall take effect on ~~July 1,~~ 2017 July 1, 2018.

* * * Human Services * * *

Sec. 30. SECURE RESIDENTIAL FACILITY; LAND

On or before June 30, 2018, the Commissioner of Buildings and General Services is authorized to purchase an option on land or purchase land for a permanent, secure residential facility; provided, however, that the size and location of the land shall be consistent with the siting and design examination conducted by the Agency of Human Services, as required by 2015 Acts and Resolves No. 26, Sec. 30.

Sec. 31. AGENCY OF HUMAN SERVICES; FACILITIES

(a) It is the intent of the General Assembly that the State address the pressing facility needs for the following populations:

(1) individuals who no longer require hospitalization but who remain in need of long-term treatment in a secure residential facility setting;

(2) individuals who are not willing or able to engage in voluntary

community treatment but do not require hospitalization;

(3) elders with significant psychiatric needs who meet criteria for skilled nursing facilities;

(4) elders with significant psychiatric and medical needs who do not meet criteria for skilled nursing facilities;

(5) children in need of residential treatment;

(6) juvenile delinquents in need of residential detention;

(7) offenders in correctional facilities; and

(8) any other at-risk individuals.

(b) The Secretary of Human Services, in consultation with the Commissioner of Buildings and General Services, shall evaluate and develop a plan to support the populations described in subsection (a) of this section. In developing the plan, the Secretary and Commissioner shall take into consideration the data collected and the report submitted by the Corrections Facility Planning Committee, pursuant to 2016 Acts and Resolves No. 160, Sec. 30, and the project design and plan for the Woodside Juvenile Rehabilitation Center, prepared pursuant to 2015 Acts and Resolves No. 26, Sec. 2(b)(21). The evaluation and plan shall include the following:

(1) an evaluation and recommendation of the use, condition, and maintenance needs of existing facilities, including whether any facility should be closed, renovated, relocated, repurposed, or sold, provided that if a recommendation is made to close a facility, a plan must be developed that addresses its future use;

(2) an analysis of the historic population trends of existing facilities, and anticipated future population trends, including age, gender, court involvement, and medical, mental health, and substance abuse conditions;

(3) an evaluation of whether the design and use of existing facilities adequately serve the current population and anticipated future populations;

(4) an evaluation of whether constructing new facilities would better serve current or anticipated future populations, including whether the use of out-of-state facilities could be reduced or eliminated.

(c) On or before September 1, 2017, the Secretary shall provide an update on the status of the evaluation and plan to the Joint Legislative Committee on Justice Oversight.

(d) On or before January 15, 2018, the Secretary shall submit the plan and recommendations to the House Committees on Appropriations, on Corrections and Institutions, on Health Care, and on Human Services, and the Senate

Committees on Appropriations, on Health and Welfare, and on Institutions.

* * * Information Technology * * *

Sec. 32. INFORMATION TECHNOLOGY REVIEW

(a) The Executive Branch shall transfer, upon request, one vacant position for use in the Legislative Joint Fiscal Office (JFO) for a staff position, or the JFO may hire a consultant, to provide support to the General Assembly to conduct independent reviews of State information technology projects and operations.

(b) The Secretary of Administration and the Chief Information Officer shall:

(1) provide to the JFO access to the reviews conducted by Independent Verification and Validation (IVV) firms hired to evaluate the State's current and planned information technology project, as requested;

(2) ensure that IVV firms' contracts allow the JFO to make requests for information related to the projects that it is reviewing and that such requests are provided to the JFO in a confidential manner; and

(3) provide to the JFO access to all other documentation related to current and planned information technology projects and operations, as requested.

(c) The JFO shall maintain a memorandum of understanding with the Executive Branch relating to any documentation provided under subsection (b) of this section that shall protect security and confidentiality.

(d) In FY 2018 and FY 2019, the JFO is authorized to use up to \$250,000.00 of the amounts appropriated in Sec. 4 of this act to fund activities described in this section.

Sec. 33. AGENCY OF DIGITAL SERVICES; ORGANIZATION

(a) The Secretary and Chief Information Officer (CIO) of Digital Services and the Secretary of Administration shall:

(1) provide an update on the development of an organizational model and design of the new Agency that improves efficiency, data sharing, and coordination on information technology (IT) procurement;

(2) evaluate the use of this organizational model in other states, including the successes and failures in implementing the model, and any lessons learned;

(3) collaborate with State information technology staff to better utilize technology skills and resources and create efficiencies across all State agencies

and departments; and

(4) examine functions of the new Agency such as budget, administrative support, and supervision, and its space requirements, to establish a more efficient delivery of services to the public.

(b) On or before January 15, 2018, the Secretary and CIO of Digital Services shall prepare and present to the House Committees on Appropriations, on Corrections and Institutions, on Energy and Technology, and on Government Operations, and to the Senate Committees on Appropriations, on Government Operations, and on Institutions:

(1) a report containing additional recommendations for restructuring the Agency;

(2) draft legislation necessary to conform existing statutes; and

(3) a report on the budgetary impacts and transitional costs of restructuring, including an update on savings related to staffing changes and consolidation of resources.

* * * Natural Resources * * *

Sec. 34. AGENCY OF NATURAL RESOURCES PLAN FOR
IMPLEMENTING BASIN PLANNING PROJECTS WITH
REGIONAL PLANNING COMMISSIONS

On or before December 15, 2017, the Secretary of Natural Resources shall submit to the House Committees on Corrections and Institutions and on Natural Resources, Fish and Wildlife and the Senate Committees on Institutions and on Natural Resources and Energy a plan or process for how and to the extent the Secretary shall:

(1) contract with regional planning commissions and the Natural Resources Conservation Council to assist in or produce tactical basin plans under 10 V.S.A. § 1253; and

(2) assign the development, implementation, and administration of water quality projects identified in the basin planning process to municipalities, regional planning commissions, or other organizations.

Sec. 35. DEPARTMENT OF FORESTS, PARKS AND RECREATION;
LAND TRANSACTIONS

(a) The Commissioner of Forests, Parks and Recreation is authorized to:

(1) Amend certain terms and conditions of two conservation easements, in order to define and clarify the allowed uses for sugaring and other forestry-management-related structures and facilities, and including their associated infrastructure and utilities, and related site preparation activities on the

following lands:

(A) approximately 31,343 acres, designated as the Hancock Legacy Easement 1996, on the map prepared by the Department of Forests, Parks and Recreation, entitled "Hancock Forest Legacy Easement Lands Essex and Orleans Counties, Vermont," dated December 27, 2016; and

(B) approximately 207 acres, designated as the Averill Inholdings Easement 2005, on the map prepared by the Department of Forests, Parks and Recreation, entitled "Hancock Forest Legacy Easement Lands Essex and Orleans Counties, Vermont," dated December 27, 2016.

(2) Sell to the Trust for Public Land, with the goal that the Trust will subsequently convey these tracts to the U.S. Forest Service for inclusion in the Green Mountain National Forest, the following two tracts:

(A) an approximately 113-acre tract in the Town of Mendon, designated as the Bertha Tract, on the map prepared by the Trust For Public Land, entitled "Rolston Rest Addition to Green Mountain National Forest," dated July 6, 2016; and

(B) an approximately 58-acre tract in the Town of Killington designated as the Burch Tract, on the map prepared by the Trust For Public Land, entitled "Rolston Rest Addition to Green Mountain National Forest," dated July 6, 2016.

(b) The sale described in subdivision (a)(2) of this section shall be pursuant to the terms of a mutually satisfactory purchase and sales agreement. The selling price shall be based on the fair market value for the Bertha Tract and Burch Tract, as determined by an appraisal. The sale of these tracts is contingent on support from the Towns of Mendon and of Killington. The proceeds of the sale shall be deposited in the Agency of Natural Resources' Land Acquisition Fund to be used to acquire additional properties for Long Trail protection purposes.

Sec. 35a. CLEAN WATER PROJECTS; SIGNS

The Commissioner of Buildings and General Services, in collaboration with the Secretaries of Natural Resources and of Transportation, shall develop a plan for signage to identify any clean water projects funded by the State. The signage shall include uniform language and a logo to identify the projects. The signage shall be displayed in a location as visible to the public as possible for the duration of the construction phase of the project. Funds appropriated for water quality projects shall be used to pay the costs associated with the signage in accordance with the plan.

* * * Public Safety * * *

Sec. 36. PUBLIC SAFETY FIELD STATION; WILLISTON

(a) The Commissioner of Buildings and General Services is authorized to purchase land for a public safety field station and an equipment storage facility. The location of the land shall be based on the results of the detailed proposal for the site location developed by the Commissioner of Buildings and General Services, in consultation with the Commissioner of Public Safety, as required by 2016 Acts and Resolves No. 160, Sec. 34.

(b) The Commissioner of Buildings and General Services is authorized to sell the Williston Public Safety Field Station and adjacent land pursuant to the requirements of 29 V.S.A. § 166.

* * * Effective Date * * *

Sec. 37. EFFECTIVE DATE

This act shall take effect on passage.

Pending the question Will the House concur in the Senate proposal of amendment? **Rep. Emmons of Springfield**, moved to concur in the Senate proposal of amendment with a further amendment thereto as follows:

First: In Sec. 2, State Buildings, in subdivision (c)(2), by striking out “\$5,799,648.00” and inserting in lieu thereof “\$5,707,408.00”, and after subsection (d), by striking out the appropriation totals and inserting in lieu thereof the following:

<u>Appropriation – FY 2018</u>	<u>\$27,857,525.00</u>
<u>Appropriation – FY 2019</u>	<u>\$27,853,933.00</u>
<u>Total Appropriation – Section 2</u>	<u>\$55,711,458.00</u>

Second: In Sec. 3, Human Services, by striking out subsection (a) in its entirety and inserting in lieu thereof the following:

(a) The sum of \$300,000.00 is appropriated in FY 2018 to the Department of Buildings and General Services for the Agency of Human Services for cameras, locks, perimeter intrusion at correctional facilities, and renovations to the Southeast State Correctional Facility for up to 50 beds.

and after subsection (b), by striking out the appropriation totals and inserting in lieu thereof the following:

<u>Appropriation – FY 2018</u>	<u>\$300,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$300,000.00</u>
<u>Total Appropriation – Section 3</u>	<u>\$600,000.00</u>

Third: In Sec. 5, Commerce and Community Development, by adding a

subsection (e) to read as follows:

(e) The amounts appropriated in subdivisions (a)(2) and (a)(3) of this section shall be used as a one-to-one matching grant. The funds shall become available after the Agency notifies the Department that the funds have been matched.

Fourth: In Sec. 10, Natural Resources, in subdivision (c)(2), by striking out:

“(2) Lake Champlain Walleye Association, Inc., to upgrade and repair the Walleye Rearing, restoration and stocking infrastructure: \$30,000.00”

and inserting in lieu thereof

“(2) Lake Champlain Walleye Association, Inc., to upgrade and repair the Walleye rearing, restoration, and stocking infrastructure: \$25,000.00”

and by striking out all after subsection (f) and inserting in lieu thereof the following:

(g) The following sums are appropriated in FY 2019 to the Agency of Natural Resources for the Department of Fish and Wildlife for the projects described in this subsection:

(1) General infrastructure projects, including conservation camps and shooting ranges, hatchery improvements, wildlife management area infrastructure, and fishing access areas: \$1,100,000.00

(2) Lake Champlain Walleye Association, Inc., to upgrade and repair the Walleye rearing, restoration, and stocking infrastructure: \$25,000.00

Appropriation – FY 2018 \$10,914,000.00

Appropriation – FY 2019 \$8,205,000.00

Total Appropriation – Section 10 \$19,119,000.00

Fifth: In Sec. 11, Clean Water Initiatives, in subdivision (f)(4), by striking out “\$11,010,704.00” and inserting in lieu thereof “\$11,112,944.00” and after subsection (k), by striking out the appropriation totals and inserting in lieu thereof the following:

Appropriation – FY 2018 \$21,936,616.00

Appropriation – FY 2019 \$23,470,212.00

Total Appropriation – Section 11 \$45,406,828.00

Sixth: In Sec. 12, Military, in subdivision (b)(1), by striking out “\$850,000.00” and inserting in lieu thereof “\$700,000.00” and after subsection (b), by striking out the appropriation totals and inserting in lieu thereof the

following:

<u>Appropriation – FY 2018</u>	<u>\$750,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$760,000.00</u>
<u>Total Appropriation – Section 12</u>	<u>\$1,510,000.00</u>

Seventh: In Sec. 16, Vermont Veterans' Home, by striking out all after subsection (a) and inserting in lieu thereof the following:

(b) The sum of \$300,000.00 is appropriated in FY 2018 to the Department of Buildings and General Services for the Vermont Veterans' Home for kitchen renovations and mold remediation.

(c) The sum of \$50,000.00 is appropriated in FY 2019 to the Vermont Veterans' Home for resident care furnishings.

(d) It is the intent of the General Assembly that the amounts appropriated in subsections (a) and (c) of this section shall be used to match federal funds to purchase resident care furnishings for the Veterans' Home.

<u>Appropriation – FY 2018</u>	<u>\$390,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$50,000.00</u>
<u>Total Appropriation – Section 16</u>	<u>\$440,000.00</u>

Eighth: In Sec. 27, 29 V.S.A. § 154a, in subdivision (b)(3), by striking out “acquisition, management and care” and inserting in lieu thereof “acquisition, management, and care”

Ninth: In Sec. 31, Agency of Human Services; Facilities, in subsection (a), by striking out subdivision (a)(2) in its entirety and renumbering the remaining subdivisions to be numerically correct, and in subsection (c), by inserting at the end of the sentence, before the period, the words “, and the Health Reform Oversight Committee”

Tenth: In Sec. 36, Public Safety Field Station; Williston, in subsection (b), following the first sentence, by adding a second sentence to read as follows:

“The proceeds from the sale shall be appropriated to future capital construction projects.”

Which was agreed to.

Report of Committee of Conference Adopted

S. 75

Senate bill, entitled

An act relating to aquatic nuisance species control.

Was taken up.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

S. 75

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.75. An act relating to aquatic nuisance species control.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House's proposal of amendment with further amendment thereto as follows:

First: In Sec. 2, 10 V.S.A. § 1454, in subsection (c), after “(c)” and before “It shall be a violation” by striking out “Aquatic nuisance species inspection station.” and inserting in lieu thereof “No-cost boat wash; aquatic nuisance species inspection station.”

and after “other equipment inspected, and” and before “decontaminated at an approved” by striking out the words “, if determined necessary.”

Second: In Sec. 4, 10 V.S.A. § 1461, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) The Secretary of Natural Resources shall establish a training program regarding how to decontaminate vessels, motor vehicles, trailers, and other equipment to prevent the spread of aquatic plants, aquatic plant parts, and aquatic nuisance species. The training program shall instruct participants regarding how to address noncompliance with the requirements of section 1454 of this title, including how:

(1) operators of the inspection station do not have authority to board a vessel unless authorized by the vessel owner; and

(2) operators of the inspection station do not have law enforcement authority to mandate compliance with the requirements of section 1454 of this title.

Third: In Sec. 4, 10 V.S.A. § 1461, by striking out subsection (d) in its entirety and inserting in lieu thereof the following:

(d) A lake association or municipality approved to operate an aquatic nuisance species inspection station under subsection (b) of this section shall provide persons who will operate the aquatic nuisance species inspection

station with training materials furnished by the Secretary regarding how to conduct the inspection and decontamination of vessels, motor vehicles, trailers, and other equipment for the presence of aquatic plants, aquatic plant parts, and aquatic nuisance species.

Fourth: By striking out Sec. 7 in its entirety and inserting in lieu thereof the following:

Sec. 7. USE OF BOTTOM BARRIERS WITHOUT PERMIT

(a) The Secretary of Natural Resources shall not require an aquatic nuisance control permit under 10 V.S.A. § 1455 for the use of up to 15 bottom barriers on an inland lake to control nonnative aquatic nuisance species, provided that:

(1) the bottom barriers are managed and controlled by a lake association;

(2) each bottom barrier shall be of no greater size than 14 feet by 14 feet;

(3) the bottom barriers are not installed in an area where they:

(A) create a hazard to public health; or

(B) unreasonably impede boating or navigation;

(4) the lake association notifies the Secretary of the use of the barriers:

(A) three days prior to placement of the barriers in a water if the Secretary has identified the water as containing threatened or endangered species; or

(B) on the day the barriers are placed in the water if the Secretary has not identified the water as containing threatened or endangered species; and

(5) the Secretary may require the removal of the bottom barriers upon a determination that the barriers pose a threat to a threatened or endangered species.

(b) The Secretary of Natural Resources shall designate an e-mail address, telephone number, or other publicly available method by which a lake association may provide the notice required by this section seven days a week.

Which was considered and adopted on the part of the House.

Report of Committee of Conference Adopted

S. 127

Senate bill, entitled

An act relating to miscellaneous changes to laws related to vehicles and vessels.

Was taken up.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

S. 127

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.127. An act relating to miscellaneous changes to laws related to vehicles and vessels.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House Proposal of Amendment and the House Proposal be further amended as follows:

First: In Sec. 12, 23 V.S.A. § 1095b, in subdivision (c)(3), by striking out the following: “for a first conviction and four points assessed for a second or subsequent conviction”

Second: By striking out Sec. 13 in its entirety and inserting in lieu thereof the following:

Sec. 13. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against his or her driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to Title 23 of the Vermont Statutes Annotated.)

(1) Two points assessed for:

* * *

(LL)(i) § 1095. Entertainment picture visible to operator;

(ii) § 1095b(c)(~~2~~)(3) Use of portable electronic device in outside work or school zone—~~first offense~~;

* * *

(3) Four points assessed for:

- | | | |
|-----|----------------------|--|
| (A) | § 1012. | Failure to obey enforcement officer; |
| (B) | § 1013. | Authority of enforcement officers; |
| (C) | § 1051. | Failure to yield to pedestrian; |
| (D) | § 1057. | Failure to yield to persons who are blind; |
| (E) | <u>§ 1095b(c)(2)</u> | <u>Use of portable electronic device in work or school zone—first offense;</u> |

(4) Five points assessed for:

- | | | |
|-----|---------------|---|
| (A) | § 1050. | Failure to yield to emergency vehicles; |
| (B) | § 1075. | Illegal passing of school bus; |
| (C) | § 1099. | Texting prohibited; |
| (D) | § 1095b(c)(2) | Use of portable electronic device in work <u>or school</u> zone—second and subsequent offenses; |

* * *

Third: By striking out Sec. 24 in its entirety and inserting in lieu thereof the following:

Sec. 24. 2012 Acts and Resolves No. 71, Sec. 1, as amended by 2012 Acts and Resolves No. 143, Sec. 13 and by 2014 Acts and Resolves No. 189, Sec. 26, is further amended as follows:

Sec. 1. VERMONT STRONG MOTOR VEHICLE PLATES

* * *

(c) Use. An approved Vermont Strong commemorative plate may be displayed on a motor vehicle registered in Vermont as a pleasure car or on a motor truck registered in Vermont for less than 26,001 pounds (but excluding vehicles registered under the International Registration Plan) by covering the front registration plate with the commemorative plate any time from the effective date of this act ~~until June 30, 2016~~. The regular front registration plate shall not be removed. The regular rear registration plate shall be in place and clearly visible at all times.

* * *

* * * License Plate Cost Savings * * *

Sec. 24a. LICENSE PLATE COST SAVINGS

(a) The Commissioner of Motor Vehicles, in consultation with the Commissioner of Corrections, shall:

(1) examine whether the redesign of Vermont's standard license plate could lead to cost savings associated with the production of such plates and, if cost savings are likely to result from a redesign, shall estimate how much savings would result from various redesign options; and

(2) identify any other opportunities to reduce costs associated with the production and acquisition of license plates, including by reducing materials costs, and estimate the cost savings expected to result from such opportunities.

(b) The Commissioner of Motor Vehicles shall estimate all cost savings that would result from eliminating the requirement that vehicles registered in Vermont display front license plates, except in the case of motor trucks with a registered weight of 10,100 pounds or more. The estimate shall assume that front and rear license plates will continue to be issued for vehicles registered pursuant to 23 V.S.A. § 304(b)(1) (vanity plates).

(c) On or before January 15, 2018, the Commissioner of Motor Vehicles shall report to the House and Senate Committees on Transportation and on Appropriations the findings and estimates required under this section and any proposed actions or recommendations related to achieving license plate-related cost savings.

Fourth: By striking out Sec. 27a and the reader assistance thereto in their entirety

Fifth: In Sec. 31 (effective dates), in subdivision (a)(1), by striking out the following: "27a (inspections; emissions repairs)."

Which was considered and adopted on the part of the House.

Committee of Conference Appointed

S. 135

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

An act relating to promoting economic development

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Botzow of Pownal
Rep. Marcotte of Coventry
Rep. Condon of Colchester

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the bills were ordered messaged to the Senate forthwith.

H. 130

House bill, entitled

An act relating to approval of amendments to the charter of the Town of Hartford

H. 347

House bill, entitled

An act relating to the State Telecommunications Plan

H. 424

House bill, entitled

An act relating to the Commission on Act 250: the Next 50 Years

H. 519

House bill, entitled

An act relating to capital construction and State bonding

S. 75

Senate bill, entitled

An act relating to aquatic nuisance species control

S. 127

Senate bill, entitled

An act relating to miscellaneous changes to laws related to vehicles and vessels

Rules Suspended; Senate Proposal of Amendment Concurred in;**H. 59**

Appearing on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to technical corrections

Was taken up for immediate consideration.

The Senate proposes to the House to amend the bill as follows:

First: By adding a new Sec. 1 to read as follows:

Sec. 1. 1 V.S.A. § 431 is amended to read:

§ 431. STANDARD TIME; DAYLIGHT SAVING TIME

(a) The standard time within the State of Vermont shall be based on the mean astronomical time of the 75 of longitude west from Greenwich, known

and designated as "U.S. Standard Eastern time," except ~~on two o'clock ante meridian of the last Sunday in April in every year and until two o'clock ante meridian of the last Sunday in September in the same year, as provided in 15 U.S.C. § 260a, when~~ standard time ~~is~~ shall be advanced one hour. The period of time so advanced may be called "daylight saving time."

* * *

and by renumbering the current Sec. 1 to be Sec. 1a.

Second: After Sec. 16, by adding a Sec. 16a to read as follows:

Sec. 16a. 10 V.S.A. § 1389(e) is amended to read:

(e) Priorities.

(1) In making recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall prioritize:

* * *

(F) funding for innovative or alternative technologies or practices designed to improve water quality or reduce sources of pollution to surface waters, including funding for innovative nutrient removal technologies and community-based methane digesters that utilize manure, wastewater, and food residuals to produce energy; ~~and~~

(G) funding to purchase agricultural land in order to take that land out of practice when the State water quality requirements cannot be remediated through agricultural Best Management Practices; and

(H) ~~Funding~~ funding to municipalities for the establishment and operation of stormwater utilities.

Third: In Sec. 31, by striking out Sec. 31 in its entirety and inserting in lieu thereof the following:

Sec. 31. [Deleted.]

Fourth: After Sec. 61, by adding a Sec. 61a to read as follows:

Sec. 61a. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against his or her driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to Title 23 of the Vermont Statutes Annotated.)

(1) Two points assessed for:

* * *

(YY) § 1127. Unsafe control in presence of horses and ~~cattle~~ animals;

* * *

Fifth: After Sec. 119, by adding a Sec. 119a to read as follows:

Sec. 119a. 28 V.S.A. chapter 11 is amended to read:

CHAPTER 11. SUPERVISION OF ADULT INMATES AT THE CORRECTIONAL FACILITIES

* * *

Subchapter 5. Special Treatment Programs

* * *

Subchapter 6. Services For Inmates With Serious Functional Impairment

§ 905. LEGISLATIVE INTENT

It is the intent of the General Assembly that the serious functional impairment designation apply solely to individuals residing in a correctional facility and not to individuals reentering the community after incarceration.

~~Subchapter 6. Services For Inmates With Serious Functional Impairment~~

* * *

Sixth: After Sec. 140, by adding two new sections to be Secs. 140a and 140b to read as follows:

Sec. 140a. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

* * *

(4) admission to places of ~~amusement~~ entertainment, including athletic events, exhibitions, dramatic and musical performances, motion pictures, golf courses and ski areas, and access to cable television systems or other audio or video programming systems that operate by wire, coaxial cable, lightwave, microwave, satellite transmission, or by other similar means, and access to any game or gaming or amusement machine, apparatus or device, excluding video game, pinball, musical, vocal, or visual entertainment machines which are operated by coin, token, or bills;

* * *

Sec. 140b. 32 V.S.A. § 9813 is amended to read:

§ 9813. PRESUMPTIONS AND BURDEN OF PROOF

(a) For the purpose of the proper administration of this chapter and to prevent evasion of the tax hereby imposed, it shall be presumed that all receipts for property or services of any type mentioned in ~~subdivisions~~

~~9771(1), (2), and (3) of this title, and all amusement charges of any type mentioned in subdivision 9771(4)~~ section 9771 of this title, are subject to tax until the contrary is established, and the burden of proving that any receipt or amusement charge is not taxable hereunder shall be upon the person required to collect tax.

* * *

Which proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 111

Appearing on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to vital records

Was taken up for immediate consideration.

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 3, 18 V.S.A. § 5000, in the final sentence of subdivision (c)(1), by striking out the words “and the date” and inserting in lieu thereof the words and by the date

Second: In Sec. 17, 18 V.S.A. § 5016, in subdivision (b)(2)(A), by striking out “guardian, or petitioner for appointment as executor,” and inserting in lieu thereof the following: or guardian; a person petitioning to open a decedent’s estate; a court-appointed executor or administrator;

Third: In Sec. 17, 18 V.S.A. § 5016, in subdivision (c)(1), by inserting the following at the end of the sentence, before the period, and shall not be issued on antifraud paper

Fourth: In Sec. 22, 18 V.S.A. § 5073, in subdivision (a)(2), by striking out the word “father” and inserting in lieu thereof the word parent

Fifth: In Sec. 27, 18 V.S.A. § 5077a, in subsection (a), in the first sentence, by striking out “in the State Registration System.” and inserting in lieu thereof the following: in the Statewide Registration System. If the State Registrar denies an application under this subsection, the applicant may petition the Probate Division of the Superior Court, which shall review the application and relevant evidence de novo to determine if the issuance of a new birth certificate is warranted. If the court issues a decree ordering the issuance of a new birth certificate, the State Registrar shall update the System in accordance with the decree.

Sixth: In Sec. 38, 18 V.S.A. § 5112, by striking out subsections (a) and (b) in their entirety and inserting in lieu thereof the following:

(a)(1) Upon receiving from the Probate Division of the Superior Court a court order that receipt of an application for a new birth certificate and after receiving sufficient evidence to determine that an individual's sexual reassignment has been completed, the State Registrar shall update the Statewide Registration System and issue a new birth certificate to:

(A) show that the sex of the individual born in this State has been changed; and

(B) if the application is accompanied by a decree of the Probate Division authorizing a change of name associated with the change of sex, to reflect the change of name.

(2) The State Registrar shall record in the System the identity of the person requesting the new certificate, the nature and content of the change made, the person who made the change, and the date of the change.

(b)(1) An affidavit by a licensed physician who has treated or evaluated the individual stating that the individual has undergone surgical, hormonal, or other treatment appropriate for that individual for the purpose of gender transition shall constitute sufficient evidence for the Court to issue an order determine that sexual reassignment has been completed. The affidavit shall include the medical license number and signature of the physician.

(2) If the State Registrar denies an application under this section, the applicant may petition the Probate Division of the Superior Court, which shall review the application and relevant evidence de novo to determine if the issuance of a new birth certificate under this section is warranted. If the court issues a decree ordering the issuance of a new birth certificate under this section, the State Registrar shall update the Statewide Registration System and issue a new birth certificate in accordance with subsection (a) of this section.

Seventh: In Sec. 40, 18 V.S.A. § 5139, in subsection (b), in the second sentence, by striking out the words "harm would occur" and inserting in lieu thereof the words harm could occur

Which proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 218

Appearing on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to the adequate shelter of dogs and cats

Was taken up for immediate consideration.

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 2, 13 V.S.A. § 365, subdivision (c)(1), in the first sentence, by striking out the words “an adequate” and inserting in lieu thereof the words a minimum. And in the second sentence by striking out the word “adequate” and inserting in lieu thereof the word minimum.

Second: In Sec. 2, 13 V.S.A. § 365, by striking out subdivision (c)(3)(A) in its entirety and inserting in lieu thereof the following:

(3)(A) A cat over the age of two months shall be provided a minimum living space that is large enough to allow the cat, in a normal manner, to turn about freely, stand, sit, and lie down. A cat shall be presumed to have minimum living space if provided with floor space of at least eight square feet and a primary structure of at least 24 inches in height. Floor space shall be calculated to include any raised resting platforms provided.

Third: In Sec. 2, 13 V.S.A. § 365, in subdivision (c)(5), by striking out the following: “Dogs or cats that are housed in the same primary living space or enclosure shall be compatible, as determined by observation, provided that:”

Which proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 411

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to Vermont’s energy efficiency standards for appliances and equipment

Was taken up for immediate consideration.

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Appliance Efficiency * * *

Sec. 1. PURPOSE

In light of the findings set forth at 9 V.S.A. § 2792, Secs. 2 through 6 of this act adopt federal appliance and lighting efficiency standards in effect on January 19, 2017 so that the same standards will be in place in Vermont should the federal standards be repealed or voided. The act also adopts federal standards for general service lighting that have been adopted by the U.S. Department of Energy and are scheduled to come into effect on January 20, 2020, again so that the same standards will be in place in Vermont. The act does not adopt standards for other products or standards for a product that are different from the federal standards.

Sec. 2. 9 V.S.A. § 2793 is amended to read:

§ 2793. DEFINITIONS

As used in this chapter:

* * *

(15) “General service lamp” has the same meaning as set forth in the action published at 82 Fed. Reg. 7276, 7321-22 (January 19, 2017) and modified by the action published at 82 Fed. Reg. 7322, 7333 (January 19, 2017).

Sec. 3. 9 V.S.A. § 2794 is amended to read:

§ 2794. SCOPE

(a) The provisions of this chapter apply to the following types of new products sold, offered for sale, or installed in the State:

- (1) Medium voltage dry-type distribution transformers.
- (2) Metal halide lamp fixtures.
- (3) Residential furnaces and residential boilers.
- (4) Single-voltage external AC to DC power supplies.
- (5) State-regulated incandescent reflector lamps.
- (6) General service lamps.

(7) Each other product for which the Commissioner is required to adopt an efficiency or water conservation standard by rule pursuant to section 2795 of this title.

(8) Any other product that may be designated by the Commissioner in accordance with section 2797 of this title.

(b) The provisions of this chapter do not apply to:

(1) New products manufactured in the State and sold outside the State and the equipment used in manufacturing those products.

(2) New products manufactured outside the State and sold at wholesale inside the State for final retail sale and installation outside the State.

(3) Products installed in mobile manufactured homes at the time of construction.

(4) Products designed expressly for installation and use in recreational vehicles.

Sec. 4. 9 V.S.A. § 2795 is amended to read:

§ 2795. EFFICIENCY AND WATER CONSERVATION STANDARDS

~~Not later than June 1, 2007, the~~ The Commissioner shall adopt rules in

accordance with the provisions of 3 V.S.A. chapter 25 establishing minimum efficiency standards for the types of new products set forth in section 2794 of this title. The rules shall provide for the following minimum efficiency standards for products sold or installed in this State:

* * *

(6) In the rules, the Commissioner shall adopt minimum efficiency and water conservation standards for each product that is subject to a standard under 10 C.F.R. §§ 430 and 431 as those provisions existed on January 19, 2017. The minimum standard and the testing protocol for each product shall be the same as adopted in those sections of the Code of Federal Regulations.

(7) In the rules, the Commissioner shall adopt a minimum efficacy standard for general service lamps of 45 lumens per watt, when tested in accordance with 10 C.F.R. § 430.23(gg) as that provision existed on January 19, 2017.

Sec. 5. 9 V.S.A. § 2796 is amended to read:

§ 2796. IMPLEMENTATION

* * *

(f)(1) When federal preemption under 42 U.S.C. § 6297 applies to a standard adopted pursuant to this chapter for a product, the standard shall become enforceable on the occurrence of the earliest of the following:

(A) The federal energy or water conservation standard for the product under 42 U.S.C. chapter 77 is withdrawn, repealed, or otherwise voided. However, this subdivision (A) shall not apply to any federal energy or water conservation standard set aside by a court of competent jurisdiction upon the petition of a person who will be adversely affected, as provided in 42 U.S.C. § 6306(b).

(B) A waiver of federal preemption is issued pursuant to 42 U.S.C. § 6297.

(2) The federal standard for general service lamps shall be considered to be withdrawn, repealed, or otherwise voided within the meaning of this subsection if it does not come into effect on January 20, 2020 pursuant to the actions published at 82 Fed. Reg. 7276 and 7333 (January 19, 2017).

(3) When a standard adopted pursuant to this chapter becomes enforceable under this subsection, a person shall not sell or offer for sale in the State a new product subject to the standard unless the efficiency or water conservation of the new product meets or exceeds the requirements set forth in the standard.

Sec. 6. RULE ADOPTION; SCHEDULE; REPORT

(a) Rule adoption; schedule.

(1) On or before August 1, 2017, the Commissioner of Public Service shall file with the Secretary of State proposed rules to effect Sec. 4 of this act.

(2) On or before April 1, 2018, the Commissioner shall finally adopt these rules, unless the Legislative Committee on Administrative Rules extends this date pursuant to 3 V.S.A. § 843(c).

(b) Reports.

(1) On or before December 15, 2017, the Commissioner of Public Service shall file a progress report on the rulemaking required by this act. The report shall attach the proposed rules as filed with the Secretary of State.

(2) On or before December 15, 2018, the Commissioner of Public Service shall file a further progress report on the rulemaking required by this act. The report shall attach the rules as finally adopted by the Commissioner.

* * * Net Metering * * *

Sec. 7. 30 V.S.A. § 8010(c)(2) is amended to read:

(2) The rules shall include provisions that govern:

* * *

(F) the amount of the credit to be assigned to each kWh of electricity generated by a net metering customer in excess of the electricity supplied by the interconnecting provider to the customer, the manner in which the customer's credit will be applied on the customer's bill, and the period during which a net metering customer must use the credit, after which the credit shall revert to the interconnecting provider.

(i) When assigning an amount of credit under this subdivision (F), the Board shall consider making multiple lengths of time available over which a customer may take a credit and differentiating the amount according to the length of time chosen. For example, a monthly credit amount may be higher if taken over 10 years and lower if taken over 20 years. Factors relevant to this consideration shall include the customer's ability to finance the net metering system, the cost of that financing, and the net present value to all ratepayers of the net metering program.

(ii) In this subdivision (ii), "existing net metering system" means a net metering system for which a complete application was filed before January 1, 2017.

(I) Commencing 10 years from the date on which an existing net metering system was installed, the Board may apply to the system the same rules governing bill credits and the use of those credits on the customer's bill that it applies to net metering systems for which applications were filed on or

after January 1, 2017, other than any adjustments related to siting and tradeable renewable energy credits.

(II) This subdivision (ii) shall apply to existing net metering systems notwithstanding any contrary provision of 1 V.S.A. § 214 and 2014 Acts and Resolves No. 99, Sec. 10.

Sec. 8. NET METERING SYSTEMS; APPROVAL UNDER BOARD ORDER

(a) In this section, "Temporary Net Metering Order" means the order on reconsideration issued on August 29, 2016 by the Public Service Board (Board) under the caption of "In Re: Revised Net-Metering Rule Pursuant to Act 99 of 2014."

(b) A net metering system that received an approval from the Board pursuant to the Temporary Net Metering Order may be constructed and placed into service in accordance with the terms of that Order and the approval issued pursuant to that Order, provided the approval was issued before September 1, 2017.

* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES; APPLICABILITY

(a) This act shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 7 shall apply to net metering rules of the Public Service Board adopted on or after January 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to miscellaneous energy issues.

Which proposal was considered and concurred in.

Rules Suspended; Bill Committed to Committee

H. 510

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to the cost share for State agricultural water quality financial assistance grants

Was taken up for immediate consideration.

The Senate proposes to the House to amend the bill by adding two new sections to be Secs. 2a and 2b to read as follows:

Sec. 2a. 3 V.S.A. § 2822(i) is amended to read:

(i)(1) 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. Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), (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 pay fees prescribed in subdivisions (j)(2), (10), (11), (12), and (26), except that a municipality shall also be exempt from those fees for 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 for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264.

(2) An air contaminant source shall be exempt from the fees required under subdivisions (j)(1)(A) and (B) of this section when the source of the emissions is the anaerobic digestion of agricultural products, agricultural by-products, agricultural waste, or food waste.

Sec. 2b. 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.

* * *

(51) The following machinery, including repair parts, used for timber cutting, removal, and processing of timber or other solid wood forest products intended to be sold ultimately at retail: skidders with grapple and cable, feller bunchers, cut-to-length processors, forwarders, delimiters, loader slashers, log loaders, whole tree chippers, stationary screening systems, and firewood processors, elevators, and screens. The Department of Taxes shall publish guidance relating to the application of this exemption.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Deen of Westminster** moved that the bill be referred to the committee on Ways and Means which was agreed to.

**Rules Suspended; Senate Proposal of Amendment to
House Proposal of Amendment Concurred in**

S. 61

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to offenders with mental illness

Was taken up for immediate consideration.

The Senate concurs in the House Proposal of Amendment with further proposal of amendment as follows:

First: By striking out Sec. 1 in its entirety and inserting in lieu thereof the following:

Sec. 1. [Deleted.]

Second: By striking out Sec. 2 in its entirety and inserting in lieu thereof the following:

Sec. 2. [Deleted.]

Third: By striking out Sec. 7 in its entirety and inserting in lieu thereof the following:

Sec. 7. AGENCY OF HUMAN SERVICES; REPORT TO STANDING COMMITTEES

On or before January 18, 2018, the Secretary of Human Services shall report to the House and Senate Committees on Judiciary, the House Committees on Corrections and Institutions and on Health Care, and the Senate Committee on Health and Welfare on how best to provide mental health treatment and services to inmates and detainees housed in a correctional facility, including recommendations on whether those services should be provided by a classified State employee working within the Agency of Human Services, by designated agencies, or by other professionals contracted for professional mental health care services within the Department.

Fourth: By striking out Sec. 11, substance abuse recovery services at correctional facilities; study, in its entirety and inserting in lieu thereof the following:

Sec. 11. JOINT LEGISLATIVE JUSTICE OVERSIGHT COMMITTEE;
SUBSTANCE ABUSE RECOVERY SERVICES AT
CORRECTIONAL FACILITIES

During the 2017 legislative interim, the Joint Legislative Justice Oversight Committee shall evaluate approaches to substance abuse recovery services in correctional facilities for inmates, including the use of medication-assisted therapy. Any resulting legislative recommendations shall be introduced as a bill in the 2018 legislative session.

Fifth: In Sec. 12, effective dates, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) Secs. 3 (general definitions), 4 (28 V.S.A. § 701a(b)), 5 (mental health service for inmates; powers and responsibilities of commissioner), 7 (Agency

of Human Services; report to standing committees), 8 (legislative intent, Department of Corrections; use of segregation), and 11 (Joint Legislative Justice Oversight; substance abuse recovery services at correctional facilities) shall take effect on July 1, 2017.

Sixth: In Sec. 12, effective dates, by striking out subsection (d) in its entirety.

Which Senate proposal of amendment to House proposal of amendment was considered and concurred in.

Rules Suspended; Report of Committee of Conference Adopted

H. 74

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to nonconsensual sexual conduct

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

H. 74

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.74. An act relating to nonconsensual sexual conduct.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 2601a is added to read:

§ 2601a. PROHIBITED CONDUCT

(a) No person shall engage in open and gross lewdness.

(b) A person who violates this section shall:

(1) be imprisoned not more than one year or fined not more than \$300.00, or both, for a first offense; and

(2) be imprisoned not more than two years or fined not more than \$1,000.00, or both, for a second or subsequent offense.

Sec. 2. 13 V.S.A. § 2632 is amended to read:

§ 2632. ~~PROHIBITED ACTS~~ PROSTITUTION

* * *

Sec. 3. 13 V.S.A. § 1030 is amended to read:

§ 1030. VIOLATION OF AN ABUSE PREVENTION ORDER, AN ORDER AGAINST STALKING OR SEXUAL ASSAULT, OR A PROTECTIVE ORDER CONCERNING CONTACT WITH A CHILD

(a) A person who intentionally commits an act prohibited by a court or who fails to perform an act ordered by a court, in violation of an abuse prevention order issued under 15 V.S.A. chapter 21 ~~of Title 15~~ or 33 V.S.A. chapter 69 ~~of Title 33~~, a protective order that concerns contact with a child and is issued under 33 V.S.A. chapter 51 ~~of Title 33~~, or an order against stalking or sexual assault issued under 12 V.S.A. chapter 178 ~~of Title 12~~, after the person has been served notice of the contents of the order as provided in those chapters; or in violation of a foreign abuse prevention order or an order against stalking or sexual assault issued by a court in any other state, federally recognized Indian tribe, territory or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia; shall be imprisoned not more than one year or fined not more than \$5,000.00, or both.

(b) A person who is convicted of a second or subsequent offense under this section or is convicted of an offense under this section and has previously been convicted of domestic assault under section 1042 of this title, first degree aggravated domestic assault under section 1043 of this title, or second degree aggravated domestic assault under section 1044 of this title shall be imprisoned not more than three years or fined not more than \$25,000.00, or both.

(c) Upon conviction under this section for a violation of an order issued under 15 V.S.A. chapter 21 ~~of Title 15~~, the court shall, unless the circumstances indicate that it is not appropriate or not available, order the defendant to participate in domestic abuse counseling or a domestic abuse prevention program approved by the ~~department of corrections~~ Department of Corrections. The defendant may at any time request the court to approve an alternative program. The defendant shall pay all or part of the costs of the counseling or program unless the court finds that the defendant is unable to do so.

(d) Upon conviction for a violation of an order issued under 12 V.S.A. chapter 178 ~~of Title 12~~, the court may order the defendant to participate in mental health counseling or sex offender treatment approved by the ~~department of corrections~~ Department of Corrections. The defendant shall pay all or part of the costs of the counseling unless the court finds that the defendant is unable

to do so.

(e) Nothing in this section shall be construed to diminish the inherent authority of the courts to enforce their lawful orders through contempt proceedings.

(f) Prosecution for violation of an abuse prevention order or an order against stalking or sexual assault shall not bar prosecution for any other crime, including any crime that may have been committed at the time of the violation of the order.

Sec. 4. 13 V.S.A. § 3281 is added to read:

§ 3281. SEXUAL ASSAULT SURVIVORS' RIGHTS

(a) Short title. This section may be cited as the "Bill of Rights for Sexual Assault Survivors."

(b) Definition. As used in this section, "sexual assault survivor" means a person who is a victim of an alleged sexual offense.

(c) Survivors' rights. When a sexual assault survivor makes a verbal or written report to a law enforcement officer, emergency department, sexual assault nurse examiner, or victim's advocate of an alleged sexual offense, the recipient of the report shall provide written notification to the survivor that he or she has the following rights:

(1) The right to receive a medical forensic examination and any related toxicology testing at no cost to the survivor in accordance with 32 V.S.A. § 1407, irrespective of whether the survivor reports to or cooperates with law enforcement. If the survivor opts to have a medical forensic examination, he or she shall have the following additional rights:

(A) the right to have the medical forensic examination kit or its probative contents delivered to a forensics laboratory within 72 hours of collection;

(B) the right to have the sexual assault evidence collection kit or its probative contents preserved without charge for the duration of the maximum applicable statute of limitations;

(C) the right to be informed in writing of all policies governing the collection, storage, preservation, and disposal of a sexual assault evidence collection kit;

(D) the right to be informed of a DNA profile match on a kit reported to law enforcement or on a confidential kit, on a toxicology report, or on a medical record documenting a medical forensic examination, if the disclosure would not impede or compromise an ongoing investigation; and

(E) upon written request from the survivor, the right to:

(i) receive written notification from the appropriate official with custody not later than 60 days before the date of the kit's intended destruction or disposal; and

(ii) be granted further preservation of the kit or its probative contents.

(2) The right to consult with a sexual assault advocate.

(3) The right to information concerning the availability of protective orders and policies related to the enforcement of protective orders.

(4) The right to information about the availability of, and eligibility for, victim compensation and restitution.

(5) The right to information about confidentiality.

(d) Notification protocols. The Vermont Network Against Domestic and Sexual Violence and the Sexual Assault Nurse Examiner Program, in consultation with other parties referred to in this section, shall develop protocols and written materials to assist all responsible entities in providing notification to victims.

Sec. 5. 13 V.S.A. § 4501 is amended to read:

§ 4501. LIMITATION OF PROSECUTIONS FOR CERTAIN CRIMES

(a) Prosecutions for aggravated sexual assault, aggravated sexual assault of a child, sexual assault, human trafficking, aggravated human trafficking, murder, arson causing death, and kidnapping may be commenced at any time after the commission of the offense.

(b) Prosecutions for manslaughter, ~~sexual assault~~, lewd and lascivious conduct, ~~sexual exploitation of children under chapter 64 of this title~~, sexual abuse of a vulnerable adult, grand larceny, robbery, burglary, embezzlement, forgery, bribery offenses, false claims, fraud under 33 V.S.A. § 141(d), and felony tax offenses shall be commenced within six years after the commission of the offense, and not after.

(c) Prosecutions for any of the following offenses ~~alleged to have been committed against a child under 18 years of age~~ shall be commenced within 40 years after the commission of the offense, and not after:

(1) ~~sexual assault~~;

~~(2)~~ lewd and lascivious conduct alleged to have been committed against a child under 18 years of age;

~~(3)~~(2) sexual exploitation of a minor as defined in subsection 3258(c) of

this title;

~~(4)~~(3) lewd or lascivious conduct with a child; ~~and~~

~~(5)~~(4) sexual exploitation of children under chapter 64 of this title; and

(5) manslaughter alleged to have been committed against a child under 18 years of age.

(d) Prosecutions for arson shall be commenced within 11 years after the commission of the offense, and not after.

(e) Prosecutions for other felonies and for misdemeanors shall be commenced within three years after the commission of the offense, and not after.

Sec. 6. 14 V.S.A. § 315 is amended to read:

§ 315. PARENT AND CHILD RELATIONSHIP

(a) For the purpose of intestate succession, an individual is the child of his or her parents, regardless of their marital status, but a parent shall not inherit from a child unless the parent has openly acknowledged the child and not refused to support the child.

(b) The parent and child relationship may be established in parentage proceedings under ~~subchapter 3A of 15 V.S.A. chapter 5 of Title 15,~~ subchapter 3A.

(c) A parent shall not inherit from a child conceived of sexual assault who is the subject of a parental rights and responsibilities order issued pursuant to 15 V.S.A. § 665(f).

Sec. 7. 15 V.S.A. § 665 is amended to read:

§ 665. RIGHTS AND RESPONSIBILITIES ORDER; BEST INTERESTS OF THE CHILD

* * *

(f) The State has a compelling interest in not forcing a victim of sexual assault or sexual exploitation to continue an ongoing relationship with the perpetrator of the abuse. Such continued interaction can have traumatic psychological effects on the victim, making recovery more difficult, and negatively affect the victim's ability to parent and to provide for the best interests of the child. Additionally, the State recognizes that a perpetrator may use the threat of pursuing parental rights and responsibilities to coerce a victim into not reporting or not assisting in the prosecution of the perpetrator for the sexual assault or sexual exploitation, or to harass, intimidate, or manipulate the victim.

(1) The ~~Court~~ court may enter an order awarding sole parental rights and

responsibilities to a parent and denying all parent-child contact with the other parent if the ~~Court~~ court finds by clear and convincing evidence that the nonmoving parent was convicted of sexually assaulting the moving parent and the child was conceived as a result of the sexual assault. As used in this subdivision, sexual assault shall include sexual assault as provided in 13 V.S.A. § 3252(a), (b), (d), and (e), aggravated sexual assault as provided in 13 V.S.A. § 3253, ~~and~~ aggravated sexual assault of a child as provided in 13 V.S.A. § 3253a, lewd and lascivious conduct with a child as provided in 13 V.S.A. § 2602, and similar offenses in other jurisdictions.

~~(A) An order issued in accordance with this subdivision (f)(1) shall be permanent and shall not be subject to modification.~~

~~(B) Upon issuance of a rights and responsibilities order pursuant to this subdivision (f)(1), the Court shall not issue a parent-child contact order and shall terminate any existing parent-child contact order concerning the child and the nonmoving parent.~~

(2) The ~~Court~~ court may enter an order awarding sole parental rights and responsibilities to one parent and denying all parent-child contact between the other parent and a child if the ~~Court~~ court finds by clear and convincing evidence that the child was conceived as a result of the nonmoving parent sexually assaulting or sexually exploiting the moving parent and the ~~Court~~ court finds by a preponderance of the evidence that such an order is in the best interest of the child. A conviction is not required under this subdivision, and the ~~Court~~ court may consider other evidence of sexual assault or sexual exploitation in making its determination.

~~(A)~~ For purposes of this subdivision (f)(2):

~~(i)~~(A) sexual assault shall include sexual assault as provided in 13 V.S.A. § 3252, aggravated sexual assault as provided in 13 V.S.A. § 3253, aggravated sexual assault of a child as provided in 13 V.S.A. § 3253a, lewd and lascivious conduct with a child as provided in 13 V.S.A. § 2602, and similar offenses in other jurisdictions; and

~~(ii)~~(B) sexual exploitation shall include sexual exploitation of an inmate as provided in 13 V.S.A. § 3257, sexual exploitation of a minor as provided in 13 V.S.A. § 3258, sexual abuse of a vulnerable adult as provided in 13 V.S.A. § 1379, and similar offenses in other jurisdictions.

~~(B) Except as provided in subdivision (f)(2)(C), the Court shall not issue a parent-child contact order in a case in which a parental rights and responsibilities order has been issued pursuant to this subdivision (f)(2) and any existing parent-child contact order concerning the child and the nonmoving parent shall be terminated.~~

~~(C) A party may file a motion for modification of the order only upon a showing of extraordinary, real, substantial, and unanticipated change of circumstances.~~

(3) Issuance of an order pursuant to this subsection shall not affect the right of the custodial parent to seek child support from the noncustodial parent.

(4) Upon issuance of a rights and responsibilities order pursuant to this subsection, the court shall not issue a parent-child contact order and shall terminate any existing parent-child contact order concerning the child and the nonmoving parent. An order issued in accordance with this subdivision shall be permanent and shall not be subject to modification.

Sec. 8. 15 V.S.A. § 1103 is amended to read:

§ 1103. REQUESTS FOR RELIEF

* * *

(c)(1) The ~~Court~~ court shall make such orders as it deems necessary to protect the plaintiff or the children, or both, if the ~~Court~~ court finds that the defendant has abused the plaintiff, and:

(A) there is a danger of further abuse; or

(B) the defendant is currently incarcerated and has been convicted of one of the following: murder, attempted murder, kidnapping, domestic assault, aggravated domestic assault, sexual assault, aggravated sexual assault, stalking, aggravated stalking, lewd or lascivious conduct with a child, use of a child in a sexual performance, or consenting to a sexual performance.

(2) The court order may include the following:

(A) an order that the defendant refrain from abusing the plaintiff, or his or her children, or both, and from interfering with their personal liberty, including restrictions on the defendant's ability to contact the plaintiff or the plaintiff's children in person, by phone, or by mail, or both, in any way, whether directly, indirectly, or through a third party, with the purpose of making contact with the plaintiff, including in writing or by telephone, e-mail, or other electronic communication, and restrictions prohibiting the defendant from coming within a fixed distance of the plaintiff, the children, the plaintiff's residence, or other designated locations where the plaintiff or the plaintiff's children are likely to spend time;

* * *

Sec. 9. 15 V.S.A. § 1104 is amended to read:

§ 1104. EMERGENCY RELIEF

(a) In accordance with the Vermont Rules of Civil Procedure, temporary orders under this chapter may be issued ex parte, without notice to the

defendant, upon motion and findings by the ~~Court~~ court that the defendant has abused the plaintiff or ~~his or her~~ the plaintiff's children, or both. The plaintiff shall submit an affidavit in support of the order. A minor 16 years of age or older, or a minor of any age who is in a dating relationship as defined in subdivision 1101(2) of this chapter, may seek relief on his or her own behalf. Relief under this section shall be limited as follows:

(1) Upon a finding that there is an immediate danger of further abuse, an order may be granted requiring the defendant:

(A) to refrain from abusing the plaintiff or his or her children, or both, or from cruelly treating as defined in 13 V.S.A. § 352 or 352a or killing any animal owned, possessed, leased, kept, or held as a pet by either party or by a minor child residing in the household;

(B) to refrain from interfering with the plaintiff's personal liberty; or the personal liberty of the plaintiff's children, or both; ~~and~~

(C) to refrain from coming within a fixed distance of the plaintiff, the plaintiff's children, the plaintiff's residence, or the plaintiff's place of employment; and

(D) to refrain from contacting the plaintiff or the plaintiff's children, or both, in any way, whether directly, indirectly, or through a third party, with the purpose of making contact with the plaintiff, including in writing or by telephone, e-mail, or other electronic communication.

* * *

Sec. 10. EFFECTIVE DATES

(a) This section and Secs. 1 (prohibited conduct), 6 (parent and child), 7 (rights and responsibilities order; best interests of the child), 8 (request for relief), and 9 (emergency relief) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to domestic and sexual violence.

*RICHARD W. SEARS
MARGARET K. FLORY
JEANETTE K. WHITE*

*Committee on the part of the
Senate*

*MAXINE JO GRAD
RUQAIYAH K. MORRIS
EILEEN "G. DICKINSON*

Committee on the part of the House

Which was considered and adopted on the part of the House

Rules Suspended; Report of Committee of Conference Adopted**S. 50**

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to insurance coverage for telemedicine services delivered in or outside a health care facility

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of the Committee of Conference**S.50**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.50. An act relating to insurance coverage for telemedicine services delivered in or outside a health care facility.

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. 8 V.S.A. § 4100k is amended to read:

§ 4100k. COVERAGE OF HEALTH CARE SERVICES DELIVERED

THROUGH TELEMEDICINE SERVICES

(a) All health insurance plans in this State shall provide coverage for ~~telemedicine~~ health care services delivered through telemedicine by a health care provider at a distant site to a patient in a health care facility at an originating site to the same extent that the ~~services would be covered plan would cover the services~~ if they were provided through in-person consultation.

(b) A health insurance plan may charge a deductible, co-payment, or coinsurance for a health care service provided through telemedicine so long as it does not exceed the deductible, co-payment, or coinsurance applicable to an in-person consultation.

(c) A health insurance plan may limit coverage to health care providers in the plan's network ~~and may require originating site health care providers to document the reason the services are being provided by telemedicine rather~~

~~than in person.~~ A health insurance plan shall not impose limitations on the number of telemedicine consultations a covered person may receive that exceed limitations otherwise placed on in-person covered services.

(d) Nothing in this section shall be construed to prohibit a health insurance plan from providing coverage for only those services that are medically necessary and are clinically appropriate for delivery through telemedicine, subject to the terms and conditions of the covered person's policy.

(e) A health insurance plan may reimburse for teleophthalmology or teledermatology provided by store and forward means and may require the distant site health care provider to document the reason the services are being provided by store and forward means.

(f) Nothing in this section shall be construed to require a health insurance plan to reimburse the distant site health care provider if the distant site health care provider has insufficient information to render an opinion.

(g) In order to facilitate the use of telemedicine in treating substance use disorder, ~~when the originating site is a health care facility,~~ health insurers and the Department of Vermont Health Access shall ensure that ~~both the treating clinician and the hosting facility~~ the health care provider at the distant site and the health care facility at the originating site are both reimbursed for the services rendered, unless the health care providers at both the ~~host and service~~ distant and originating sites are employed by the same entity.

(h) As used in this subchapter:

(1) "Distant site" means the location of the health care provider delivering services through telemedicine at the time the services are provided.

(2) "Health insurance plan" means any health insurance policy or health benefit plan offered by a health insurer, as defined in 18 V.S.A. § 9402, as well as Medicaid and any other public health care assistance program offered or administered by the State or by any subdivision or instrumentality of the State. The term does not include policies or plans providing coverage for specified disease or other limited benefit coverage.

~~(2)~~(3) "Health care facility" shall have the same meaning as in 18 V.S.A. § 9402.

~~(3)~~(4) "Health care provider" means a person, partnership, or corporation, other than a facility or institution, that is licensed, certified, or otherwise authorized by law to provide professional health care services in this State to an individual during that individual's medical care, treatment, or confinement.

(5) "Originating site" means the location of the patient, whether or not

accompanied by a health care provider, at the time services are provided by a health care provider through telemedicine, including a health care provider's office, a hospital, or a health care facility, or the patient's home or another nonmedical environment such as a school-based health center, a university-based health center, or the patient's workplace.

(6) "Store and forward" means an asynchronous transmission of medical information to be reviewed at a later date by a health care provider at a distant site who is trained in the relevant specialty and by which the health care provider at the distant site reviews the medical information without the patient present in real time.

(4)(7) "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. 2. 18 V.S.A. § 9361 is amended to read:

§ 9361. HEALTH CARE PROVIDERS ~~PROVIDING~~ DELIVERING

HEALTH CARE SERVICES THROUGH TELEMEDICINE OR BY
STORE AND FORWARD SERVICES MEANS

(a) As used in this section, "distant site," "health care provider," "originating site," "store and forward," and "telemedicine" shall have the same meanings as in 8 V.S.A. § 4100k.

(b) Subject to the limitations of the license under which the individual is practicing, a health care provider licensed in this ~~state~~ State may prescribe, dispense, or administer drugs or medical supplies, or otherwise provide treatment recommendations to a patient after having performed an appropriate examination of the patient ~~either in person, through telemedicine,~~ or by the use of instrumentation and diagnostic equipment through which images and medical records may be transmitted electronically. Treatment recommendations made via electronic means, including issuing a prescription via electronic means, shall be held to the same standards of appropriate practice as those in traditional provider-patient settings. ~~For purposes of this subchapter, "telemedicine" shall have the same meaning as in 8 V.S.A. § 4100k.~~

(c)(1) A health care provider delivering health care services through telemedicine shall obtain and document a patient's oral or written informed consent for the use of telemedicine technology prior to delivering services to

the patient.

(A) The informed consent for telemedicine services shall be provided in accordance with Vermont and national policies and guidelines on the appropriate use of telemedicine within the provider's profession and shall include, in language that patients can easily understand:

(i) an explanation of the opportunities and limitations of delivering health care services through telemedicine;

(ii) informing the patient of the presence of any other individual who will be participating in or observing the patient's consultation with the provider at the distant site and obtaining the patient's permission for the participation or observation; and

(iii) assurance that all services the health care provider delivers to the patient through telemedicine will be delivered over a secure connection that complies with the requirements of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

(B) For services delivered through telemedicine on an ongoing basis, the health care provider shall be required to obtain consent only at the first episode of care.

(2) The provider shall include the patient's written consent in the patient's medical record or document the patient's oral consent in the patient's medical record.

(3) A health care provider delivering telemedicine services through a contract with a third-party vendor shall comply with the provisions of this subsection (c) to the extent permissible under the terms of the contract. If the contract requires the health care provider to use the vendor's own informed consent provisions instead of those set forth in this subsection (c), the health care provider shall be deemed to be in compliance with the requirements of this subsection (c) if he or she adheres to the terms of the vendor's informed consent policies.

(4) Notwithstanding any provision of this subsection (c) to the contrary, a health care provider shall not be required to obtain a patient's informed consent for the use of telemedicine in the following circumstances:

(A) in the case of a medical emergency;

(B) for the second certification of an emergency examination determining whether an individual is a person in need of treatment pursuant to section 7508 of this title; or

(C) for a psychiatrist's examination to determine whether an individual is in need of inpatient hospitalization pursuant to 13 V.S.A. § 4815(g)(3).

(d) Neither a health care provider nor a patient shall create or cause to be created a recording of a provider's telemedicine consultation with a patient.

~~(b)~~(e) A patient receiving teleophthalmology or teledermatology by store and forward means shall be informed of the right to receive a consultation with the distant site health care provider and shall receive a consultation with the distant site health care provider upon request. If requested, the consultation with the distant site health care provider may occur either at the time of the initial consultation or within a reasonable period of time of following the patient's notification of the results of the initial consultation. Receiving teledermatology or teleophthalmology by store and forward means shall not preclude a patient from receiving real time telemedicine or face-to-face services with the distant site health care provider at a future date. Originating site health care providers involved in the store and forward process shall ensure obtain informed consent from the patient as described in subsection (c) of this section. For purposes of this subchapter, "store and forward" shall have the same meaning as in 8 V.S.A. § 4100k.

Sec. 3. REPEAL

33 V.S.A. § 1901i (Medicaid coverage for primary care telemedicine) is repealed.

Sec. 4. EFFECTIVE DATES

(a) Sec. 1 (health insurance coverage) shall take effect on October 1, 2017 and shall apply to Medicaid on that date and to all other health insurance plans on or after October 1, 2017 on the date a health insurer issues, offers, or renews the health insurance plan, but in no event later than October 1, 2018.

(b) Secs. 2 (health care providers providing telemedicine), 3 (repeal) and this section shall take effect on October 1, 2017.

*CLAIRE D. AYRE
VIRGINIA V. LYONS
DEBORAH J. INGRAM*

Committee on the part of the Senate

*TIMOTHY C. BRIGLIN
SARAH L. COPELAND-HANZAS
ANAMARIE CHRISTENSEN*

Committee on the part of the House

Which was considered and adopted on the part of the House

Rules Suspended; Bill Messaged to Senate Forthwith

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

S. 50

Senate bill, entitled

An act relating to insurance coverage for telemedicine services delivered in or outside a health care facility

**Second Reading; Proposal of Amendment Agreed to;
Third Reading Ordered****S. 103**

Rep. Deen of Westminster, for the committee on Natural Resources, Fish & Wildlife, to which had been referred Senate bill, entitled

An act relating to the regulation of toxic substances and hazardous materials

Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Toxics Use Reduction and Reporting * * *

Sec. 1. 10 V.S.A. § 6633 is added to read:

§ 6633. INTERGOVERNMENTAL COMMITTEE ON CHEMICAL
MANAGEMENT

(a) Creation. There is created the Intergovernmental Committee on Chemical Management in the State to:

- (1) evaluate chemical inventories in the State on an annual basis;
- (2) identify potential risks to human health and the environment from chemical inventories in the State; and
- (3) propose measures or mechanisms to address the identified risks from chemical inventories in the State.

(b) Membership. The Intergovernmental Committee on Chemical Management shall be composed of the following nine members:

- (1) one member of the House of Representatives, appointed by the Speaker of the House;
- (2) one member of the Senate, appointed by the Committee on Committees;
- (3) the Secretary of Agriculture, Food and Markets or designee;

-
- (4) the Secretary of Natural Resources or designee;
 - (5) the Commissioner of Health or designee;
 - (6) the Commissioner of Labor or designee;
 - (7) the Commissioner of Public Safety or designee;
 - (8) the Secretary of Commerce and Community Development or designee;
 - (9) the Commissioner of Information and Innovation, or the Commissioner of the successor department, or designee.

(c) Powers and duties. The Intergovernmental Committee on Chemical Management shall:

(1) Convene a citizen advisory panel to provide input and expertise to the Committee. The citizen advisory panel shall consist of persons with expertise in:

- (A) toxicology;
- (B) environmental law;
- (C) manufacturing products;
- (D) environmental health;
- (E) public health;
- (F) risk analysis;
- (G) maternal and child health care;
- (H) occupational health;
- (I) industrial hygiene;
- (J) public policy;
- (K) chemical management by academic institutions;
- (L) retail sales; and

(M) development and administration of information reporting technology or databases.

(2) Monitor actions taken by the U.S. Environmental Protection Agency (EPA) to regulate chemicals under the Toxic Substances Control Act, 15 U.S.C. chapter 53, and notify relevant State agencies of any EPA action relevant to the jurisdiction of the agency.

(3) Annually review chemical inventories in the State in relation to emerging scientific evidence in order to identify chemicals of high concern not

regulated by the State.

(d) Assistance. The Intergovernmental Committee on Chemical Management shall have the administrative, technical, and legal assistance of the Agency of Natural Resources; the Agency of Agriculture, Food and Markets; the Department of Health; the Department of Public Safety; the Department of Labor; the Agency of Commerce and Community Development; and the Department of Information and Innovation. The Intergovernmental Committee on Chemical Management shall have the assistance of the Office of Legislative Council for legislative drafting and the assistance of the Joint Fiscal Office for the fiscal and economic analyses.

(e) Report. On or before January 15, and annually thereafter, the Intergovernmental Committee on Chemical Management shall report to the Senate Committees on Natural Resources and Energy; on Health and Welfare; and on Economic Development, Housing and General Affairs and the House Committees on Natural Resources, Fish and Wildlife; on Human Services; and on Commerce and Economic Development regarding the actions of the Committee. The provisions of 2 V.S.A. § 20(d) regarding expiration of required reports shall not apply to the report to be made under this section. The report shall include:

(1) an estimate or summary of the known chemical inventories in the State, as determined by metrics or measures established by the Committee;

(2) a summary of any change under federal statute or rule affecting the regulation of chemicals in the State;

(3) recommended legislative or regulatory action to address the risks posed by new or emerging chemicals of high concern; and

(4) recommended legislative or regulatory action to reduce health risks from exposure to chemicals of high concern and reduce risks of harm to the natural environment.

(f) Meetings.

(1) The Secretary of Natural Resources shall be the chair of the Intergovernmental Committee on Chemical Management.

(2) The Secretary of Natural Resources shall call the first meeting of the Intergovernmental Committee on Chemical Management to occur on or before July 1, 2017.

(3) A majority of the membership of the Intergovernmental Committee on Chemical Management shall constitute a quorum.

(g) Authority of agencies. The establishment of the Intergovernmental Committee on Chemical Management shall not limit the independent authority

of a State agency to regulate chemical use or management under existing State or applicable federal law.

Sec. 2. INTERGOVERNMENTAL COMMITTEE ON CHEMICAL
MANAGEMENT; REPORT ON TOXIC USE REDUCTION AND
REPORTING

On or before February 15, 2018, after consultation with the citizen advisory panel and as part of the first report required under 10 V.S.A. § 6633(e), the Intergovernmental Committee on Chemical Management shall:

(1) Recommend how the State shall establish a centralized or unified electronic reporting system to facilitate compliance by businesses and other entities with chemical reporting and other regulatory requirements in the State. The recommendation shall:

(A) identify a State agency or department to establish and administer the reporting system;

(B) estimate the staff and funding necessary to administer the reporting system;

(C) propose how businesses and the public can access information submitted to or maintained as part of the reporting systems, including whether access to certain information or categories of information should be limited due to statutory requirements, regulatory requirements, trade secret protection, or other considerations;

(D) propose how information maintained as part of the reporting system can be accessed, including whether the information should be searchable by: chemical name, common name, brand name, product model, Global Product Classification (GPC) product brick description, standard industrial classification, chemical facility, geographic area, zip code, or address;

(E) propose how manufacturers of consumer products or subsets of consumer products shall report or notify the State of the presence of designated chemicals of concern in a consumer product and how information reported by manufacturers is made available to the public;

(F) propose a method for displaying information or filtering or refining search results so that information maintained on the reporting system can be accessed or identified in a serviceable or functional manner for all users of the system, including governmental agencies or departments, commercial and industrial businesses reporting to the system, nonprofit associations, and citizens; and

(G) estimate a timeline for establishment of the reporting system.

(2) Recommend statutory amendments and regulatory revisions to existing State recordkeeping and reporting requirements for chemicals, hazardous materials, and hazardous wastes in order to facilitate assessment of risks to human health and the environment posed by the use of chemicals in the State. The recommendations shall include:

(A) the thresholds or amounts of chemicals used, manufactured, or distributed, and hazardous materials and hazardous wastes generated or managed in the State that require recordkeeping and reporting;

(B) the persons or entities using, manufacturing, or distributing chemicals and generating or managing hazardous materials and hazardous wastes that are subject to recordkeeping and reporting requirements; and

(C) any changes required to streamline and modernize existing recordkeeping and reporting requirements to facilitate compliance by businesses and other entities.

(3) Recommend amendments to the requirements for Toxic Use Reduction and Hazardous Waste Reduction under 10 V.S.A. chapter 159, subchapter 2 that shall include:

(A) The list of chemicals or materials subject to the reporting and planning requirements. The list of chemicals or materials shall include and be in addition to the chemicals or substances listed under Title III, Section 313 of the Superfund Amendments and Reauthorization Act of 1986 and 18 V.S.A. § 1773 (chemicals of high concern to children).

(B) The thresholds or amounts of chemicals used or hazardous waste generated by a person that require reporting and planning.

(C) The information to be reported, including:

(i) the quantity of hazardous waste generated and the quantity of hazardous waste managed during a year;

(ii) the quantity of toxic substances, or raw material resulting in hazardous waste, used during a year;

(iii) an assessment of the effect of each hazardous waste reduction measure and toxics use reduction measure implemented; and

(iv) a description of factors during a year that have affected toxics use, hazardous waste generation, releases into the environment, and on-site and off-site hazardous waste management.

(D) The persons or entities using chemicals or generating hazardous waste that are subject to reporting and planning;

(E) Proposed revisions to the toxic chemical or hazardous waste reduction planning requirements, including conditions or criteria that qualify a person to complete a plan.

(F) Any changes to streamline and modernize the program to improve its effectiveness.

(4) Draft legislation to implement the Committee's recommendations under subdivisions (1), (2), and (3) of this section.

* * * Testing Groundwater * * *

Sec. 3. 10 V.S.A. § 1982 is added to read:

§ 1982. TESTING OF GROUNDWATER SOURCES

(a) Definition. As used in this section, "groundwater source" means that portion of a potable water supply that draws water from the ground, including a drilled well, shallow well, driven well point, or spring.

(b) Testing prior to new use. Prior to use of a new groundwater source as a potable water supply, the person who owns or controls the groundwater source shall test the groundwater source for the parameters set forth in subsection (c) of this section.

(c) Parameters of testing. A water sample collected under this section shall be analyzed for, at a minimum: arsenic, lead, uranium, gross alpha radiation, total coliform bacteria, total nitrate and nitrite, fluoride, manganese, and any other parameters required by the Agency by rule. The Agency by rule may require testing for a parameter by region or specific geographic area of concern.

(d) Submission of test results. Results of the testing required under subsection (b) shall be submitted, on a form provided by the Department of Health, to the Department of Health and, when required by the Secretary pursuant to a permit, to the Secretary.

(e) Rulemaking. The Secretary, after consultation with the Department of Health, the Wastewater and Potable Water Supply Technical Advisory Committee, private laboratories, and other interested parties, shall adopt by rule requirements regarding:

(1) when, prior to use of a new groundwater source, the test required under subsection (b) of this section shall be conducted;

(2) who shall be authorized to sample the source for the test required under subsections (b) and (c) of this section, provided that the rule shall include the person who owns or controls the groundwater source and licensed well drillers among those authorized to sample the source;

(3) how a water sample shall be collected in order to comply with the requirements of the analyses to be performed; and

(4) any other requirements necessary to implement this section.

(f) Marketability of title. Noncompliance with the requirements of this section shall not affect the marketability of title or create a defect in title of a property, provided water test results required under this section are forwarded, prior to the conveyance of the property, to the Department of Health and, when required by the Secretary pursuant to a permit, to the Agency.

Sec. 4. AGENCY OF NATURAL RESOURCES; GROUNDWATER
SOURCE TESTING; RULEMAKING

The Secretary of Natural Resources shall commence rulemaking under 10 V.S.A. § 1982 on or before July 1, 2017. The Secretary shall adopt rules under 10 V.S.A. § 1982 on or before January 1, 2018.

Sec. 5. 18 V.S.A. § 501b is amended to read:

§ 501b. CERTIFICATION OF LABORATORIES

(a) The ~~commissioner~~ Commissioner may certify a laboratory that meets the standards currently in effect of the National Environmental Laboratory Accreditation Conference and is accredited by an approved National Environmental Laboratory Accreditation Program accrediting authority or its equivalent to perform the testing and monitoring:

(1) required under 10 V.S.A. chapter 56 and the federal Safe Drinking Water Act; and

(2) of water from a potable water supply, as that term is defined in 10 V.S.A. § 1972(6).

(b)(1) The ~~commissioner~~ Commissioner may by order suspend or revoke a certificate granted under this section, after notice and opportunity to be heard, if the ~~commissioner~~ Commissioner finds that the certificate holder has:

(A) submitted materially false or materially inaccurate information; or

(B) violated any material requirement, restriction, or condition of the certificate; or

(C) violated any statute, rule, or order relating to this title.

(2) The order shall set forth what steps, if any, may be taken by the certificate holder to relieve the holder of the suspension or enable the certificate holder to reapply for certification if a previous certificate has been revoked.

(c) A person may appeal the suspension or revocation of the certificate to the ~~board~~ Board under section 128 of this title.

* * *

(f) A laboratory certified to conduct testing of groundwater sources or water supplies from for use by a potable water supply, as that term is defined in 10 V.S.A. § 1972(6), including under the requirements of 10 V.S.A. § 1982, shall submit the results of groundwater analyses to the ~~department of health and the agency of natural resources~~ Department of Health in a format required by the ~~department of health~~ Department of Health.

Sec. 6. 10 V.S.A. § 1974 is amended to read:

§ 1974. EXEMPTIONS

Notwithstanding any other requirements of this chapter, the following projects and actions are exempt:

* * *

(8) From the permit required for operation of failed supply under subdivision 1973(a)(4) of this title for the use or operation of a failed supply that consists of only one groundwater source that provides water to only one single family residence.

* * * Chemicals of High Concern to Children * * *

Sec. 7. 18 V.S.A. § 1775(b) is amended to read:

(b) Format for notice. The Commissioner shall specify the format for submission of the notice required by subsection (a) of this section, provided that the required format shall be generally consistent with the format for submission of notice in other states with requirements substantially similar to the requirements of this section. Any notice submitted under subsection (a) shall contain the following information:

(1) the name of the chemical used or produced and its chemical abstracts service registry number;

(2) a description of the product or product component containing the chemical, including: the brand name, the product model, and the universal product code if the product has such a code;

(3) the amount of the chemical contained in each unit of the product or product component, reported by weight or parts per million as authorized by the Commissioner;

(4) the name and address of the manufacturer of the children's product and the name, address, and telephone number of a contact person for the manufacturer;

(5) any other information the manufacturer deems relevant to the appropriate use of the product; and

(6) any other information required by the Commissioner under rules adopted pursuant to 3 V.S.A. chapter 25.

Sec. 8. 18 V.S.A. § 1776 is amended to read:

§ 1776. RULEMAKING; ADDITIONAL CHEMICALS OF CONCERN TO CHILDREN; PROHIBITION OF SALE

* * *

(b) Additional chemicals of concern to children. The Commissioner may by rule add additional chemicals to the list of chemicals of high concern to children, provided that the Commissioner of Health, on the basis of ~~the weight of credible~~ independent, peer-reviewed, scientific ~~evidence has~~ research, determined determines that a chemical proposed for addition to the list meets both of the following criteria in subdivisions (1) and (2) of this subsection:

(1) The Commissioner of Health has determined that an authoritative governmental entity or accredited research university has demonstrated that the chemical:

(A) harms the normal development of a fetus or child or causes other developmental toxicity;

(B) causes cancer, genetic damage, or reproductive harm;

(C) disrupts the endocrine system;

(D) damages the nervous system, immune system, or organs or causes other systemic toxicity; or

(E) is a persistent bioaccumulative toxic.

(2) The chemical has been found through:

(A) biomonitoring to be present in human blood, umbilical cord blood, breast milk, urine, or other bodily tissues or fluids;

(B) sampling and analysis to be present in household dust, indoor air, drinking water, or elsewhere in the home environment; or

(C) monitoring to be present in fish, wildlife, or the natural environment.

* * *

(d) Rule to regulate sale or distribution.

(1) The Commissioner, ~~upon the recommendation of~~ after consultation with the Chemicals of High Concern to Children Working Group, may adopt a rule to regulate the sale or distribution of a children's product containing a

chemical of high concern to children upon a determination that:

~~(A) children will~~ may be exposed to a chemical of high concern to children in the children's product; ~~and~~

~~(B) there is a probability that, due to the degree of exposure or frequency of exposure of a child to a chemical of high concern to children in a children's product, exposure could cause or contribute to one or more of the adverse health impacts listed under subdivision (b)(1) of this section.~~

(2) In determining whether children ~~will~~ may be exposed to a chemical of high concern in a children's product, the Commissioner shall review available, credible information regarding:

(A) the market presence of the children's product in the State;

(B) the type or occurrence of exposures to the relevant chemical of high concern to children in the children's product;

(C) the household and workplace presence of the children's product; or

(D) the potential ~~and frequency~~ of exposure of children to the chemical of high concern to children in the children's product.

(3) A rule adopted under this section may:

(A) prohibit the children's product containing the chemical of high concern to children from sale, offer for sale, or distribution in the State; or

(B) require that the children's product containing the chemical of high concern to children be labeled prior to sale, offer for sale, or distribution in the State.

(4) In any rule adopted under this subsection, the Commissioner shall adopt reasonable time frames for manufacturers, distributors, and retailers to comply with the requirements of the rules. No prohibition on sale or manufacture of a children's product in the State shall take effect sooner than two years after the adoption of a rule adopted under this section unless the Commissioner determines that an earlier effective date is required to protect human health and the new effective date is established by rule.

(5) The Chemicals of High Concern to Children Working Group may, at its discretion, submit to the House Committees on Natural Resources, Fish and Wildlife and on Human Services and the Senate Committees on Natural Resources and Energy and on Health and Welfare the recommendations or information from a consultation provided to the Commissioner under subdivision (1) of this subsection.

* * *

* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES

(a) This section and Secs. 1 (Intergovernmental Committee on Chemical Management), 2 (report on toxic use reduction and reporting), and 4 (groundwater testing rulemaking) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2018, except that 10 V.S.A. § 1982(e) in Sec. 3 shall take effect on passage.

Rep. Masland of Thetford, for the committee on Ways and Means, recommended that House propose to the Senate to amend the bill as recommended by the committee on Natural Resources, Fish & Wildlife

Rep. Feltus of Lyndon for the committee on Appropriations recommended the bill ought to pass in concurrence with proposal of amendment as recommended by the committee on Natural Resources, Fish & Wildlife and when amended as follows:

In Sec.1, 10 V.S.A. § 6633, in subsection (f), by adding subdivision (4) to read as follows:

(4) The Intergovernmental Committee on Chemical Management shall meet no more than four times in a calendar year.

Appearing on the Calendar for notice one day, was taken up, read the second time and report of the committee on Appropriations was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Natural Resources, Fish & Wildlife, as amended? **Rep. Long of Newfane** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Natural Resources, Fish & Wildlife, as amended? was decided in the affirmative. Yeas, 93. Nays, 52.

Those who voted in the affirmative are:

Ancel of Calais	Gardner of Richmond	Murphy of Fairfax
Bartholomew of Hartland	Giambatista of Essex	Noyes of Wolcott
Belaski of Windsor	Gonzalez of Winooski	Ode of Burlington
Bissonnette of Winooski	Grad of Moretown	Olsen of Londonderry
Bock of Chester	Greshin of Warren	O'Sullivan of Burlington
Botzow of Pownal	Haas of Rochester	Poirier of Barre City
Briglin of Thetford	Head of South Burlington	Potter of Clarendon
Browning of Arlington	Hill of Wolcott	Pugh of South Burlington
Brumsted of Shelburne	Hooper of Montpelier	Rachelson of Burlington
Buckholz of Hartford	Hooper of Brookfield	Scheu of Middlebury
Burke of Brattleboro	Houghton of Essex	Sharpe of Bristol
Carr of Brandon	Howard of Rutland City	Sheldon of Middlebury

Chesnut-Tangerman of Middletown Springs	Jessup of Middlesex	Sibilia of Dover
Christensen of Weathersfield	Jickling of Brookfield	Squirrell of Underhill
Christie of Hartford	Joseph of North Hero	Stevens of Waterbury
Cina of Burlington	Keenan of St. Albans City	Stuart of Brattleboro
Colburn of Burlington	Kimbell of Woodstock	Sullivan of Dorset
Conlon of Cornwall	Kitzmiller of Montpelier	Sullivan of Burlington
Connor of Fairfield	Krowinski of Burlington	Till of Jericho
Conquest of Newbury	Lalonde of South Burlington	Toleno of Brattleboro
Copeland-Hanzas of Bradford	Lanpher of Vergennes	Toll of Danville
Corcoran of Bennington	Lippert of Hinesburg	Townsend of South Burlington
Dakin of Colchester	Long of Newfane	Trieber of Rockingham
Deen of Westminster	Lucke of Hartford	Troiano of Stannard
Donovan of Burlington	Macaig of Williston	Walz of Barre City
Dunn of Essex	Masland of Thetford	Webb of Shelburne
Emmons of Springfield	McCormack of Burlington	Weed of Enosburgh
Fields of Bennington	McCullough of Williston	Wood of Waterbury
Forguites of Springfield	Miller of Shaftsbury	Wright of Burlington
Gannon of Wilmington	Morris of Bennington	Yacovone of Morristown
	Morrissey of Bennington	Yantachka of Charlotte
	Mrowicki of Putney	

Those who voted in the negative are:

Ainsworth of Royalton	Gage of Rutland City	Norris of Shoreham
Bancroft of Westford	Gamache of Swanton	Parent of St. Albans Town
Baser of Bristol	Graham of Williamstown	Pearce of Richford
Batchelor of Derby	Harrison of Chittenden	Quimby of Concord
Beck of St. Johnsbury	Hebert of Vernon	Rosenquist of Georgia
Beyor of Highgate	Helm of Fair Haven	Savage of Swanton
Brennan of Colchester	Higley of Lowell	Scheuermann of Stowe
Burditt of West Rutland	Hubert of Milton	Shaw of Pittsford
Canfield of Fair Haven	Juskiewicz of Cambridge	Smith of Derby
Condon of Colchester	Keefe of Manchester	Smith of New Haven
Cupoli of Rutland City	Lawrence of Lyndon	Strong of Albany
Devereux of Mount Holly	Lefebvre of Newark	Taylor of Colchester
Dickinson of St. Albans Town	Lewis of Berlin	Turner of Milton
Donahue of Northfield	Marcotte of Coventry	Van Wyck of Ferrisburgh
Fagan of Rutland City	McCoy of Poultney	Viens of Newport City
Feltus of Lyndon	McFaun of Barre Town	Willhoit of St. Johnsbury
Frenier of Chelsea	Myers of Essex	Young of Glover
	Nolan of Morristown	

Those members absent with leave of the House and not voting are:

LaClair of Barre Town	Partridge of Windham
Martel of Waterford	Terenzini of Rutland Town

Thereupon, third reading was ordered.

**Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed**

H. 22

The Senate proposed to the House to amend House bill, entitled

An act relating to the professional regulation of law enforcement officers by the Vermont Criminal Justice Training Council

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council), by striking out section 2355 (Council powers and duties) in its entirety and inserting in lieu thereof the following:

§ 2355. COUNCIL POWERS AND DUTIES

(a) The Council shall adopt rules with respect to:

* * *

(10) a definition of criminal justice personnel and criminal justice training for purposes of this title; and

(11) ~~decertification of persons who have been convicted of a felony subsequent to their certification as law enforcement officers; [Repealed.]~~

(12) ~~decertification of persons who have not complied with in-service training requirements, provided that the Council, through permitting its Executive Director, may to grant up to a 60-day waiver to a law enforcement officer who has failed to meet his or her annual in-service training requirements but who is able to complete those training requirements within that 60-day period the time period permitted by the Executive Director.~~

(b) The Council shall conduct and administer training schools and offer courses of instruction for law enforcement officers and other criminal justice personnel. The Council may also offer the basic officer's course for pre-service students and educational outreach courses for the public, including firearms safety and use of force.

* * *

(f) The Council shall charge participants or employers of participants in law enforcement training programs as follows:

* * *

(2) The tuition fees for training not required under section 2358 of this chapter shall be set to reflect the actual costs for operation of the particular programs offered, with an additional \$30.00 entrance exam fee assessed on all training, except educational outreach courses for the public.

* * *

Second: In Sec. 1, in 20 V.S.A. § 2362a (potential hiring agency; duty to contact former agency), by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b)(1)(A) If that former agency is a law enforcement agency in this State, the executive officer of that former agency or designee shall disclose to the potential hiring agency in writing the reason the officer is no longer employed by the former agency.

(B) The executive officer or designee shall send a copy of the disclosure to the officer at the same time he or she sends it to the potential hiring agency.

(2) Such a former agency shall be immune from liability for its disclosure described in subdivision (1) of this subsection, unless such disclosure would constitute intentional misrepresentation or gross negligence.

Third: In Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council), in section 2401 (definitions), in subdivision (2) (“Category B conduct”), after the following: “amounting to actions on duty or under color of authority, or both, that involve” by inserting the following: willful failure to comply with a State-required policy or

Fourth: In Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council), by striking out section 2406 (permitted Council sanctions) in its entirety and inserting in lieu thereof the following:

§ 2406. PERMITTED COUNCIL SANCTIONS

(a) Generally. The Council may impose any of the following sanctions on a law enforcement officer’s certification upon its finding that a law enforcement officer committed unprofessional conduct:

(1) written warning;

(2) suspension, but to run concurrently with the length and time of any suspension imposed by a law enforcement agency with an effective internal affairs program, which shall amount to suspension for time already served if an officer has already served a suspension imposed by his or her agency with such a program;

(3) revocation, with the option of recertification at the discretion of the Council; or

(4) permanent revocation.

(b) Intended revocation; temporary voluntary surrender.

(1)(A) If, after an evidentiary hearing, the Council intends to revoke a law enforcement officer’s certification due to its finding that the officer

committed unprofessional conduct, the Council shall issue a decision to that effect.

(B) Within 10 business days from the date of that decision, such an officer may voluntarily surrender his or her certification if there is a pending labor proceeding related to the Council's unprofessional conduct findings.

(C) A voluntary surrender of an officer's certification shall remain in effect until the labor proceeding and all appeals are finally adjudicated or until the officer requests a final sanction hearing, whichever occurs first, and thereafter until the Council's final sanction hearing on the matter. At that hearing, the Council may modify its findings and decision on the basis of additional evidence.

(2) If an officer fails to voluntarily surrender his or her certification in accordance with subdivision (1) of this subsection, the Council's original findings and decision shall take effect.

Fifth: In Sec. 2 (transitional provisions to implement this act), by adding a new subsection to be letter subsection (g) to read as follows:

(g) Council, OPR; joint report. On or before October 1, 2017, the Executive Director of the Vermont Criminal Justice Training Council and the Director of the Office of Professional Regulation (Office) shall consult with law enforcement stakeholders and report to the Senate and House Committees on Government Operations on a proposal for the Office to perform duties related to the professional regulation of law enforcement officers.

Sixth: In Sec. 2 (transitional provisions to implement this act), in subsection (a) (effective internal affairs programs), in subdivision (1) (law enforcement agencies), following the words "On or before" by striking out the following: "January 1, 2018" and inserting in lieu thereof the following: July 1, 2018

Seventh: In Sec. 2 (transitional provisions to implement this act), in subsection (a) (effective internal affairs programs), in subdivision (2) (Vermont Criminal Justice Training Council), following the words "On or before" by striking out the following: "October 1, 2017" and inserting in lieu thereof the following: April 1, 2018

Eighth: In Sec. 2 (transitional provisions to implement this act), in subsection (f) (annual report of Executive Director), following "Annually, on or before January 15, beginning in the year" by striking out the following: "2018 and ending in the year 2021" and inserting in lieu thereof the following: 2019 and ending in the year 2022

Ninth: By striking out in Sec. 6 (effective dates) its entirety and inserting in

lieu thereof after the reader assistance the following:

Sec. 6. EFFECTIVE DATES

This act shall take effect on July 1, 2018, except:

(1) this section and Sec. 2 (transitional provisions to implement this act) shall take effect on passage; and

(2) the following shall take effect on July 1, 2017:

(A) in Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council):

(i) § 2351 (creation and purpose of Council);

(ii) § 2351a (definitions);

(iii) § 2352 (Council membership);

(iv) § 2354 (Council meetings);

(v) § 2355 (Council powers and duties), except that subsection (a) shall take effect on July 1, 2018;

(vi) § 2358 (minimum training standards; definitions); and

(vii) § 2362a (potential hiring agency; duty to contact former agency);

(B) Sec. 3, 20 V.S.A. § 1812 (definitions); and

(C) Sec. 4, 20 V.S.A. § 1922 (creation of State Police Advisory Commission; members; duties).

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Townsend of South Burlington** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Townsend of South Burlington

Rep. LaClair of Barre Town

Rep. Gardner of Richmond

Rules Suspended; Bill Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

H. 22

House bill, entitled

An act relating to the professional regulation of law enforcement officers by the Vermont Criminal Justice Training Council

Message from the Senate No. 67

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposals of amendment to Senate bill entitled:

S. 34. An act relating to cross-promoting development incentives and State policy goals.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Pollina
Senator Collamore
Senator Starr

The Senate has considered House proposals of amendment to Senate bill entitled:

S. 112. An act relating to creating the Spousal Support and Maintenance Task Force.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The President announced the appointment as members of such Committee on the part of the Senate:

Senator White
Senator Sears
Senator Flory

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

H. 516. An act relating to miscellaneous tax changes.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Cummings
Senator MacDonald
Senator Degree

Committee of Conference Appointed**S. 34**

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

An act relating to cross-promoting development incentives and State policy goals

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Lawrence of Lyndon

Rep. Carr of Brandon

Rep. Sullivan of Dorset

Committee of Conference Appointed**S. 112**

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

An act relating to creating the Spousal Support and Maintenance Task Force

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Lalonde of South Burlington

Rep. Viens of Newport City

Rep. Jessup of Middlesex

Adjournment

At six o'clock and fourteen minutes in the evening, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.

Friday, May 5, 2017

At nine o'clock and thirty minutes in the forenoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Rep. Christie of Hartford.

Pages Honored

In appreciation of their many services to the members of the General Assembly, the Speaker recognized the following named Pages who are completing their service today and presented them with commemorative pins:

Eusebio Aja, III of Barre
Hannah Cawley of Colchester
Summer Chabot of Vergennes
Aine Fannon of Adamant
Isabella Gaffney of Starksboro
Megan Humphrey of Milton
Owen Kemerer of Essex Junction
Charlotte Mays of Warren
Rileigh Steinhour of Richford

House Bill Introduced

H. 539

By Rep. Chesnut-Tangerman of Middletown Springs,

House bill, entitled

An act relating to mandatory incarceration for a third DUI offense;

To the committee on Judiciary.

Remarks Journalized

On motion of **Rep. Lucke of Hartford**, the following remarks by **Rep. Gonzalez of Winooski** were ordered printed in the Journal:

“Madam Speaker,

Today is May 5th. Or, if we say it in Spanish “Cinco de Mayo.” This is a historic day celebrating the resilience of Mexicans and Mexican-Americans. In 1862 France attempted to invade Mexico. France at the time was the most powerful army in the world. Mexican fighters, most untrained and many indigenous or mestizo, fought off the French in an epic battle in the town of Puebla. While 1 year later the French returned and ultimately it took 4 more years to fully defeat the French, Mexican-Americans took pride in winning this battle. As we know, the US was in our civil war at the time, with the French signaling they would support the Confederacy. Mexican-Americans overall and particularly those living in the free state of CA, those with African heritage, and those fighting alongside the Union, celebrated the Mexican win and gave them renewed confidence to fight for the Union.

Mexican-Americans continued to celebrate Cinco de Mayo as a low key holiday. That is, until the 1960s when the Chicana movement began. This movement fought for civil rights for Mexican Americans. At that time this holiday rose to greater significance. The significance of celebrating yourself and others winning your liberation against terrible odds.

Many of you may be seeing the parallels between Cinco de Mayo and St.

Patrick's day. Both come from an ethnic group in the US who celebrate an event of perseverance and triumph from their home country. And neither holiday is celebrated in their home country.

Both ethnic groups have experienced systematic exclusion from many aspects of American life, fueled in part by stereotypes such as being heavy drinkers. And while Irish-Americans have long ago been accepted into mainstream, the stereotype has persisted. The alcohol industry took these uniquely American holidays of liberation, played off of stereotypes and turned them into days of libations.

As a Mexican-American with Irish-American heritage, I am proud my family includes generations of fighters for liberation. Currently on the national level Mexican and Mexican-Americans are once again being scapegoated and targeted. Here in VT we continue to renew our dedication to supporting all Vermonters.

So, if you celebrate Cinco de Mayo today you will be celebrating a uniquely American holiday that celebrates Mexican-Americans (including our indigenous, African, and European heritage), Celebrating Mexican-Americans fighting for liberation against tough odds. If you celebrate today, I encourage you to celebrate the people who fought and are still fighting, and who are defying stereotypes while doing so.”

**Third Reading; Bill Passed in Concurrence
With Proposal of Amendment**

S. 131

Senate bill, entitled

An act relating to State's Attorneys and sheriffs

Was taken up, read the third time and passed in concurrence with proposal of amendment.

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed**

H. 495

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to miscellaneous agriculture subjects

Was taken up for immediate consideration.

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Administrative Penalty Process * * *

Sec. 1. 6 V.S.A. § 13 is amended to read:

§ 13. ASSURANCES OF DISCONTINUANCE

(a) As an alternative to administrative or judicial proceedings, the ~~secretary~~ Secretary may accept an assurance of discontinuance of any violation. An assurance of discontinuance may include, ~~but need not be limited to:~~

- (1) specific actions to be taken;
- (2) abatement or mitigation schedules;
- (3) payment of a civil or administrative penalty and the costs of investigation; or
- (4) payment of an amount to be held in escrow pending the outcome of an action, or as restitution to aggrieved persons.

(b) An assurance of discontinuance shall be in writing, and may by its terms be filed with the ~~superior court~~ Superior Court having jurisdiction over the subject matter and become an order of the court. Evidence of a violation of an assurance of discontinuance shall be prima facie proof of the violation.

(c) Any violation of an assurance of discontinuance shall constitute a separate and distinct offense of the underlying regulatory program and shall be subject to the applicable general penalties for violations of the law under that program, in addition to any other applicable penalties.

(d) Costs of investigations collected under subsection (a) of this section shall be credited to a special fund and shall be available to the ~~agency~~ Agency to offset these costs.

Sec. 2. 6 V.S.A. § 16 is amended to read:

§ 16. NOTICE AND FAIR HEARING REQUIREMENTS

(a) The ~~secretary~~ Secretary shall use the following procedures in assessing the penalty under section 15 of this title: the alleged violator shall be given an opportunity for hearing after reasonable notice and the notice shall be served by personal service or by certified mail, ~~return receipt requested~~ sent to the last address of record on file with the Agency. If the alleged violator is not an applicant for or holder of a license, permit, registration, or certification issued by the Agency, the notice shall be served by personal service or by certified mail, return receipt requested. The notice shall include:

- (1) a A statement of the legal authority and jurisdiction under which the hearing is to be held;
- (2) a A statement of the matter at issue, including reference to the

particular statute or administrative rule allegedly violated and a factual description of the alleged violation;

(3) ~~the~~ The amount of the proposed administrative penalty; and required corrective action, abatement, or mitigation.

(4) ~~a~~ A warning that the decision shall become final and the penalty shall be imposed if no hearing is requested within 15 days of ~~receipt~~ service of the notice. The notice shall specify the requirements ~~which that~~ that must be met in order to avoid being deemed to have waived the right to a hearing, or the manner of payment if the person elects to pay the penalty and waive a hearing.

(b) Any person who receives notification pursuant to this section shall be deemed to have waived the right to a hearing unless, within 15 days of the receipt of the notice, the person requests a hearing in writing. If the person waives the right to a hearing, the ~~secretary~~ Secretary shall issue a final order finding the person in default and imposing the penalty and any required corrective action, abatement, or mitigation. A copy of the final default order shall be ~~sent to~~ served upon the violator by certified mail, return receipt requested, or by personal service.

(c) When an alleged violator requests a hearing in a timely fashion, the ~~secretary~~ Secretary shall hold the hearing pursuant to 3 V.S.A. chapter 25.

Sec. 3. 6 V.S.A. § 17 is amended to read:

§ 17. COLLECTIONS

(a) The ~~secretary~~ Secretary may collect an unpaid administrative or civil penalty by filing a civil collection action in any ~~district or superior court,~~ Superior Court or through any other means available to ~~state~~ State agencies.

(b) The ~~secretary~~ Secretary may, subject to 3 V.S.A. chapter 25, suspend any license, certificate, registration, or permit issued pursuant to his or her authority for failure to pay a penalty under this chapter more than ~~60~~ 45 days after the penalty was ~~issued~~ imposed by order and served.

* * * Acceptance of Gifts of Real Property * * *

Sec. 4. 6 V.S.A. § 14 is amended to read:

§ 14. ACCEPTANCE OF GIFTS OF REAL PROPERTY

The ~~secretary~~ Secretary, with the approval of the ~~governor~~ Governor, may accept gifts of the rights and interests in real property in the manner provided by 10 V.S.A. chapter 155. Rights or interests in real property acquired by the Secretary through transactions funded in whole or in part by the Vermont Housing and Conservation Board are deemed as accepted by the Governor.

* * * Meat Inspection * * *

Sec. 5. 6 V.S.A. § 3306(i) is amended to read:

(i) All applicants for licensure or relicensure as a commercial slaughter facility shall submit a written humane livestock handling plan or a good commercial practices plan for poultry for review and approval by the Secretary of Agriculture, Food and Markets or designee. The Secretary may suspend, revoke, or condition any commercial slaughter facility license, after notice and opportunity for hearing, for a licensee's failure to adhere to the written plan.

* * * Weights and Measures * * *

Sec. 6. 9 V.S.A. § 2730(c) is amended to read:

(c) Any person wishing to obtain a license to operate a weighing or measuring device shall annually apply to the Secretary, on forms provided by the Secretary, on or before January 1. Each application shall be accompanied by a fee as specified in this section. Except for new applicants, any applicant who applies for a license after January 1 shall pay ~~an additional late fee equal to 10 percent of the specified fee~~ a late fee as provided for under 6 V.S.A. § 1(a)(13).

* * * Working Lands * * *

Sec. 7. 6 V.S.A. § 4607(b) is amended to read:

(b) Powers. The Vermont Working Lands Enterprise Board shall have the authority:

* * *

(6) to establish an application process ~~and~~, eligibility criteria, and criteria for prioritizing assistance 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;~~

* * *

Sec. 8. WORKING LANDS ENTERPRISE BOARD; CRITERIA FOR PRIORITIZING AWARDS

On or before January 15, 2018, the Secretary of Agriculture, Food and Markets shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry the guidelines that the Working Lands Enterprise Board shall use in prioritizing awards of assistance under 10 V.S.A. § 4607(b)(6).

* * * Multi-year Licensing * * *

Sec. 9. 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 shall be administered by a Secretary of Agriculture, Food and Markets. The 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 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 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~~ the 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 ~~where~~ for which the annual fee is more than ~~\$125.00~~ \$175.00. The Secretary shall only provide refunds for overpayments of \$25.00 or more on a license, permit, registration, or certificate issued by the Secretary. The Secretary may assess a late fee of \$27.00, provided that the late fee is no greater than the fee due, in which case the late fee shall equal the fee due, for any license, registration, permit, or certification renewal that is received more than 30 days past expiration, unless a higher late renewal fee is otherwise prescribed by statute.

* * *

* * * Subsurface Tile Drainage * * *

Sec. 10. 6 V.S.A. § 4810a(b) is amended to read:

(b)(1) On or before December 1, 2019, and prior to prefiling a rule under 3 V.S.A. § 837, the Secretary of Agriculture, Food and Markets shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry draft rules amending the required agricultural practices, in order to include requirements for reducing nutrient contribution to waters of the State from subsurface tile drainage. On or before ~~January 15, 2018~~ July 1, 2020, the Secretary of Agriculture, Food and Markets shall ~~amend by rule~~ initiate rulemaking to amend the required agricultural practices, in order to include requirements for reducing nutrient contribution to waters of the State from subsurface tile drainage. Upon adoption of requirements for subsurface tile drainage, the Secretary may require an existing subsurface tile drain to comply with the requirements of the RAPs for subsurface tile drainage, upon a

determination that compliance is necessary to reduce adverse impacts to water quality from the subsurface tile drain.

(2)(A) Beginning on July 1, 2017, the Secretary of Natural Resources, in consultation with the Secretary of Agriculture, Food and Markets, shall establish a program to map the location of subsurface tile drainage on farms in the State and to monitor, to the extent possible, the water quality effects of subsurface tile drainage on State waters. Beginning on January 1, 2018, and annually thereafter, the Secretary of Natural Resources shall submit to the Senate Committees on Natural Resources and Energy and on Agriculture and the House Committees on Natural Resources, Fish and Wildlife and on Agriculture and Forestry a report that includes:

(i) a map of identified subsurface tile drainage in the State; and

(ii) a list of the specific response or enforcement actions taken by the Agency of Natural Resources or the Agency of Agriculture, Food and Markets to address the effects of subsurface tile drainage on the waters of the State.

(B) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report required by this section.

* * * Use Value Appraisal; Agricultural Lands * * *

Sec. 11. 32 V.S.A. § 3752 is amended to read:

§ 3752. DEFINITIONS

As used in this subchapter:

(1) "Agricultural land" means any land, exclusive of any housesite, in active use to grow hay or cultivated crops, pasture livestock ~~or to~~ cultivate trees bearing edible fruit, or produce an annual maple product, and ~~which that~~ is 25 acres or more in size, except as provided in this subdivision (1). Agricultural land shall include buffer zones as defined and required in the Agency of Agriculture, Food and Markets' Required Agricultural Practices rule adopted under 6 V.S.A. chapter 215. There shall be a presumption that the land is used for agricultural purposes if:

(A) it is owned by a farmer and is part of the overall farm unit; or

(B) it is used by a farmer as part of his or her farming operation under written lease for at least three years; or

(C) it has produced an annual gross income from the sale of farm crops in one of two, or three of the five, calendar years preceding of at least:

(i) \$2,000.00 for parcels of up to 25 acres; and

(ii) \$75.00 per acre for each acre over 25, with the total income required not to exceed \$5,000.00.

(iii) Exceptions to these income requirements may be made in cases of orchard lands planted to ~~fruit-producing~~ fruit-producing trees, bushes, or vines ~~which that~~ are not yet of bearing age. As used in this section, the term “farm crops” also includes animal fiber, cider, wine, and cheese, produced on the enrolled land or on a housesite adjoining the enrolled land, from agricultural products grown on the enrolled land.

* * *

(14) “Farm buildings” means all farm buildings and other farm improvements ~~which that~~ are actively used by a farmer as part of a farming operation, are owned by a farmer or leased to a farmer under a written lease for a term of three years or more, and are situated on land that is enrolled in a use value appraisal program or on a housesite adjoining enrolled land. “Farm buildings” shall include up to \$100,000.00 of the value of a farm facility processing farm crops, a minimum of 75 percent of which are produced on the farm and shall not include any dwelling, other than a dwelling in use during the ~~preceding tax year~~ prior 12 months exclusively to house one or more farm employees, as defined in 9 V.S.A. § 4469a, and their families, as a nonmonetary benefit of the farm employment. This subdivision shall not affect the application of the definition of “farming” in 10 V.S.A. § 6001(22) or the definition of “farm structure” in 24 V.S.A. § 4413(d)(1).

* * *

Sec. 12. 32 V.S.A. § 3755 is amended to read:

§ 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

(a) Except as modified by subsection (b) of this section, any agricultural land, managed forestland, and farm buildings ~~which that~~ meet the criteria contained in this subchapter and in the ~~regulations~~ rules adopted by the Board shall be eligible for use value appraisal.

* * *

(d) After ~~a parcel of~~ managed forestland has been removed from use value appraisal due to an adverse inspection report under subdivision 3756(i)(1) of this title, a new application for use value appraisal ~~will~~ shall not be considered for a period of five years, and then shall be approved by the Department of Forests, Parks and Recreation only if a compliance report has been filed with the new application, certifying that appropriate measures have been taken to bring the parcel into compliance with minimum acceptable standards for forest or conservation management.

* * *

(f) On or before ~~September~~ November 1 of each year, the owner of agricultural land or buildings enrolled in the use value appraisal 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.

* * * Raw Milk * * *

Sec. 13. 6 V.S.A. § 2776 is amended to read:

§ 2776. DEFINITIONS

In this chapter:

(1) “Consumer” means a customer who purchases, barter for, receives delivery of, or otherwise acquires unpasteurized milk according to the requirements of this chapter.

(2) “Milk” shall have the same meaning as set forth in section 2672 of this title.

(3) “Personal consumption” means the use by a consumer of unpasteurized milk for food or to create a food product made with or from unpasteurized milk that is intended to be ingested by the consumer, members of his or her household, or any nonpaying guests.

~~(3)~~(4) “Unpasteurized milk” or “unpasteurized (raw) milk” means milk that is unprocessed.

~~(4)~~(5) “Unprocessed” means milk that has not been modified from the natural state it was in as it left the animal, other than filtering, packaging, and cooling.

* * * Department of Forests, Parks and Recreation;

Water Quality Assistance * * *

Sec. 14. 10 V.S.A. § 2622a is added to read:

§ 2622a. WATER QUALITY ASSISTANCE PROGRAM

(a) Creation of program. There is established the Water Quality Assistance Program under which the Commissioner of Forests, Parks and Recreation shall provide technical and financial assistance to timber harvesters and others for compliance with water quality requirements in the State. The Commissioner of Forests, Parks and Recreation shall coordinate with natural resources conservation districts in the implementation of the Program.

(b) Eligible assistance. Under the Program, the Commissioner of Forests, Parks and Recreation is authorized to expend monies for the following activities in order to facilitate compliance with water quality requirements:

(1) Award financial assistance in the form of grants to timber harvesters and others to purchase or construct skidder bridges and other equipment.

(2) Purchase premade skidder bridges and other equipment to loan or lease to timber harvesters and others.

(3) Purchase available, premade skidder bridges and other equipment and provide those bridges or equipment to cooperating processing plants for sale to timber harvesters and others at cost, subject to storage and handling fees.

(4) If premade skidder bridges are not available on the commercial market, issue in a calendar year two requests for proposal for the construction of skidder bridges for delivery to cooperating processing plants for sale to timber harvesters and others at cost, subject to storage and handling fees. The Commissioner shall issue one request for proposal for the northern part of the State and one request for proposal for the southern part of the State.

(c) Financial assistance. An applicant for a grant under this section shall pay at least 10 percent of the total cost of the equipment. The dollar amount of a State grant shall be equal to the total cost of the equipment, less 10 percent of the total as paid by the applicant. A grant awarded under this section shall be awarded in accordance with terms and conditions established by the Commissioner.

(d) Spill kit. The Commissioner shall provide a person who purchases, constructs, or loans out a skidder bridge under subsection (b) of this section with a spill kit for containing or absorbing fluids released during timber harvesting activities.

Sec. 15. APPROPRIATIONS

Of the capital funds appropriated to the Agency of Natural Resources in FY 2018 for ecosystem restoration and protection, up to \$50,000.00 shall be used by the Department of Forests, Parks and Recreation for implementation of the Water Quality Assistance Program under 10 V.S.A. § 2622a.

* * * Forestry Equipment; Sales Tax; Gasoline Tax; Diesel Tax * * *

Sec. 16. 23 V.S.A. chapter 28, subchapter 1 is amended to read:

Subchapter 1: General Gasoline Tax

§ 3101. DEFINITIONS

As used in this chapter:

* * *

(3) As used in this subchapter, “gasoline or other motor fuel” or “motor fuel” shall not include the following: kerosene, ~~diesel oil~~ clear or undyed

diesel “fuel” as defined in section 3002 of this title, “railroad fuel” as defined in section 3002 of this title, aircraft jet fuel, or natural gas in any form. Except for “railroad fuel” taxed under section 3003 of this title, the taxation or exemption from taxation of dyed diesel fuel is not addressed under this title.

* * *

Sec. 17. 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.

* * *

(7)(A) Sales Except as provided in subdivision (B) of this subdivision (7), sales of:

(i) motor fuels taxed or exempted under 23 V.S.A. chapter 28;

(ii) dyed diesel used to power machinery described in subdivision (51) of this section; and

(iii) dyed diesel used to propel a vehicle off the highways of the State.

(B) provided, however, that aviation Aviation jet fuel and natural gas used to propel a motor vehicle shall be taxed under this chapter with the proceeds to be allocated to the ~~transportation fund~~ Transportation Fund in accordance with 19 V.S.A. § 11.

* * *

(51) The following machinery, including repair parts, used for timber cutting, timber removal, and processing of timber or other solid wood forest products intended to be sold ultimately at retail: skidders with grapple and cable, feller bunchers, cut-to-length processors, forwarders, delimiters, loader slashers, log loaders, whole-tree chippers, stationary screening systems, and firewood processors, elevators, and screens. The Department of Taxes shall publish guidance relating to the application of this exemption.

Sec. 18. 32 V.S.A. § 9706 is amended to read:

§ 9706. STATUTORY PURPOSES

* * *

(d) The statutory purpose of the exemption for fuels for railroads and boats, to propel vehicles, and to power machinery used in the timber industry, in subdivision 9741(7) of this title is to avoid the taxation of fuels;

(1) for the types of transportation for which public expenditure on infrastructure is unnecessary;

(2) that are already subject to taxation under 23 V.S.A. chapter 27 or 28 in support of public expenditure on infrastructure or are specifically exempt from taxation under either of those chapters; and

(3) in order to promote Vermont's commercial timber and forest products economy.

* * *

(kk) The statutory purpose of the exemption for timber cutting, removal, and processing machinery in subdivision 9741(51) of this title is to promote Vermont's commercial timber and forest products economy.

* * *Nutrient Management Plans* * *

Sec. 18a. 6 V.S.A. § 61 is amended to read:

§ 61. INFORMATION COLLECTION AND CONFIDENTIALITY

(a) The ~~secretary~~ Secretary may collect information on subjects within the jurisdiction of the ~~agency~~ Agency, including data obtained from questionnaires, surveys, physical samples, and laboratory analyses conducted by the ~~agency~~ Agency. Such information shall be available upon request to the public, provided that it is presented in a form ~~which that~~ does not disclose the identity of individual persons, households, or businesses from whom the information was obtained, or whose characteristics, activities, or products the information is about.

(b) Nutrient management plans or nutrient management plan data produced or acquired by the Agency under chapter 215 of this title are exempt from public inspection and copying under the Public Records Act. The Agency may release to the public nutrient management data compiled in aggregate form, provided that the Agency does not disclose the identity of individual persons, households, or businesses from whom the information was obtained.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) This section and Secs. 13 (raw milk) and 14 (Forestry Water Quality Assistance Program) shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2017.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Bock of Chester** moved that the House refuse to concur and ask for a Committee of Conference which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Smith of New Haven
Rep. Bock of Chester
Rep. Higley of Lowell

Rules Suspended; Bill Messaged to Senate Forthwith

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

H. 495

House bill, entitled

An act relating to miscellaneous agriculture subjects

Rules Suspended; Second Reading; Proposal of Amendment Agreed to; Third Reading Ordered; Rules Suspended and Bill Placed in All Remaining Stages of Passage; Third Reading; Bill Passed; Rules Suspended; Bill Messaged to Senate Forthwith

S. 95

On motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to sexual assault nurse examiners

Appearing on the Calendar for notice, was taken up for immediate consideration.

Rep. Wood of Waterbury, for the committee on Human Services, to which had been referred the Senate bill reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. chapter 167, subchapter 5 is amended to read:

Subchapter 5. Sexual Assault Nurse Examiners

§ 5431. DEFINITION; CERTIFICATION

(a) As used in this subchapter, "SANE" means a sexual assault nurse examiner.

(b) A person licensed under 26 V.S.A. chapter 28 (nursing) may obtain a specialized certification from the SANE Program as a sexual assault nurse examiner if he or she demonstrates compliance with the requirements for specialized certification as established by the SANE Board.

§ 5432. SANE BOARD

(a) The SANE Board is created for the purpose of ~~regulating sexual assault nurse examiners~~ advising the Sexual Assault Nurse Examiners Program.

(b) The SANE Board shall be composed of the following members:

- (1) the Executive Director of the Vermont State Nurses Association or designee;
- (2) the President of the Vermont Association of Hospitals and Health Systems;
- (3) the Director of the Vermont Forensic Laboratory or designee;
- (4) the Director of the Vermont Network Against Domestic and Sexual Violence or designee;
- (5) an attorney with experience prosecuting sexual assault crimes, appointed by the Attorney General;
- (6) the Executive Director of the Vermont Center for Crime Victim Services or designee;
- (7) a law enforcement officer assigned to one of Vermont's special units of investigation, appointed by the Commissioner of Public Safety;
- (8) a law enforcement officer employed by a municipal police department, appointed by the Executive Director of the Vermont Criminal Justice Training Council;
- (9) three sexual assault nurse examiners, appointed by the Attorney General;
- (10) a ~~physician~~ health care provider as defined in 18 V.S.A. § 9402 whose practice includes the care of victims of sexual assault, appointed by the ~~Vermont Medical Society~~ Commissioner of Health;
- (11) a pediatrician whose practice includes the care of victims of sexual assault, appointed by the Vermont Chapter of the American Academy of Pediatrics;
- (12) the Coordinator of the Vermont Victim Assistance Program or designee;
- (13) the President of the Vermont Alliance of Child Advocacy Centers or designee;
- (14) the Chair of the Vermont State Board of Nursing or designee; ~~and~~
- (15) the Commissioner for Children and Families or designee; and
- (16) the Commissioner of Health or designee.

(c) The SANE Board shall advise the SANE Program on the following:

- (1) statewide program priorities;

(2) training and educational requirements;

(3) a standardized sexual assault protocol and kit to be used by all physicians and hospitals in this State when providing forensic examinations of victims of alleged sexual offenses; and

(4) statewide policy development related to sexual assault nurse examiner programs.

§ 5433. SANE PROGRAM CLINICAL COORDINATOR

~~A grant program shall be established by~~ A clinical coordinator position shall be funded by either the Vermont Center for Crime Victim Services, subject to available funding, to fund a clinical coordinator position or through other identified State funding options for the purpose of staffing the SANE ~~program~~ Program. The position shall be contracted through the Vermont Network Against Domestic and Sexual Violence. The Clinical Coordinator shall consult with the SANE Board in performing the following duties:

(1) overseeing the recruitment and retention of SANEs in the State of Vermont;

(2) administering a statewide ~~training~~ educational program, including:

(A) the initial SANE certification training;

(B) ongoing training to ensure currency of practice for SANEs; and

(C) advanced training programs as needed;

(3) providing consultation ~~and~~ technical assistance, and training to SANEs and acute care hospitals regarding the ~~standardized sexual assault protocol~~ standards of care for sexual assault patients; and

(4) providing training and outreach to criminal justice and community-based agencies as needed; and

(5) coordinating and managing a system for ensuring best practices;

(6) granting certifications, pursuant to section 5431 of this title, to candidates who demonstrate compliance with the requirements for specialized certification as established by the SANE Board.

§ 5434. SANE BOARD DUTIES

~~(a) A person licensed under 26 V.S.A. chapter 28 (nursing) may obtain a specialized certification as a sexual assault nurse examiner if he or she demonstrates compliance with the requirements for specialized certification as established by the SANE Board by rule.~~

~~(b) The SANE Board shall adopt the following by rule:~~

~~(1) educational requirements for obtaining specialized certification as a sexual assault nurse examiner and statewide standards for the provision of education;~~

~~(2) continuing education requirements and clinical experience necessary for maintenance of the SANE specialized certification;~~

~~(3) a standardized sexual assault protocol and kit to be used by all physicians and hospitals in this State when providing forensic examinations of victims of alleged sexual offenses;~~

~~(4) a system of monitoring for compliance; and~~

~~(5) processes for investigating complaints, revoking certification, and appealing decisions of the Board.~~

~~(e) The SANE Board may investigate complaints against a sexual assault nurse examiner and may revoke certification as appropriate. [Repealed.]~~

§ 5435. ACCESS TO A SEXUAL ASSAULT NURSE EXAMINER

(a) On or before September 1, 2017, the Vermont Association of Hospitals and Health Systems (VAHHS) and the Vermont SANE Program shall enter into a memorandum of understanding (MOU) to ensure improved access to sexual assault nurse examiners (SANE) for victims of sexual assault in underserved regions. Improved access may include all acute care hospitals to provide patients with care from a paid employee who is also a certified sexual assault nurse examiner or access to a shared regional staffing pool that includes certified sexual assault nurse examiners.

(b) The Vermont SANE Program shall develop and offer an annual training regarding standards of care and forensic evidence collection to emergency department appropriate health care providers at acute care hospitals in Vermont. Personnel who are certified sexual assault nurse examiners shall not be subject to this subsection.

(c) On or before January 1, 2018, the SANE Program shall report to the General Assembly on training participation rates pursuant to subsection (b) of this section.

Sec. 2. SEXUAL ASSAULT EVIDENCE KITS; STUDY COMMITTEE

(a) Creation. There is created the Sexual Assault Evidence Kit Study Committee for the purpose of conducting a comprehensive examination of issues related to sexual assault evidence kits.

(b) Membership. The Committee shall be composed of the following six members:

(1) the Director of the Vermont Forensic Laboratory or designee;

(2) the Executive Director of the Vermont Center for Crime Victims Services or designee;

(3) the Commissioner of Health or designee;

(4) a representative of the Vermont Sexual Assault Nurse Examiners (SANE) Program;

(5) a representative of the county special investigative units appointed by the Executive Director of the State's Attorneys and Sheriffs; and

(6) a law enforcement professional appointed by the Commissioner of Public Safety.

(c) Powers and duties. The Committee shall address the following issues:

(1) the current practices for kit tracking;

(2) the effectiveness and cost of a system allowing for the online completion of sexual assault evidence kit documentation with electronic notification after reports are submitted;

(3) the feasibility and cost of a web-based tracking system to allow agencies involved in the response and prosecution of sexual assault to track sexual assault evidence kits, pediatric sexual assault evidence kits, and toxicology kits using a bar code number uniquely assigned to each kit;

(4) the effectiveness and challenges of the current system of police transport of evidence kits from hospitals to the Vermont Forensic Laboratory; and

(5) the feasibility and cost of alternative methods of transport of sexual assault evidence kits such as mail, delivery service, or courier.

(d) Assistance. The Center for Crime Victim Services shall convene the first meeting of the Committee and provide support services.

(e) Report. On or before November 1, 2017, the SANE Program, on behalf of the Committee, shall submit a written report to the House and Senate Committees on Judiciary, the House Committee on Human Services, and the Senate Committee on Health and Welfare.

(f) Meetings.

(1) The Center for Crime Victim Services shall call the first meeting of the Committee to occur on or before August 1, 2017.

(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 15, 2018.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

Thereupon, the bill was read the second time, the report of the committee on Human Services was agreed to and third reading was ordered.

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Rules Suspended; Report of Committee of Conference Adopted

H. 171

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to expungement

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

H. 171

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.171. An act relating to expungement.

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. § 8005 is amended to read:

§ 8005. NOTICE OF COLLATERAL CONSEQUENCES AND
ELIGIBILITY FOR EXPUNGEMENT IN PRETRIAL
PROCEEDING

* * *

(b) Before the ~~Court~~ court accepts a plea of guilty or nolo contendere from

an individual, the ~~Court~~ court shall:

(1) confirm that the individual received the notice required by subsection (a) of this section and had an opportunity to discuss the notice with counsel, if represented, and understands that there may be collateral consequences to a conviction; and

(2) provide written notice, as part of a written plea agreement or through another form, of the following:

(A) that collateral consequences may apply because of the conviction;

(B) the Internet address of the collection of laws published under this chapter;

(C) that there may be ways to obtain relief from collateral consequences;

(D) that the conviction may be eligible for expungement or sealing pursuant to section 7602 of this title;

(E) contact information for government or nonprofit agencies, groups, or organizations, if any, offering assistance to individuals seeking relief from collateral consequences; and

~~(E)~~(F) that conviction of a crime in this State does not prohibit an individual from voting in this State.

Sec. 2. 13 V.S.A. § 8006 is amended to read:

§ 8006. NOTICE OF COLLATERAL CONSEQUENCES AND

ELIGIBILITY FOR EXPUNGEMENT UPON RELEASE

(a) Prior to the completion of a sentence, an individual in the custody of the Commissioner of Corrections shall be given written notice of the following:

(1) that collateral consequences may apply because of the conviction;

(2) the Internet address of the collection of laws published under this chapter;

(3) that there may be ways to obtain relief from collateral consequences;

(4) that the conviction may be eligible for expungement or sealing pursuant to section 7602 of this title;

(5) contact information for government or nonprofit agencies, groups, or organizations, if any, offering assistance to individuals seeking relief from collateral consequences; and

~~(5)~~(6) that conviction of a crime in this State does not prohibit an

individual from voting in this State.

(b) For persons sentenced to incarceration, the notice shall be provided not more than 30 days and at least 10 days before completion of the sentence. If the sentence is for a term of less than 30 days then notice shall be provided when the sentence is completed.

(c) For persons receiving a sentence involving community supervision, such as probation, furlough, home confinement, conditional reentry, or parole, the notice shall be provided by the Department of Corrections in keeping with its mission of ensuring rehabilitation and public safety.

(d) For persons receiving a penalty involving a fine only, the court shall, at the time of the judgment, provide either oral or written notice that the conviction may be eligible for expungement or sealing pursuant to section 7602 of this title.

Sec. 3. 13 V.S.A. § 7601(4) is amended to read:

(4) "Qualifying crime" means:

(A) a misdemeanor offense ~~which~~ that is not:

(i) a listed crime as defined in subdivision 5301(7) of this title;

(ii) an offense involving sexual exploitation of children in violation of chapter 64 of this title;

(iii) an offense involving violation of a protection order in violation of section 1030 of this title;

(iv) ~~a prohibited act~~ prostitution as defined in section 2632 of this title, or prohibited conduct under section 2601a of this title; or

(v) a predicate offense;

(B) a violation of subsection 3701(a) of this title related to criminal mischief;

(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; or

(E) a violation of 18 V.S.A. § 4223 related to fraud or deceit.

Sec. 4. 13 V.S.A. § 7602 is amended to read:

§ 7602. EXPUNGEMENT AND SEALING OF RECORD,
POSTCONVICTION; PROCEDURE

* * *

(b)(1) The ~~Court~~ court shall grant the petition and order that the criminal history record be expunged pursuant to section 7606 of this title if the following conditions are met:

(A) At least ~~10~~ 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 ~~10~~ five years previously.

(B) The person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted for the qualifying crime.

(C) Any restitution ordered by the ~~Court~~ court has been paid in full.

(D) The ~~Court~~ court finds that expungement of the criminal history record serves the interest of justice.

(2) The ~~Court~~ court shall grant the petition and order that all or part of the criminal history record be sealed pursuant to section 7607 of this title if the conditions of subdivisions (1)(A), (B), and (C) of this subsection are met and the ~~Court~~ court finds that:

(A) sealing the criminal history record better serves the interest of justice than expungement; and

(B) the person committed the qualifying crime after reaching 19 years of age.

(c)(1) The ~~Court~~ court shall grant the petition and order that the criminal history record be expunged pursuant to section 7606 of this title if the following conditions are met:

(A) At least ~~20~~ 10 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction.

(B) The person has not been convicted of a felony arising out of a new incident or occurrence since the person was convicted of the qualifying crime.

(C) The person has not been convicted of a misdemeanor during the past ~~15~~ five years.

(D) Any restitution ordered by the ~~Court~~ court for any crime of which the person has been convicted has been paid in full.

(E) After considering the particular nature of any subsequent offense, the ~~Court~~ court finds that expungement of the criminal history record for the qualifying crime serves the interest of justice.

(2) The ~~Court~~ court shall grant the petition and order that all or part of the criminal history record be sealed pursuant to section 7607 of this title if the conditions of subdivisions (1)(A), (B), (C), and (D) of this subsection are met and the ~~Court~~ court finds that:

(A) sealing the criminal history record better serves the interest of justice than expungement; and

(B) the person committed the qualifying crime after reaching 19 years of age.

~~(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, unless the court finds that expungement would not be in the interest of justice, the ~~Court~~ 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~~ The petitioner has completed any sentence or supervision for the offense, ~~whichever is later.~~

(2) Any restitution ordered by the ~~Court~~ court has been paid in full.

(3) ~~The Court finds that expungement of the criminal history record serves the interest of justice.~~

* * *

Sec. 5. 13 V.S.A. § 7605 is amended to read:

§ 7605. DENIAL OF PETITION

If a petition for expungement is denied by the ~~Court~~ court pursuant to this chapter, no further petition shall be brought for at least ~~five~~ two years, unless a shorter duration is authorized by the court.

Sec. 6. 13 V.S.A. § 7606 is amended to read:

§ 7606. EFFECT OF EXPUNGEMENT

(a) Upon entry of an expungement order, the order shall be legally effective immediately and the person whose record is expunged shall be treated in all respects as if he or she had never been arrested, convicted, or sentenced for the offense. The court shall issue an order to expunge all records and files related to the arrest, citation, investigation, charge, adjudication of guilt, criminal proceedings, and probation related to the sentence. The ~~Court~~ court shall issue the person a certificate stating that such person's behavior after the conviction has warranted the issuance of the order and that its effect is to annul the record of arrest, conviction, and sentence. The ~~Court~~ court shall provide notice of the expungement to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, and any other entity that may have a record related to the order to expunge. The VCIC shall provide notice of the expungement to the Federal Bureau of Investigation's National Crime Information Center.

* * *

Sec. 7. SECRETARY OF STATE; ATTORNEY GENERAL; REPORT

The Secretary of State, in consultation with the Attorney General, shall evaluate how to comply with the requirements of 13 V.S.A. chapter 230 and, on or before January 15, 2018, report to the House and Senate Committees on Judiciary to confirm such compliance.

Sec. 8. EFFECTIVE DATES

This act shall take effect on July 1, 2017, except for Sec. 3 (13 V.S.A. § 7601(4)), subdivision (E), which shall take effect on January 1, 2018.

*ALICE W. NITKA
RICHARD W. SEARS
JOSEPH C. BENNING*

Committee on the part of the Senate

*MARTIN J. LALONDE
CHARLES W. CONQUEST
JANSSEN D. WILLHOIT*

Committee on the part of the House

Which was considered and adopted on the part of the House

Rules Suspended; Report of Committee of Conference Adopted

S. 16

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to expanding patient access to the Medical Marijuana Registry

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference Report:

Report of Committee of Conference

S. 16

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.16. An act relating to expanding patient access to the Medical Marijuana Registry.

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. 18 V.S.A. § 4472 is amended to read:

§ 4472. DEFINITIONS

As used in this subchapter:

(1)(A) “Bona fide health care professional-patient relationship” means a treating or consulting relationship of not less than three months’ duration, in the course of which a health care professional has completed a full assessment of the registered patient’s medical history and current medical condition, including a personal physical examination.

(B) The three-month requirement shall not apply if:

(i) a patient has been diagnosed with:

(I) a terminal illness;

(II) cancer; or

(III) acquired immune deficiency syndrome; ~~or~~

~~(IV) is currently under hospice care.~~

(ii) a patient is currently under hospice care;

~~(ii)(iii)~~ (iii) a patient had been diagnosed with a debilitating medical condition by a health care professional in another jurisdiction in which the patient had been formerly a resident and the patient, now a resident of Vermont, has the diagnosis confirmed by a health care professional in this State or a neighboring state as provided in subdivision (6) of this section, and the new health care professional has completed a full assessment of the patient’s medical history and current medical condition, including a personal physical examination-;

~~(iii)(iv)~~ (iv) a patient who is already on the ~~registry~~ Registry changes health care professionals three months or less prior to the annual renewal of the patient’s registration, provided the patient’s new health care professional has completed a full assessment of the patient’s medical history and current medical condition, including a personal physical examination-;

(v) a patient is referred by his or her health care professional to another health care professional who has completed advanced education and clinical training in specific debilitating medical conditions, and that health care professional conducts a full assessment of the patient’s medical history and current medical condition, including a personal physical examination; or

(vi) a patient’s debilitating medical condition is of recent or sudden onset.

* * *

(4) “Debiting medical condition;” ~~provided that, in the context of the specific disease or condition described in subdivision (A) or (B) of this subdivision (4), reasonable medical efforts have been made over a reasonable amount of time to relieve the symptoms,~~ means:

(A) cancer, multiple sclerosis, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, glaucoma, Crohn's disease, Parkinson's disease, or the treatment of these conditions, if the disease or the treatment results in severe, persistent, and intractable symptoms; ~~or~~

(B) post-traumatic stress disorder, provided the Department confirms the applicant is undergoing psychotherapy or counseling with a licensed mental health care provider; or

(C) a disease; or medical condition; or its treatment that is chronic, debilitating, and produces one or more of the following intractable symptoms: cachexia or wasting syndrome; chronic pain; severe nausea; or seizures.

(5) "Dispensary" means a ~~nonprofit entity~~ business organization registered under section 4474e of this title ~~which~~ that acquires, possesses, cultivates, manufactures, transfers, transports, supplies, sells, or dispenses marijuana, marijuana-infused products, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her center and to his or her registered caregiver for the registered patient's use for symptom relief. ~~A dispensary may provide marijuana for symptom relief to registered patients at only one facility or location, but may have a second location associated with the dispensary where the marijuana is cultivated or processed. Both locations are considered to be part of the same dispensary.~~ A dispensary may serve patients and caregivers at not more than two locations, as approved by the Department in consideration of factors provided in subsection 4474f(e) of this title, and may cultivate and process marijuana at a separate location from where patients and caregivers are served. All locations shall be considered part of the same dispensary operation under one registration.

(6) "Financier" means a person, other than a financial institution as defined in 8 V.S.A. § 11101, that makes an investment in, or a gift, loan, or other financing to, another person with the expectation of a financial return. If a financier is a business organization, as used in this chapter, the term "financier" includes each owner and principal of that organization.

~~(6)(7)~~(A) "Health care professional" means an individual licensed to practice medicine under 26 V.S.A. chapter 23 or 33, an individual licensed as a naturopathic physician under 26 V.S.A. chapter 81, an individual certified as a physician assistant under 26 V.S.A. chapter 31, or an individual licensed as an advanced practice registered nurse under 26 V.S.A. chapter 28.

(B) This definition includes individuals who are professionally licensed under substantially equivalent provisions in New Hampshire, Massachusetts, or New York.

~~(7)~~(8) “Immature marijuana plant” means a female marijuana plant that has not flowered and which does not have buds that may be observed by visual examination.

~~(8)~~(9) “Marijuana” shall have the same meaning as provided in subdivision 4201(15) of this title.

~~(9)~~(10) “Mature marijuana plant” means a female marijuana plant that has flowered and ~~which~~ that has buds that may be observed by visual examination.

(11) “Mental health care provider” means a person licensed to practice medicine who specializes in the practice of psychiatry; a psychologist, a psychologist-doctorate, or a psychologist-master as defined in 26 V.S.A. § 3001; a clinical social worker as defined in 26 V.S.A. § 3201; or a clinical mental health counselor as defined in 26 V.S.A. § 3261.

(12) “Ounce” means 28.35 grams.

(13) “Owner” means:

(A) a person that has a direct or beneficial ownership interest of ten percent or more in a business organization, including attribution of the ownership interests of a spouse or domestic partner, parent, spouse’s or domestic partner’s parent, sibling, and children; or

(B) a person that has the power to direct, or cause the direction of, the management and policies of a business organization, including through the ownership of voting securities, by contract, or otherwise.

~~(10)~~(14) “Possession limit” means the amount of marijuana collectively possessed between the registered patient and the patient’s registered caregiver ~~which~~ that is no more than two mature marijuana plants, seven immature plants, and two ounces of usable marijuana.

(15) “Principal” means a person that has the authority to conduct, manage, or supervise the operation of a business organization, and includes the president, vice president, secretary, treasurer, manager, or similar executive officer of a business organization; a director of a business corporation, nonprofit corporation, or mutual benefit enterprise; a member of a nonprofit corporation, cooperative, or member-managed limited liability company; a manager of a manager-managed limited liability company; and a general partner of a partnership, limited partnership, or limited liability partnership.

~~(11)~~(16) “Registered caregiver” means a person who is at least 21 years of age, has met eligibility requirements as determined by the Department in accordance with this chapter, and ~~who~~ has agreed to undertake responsibility for managing the well-being of a registered patient with respect to the use of

marijuana for symptom relief.

~~(12)~~(17) “Registered patient” means a resident of Vermont who has been issued a registration card by the Department of ~~Public Safety~~, identifying the person as having a debilitating medical condition pursuant to the provisions of this subchapter. “Resident of Vermont” means a person whose domicile is Vermont.

~~(13)~~(18) “Secure indoor facility” means a building or room equipped with locks or other security devices that permit access only by a registered caregiver; or registered patient, ~~or a principal officer or employee of a dispensary~~.

~~(14)~~(19) “Transport” means the movement of marijuana and marijuana-infused products from registered growing locations to their associated dispensaries, between dispensaries, to registered patients and registered caregivers in accordance with delivery protocols, or as otherwise allowed under this subchapter.

~~(15)~~(20) “Usable marijuana” means the dried leaves and flowers of marijuana, and any mixture or preparation thereof, and does not include the seeds, stalks, and roots of the plant.

~~(16)~~(21) “Use for symptom relief” means the acquisition, possession, cultivation, use, transfer, or transportation of marijuana; or of paraphernalia relating to the administration of marijuana to alleviate the symptoms or effects of a registered patient’s debilitating medical condition ~~which~~ that is in compliance with all the limitations and restrictions of this subchapter.

Sec. 2. 18 V.S.A. § 4473 is amended to read:

§ 4473. REGISTERED PATIENTS; QUALIFICATION STANDARDS AND PROCEDURES

* * *

(b) The Department of Public Safety shall review applications to become a registered patient using the following procedures:

(1) A patient with a debilitating medical condition shall submit a signed application for registration to the Department. ~~A patient’s initial application to the registry shall be notarized, but subsequent renewals shall not require notarization.~~ If the patient is under 18 years of age, the application must be signed by both the patient and a parent or guardian. The application shall require identification and contact information for the patient and the patient’s registered caregiver applying for authorization under section 4474 of this title, if any, and the patient’s designated dispensary under section 4474e of this title, if any. The applicant shall attach to the application a medical verification form

developed by the Department pursuant to subdivision (2) of this subsection.

(2) The Department of Public Safety shall develop a medical verification form to be completed by a health care professional and submitted by a patient applying for registration in the program. The form shall include:

(A) A cover sheet ~~which~~ that includes the following:

(i) A statement of the penalties for providing false information.

(ii) Definitions of the following statutory terms:

(I) “Bona fide health care professional-patient relationship” as defined in section 4472 of this title.

(II) “Debilitating medical condition” as defined in section 4472 of this title.

(III) “Health care professional” as defined in section 4472 of this title.

(iii) A statement that the medical verification form is not considered a prescription and that the only purpose of the medical verification form is to confirm that the applicant patient has a debilitating medical condition.

(B) A verification sheet ~~which~~ that includes the following:

(i) A statement that a bona fide health care professional-patient relationship exists under section 4472 of this title; or that, under subdivision (3)(A) of this subsection (b), the debilitating medical condition is of recent or sudden onset, ~~and the patient has not had a previous health care professional who is able to verify the nature of the disease and its symptoms.~~

~~(ii) A statement that reasonable medical efforts have been made over a reasonable amount of time without success to relieve the symptoms. [Repealed.]~~

(iii) A statement that the patient has a debilitating medical condition as defined in section 4472 of this title, including the specific disease or condition ~~which~~ that the patient has and whether the patient meets the criteria under section 4472.

(iv) A signature line ~~which~~ that provides in substantial part: “I certify that I meet the definition of ‘health care professional’ under 18 V.S.A. § 4472, that I am a health care professional in good standing in the State of , and that the facts stated above are accurate to the best of my knowledge and belief.”

(v) The health care professional’s contact information, license

number, category of his or her health care profession as defined in subdivision 4472(6) of this title, and contact information for the out-of-state licensing agency, if applicable. The Department of ~~Public Safety~~ shall adopt rules for verifying the goodstanding of out-of-state health care professionals.

(vi) A statement that the medical verification form is not considered a prescription and that the only purpose of the medical verification form is to confirm that the applicant patient has a debilitating medical condition.

(3)(A) The Department of ~~Public Safety~~ shall transmit the completed medical verification form to the health care professional and contact him or her for purposes of confirming the accuracy of the information contained in the form. ~~The Department may approve an application, notwithstanding the six-month requirement in section 4472 of this title, if the Department is satisfied that the medical verification form confirms that the debilitating medical condition is of recent or sudden onset, and that the patient has not had a previous health care professional who is able to verify the nature of the disease and its symptoms.~~

(B) If the health care professional is licensed in another state as provided section 4472 of this title, the Department shall verify that the health care professional is in good standing in that state.

* * *

Sec. 3. 18 V.S.A. § 4474(c)(1) is amended to read:

(c)(1) Except as provided in subdivision (2) of this subsection, a registered caregiver may serve only one registered patient at a time, and a registered patient may have only one registered caregiver at a time. A registered patient may serve as a registered caregiver for one other registered patient.

Sec. 4. 18 V.S.A. § 4474d is amended to read:

§ 4474d. LAW ENFORCEMENT VERIFICATION OF INFORMATION;

RULEMAKING

* * *

(b) In response to a person-specific or property-specific inquiry by a law enforcement officer or agency made in the course of a bona fide investigation or prosecution, the Department may verify the identities and registered property addresses of the registered patient and the patient's registered caregiver, a dispensary, ~~and the principal officer, the Board members, and an owner, a principal, a financier, and the employees of a dispensary.~~

(c) The Department shall maintain a separate secure electronic database accessible to law enforcement personnel 24 hours a day that uses a unique identifier system to allow law enforcement to verify that a person or entity is a

registered patient, a registered caregiver, a dispensary, ~~or the principal officer, a board member~~ an owner, a principal, a financier, or an employee of a dispensary.

* * *

Sec. 5. 18 V.S.A. § 4474e is amended to read:

§ 4474e. DISPENSARIES; CONDITIONS OF OPERATION

* * *

~~(b)(1) A dispensary shall be operated on a nonprofit basis for the mutual benefit of its patients but need not be recognized as a tax exempt organization by the Internal Revenue Service.~~

~~(2)~~ A dispensary shall have a sliding-scale fee system that takes into account a registered patient's ability to pay.

* * *

(d)(1) A dispensary shall implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and shall ensure that each location has an operational security alarm system. All cultivation of marijuana shall take place in ~~an enclosed~~ a secure, locked facility which is either indoors or ~~otherwise outdoors, but~~ not visible to the public and ~~which that~~ that can only be accessed by ~~principal officers and the owners, principals, financiers, and~~ employees of the dispensary who have valid registry identification cards. An outdoor facility is not required to have a roof, provided all other requirements are met. The ~~Department of Public Safety~~ shall perform an annual on-site assessment of each dispensary and may perform on-site assessments of a dispensary without limitation for the purpose of determining compliance with this subchapter and any rules adopted pursuant to this subchapter and may enter a dispensary at any time for such purpose. During an inspection, the Department may review the dispensary's confidential records, including its dispensing records, which shall track transactions according to registered patients' ~~registry~~ Registry identification numbers to protect their confidentiality.

* * *

(f) A person may be denied the right to serve as an owner, ~~a principal officer, board member,~~ financier, or employee of a dispensary because of the person's criminal history record in accordance with section 4474g of this title and rules adopted by the Department of Public Safety pursuant to that section.

(g)(1) A dispensary shall notify the ~~Department of Public Safety~~ within 10 days of when ~~a principal officer, board member,~~ an owner, principal, financier, or employee ceases to be associated with or work at the dispensary. His or her ~~registry~~ Registry identification card shall be deemed null and void, and the person shall be liable for any penalties that may apply.

(2) A dispensary shall notify the ~~Department of Public Safety~~ in writing

of the name, address, and date of birth of any proposed new ~~principal officer, board member~~ owner, principal, financier, or employee and shall submit a fee for a new ~~registry~~ Registry identification card before a new ~~principal officer, board member~~ owner, principal, financier, or employee begins his or her official duties related to the dispensary and shall submit a complete set of fingerprints for ~~the~~ each prospective ~~principal officer, board member~~ owner, principal, financier, or employee who is a natural person.

* * *

(k)(1) No dispensary; ~~principal officer, board member~~ owner, principal, or financier of a dispensary shall:

* * *

(B) acquire usable marijuana or marijuana plants from any source other than registered dispensary ~~principal officers, board members~~ owners, principals, financiers, or employees who cultivate marijuana in accordance with this subchapter;

(C) dispense more than two ounces of usable marijuana to a registered patient directly or through the qualifying patient's registered caregiver during a 30-day period;

(D) dispense an amount of usable marijuana to a qualifying patient or a designated caregiver that the ~~principal officer, board member~~ owner, principal, financier, or employee knows would cause the recipient to possess more marijuana than is permitted under this subchapter;

(E) dispense marijuana to a person other than a registered patient who has designated the dispensary to provide for his or her needs or other than the patient's registered caregiver.

(2) A person found to have violated subdivision (1) of this subsection may no longer serve as a ~~principal officer, board member~~ an owner, principal, financier, or employee of any dispensary, and such person's ~~registry~~ Registry identification card shall be immediately revoked by the Department of ~~Public Safety~~.

(l)(1) A registered dispensary shall not be subject to the following, provided that it is in compliance with this subchapter:

(A) prosecution for the acquisition, possession, cultivation, manufacture, transfer, transport, supply, sale, or dispensing of marijuana, marijuana-infused products, or marijuana-related supplies for symptom relief in accordance with the provisions of this subchapter and any rule adopted by the Department of ~~Public Safety~~ pursuant to this subchapter;

(B) inspection and search, except pursuant to this subchapter or upon a search warrant issued by a court or judicial officer;

(C) seizure of marijuana, marijuana-infused products, and marijuana-related supplies, except upon a valid order issued by a court;

(D) imposition of any penalty or ~~denied~~ denial of any right or privilege, including imposition of a civil penalty or disciplinary action by an occupational or professional licensing board or entity, solely for acting in accordance with this subchapter to assist registered patients or registered caregivers.

(2) No ~~principal officer, board member~~ owner, principal, financier, or employee of a dispensary shall be subject to arrest, prosecution, search, seizure, or penalty in any manner or ~~denied~~ denial of any right or privilege, including civil penalty or disciplinary action by an occupational or professional licensing board or entity, solely for working for or with a dispensary to engage in acts permitted by this subchapter.

* * *

Sec. 6. 18 V.S.A. § 4474f is amended to read:

§ 4474f. DISPENSARY APPLICATION, APPROVAL, AND
REGISTRATION

* * *

~~(b)(1) Within 30 days of the adoption of rules, the Department shall begin accepting applications for the operation of dispensaries. Within 365 days of the effective date of this section, the Department shall grant registration certificates to four dispensaries, provided at least four applicants apply and meet the requirements of this section. No~~ Except as provided in subdivision (2) of this subsection, no more than ~~four~~ five dispensaries shall hold valid registration certificates at one time. Any time a dispensary registration certificate is revoked, is relinquished, or expires, the Department shall accept applications for a new dispensary. ~~If at any time after one year after the effective date of this section fewer than four dispensaries hold valid registration certificates in Vermont, the Department of Public Safety shall accept applications for a new dispensary.~~

(2) Once the Registry reaches 7,000 registered patients, the number of dispensary registrations shall expand to six and the Department shall begin accepting applications forthwith.

* * *

(c) Each application for a dispensary registration certificate shall include all of the following:

(1) a nonrefundable application fee in the amount of \$2,500.00 paid to the Department ~~of Public Safety~~;

(2) the legal name, ~~articles of incorporation, and bylaws~~ of the

dispensary and the organizational documents that create the dispensary, govern its operation and internal affairs, and govern relations between and among its owners;

(3) the proposed physical address of the dispensary, if a precise address has been determined or, if not, the general location where it would be located;

(4) a description of the ~~enclosed~~ secure, locked facility where marijuana will be grown, cultivated, harvested, or otherwise prepared for distribution by the dispensary;

(5) the name, address, and date of birth of each ~~principal officer and board member~~ owner, principal, and financier of the dispensary who is a natural person and a complete set of fingerprints for each of them;

(6) proposed security and safety measures, which shall include at least one security alarm system for each location and planned measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana;

(7) proposed procedures to ensure accurate record-keeping.

(d) Any time one or more dispensary registration applications are being considered, the Department of ~~Public Safety~~ shall solicit input from registered patients and registered caregivers.

(e) Each time a dispensary certificate is granted, the decision shall be based on the overall health needs of qualified patients. The following factors shall weigh heavily in the consideration of an application:

(1) geographic convenience to patients from throughout the State of Vermont to a dispensary if the applicant were approved;

(2) the entity's ability to provide an adequate supply to the registered patients in the State;

(3) the entity's ability to demonstrate ~~its board members'~~ that its owners, principals, and financiers have sufficient experience running a ~~nonprofit organization or~~ business;

(4) the comments, if any, of registered patients and registered caregivers regarding which applicant should be granted a registration certificate;

(5) the sufficiency of the applicant's plans for record-keeping, which records shall be considered confidential health care information under Vermont law and are intended to be deemed protected health care information for purposes of the federal Health Insurance Portability and Accountability Act of 1996, as amended;

(6) the sufficiency of the applicant's plans for safety and security,

including the proposed location and security devices employed.

(f) The Department of ~~Public Safety~~ may deny an application for a dispensary if it determines that an applicant's criminal history record indicates that the ~~person's~~ association of an owner, principal, or financier with a dispensary would pose a demonstrable threat to public safety.

(g) After a dispensary is approved but before it begins operations, it shall submit the following to the Department:

(1) the legal name ~~and articles of incorporation~~ of the dispensary and the organizational documents that create the dispensary, govern its operation and internal affairs, and govern relations between and among its owners;

(2) the physical address of the dispensary;

(3) the name, address, and date of birth of each ~~principal officer and board member~~ owner, principal, and financier of the dispensary along with a complete set of fingerprints for each;

(4) a registration fee of \$20,000.00 for the first year of operation, and an annual fee of \$25,000.00 in subsequent years.

Sec. 7. 18 V.S.A. § 4474g is amended to read:

§ 4474g. DISPENSARY REGISTRY IDENTIFICATION CARD;

CRIMINAL BACKGROUND CHECK

(a) Except as provided in subsection (b) of this section, the Department of ~~Public Safety~~ shall issue each ~~principal officer, Board member~~ owner, principal, financier, and employee of a dispensary a ~~registry~~ Registry identification card or renewal card within 30 days of receipt of the person's name, address, and date of birth and a fee of \$50.00. The fee shall be paid by the dispensary and the cost shall not be passed on to a ~~principal officer, Board member~~ an owner, principal, financier, or employee. A person shall not serve as ~~principal officer, Board member~~ an owner, principal, financier, or employee of a dispensary until that person has received a ~~registry~~ Registry identification card issued under this section. Each card shall specify whether the cardholder is a ~~principal officer, Board member~~ an owner, principal, financier, or employee of a dispensary and shall contain the following:

(1) the name, address, and date of birth of the person;

(2) the legal name of the dispensary with which the person is affiliated;

(3) a random identification number that is unique to the person;

(4) the date of issuance and the expiration date of the ~~registry~~ Registry identification card; and

(5) a photograph of the person.

(b) Prior to acting on an application for a ~~registry~~ Registry identification card, the Department of ~~Public Safety~~ shall obtain with respect to the applicant a Vermont criminal history record, an out-of-state criminal history record, and a criminal history record from the Federal Bureau of Investigation. Each applicant shall consent to the release of criminal history records to the Department on forms developed by the Vermont Crime Information Center.

(c) When the Department of ~~Public Safety~~ obtains a criminal history record, the Department shall promptly provide a copy of the record to the applicant and to the ~~principal officer and Board~~ owner, principal, or financier of the dispensary if the applicant is to be an employee. The Department shall inform the applicant of the right to appeal the accuracy and completeness of the record pursuant to rules adopted by the Department.

(d) The Department of ~~Public Safety~~ shall comply with all laws regulating the release of criminal history records and the protection of individual privacy. No person shall confirm the existence or nonexistence of criminal history record information to any person who would not be eligible to receive the information pursuant to this subchapter.

(e) The Department of ~~Public Safety~~ shall not issue a ~~registry~~ Registry identification card to any applicant who has been convicted of a drug-related offense or a violent felony or who has a pending charge for such an offense. ~~For purposes of~~ As used in this subchapter, “violent felony” means a listed crime as defined in 13 V.S.A. § 5301(7) or an offense involving sexual exploitation of children in violation of 13 V.S.A. chapter 64.

(f) The Department of ~~Public Safety~~ shall adopt rules for the issuance of a ~~registry~~ Registry identification card and shall set forth standards for determining whether an applicant should be denied a ~~registry~~ Registry identification card because his or her criminal history record indicates that the person’s association with a dispensary would pose a demonstrable threat to public safety. The rules shall consider whether a person who has a conviction for an offense not listed in subsection (e) of this section has been rehabilitated. A conviction for an offense not listed in subsection (e) of this section shall not automatically disqualify a person for a ~~registry~~ Registry identification card. A dispensary may deny a person the opportunity to serve as a ~~Board~~ board member or an employee based on his or her criminal history record. An applicant who is denied a ~~registry~~ Registry identification card may appeal the ~~Department of Public Safety’s~~ Department’s determination in Superior Court in accordance with Rule 75 of the Vermont Rules of Civil Procedure.

(g) A ~~registration~~ Registry identification card of a ~~principal officer, Board member~~ an owner, principal, or financier, or employee shall expire one year

after its issuance or upon the expiration of the registered organization's registration certificate, whichever occurs first.

Sec. 8. 18 V.S.A. § 4474h is amended to read:

§ 4474h. PATIENT DESIGNATION OF DISPENSARY

(a) A registered patient or his or her caregiver may obtain marijuana only from the patient's designated dispensary and may designate only one dispensary. ~~If a registered patient designates a dispensary, the patient and his or her caregiver may not grow marijuana or obtain marijuana or marijuana-infused products for symptom relief from any source other than the designated dispensary.~~ A registered patient who wishes to change his or her dispensary shall notify the Department of ~~Public Safety~~ in writing on a form issued by the Department and shall submit with the form a fee of \$25.00. The Department shall issue a new identification card to the registered patient within 30 days of receiving the notification of change in dispensary. The registered patient's previous identification card shall expire at the time the new identification card takes effect. A registered patient shall submit his or her expired identification card to the Department within 30 days of expiration. A registered patient shall not change his or her designated dispensary more than once in any 30-day period.

* * *

Sec. 9. 6 V.S.A. chapter 5 is amended to read:

CHAPTER 5. CENTRAL TESTING LABORATORY

§ 121. CREATION AND PURPOSE

There is created within the Agency of Agriculture, Food and Markets a central testing laboratory for the purpose of providing agricultural ~~and~~, environmental, and other necessary testing services.

§ 122. FEES

Notwithstanding 32 V.S.A. § 603, the Agency shall establish fees for providing agricultural ~~and~~, environmental, and other necessary testing services at the request of private individuals and State agencies. The fees shall 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.

§ 123. REGULATED DRUGS

(a) Except as provided in subsection (b) of this section, the provisions of 18 V.S.A. chapter 84 shall not apply to the Secretary or designee in the otherwise lawful performance of his or her official duties requiring the

possession or control of regulated drugs.

(b) The central testing laboratory shall obtain a certificate of approval from the Department of Health pursuant to 18 V.S.A. § 4207.

(c) As used in this section, “regulated drug” shall have the same meaning as in 18 V.S.A. § 4201.

Sec. 10. MARIJUANA-INFUSED PRODUCT TESTING; REPORT

The General Assembly recognizes the importance of independent testing of marijuana-infused products sold by dispensaries to determine proper labeling of products in compliance with 18 V.S.A. § 4474e. Therefore, the Agency of Agriculture, Food and Markets and the Department of Public Safety, in consultation with registered dispensaries, shall report their recommendations to the Joint Legislative Justice Oversight Committee and the General Assembly no later than October 15, 2017 on the following:

(1) Who should be responsible for testing marijuana-infused products.

(2) The approved methods and frequency of testing.

(3) Estimated costs associated with such testing and how these costs should be funded.

(4) If testing will be done through an independent testing entity, the process by which the State will certify such entities and oversee such testing.

(5) How to implement a weights and measures program for medical marijuana dispensaries.

Sec. 11. AUTHORITY FOR CURRENTLY REGISTERED DISPENSARY ORGANIZED AS A NONPROFIT CORPORATION TO CONVERT TO FOR-PROFIT ENTITY.

(a) Notwithstanding the provisions of Title 11B and any other rule to the contrary, a dispensary organized as a nonprofit corporation and registered pursuant to 18 V.S.A. chapter 86 may convert to any type of domestic organization pursuant to and in accordance with 11A V.S.A. chapter 11 as if the dispensary were a domestic organization, except that the dispensary shall approve a plan of conversion pursuant to 11A V.S.A. § 11.04 by a majority vote of its board of directors and may otherwise disregard any provision of 11A V.S.A. chapter 11 that relates to shareholders.

(b) Notwithstanding 18 V.S.A. § 4474e or any rule to the contrary, the converted domestic corporation may continue to operate on a for-profit basis in accordance with the terms of its registration, 18 V.S.A. chapter 86, and any rules adopted pursuant to that chapter.

Sec. 12. MEDICAL MARIJUANA REGISTRY; WEB PAGE

The Department of Public Safety and the Agency of Digital Services shall develop an independent web page for the Medical Marijuana Registry, separate from any other registry or program administered by the Department, that is up-to-date and user-friendly on or before September 30, 2017 and shall report to the General Assembly on activation of the web page at such time.

Sec. 13. DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety shall begin to accept applications for the additional dispensary on July 1, 2017.

Sec. 14. EFFECTIVE DATES

- (a) Secs. 9–13 shall take effect on passage.
 (b) The remaining sections of this act shall take effect on July 1, 2017.

*RICHARD W. SEARS
 JOSEPH C. BENNING
 JEANETTE K. WHITE*

*Committee on the part of the
 Senate*

*ANN D. PUGH
 SANDY J. HAAS
 FRANCIS M. MCFAUN*

Committee on the part of the House

Which was considered and adopted on the part of the House

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Savage of Swanton**, the rules were suspended and the following bills were ordered messaged to the Senate forthwith.

S. 16

Senate bill, entitled

An act relating to expanding patient access to the Medical Marijuana Registry

S. 131

Senate bill, entitled

An act relating to State's Attorneys and sheriffs

Third Reading;
Bill Passed in Concurrence with Proposal of Amendment

S. 103

Senate bill, entitled

An act relating to the regulation of toxic substances and hazardous materials

Was taken up and pending third reading of the bill, **Rep. Poirier of Barre City** moved that the House propose to the Senate to amend the bill as follows:

In Sec. 8, 18 V.S.A. § 1776, in subsection (d), in subdivision (1), after “The Commissioner” and before “the Chemicals of High Concern to Children Working Group” by striking out “~~upon the recommendation of~~ after consultation with” and inserting in lieu thereof “upon the recommendation of”

Pending the question, Shall the House proposal of amendment be amended as offered by Rep. Poirier of Barre City? **Rep. Savage of Swanton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House proposal of amendment be amended as offered by Rep. Poirier of Barre City? was decided in the negative. Yeas, 62. Nays, 76.

Those who voted in the affirmative are:

Ainsworth of Royalton	Harrison of Chittenden	Myers of Essex
Bancroft of Westford	Hebert of Vernon	Nolan of Morristown
Baser of Bristol	Helm of Fair Haven	Norris of Shoreham
Batchelor of Derby	Higley of Lowell	Parent of St. Albans Town
Beck of St. Johnsbury	Hill of Wolcott	Pearce of Richford
Bock of Chester	Houghton of Essex	Poirier of Barre City
Brennan of Colchester	Hubert of Milton	Quimby of Concord
Burditt of West Rutland	Joseph of North Hero	Savage of Swanton
Canfield of Fair Haven	Juskiewicz of Cambridge	Scheuermann of Stowe
Cupoli of Rutland City	Keefe of Manchester	Shaw of Pittsford
Devereux of Mount Holly	Keenan of St. Albans City	Sibilia of Dover
Dickinson of St. Albans Town	Kimbell of Woodstock	Smith of Derby
Donahue of Northfield	LaClair of Barre Town	Smith of New Haven
Feltus of Lyndon	Lawrence of Lyndon	Strong of Albany
Forguites of Springfield	Lewis of Berlin	Sullivan of Dorset
Frenier of Chelsea	Marcotte of Coventry	Turner of Milton
Gage of Rutland City	Martel of Waterford	Van Wyck of Ferrisburgh
Gamache of Swanton	McCoy of Poultney	Viens of Newport City
Giambatista of Essex	McFaun of Barre Town	Walz of Barre City
Graham of Williamstown	Morrissey of Bennington	Willhoit of St. Johnsbury
	Murphy of Fairfax	Wright of Burlington

Those who voted in the negative are:

Ancel of Calais	Dunn of Essex	Noyes of Wolcott
Bartholomew of Hartland	Emmons of Springfield	Ode of Burlington

Belaski of Windsor	Fields of Bennington	O'Sullivan of Burlington
Beyor of Highgate	Gannon of Wilmington	Potter of Clarendon
Bissonnette of Winooski	Gardner of Richmond	Pugh of South Burlington
Botzow of Pownal	Greshin of Warren	Rachelson of Burlington
Briglin of Thetford	Haas of Rochester	Scheu of Middlebury
Browning of Arlington	Head of South Burlington	Sharpe of Bristol
Brumsted of Shelburne	Hooper of Brookfield	Sheldon of Middlebury
Buckholz of Hartford	Howard of Rutland City	Squirrel of Underhill
Burke of Brattleboro	Jessup of Middlesex	Stevens of Waterbury
Carr of Brandon	Jickling of Brookfield	Stuart of Brattleboro
Chesnut-Tangerman of Middletown Springs	Kitzmiller of Montpelier	Sullivan of Burlington
Christensen of Weathersfield	Krowinski of Burlington	Taylor of Colchester
Christie of Hartford	Lalonde of South Burlington	Till of Jericho *
Cina of Burlington	Lanpher of Vergennes	Toleno of Brattleboro
Colburn of Burlington	Lefebvre of Newark	Townsend of South Burlington
Conlon of Cornwall	Lippert of Hinesburg	Troiano of Stannard
Connor of Fairfield	Long of Newfane	Webb of Shelburne
Conquest of Newbury	Lucke of Hartford	Weed of Enosburgh
Copeland-Hanzas of Bradford	Macaig of Williston	Wood of Waterbury
Corcoran of Bennington	Masland of Thetford	Yacovone of Morristown
Dakin of Colchester	McCormack of Burlington	Yantachka of Charlotte
Deen of Westminster	McCullough of Williston	Young of Glover
Donovan of Burlington	Miller of Shaftsbury	
	Morris of Bennington	
	Mrowicki of Putney	

Those members absent with leave of the House and not voting are:

Condon of Colchester	Hooper of Montpelier	Terenzini of Rutland Town
Fagan of Rutland City	Olsen of Londonderry	Toll of Danville
Gonzalez of Winooski	Partridge of Windham	Trieber of Rockingham
Grad of Moretown	Rosenquist of Georgia	

Rep. Till of Jericho explained his vote as follows:

“Madam Speaker:

When a chemical in children’s products is found to be toxic I do not want unnecessary delays in adding that chemical to the list of chemicals banned from children’s products.”

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

Message from the Senate No. 68

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

H. 22. An act relating to the professional regulation of law enforcement officers by the Vermont Criminal Justice Training Council.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator White
Senator Collamore
Senator Pearson

Message from the Senate No. 69

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposals of amendment to Senate bills of the following titles:

S. 52. An act relating to the Public Service Board and its proceedings.

S. 133. An act relating to examining mental health care and care coordination.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

The Senate has considered House proposals of amendment to Senate proposals of amendment to House bills of the following titles:

H. 506. An act relating to professions and occupations regulated by the Office of Professional Regulation.

H. 512. An act relating to the procedure for conducting recounts.

H. 519. An act relating to capital construction and State bonding.

And has concurred therein.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 508. An act relating to building resilience for individuals experiencing adverse childhood experiences.

And has accepted and adopted the same on its part.

Message from the Senate No. 70

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

H. 495. An act relating to miscellaneous agriculture subjects.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Collamore
Senator Pollina
Senator Starr

Message from the Senate No. 71

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposals of amendment to Senate bill of the following title:

S. 22. An act relating to increased penalties for possession, sale, and dispensation of fentanyl.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

The Senate has considered House proposals of amendment to Senate bill of the following title:

S. 33. An act relating to the Rozo McLaughlin Farm-to-School Program.

And has concurred therein.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 513. An act relating to making miscellaneous changes to education law.

And has accepted and adopted the same on its part.

Message from the Senate No. 72

A message was received from the Senate by Mr. Marshall, its Assistant

Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 29. An act relating to permitting Medicare supplemental plans to offer expense discounts.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered House proposal of amendment to Senate bill of the following title:

S. 95. An act relating to sexual assault nurse examiners.

And has concurred therein.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon Senate bill of the following title:

S. 75. An act relating to aquatic nuisance species control.

And has accepted and adopted the same on its part.

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the fourth day of May, 2017, he signed bills originating in the House of the following titles:

H. 3 **An act relating to burial depth in cemeteries**

H.35 **An act relating to adopting the Uniform Voidable Transactions Act**

H.136 **An act relating to accommodations for pregnant employees**

H.182 **An act relating to certain businesses regulated by the Department of Financial Regulation**

H.265 **An act relating to the State Long-Term Care Ombudsman**

H.290 **An act relating to clarifying ambiguities relating to real estate titles and conveyances**

H.507 An act relating to Next Generation Medicaid ACO pilot project reporting requirements

Recess

At twelve o'clock and three minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At three o'clock and six minutes in the afternoon, the Speaker called the House to order.

Rules Suspended; Report of Committee of Conference Adopted

S. 134

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to court diversion and pretrial services

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

S. 134

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.134. An act relating to court diversion and pretrial services

Respectfully report that they have met and considered the same and recommend that the House 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:

Sec. 1. FINDINGS; INTENT

(a) The General Assembly finds:

(1) According to numerous studies over many years, pretrial diversion programs result in outcomes for participants that are better than incarceration, including reducing the likelihood that participants commit future crimes and improving substance abuse and mental health outcomes. For example, according to a study of the New York City Jail Diversion Project, 12 months after their offense, offenders who go through a diversion program are less likely to reoffend, spend less time in prison, have received more treatment, and are less likely to suffer drug relapses. In addition, a study in the *Journal of the*

American Academy of Psychiatry and the Law indicates that diversion programs reduce the amount of time participants spend in jail for future offenses from an average of 173 days to an average of 40 days during the year after the offense. Research also demonstrates that offenders who have participated in diversion programs are better able to find employment.

(2) Diversion programs benefit the criminal justice system by reducing costs and allowing resources to be allocated more efficiently for more serious offenders. According to studies by the Urban Institute and the National Alliance on Mental Illness, diversion programs reduce costs and improve outcomes by allowing offenders with mental illness to receive more appropriate treatment outside the criminal justice system. As reported in the *Psychiatric Rehabilitation Journal*, diversion programs reduce costs by decreasing the need for and use of hospitalization and crisis services by offenders.

(b) It is the intent of the General Assembly that:

(1) Sec. 2 of this act result in an increased use of the diversion program throughout the State and a more consistent use of the program between different regions of the State;

(2) the Office of the Attorney General collect data pursuant to 3 V.S.A. § 164(d) on diversion program use, including the effect of this act on use of the program statewide and in particular regions of the State; and

(3) consideration be given to further amending the diversion program statutes before Sec. 2 of this act sunsets on July 1, 2020, if it is determined that Sec. 2 of this act did not produce the intended increases in diversion program usage.

Sec. 2. 3 V.S.A. § 164 is amended to read:

§ 164. ADULT COURT DIVERSION ~~PROJECT~~ PROGRAM

(a) The Attorney General shall develop and administer an adult court diversion ~~project~~ program in all counties. The ~~project~~ program shall be operated through the juvenile diversion project ~~and shall be designed to assist adults who have been charged with a first or second misdemeanor or a first nonviolent felony.~~ The Attorney General shall adopt only such rules as are necessary to establish an adult court diversion ~~project~~ program for adults, in compliance with this section.

(b) The program shall be designed for two purposes:

(1) To assist adults who have been charged with a first or a second misdemeanor or a first nonviolent felony.

(2) To assist adults with substance abuse or mental health treatment

needs regardless of the person's prior criminal history record. Programming for these persons is intended to support access to appropriate treatment or other resources with the aim of improving the person's health and reducing future adverse involvement in the justice system. A person charged with a felony offense that is a listed crime pursuant to 13 V.S.A. § 5301 shall not be eligible under this section.

(c) ~~The adult court diversion project administered by the Attorney General program~~ shall encourage the development of diversion ~~projects~~ programs in local communities through grants of financial assistance to municipalities, private groups or other local organizations. The Attorney General may require local financial contributions as a condition of receipt of ~~project~~ program grants.

(d) The Office of the Attorney General shall develop program outcomes following the designated State of Vermont performance accountability framework and, in consultation with the Department of State's Attorneys and Sheriffs, the Office of the Defender General, the Center for Crime Victim Services, and the Judiciary, report annually on or before December 1 to the General Assembly on services provided and outcome indicators.

~~(e)~~(e) All adult court diversion ~~projects~~ programs receiving financial assistance from the Attorney General shall adhere to the following provisions:

(1) The diversion ~~project~~ program shall accept only persons against whom charges have been filed and the court has found probable cause, but are not yet adjudicated. The prosecuting attorney may refer a person to diversion either before or after arraignment and shall notify in writing the diversion program and the court of his or her intention to refer the person to diversion. If a person is charged with a qualifying crime as defined in 13 V.S.A. § 7601(4)(A), the prosecutor shall provide the person with the opportunity to participate in the court diversion program unless the prosecutor states on the record at arraignment or a subsequent hearing why a referral to the program would not serve the ends of justice. If the prosecuting attorney refers a case to diversion, the prosecuting attorney may release information to the victim upon a showing of legitimate need and subject to an appropriate protective agreement defining the purpose for which the information is being released and in all other respects maintaining the confidentiality of the information; otherwise files held by the court, the prosecuting attorney, and the law enforcement agency related to the charges shall be confidential and shall remain confidential unless:

- (A) the Board declines to accept the case;
- (B) the person declines to participate in diversion;
- (C) the Board accepts the case, but the person does not successfully

complete diversion; or

(D) the prosecuting attorney recalls the referral to diversion.

(2) Alleged offenders shall be informed of their right to the advice and assistance of private counsel or the public defender at all stages of the diversion process, including the initial decision to participate, and the decision to accept the adult diversion contract, so that the candidate may give informed consent.

(3) The participant shall be informed that his or her selection of the adult diversion contract is voluntary.

(4) Each State's Attorney, in cooperation with the Office of the Attorney General and the adult court diversion project program, shall develop clear criteria for deciding what types of offenses and offenders will be eligible for diversion; however, the State's Attorney shall retain final discretion over the referral of each case for diversion.

(5) All information gathered in the course of the adult diversion process shall be held strictly confidential and shall not be released without the participant's prior consent (except that research and reports that do not require or establish the identity of individual participants are allowed).

(6) Information related to the present offense that is divulged during the adult diversion program shall not be used in the prosecutor's case against the person in the person's criminal or juvenile case for any purpose, including impeachment or cross-examination. However, the fact of participation and success, or reasons for failure, may become part of the prosecutor's records.

(7)(A) The adult court diversion project program shall maintain sufficient records so that the reasons for success or failure of the program in particular cases and overall can be investigated by program staff. These records shall include a centralized statewide filing system that will include the following information about individuals who have successfully completed an adult court diversion program:

- (i) name and date of birth;
- (ii) offense charged and date of offense;
- (iii) place of residence;
- (iv) county where diversion process took place; and
- (v) date of completion of diversion process.

(B) These records shall not be available to anyone other than the participant and his or her attorney, State's Attorneys, the Attorney General and directors of adult court diversion projects programs.

(8) Adult court diversion ~~projects~~ programs shall be set up to respect the rights of participants.

(9) Each participant shall pay a fee to the local adult court diversion ~~project~~ program. The amount of the fee shall be determined by ~~project~~ program officers or employees based upon the financial capabilities of the participant. The fee shall not exceed \$300.00. The fee shall be a debt due from the participant, and payment of such shall be required for successful completion of the program. Notwithstanding 32 V.S.A. § 502(a), fees collected under this subdivision shall be retained and used solely for the purpose of the court diversion program.

~~(d)~~(f) The Attorney General is authorized to accept grants and gifts for the purposes of this section, such acceptance being pursuant to 32 V.S.A. § 5.

~~(e)~~(g) Within 30 days of the two-year anniversary of a successful completion of adult diversion, the court shall provide notice to all parties of record of the court's intention to order the sealing of all court files and records, law enforcement records other than entries in the adult court diversion ~~project's~~ program's centralized filing system, fingerprints, and photographs applicable to the proceeding. The court shall give the State's Attorney an opportunity for a hearing to contest the sealing of the records. The court shall seal the records if it finds:

(1) two years have elapsed since the successful completion of the adult diversion program by the participant and the dismissal of the case by the State's Attorney; and

(2) the participant has not been convicted of a subsequent felony or misdemeanor during the two-year period, and no proceedings are pending seeking such conviction; and

(3) rehabilitation of the participant has been attained to the satisfaction of the court.

~~(f)~~(h) Upon the entry of an order sealing such files and records under this section, the proceedings in the matter under this section shall be considered never to have occurred, all index references thereto shall be deleted, and the participant, the court, and law enforcement officers and departments shall reply to any request for information that no record exists with respect to such participant inquiry in any matter. Copies of the order shall be sent to each agency or official named therein.

~~(g)~~(i) Inspection of the files and records included in the order may thereafter be permitted by the court only upon petition by the participant who is the subject of such records, and only to those persons named therein.

~~(h)~~(j) The process of automatically sealing records as provided in this section shall only apply to those persons who completed diversion on or after July 1, 2002. Any person who completed diversion prior to July 1, 2002 must apply to the court to have his or her records sealed. Sealing shall occur if the requirements of subsection ~~(e)~~(g) of this section are met.

~~(i)~~(k) Subject to the approval of the Attorney General, the Vermont Association of Court Diversion Programs may develop and administer programs to assist persons under this section charged with delinquent, criminal, and civil offenses.

Sec. 3. 13 V.S.A. § 7554c is amended to read:

§ 7554c. PRETRIAL RISK ASSESSMENTS; NEEDS SCREENINGS

(a)(1) The objective of a pretrial risk assessment is to provide information to the ~~Court~~ court for the purpose of determining whether a person presents a risk of nonappearance ~~or a threat to public safety~~ or a risk of re-offense so the ~~Court~~ court can make an appropriate order concerning bail and conditions of pretrial release. The assessment shall not assess victim safety or risk of lethality in domestic assaults.

(2) The objective of a pretrial needs screening is to obtain a preliminary indication of whether a person has a substantial substance abuse or mental health issue that would warrant a subsequent court order for a more detailed clinical assessment.

(3) Participation in a risk assessment or needs screening pursuant to this section does not create any entitlement for the assessed or screened person.

~~(b)(1) A~~ Except as provided in subdivision (2) of this subsection, a person whose offense or status falls into any of the following categories shall be offered a risk assessment and, if deemed appropriate by the pretrial monitor, a needs screening prior to arraignment:

~~(A) misdemeanors and felonies, excluding listed crimes and drug trafficking, cited into court; and~~

~~(B) persons who are arrested and lodged and unable to post bail within 24 hours of lodging, excluding persons who are charged with an offense for which registration as a sex offender is required upon conviction pursuant to subchapter 3 of chapter 167 of this title or an offense punishable by up to life imprisonment who is arrested, lodged, and unable to post bail within 24 hours of lodging shall be offered a risk assessment and, if deemed appropriate by the pretrial services coordinator, a needs screening prior to arraignment.~~

~~(2) As used in this section, “listed crime” shall have the same meaning as provided in section 5301 of this title and “drug trafficking” means offenses~~

~~listed as such in Title 18~~ A person charged with an offense for which registration as a sex offender is required pursuant to subchapter 3 of chapter 167 of this title or an offense punishable by a term of life imprisonment shall not be eligible under this section.

(3) ~~Unless ordered as a condition of release under section 7554 of this title, participation~~ Participation in risk assessment or needs screening shall be voluntary and a person's refusal to participate shall not result in any criminal legal liability to the person.

(4) In the event an assessment or screening cannot be obtained prior to arraignment, the risk assessment and needs screening shall be conducted as soon as practicable.

(5) A person who qualifies pursuant to ~~subdivisions (1)(A)-(D)~~ subdivision (1) of this subsection and who has an additional pending charge or a violation of probation shall not be excluded from being offered a risk assessment or needs screening unless the other charge is a listed crime.

~~(6)(A) The Administrative Judge and Court Administrator, in consultation with the Secretary of Human Services and the Commissioner of Corrections, shall develop a statewide plan for the phased, consistent rollout of the categories identified in subdivisions (1)(A) through (D) of this subsection, in the order in which they appear in this subsection. The Administrative Judge and Court Administrator shall present the plan to the Joint Legislative Corrections Oversight Committee on or before October 15, 2014~~ Any person charged with a criminal offense, except those persons identified in subdivision (b)(2) of this section, may choose to engage with a pretrial services coordinator.

~~(B) All persons whose offense or status falls into one of the categories shall be eligible for a risk assessment or needs screening on or after October 15, 2015. Prior to that date, a person shall not be guaranteed the offer of a risk assessment or needs screening solely because the person's offense or status falls into one of the categories. Criminal justice professionals charged with implementation shall adhere to the plan.~~

(c) The results of the risk assessment and needs screening shall be provided to the person and his or her attorney, the prosecutor, and the ~~Court~~ court. Pretrial services coordinators may share information only within the limitations of subsection (e) of this section.

(d)(1) At arraignment, ~~in consideration of the risk assessment and needs screening,~~ the ~~Court~~ court may order the a person to ~~comply with~~ do the following ~~conditions~~:

(A) meet with a pretrial ~~monitor~~ services coordinator on a schedule

set by the ~~Court~~ court; and

(B) participate in a needs screening with a pretrial services coordinator; and

(C) participate in a clinical assessment by a substance abuse or mental health treatment provider and follow the recommendations of the provider.

(2) The ~~Court~~ court may order the person to ~~follow the recommendation of the pretrial monitor if the person has completed a risk assessment or needs screening~~ engage in pretrial services. Pretrial services may include the pretrial services coordinator:

(A) supporting the person in meeting conditions of release imposed by the court, including the condition to appear for judicial proceedings; and

(B) connecting the person with community-based treatment programs, rehabilitative services, recovery supports, and restorative justice programs.

(3) If possible, the ~~Court~~ court shall set the date and time for the clinical assessment at arraignment. In the alternative, the pretrial ~~monitor~~ services coordinator shall coordinate the date, time, and location of the clinical assessment and advise the ~~Court~~ court, the person and his or her attorney, and the prosecutor.

(4) ~~The conditions~~ An order authorized in subdivision (1) or (2) of this subsection shall be in addition to any ~~other~~ conditions of release permitted by law and shall not limit the ~~Court~~ court in any way. Failure to comply with a court order authorized by subdivision (1) or (2) of this subsection shall not constitute a violation of section 7559 of this title.

(5) This section shall not be construed to limit a court's authority to impose conditions pursuant to section 7554 of this title.

(e)(1) Information obtained from the person during the risk assessment or needs screening shall be exempt from public inspection and copying under the Public Records Act and, except as provided in subdivision (2) of this subsection, only may be used for determining bail, conditions of release, and appropriate programming for the person in the pending case. The information a pretrial services coordinator may report is limited to whether a risk assessment indicates risk of nonappearance, whether further substance use assessment or treatment is indicated, whether mental health assessment or treatment is indicated, whether a person participated in a clinical assessment, and whether further engagement with pretrial services is recommended, unless the person provides written permission to release additional information.

Information related to the present offense directly or indirectly derived from the risk assessment, needs screening, or other conversation with the pretrial services coordinator shall not be used against the person in the person's criminal or juvenile case for any purpose, including impeachment or cross-examination. However, the fact of participation or nonparticipation in risk assessment or needs screening may be used in subsequent proceedings. The immunity provisions of this subsection apply only to the use and derivative use of information gained as a proximate result of the risk assessment or needs screening, or other conversation with the pretrial services coordinator.

(2) The person shall retain all of his or her due process rights throughout the risk assessment and needs screening process and may release his or her records at his or her discretion.

~~(3) The Vermont Supreme Court in accordance with judicial rulemaking as provided in 12 V.S.A. § 1 shall promulgate and the Department of Corrections in accordance with the Vermont Administrative Procedure Act pursuant to 3 V.S.A. chapter 25 shall adopt rules related to the custody, control, and preservation of information consistent with the confidentiality requirements of this section. Emergency rules adopted prior to January 1, 2015 pursuant to this section shall be considered to meet the "imminent peril" standard under 3 V.S.A. § 844(a). All records of information obtained during risk assessment or needs screening shall be stored in a manner making them accessible only to the Director of Pretrial Services and Pretrial Service Coordinators for a period of three years, after which the records shall be maintained as required by sections 117 and 218 of this title and any other State law. The Director of Pretrial Services shall be responsible for the destruction of records when ordered by the court.~~

(f) The Attorney General's Office shall:

(1) contract for or otherwise provide the pretrial services described in this section, including performance of risk assessments, needs screenings, and pretrial monitoring services, and

(2) develop pretrial services outcomes following the designated State of Vermont performance accountability framework and, in consultation with the Department of State's Attorneys and Sheriffs, the Office of the Defender General, the Center for Crime Victim Services, and the Judiciary, report annually on or before December 1 to the General Assembly on services provided and outcome indicators.

Sec. 4. MISDEMEANOR POSSESSION OF DRUGS; PRETRIAL SERVICES; REPORT

(a) It is the intent of the General Assembly to encourage persons cited or

arrested for a misdemeanor drug possession charge the opportunity to engage with pretrial services, and, if appropriate, enter treatment, and that, in turn, a person who complies with such conditions be eligible for dismissal of the charge.

(b) The Attorney General, the Defender General, and the Executive Director of the Department of State's Attorneys and Sheriffs shall work collaboratively to develop a specific legislative proposal to accomplish this intent with an implementation date of July 1, 2018 and report to the Senate and House Committees on Judiciary and on Appropriations, the Senate Committee on Health and Welfare, and the House Committee on Human Services on or before November 1, 2017.

Sec. 5. LEGISLATIVE FINDINGS

The General Assembly finds that:

(1) According to Michael Botticelli, former Director of the Office of National Drug Control Policy, the National Drug Control Strategy recommends treating "addiction as a public health issue, not a crime." Further, the strategy "rejects the notion that we can arrest and incarcerate our way out of the nation's drug problem."

(2) Vermont Chief Justice Paul Reiber has declared that "the classic approach of 'tough on crime' is not working in [the] area of drug policy" and that treatment-based models are proving to be a more effective approach for dealing with crime associated with substance abuse.

(3) A felony conviction record is a significant impediment to gaining and maintaining employment and housing, yet we know that stable employment and housing are an essential element to recovery from substance abuse and desistance of criminal activity that often accompanies addiction.

(4) In a 2014 study by the PEW Research Center, 67 percent of people polled said government should focus more on providing treatment to people who use illicit drugs and less on punishment. The Center later reported that states are leading the way in reforming drug laws to reflect this opinion: State-level actions have included lowering penalties for possession and use of illegal drugs, shortening mandatory minimums or curbing their applicability, removing automatic sentence enhancements, and establishing or extending the jurisdiction of drug courts and other alternatives to the regular criminal justice system.

(5) Vermont must look at alternative approaches to the traditional criminal justice model for addressing low-level illicit drug use if it is going to reduce the effects of addiction and addiction-related crime in this State.

Sec. 6. STUDY

(a) The Office of Legislative Council shall examine the issue of a public health approach to low-level possession and use of illicit drugs in Vermont as an alternative to the traditional criminal justice model, looking to trends both nationally and internationally, with a goal of providing policymakers a range of approaches to consider during the 2018 legislative session.

(b) The Office of Legislative Council shall report its findings to the General Assembly on or before December 15, 2017.

Sec. 7. SUNSET

Sec. 2 of this act shall be repealed on July 1, 2020.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

*JEANETTE K. WHITE
JOSEPH C. BENNING
ALICE W. NITKA*

*Committee on the part of the
Senate*

*CHARLES C. CONQUEST
THOMAS B. BURDITT
SELENE COLBURN*

Committee on the part of the House

Which was considered and adopted on the part of the House

Rules Suspended; Report of Committee of Conference Adopted

S. 9

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to the preparation of poultry products

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

S. 9

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 the preparation of poultry products.

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 thereto as follows:

First: In Sec. 2, 6 V.S.A. § 3312, in subdivision (c)(2)(B), after “may use” and before “plastic sheeting” by striking out “food-grade” and inserting in lieu thereof “heavy duty”

Second: In Sec. 2, 6 V.S.A. § 3312, in subdivision (c)(2), by striking out subdivision (K) in its entirety and inserting in lieu thereof the following:

(K) clothing worn by persons who handle poultry products shall be of material that is cleanable or disposable, and garments shall be cleaned or changed as often as necessary to prevent adulteration of poultry products or the creation of insanitary conditions.

Third: In Sec. 2, 6 V.S.A. § 3312, by adding a subsection (h) to read as follows:

(h) Approved label. Prior to selling poultry products slaughtered pursuant to the exemption in subsection (c) or (d) of this section, a poultry producer shall submit to the Secretary for approval a copy of the label that the poultry producer proposes to use for compliance with the requirements of subsection (e) of this section.

*ROBERT A. STAR
FRANCIS K.BROOKS
CAROLYN W.BRANAGAN*

Committee on the part of the Senate

*SUSAN M.BUCKHOLTZ
JOHN L. BARTHOLOMEW
TERRY E. NORRIS*

Committee on the part of the House

Which was considered and adopted on the part of the House

**Rules Suspended; Second Reading; Proposal of Amendment Agreed to;
Third Reading Ordered; Rules Suspended; Third Reading; Bill Passed**

S. 100

On motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to promoting affordable and sustainable housing

Appearing on the Calendar for notice, was taken up for immediate consideration.

Rep. Baser of Bristol, for the committee on Ways and Means, to which had been referred the Senate bill reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Housing and Conservation Board;

Housing Bond Proceeds for Affordable Housing * * *

Sec. 1. FINDINGS AND PURPOSE; AFFORDABLE HOUSING BOND

(a) Findings.

(1) The General Assembly finds that investments are needed to help house the most vulnerable as well as creating more homes for workers.

(2) The shortage of affordable and available homes has been highlighted recently by:

(A) the Vermont Futures Project of the Vermont Chamber of Commerce, which set a growth target of 5,000 new and improved housing units annually;

(B) a national consultant's recommendations for a Roadmap to End Homelessness, which calls for, over the next five years, 368 new units for permanent supportive housing and 1,251 new homes affordable to families with income that is not more than 30 percent of the median; and

(C) the 2015 statewide housing needs assessment by Bowen National Research, which found the largest gaps in housing affordable to households with income below 30 percent of median and households with income between 85 percent and 120 percent of median, and found a lack of housing availability across the income spectrum.

(b) Purpose. The purpose of this act is to promote the development and improvement of housing for Vermonters.

Sec. 2. 10 V.S.A. § 314 is added to read:

§ 314. AFFORDABLE HOUSING BOND; INVESTMENT

The Vermont Housing and Conservation Board shall use the proceeds of bonds, notes, and other obligations issued by the Vermont Housing Finance Agency pursuant to subdivision 621(22) of this title and transferred to the Vermont Housing and Conservation Trust Fund to fund the creation and improvement of owner-occupied and rental housing for Vermonters with very

low to middle income, in areas targeted for growth and reinvestment, as follows:

(1) not less than 25 percent of the housing shall be targeted to Vermonters with very low income, meaning households with income below 50 percent of area median income;

(2) not less than 25 percent of the housing shall be targeted to Vermonters with moderate income, meaning households with income between 80 and 120 percent of area median income; and

(3) the remaining housing shall be targeted to Vermonters with income that is less than or equal to 120 percent of area median income, consistent with the provisions of this chapter.

Sec. 2a. 10 V.S.A. § 315 is added to read:

§ 315. AFFORDABLE HOUSING FUND

There is created the Affordable Housing Fund, the sole purpose of which shall be to serve as the depository of the first \$2,500,000.00 of revenues from the property transfer tax pursuant to 32 V.S.A. § 9610(d), which shall be distributed to the Vermont Housing Finance Agency to service the debt for bonds, notes, and other obligations pursuant to subdivision 621(22) of this title, the proceeds of which the Vermont Housing and Conservation Trust Fund shall use for the creation and improvement of affordable housing pursuant to section 314 of this title.

Sec. 3. 10 V.S.A. § 323 is amended to read:

§ 323. ANNUAL REPORT

Prior to January 31 of each year, the ~~board~~ Board shall submit a report concerning its activities to the ~~governor~~ Governor and ~~legislative committees on agriculture, natural resources and energy, appropriations, ways and means, finance, and institutions~~ to the House Committees on Agriculture and Forestry, on Appropriations, on Corrections and Institutions, on Natural Resources, Fish and Wildlife, and on Ways and Means and the Senate Committees on Agriculture, on Appropriations, on Finance, on Institutions, and on Natural Resources and Energy. The report shall include, ~~but not be limited to,~~ the following:

(1) a list and description of activities funded by the ~~board~~ Board during the preceding year, including commitments made to fund projects through housing bond proceeds pursuant to section 314 of this title, and project descriptions, levels of affordability, and geographic location;

* * *

* * * Allocation of Property Transfer Tax Revenues * * *

Sec. 4. 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF RETURNS

(a) Not later than 30 days after the receipt of any property transfer return, a town clerk shall file the return in the office of the town clerk and electronically forward a copy of the acknowledged return to the Commissioner; provided, however, that with respect to a return filed in paper format with the town, the Commissioner shall have the discretion to allow the town to forward a paper copy of that return to the ~~department~~ Department.

(b) The copies of property transfer returns in the custody of the town clerk may be inspected by any member of the public.

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and ~~32 V.S.A. § subdivision~~ subdivision 435(b)(10) of this title, ~~one~~ two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be deposited in the Affordable Housing Fund created in 10 V.S.A. § 315 and distributed to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least \$12,000,000.00.

* * * Vermont Housing Finance Agency; Authority to Issue Bonds for
Affordable Housing * * *

Sec. 5. 10 V.S.A. § 621 is amended to read:

§ 621. GENERAL POWERS AND DUTIES

The Agency shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided a business corporation by 11A V.S.A. § 3.02 and those general powers provided a nonprofit corporation

by 11B V.S.A. § 3.02 and including, without limiting the generality of the foregoing, the power to:

* * *

(21) use funds received from real estate trust and escrow accounts established under 26 V.S.A. § 2214(c), IORTA funds, for down payment and closing cost assistance with priority given to persons and families at or below 90 percent of median income and to persons and families purchasing perpetually affordable housing;

(22) issue bonds, notes, and other obligations secured by the property transfer tax revenues transferred to the Agency pursuant to 32 V.S.A. § 9610(d).

Sec. 6. 10 V.S.A. § 631(1) is added to read:

(1)(1) The bonds, notes, and other obligations authorized to be issued pursuant to subdivision 621(22) of this title shall be secured by a pledge of the property transfer tax revenues to be transferred to the Agency pursuant to 32 V.S.A. § 9610(d) and shall mature on or before June 30, 2039.

(2) The Agency may issue the bonds, notes, and other obligations in one or more series at one time or from time to time, provided that the aggregate annual debt service on the bonds, notes, and other obligations shall not exceed \$2,500,000.00 at any time.

(3) The Agency shall transfer the proceeds of the bonds, notes, and other obligations, less issuance fees and costs and required reserves, to the Vermont Housing and Conservation Trust Fund established pursuant to section 312 of this title for use by the Vermont Housing and Conservation Board as provided in section 314 of this title.

(4) The Agency, the Vermont Housing and Conservation Board, and the State Treasurer may execute one or more agreements governing the terms and conditions under which the property transfer tax revenues that secure the bonds, notes, and obligations shall be transferred to the Agency, and any other issues they determine appropriate.

* * * Funding for Affordable Housing Bond Program;

Allocation of Revenues; Intent * * *

Sec. 7. INTENT; FUNDING FOR AFFORDABLE HOUSING BOND PROGRAM; ALLOCATION OF PROPERTY TRANSFER TAX REVENUES

(a) Revenues from the property transfer tax, before the passage of this act, were allocated pursuant to statute as follows:

(1) The first two percent is deposited in a special fund in the Department

of Taxes for Property Valuation and Review administration costs pursuant to 32 V.S.A. § 9610(c).

(2) Of the remaining 98 percent of the revenues:

(A) 17 percent is deposited in the Municipal and Regional Planning Fund created in 24 V.S.A. § 4306.

(B) 50 percent is deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

(C) 33 percent is deposited in the General Fund created in 32 V.S.A. § 435.

(b) Pursuant to Sec. 4 of this act, in 32 V.S.A. § 9610(d), the first \$2,500,000.00 of revenue generated from the property transfer tax is deposited in the Affordable Housing Fund created in 10 V.S.A. § 315 and distributed to the Vermont Housing Finance Agency to service the bonds, notes, and other obligations incurred by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(c) Transferring the first \$2,500,000.00 of property transfer tax revenues to the Vermont Housing Finance Agency for debt service reduces the amount of revenues available for allocation to the respective statutory recipients identified in subsection (a) of this section.

(d) To compensate for this reduction of available property transfer tax revenue, it is the intent of the General Assembly through this act to provide for the transfer of \$2,500,000.00 to the Vermont Housing and Conservation Trust Fund, as follows:

(1) Sec. D.100(a)(2) of H.518 (2017) appropriates \$11,304,840.00 in fiscal year 2018 from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Upon the effective date of this act, the amount of \$1,500,000.00 shall revert to the Vermont Housing and Conservation Trust Fund, resulting in a fiscal year 2018 total appropriation to the Board of \$9,804,840.00. In fiscal year 2018 only, the amount of \$1,500,000.00 shall be transferred from the Vermont Housing and Conservation Trust Fund to the General Fund.

(2) As provided in Sec. 9 of this act, from July 1, 2017 until July 1, 2039, pursuant to 32 V.S.A. § 9602a(d), the first \$1,000,000.00 in revenue generated by the clean water surcharge of 0.2 percent shall be transferred to the Vermont Housing and Conservation Trust Fund. In fiscal year 2018 only, the Commissioner shall transfer the amount of \$1,000,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

* * * Clean Water Surcharge; Repeal of 2018 Sunset * * *

Sec. 8. REPEAL; SUNSET OF CLEAN WATER SURCHARGE

2015 Acts and Resolves No. 64, Sec. 39 (sunset of clean water surcharge in 2018) is repealed.

* * * Clean Water Surcharge; Allocation of
First \$1 Million in Revenue until 2039 * * *

Sec. 9. 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee 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. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

* * * Clean Water Surcharge; Allocation of
Revenue after 2039 * * *

Sec. 10. 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee 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. The surcharge shall be in addition to any tax assessed under

section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, ~~except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.~~

* * * Repeal of Affordable Housing Bond Provisions After Life of Bond * * *

Sec. 11. REPEAL

The following shall be repealed on July 1, 2039:

(1) 10 V.S.A. § 314 (Vermont Housing and Conservation Board; affordable housing bond and investments).

(2) 10 V.S.A. § 315 (Affordable Housing Fund).

(3) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA) authority to issue debt obligations secured by property transfer tax).

(4) 10 V.S.A. § 631(l) (debt obligations issued by VHFA).

(5) 32 V.S.A. § 9610(d) (property transfer tax priority for affordable housing debt repayment).

* * * Effective Dates * * *

Sec. 12. EFFECTIVE DATES

This act shall take effect on July 1, 2017, except for Sec. 10 (entire clean water surcharge to clean water fund), which shall take effect on July 1, 2039.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the committee on Ways and Means? **Rep. Baser of Bristol** moved to substitute an amendment for the report on Ways and Means as follows by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Housing and Conservation Board;

Housing Bond Proceeds for Affordable Housing * * *

Sec. 1. FINDINGS AND PURPOSE; AFFORDABLE HOUSING BOND

(a) Findings.

(1) The General Assembly finds that investments are needed to help house the most vulnerable as well as creating more homes for workers.

(2) The shortage of affordable and available homes has been highlighted recently by:

(A) the Vermont Futures Project of the Vermont Chamber of Commerce, which set a growth target of 5,000 new and improved housing units annually;

(B) a national consultant's recommendations for a Roadmap to End Homelessness, which calls for, over the next five years, 368 new units for permanent supportive housing and 1,251 new homes affordable to families with income that is not more than 30 percent of the median; and

(C) the 2015 statewide housing needs assessment by Bowen National Research, which found the largest gaps in housing affordable to households with income below 30 percent of median and households with income between 85 percent and 120 percent of median, and found a lack of housing availability across the income spectrum.

(b) Purpose. The purpose of this act is to promote the development and improvement of housing for Vermonters.

Sec. 2. 10 V.S.A. § 314 is added to read:

§ 314. AFFORDABLE HOUSING BOND; INVESTMENT

The Vermont Housing and Conservation Board shall use the proceeds of bonds, notes, and other obligations issued by the Vermont Housing Finance Agency pursuant to subdivision 621(22) of this title and transferred to the Vermont Housing and Conservation Trust Fund to fund the creation and improvement of owner-occupied and rental housing for Vermonters with very low to middle income, in areas targeted for growth and reinvestment, as follows:

(1) not less than 25 percent of the housing shall be targeted to Vermonters with very low income, meaning households with income below 50 percent of area median income;

(2) not less than 25 percent of the housing shall be targeted to Vermonters with moderate income, meaning households with income between 80 and 120 percent of area median income; and

(3) the remaining housing shall be targeted to Vermonters with income that is less than or equal to 120 percent of area median income, consistent with the provisions of this chapter.

Sec. 3. 10 V.S.A. § 323 is amended to read:

§ 323. ANNUAL REPORT

Prior to January 31 of each year, the ~~board~~ Board shall submit a report concerning its activities to the ~~governor~~ Governor and ~~legislative committees on agriculture, natural resources and energy, appropriations, ways and means,~~

finance, and institutions to the House Committees on Agriculture and Forestry, on Appropriations, on Corrections and Institutions, on Natural Resources, Fish and Wildlife, and on Ways and Means and the Senate Committees on Agriculture, on Appropriations, on Finance, on Institutions, and on Natural Resources and Energy. The report shall include, ~~but not be limited to,~~ the following:

(1) a list and description of activities funded by the ~~board~~ Board during the preceding year, including commitments made to fund projects through housing bond proceeds pursuant to section 314 of this title, and project descriptions, levels of affordability, and geographic location;

* * *

* * * Allocation of Property Transfer Tax Revenues * * *

Sec. 4. 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF RETURNS

(a) Not later than 30 days after the receipt of any property transfer return, a town clerk shall file the return in the office of the town clerk and electronically forward a copy of the acknowledged return to the Commissioner; provided, however, that with respect to a return filed in paper format with the town, the Commissioner shall have the discretion to allow the town to forward a paper copy of that return to the ~~department~~ Department.

(b) The copies of property transfer returns in the custody of the town clerk may be inspected by any member of the public.

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and ~~32 V.S.A. § subdivision~~ subdivision 435(b)(10) of this title, ~~one two~~ two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate

estimated, at the time of any reduction, to generate annual revenues of at least \$12,000,000.00.

* * * Vermont Housing Finance Agency; Authority to Issue Bonds for
Affordable Housing * * *

Sec. 5. 10 V.S.A. § 621 is amended to read:

§ 621. GENERAL POWERS AND DUTIES

The Agency shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided a business corporation by 11A V.S.A. § 3.02 and those general powers provided a nonprofit corporation by 11B V.S.A. § 3.02 and including, without limiting the generality of the foregoing, the power to:

* * *

(21) use funds received from real estate trust and escrow accounts established under 26 V.S.A. § 2214(c), IORTA funds, for down payment and closing cost assistance with priority given to persons and families at or below 90 percent of median income and to persons and families purchasing perpetually affordable housing;

(22) issue bonds, notes, and other obligations secured by the property transfer tax revenues transferred to the Agency pursuant to 32 V.S.A. § 9610(d).

Sec. 6. 10 V.S.A. § 631(1) is added to read:

(1)(1) The bonds, notes, and other obligations authorized to be issued pursuant to subdivision 621(22) of this title shall be secured by a pledge of the property transfer tax revenues to be transferred to the Agency pursuant to 32 V.S.A. § 9610(d) and shall mature on or before June 30, 2039.

(2) The Agency may issue the bonds, notes, and other obligations in one or more series at one time or from time to time, provided that the aggregate annual debt service on the bonds, notes, and other obligations shall not exceed \$2,500,000.00 at any time.

(3) The Agency shall transfer the proceeds of the bonds, notes, and other obligations, less issuance fees and costs and required reserves, to the Vermont Housing and Conservation Trust Fund established pursuant to section 312 of this title for use by the Vermont Housing and Conservation Board as provided in section 314 of this title.

(4) The Agency, the Vermont Housing and Conservation Board, and the State Treasurer may execute one or more agreements governing the terms and conditions under which the property transfer tax revenues that secure the

bonds, notes, and obligations shall be transferred to the Agency, and any other issues they determine appropriate.

* * * Funding for Affordable Housing Bond Program;

Allocation of Revenues; Intent * * *

Sec. 7. INTENT; FUNDING FOR AFFORDABLE HOUSING BOND PROGRAM; ALLOCATION OF PROPERTY TRANSFER TAX REVENUES

(a) Revenues from the property transfer tax, before the passage of this act, were allocated pursuant to statute as follows:

(1) The first two percent was deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs pursuant to 32 V.S.A. § 9610(c).

(2) Of the remaining 98 percent of the revenues:

(A) 17 percent was deposited in the Municipal and Regional Planning Fund created in 24 V.S.A. § 4306.

(B) 50 percent was deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

(C) 33 percent was deposited in the General Fund created in 32 V.S.A. § 435.

(b) Pursuant to Sec. 4 of this act, in 32 V.S.A. § 9610(d), the first \$2,500,000.00 of revenue generated from the property transfer tax is transferred to the Vermont Housing Finance Agency to service the bonds, notes, and other obligations incurred by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(c) Transferring the first \$2,500,000.00 of property transfer tax revenues to the Vermont Housing Finance Agency for debt service reduces the amount of revenues available for allocation to the respective statutory recipients identified in subsection (a) of this section.

(d) To compensate for this reduction of available property transfer tax revenue, it is the intent of the General Assembly through this act to provide for the transfer of \$2,500,000.00 to the Vermont Housing and Conservation Trust Fund, as follows:

(1) Sec. D.100(a)(2) of H.518 (2017) appropriates \$11,304,840.00 in fiscal year 2018 from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Upon the effective date of this act, the Board shall transfer the amount of \$1,500,000.00 back to the Vermont

Housing and Conservation Trust Fund, resulting in a fiscal year 2018 total appropriation to the Board of \$9,804,840.00. In fiscal year 2018 only, the Commissioner of Taxes shall transfer the amount of \$1,500,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

(2) As provided in Sec. 9 of this act, from July 1, 2017 until July 1, 2039, pursuant to 32 V.S.A. § 9602a, the first \$1,000,000.00 in revenue generated by the clean water surcharge of 0.2 percent shall be transferred to the Vermont Housing and Conservation Trust Fund. In fiscal year 2018 only, the Commissioner of Taxes shall transfer the amount of \$1,000,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

* * * Clean Water Surcharge; Repeal of 2018 Sunset * * *

Sec. 8. REPEAL; SUNSET OF CLEAN WATER SURCHARGE

2015 Acts and Resolves No. 64, Sec. 39 (sunset of clean water surcharge in 2018) is repealed.

* * * Clean Water Surcharge; Allocation of

First \$1 Million in Revenue until 2039 * * *

Sec. 9. 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee 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. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

* * * Clean Water Surcharge; Allocation of

Revenue after 2039 * * *

Sec. 10. 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee 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. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, ~~except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.~~

* * * Repeal of Affordable Housing Bond Provisions After Life of Bond * * *

Sec. 11. REPEAL

The following shall be repealed on July 1, 2039:

(1) 10 V.S.A. § 314 (Vermont Housing and Conservation Board; affordable housing bond and investments).

(2) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA) authority to issue debt obligations secured by property transfer tax).

(3) 10 V.S.A. § 631(l) (debt obligations issued by VHFA).

(4) 32 V.S.A. § 9610(d) (property transfer tax priority for affordable housing debt repayment).

* * * Effective Dates * * *

Sec. 12. EFFECTIVE DATES

This act shall take effect on July 1, 2017, except for Sec. 10 (allocating total clean water surcharge revenue to Clean Water Fund), which shall take effect on July 1, 2039.

Which was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Ways & Means, as substituted? **Rep. Ancel of Calais** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll

and the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Ways & Means as substituted? was decided in the affirmative. Yeas, 139. Nays, 8.

Those who voted in the affirmative are:

Ainsworth of Royalton	Gamache of Swanton	Norris of Shoreham
Ancel of Calais	Gannon of Wilmington	Noyes of Wolcott
Bancroft of Westford	Gardner of Richmond	Ode of Burlington
Bartholomew of Hartland	Giambatista of Essex	Olsen of Londonderry
Baser of Bristol	Gonzalez of Winooski	O'Sullivan of Burlington
Batchelor of Derby	Grad of Moretown	Parent of St. Albans Town
Beck of St. Johnsbury	Graham of Williamstown	Pearce of Richford
Belaski of Windsor	Greshin of Warren	Poirier of Barre City
Beyor of Highgate	Haas of Rochester	Potter of Clarendon
Bissonnette of Winooski	Harrison of Chittenden	Pugh of South Burlington
Bock of Chester	Head of South Burlington	Quimby of Concord
Botzow of Pownal	Hebert of Vernon	Rachelson of Burlington
Brennan of Colchester	Higley of Lowell	Rosenquist of Georgia
Briglin of Thetford	Hill of Wolcott	Savage of Swanton
Brumsted of Shelburne	Hooper of Montpelier	Scheu of Middlebury
Buckholz of Hartford	Hooper of Brookfield	Scheuermann of Stowe
Burditt of West Rutland	Houghton of Essex	Sharpe of Bristol
Burke of Brattleboro	Howard of Rutland City	Shaw of Pittsford
Carr of Brandon	Hubert of Milton	Sheldon of Middlebury
Chesnut-Tangerman of Middletown Springs	Jessup of Middlesex	Sibilia of Dover
Christensen of Weathersfield	Jickling of Brookfield	Smith of Derby
Christie of Hartford	Juskiewicz of Cambridge	Smith of New Haven
Cina of Burlington	Keefe of Manchester	Squirrell of Underhill
Colburn of Burlington	Keenan of St. Albans City	Stevens of Waterbury
Condon of Colchester	Kitzmiller of Montpelier	Strong of Albany
Conlon of Cornwall	Krowinski of Burlington	Stuart of Brattleboro
Connor of Fairfield	LaClair of Barre Town	Sullivan of Dorset
Conquest of Newbury	Lalonde of South Burlington	Sullivan of Burlington
Copeland-Hanzas of Bradford	Lanpher of Vergennes	Taylor of Colchester
Corcoran of Bennington	Lewis of Berlin	Till of Jericho
Cupoli of Rutland City	Lippert of Hinesburg	Toleno of Brattleboro
Dakin of Colchester	Long of Newfane	Toll of Danville
Deen of Westminster	Lucke of Hartford	Townsend of South Burlington
Devereux of Mount Holly	Macaig of Williston	Trieber of Rockingham
Dickinson of St. Albans Town	Marcotte of Coventry	Troiano of Stannard
Donahue of Northfield	Martel of Waterford	Turner of Milton
Donovan of Burlington	Masland of Thetford	Viens of Newport City
Dunn of Essex	McCormack of Burlington	Walz of Barre City
Emmons of Springfield	McCoy of Poultney	Webb of Shelburne
Fagan of Rutland City	McCullough of Williston	Weed of Enosburgh
Feltus of Lyndon	McFaun of Barre Town	Willhoit of St. Johnsbury
Fields of Bennington	Miller of Shaftsbury *	Wood of Waterbury
	Morris of Bennington	Wright of Burlington
	Morrissey of Bennington	Yacovone of Morristown
	Mrowicki of Putney	

Forguites of Springfield
Frenier of Chelsea
Gage of Rutland City

Murphy of Fairfax
Myers of Essex
Nolan of Morristown

Yantachka of Charlotte
Young of Glover

Those who voted in the negative are:

Browning of Arlington
Canfield of Fair Haven
Helm of Fair Haven

Joseph of North Hero
Kimbell of Woodstock
Lawrence of Lyndon

Lefebvre of Newark
Van Wyck of Ferrisburgh

Those members absent with leave of the House and not voting are:

Partridge of Windham

Terenzini of Rutland Town

Rep. Miller of Shaftsbury explained her vote as follows:

“Madam Speaker:

It will be very difficult for me to vote for any water project until the people in southwestern Vermont can turn the water on in their homes and barns without fear of drinking poisonous water or poisoning their livestock.”

Thereupon, third reading was ordered.

Thereupon, on motion of **Rep. Savage of Swanton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed in concurrence with proposal of amendment.

Rules Suspended; Report of Committee of Conference Adopted

H. 508

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to building resilience for individuals experiencing adverse childhood experiences

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference Report:

Report of Committee of Conference

H. 508

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. 508. An act relating to building resilience for individuals experiencing adverse childhood experiences.

Respectfully reports that it has met and considered the same and recommends that the Senate recedes 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. FINDINGS

The General Assembly finds that:

(1) Adversity in childhood has a direct impact on an individual's health outcomes and social functioning. The cumulative effects of multiple adverse childhood experiences (ACEs) have even more profound public health and societal implications. ACEs include physical, emotional, and sexual abuse; neglect; food and financial insecurity; living with a person experiencing mental illness or substance use disorder, or both; experiencing or witnessing domestic violence; and having divorced parents or an incarcerated parent.

(2) The ACE questionnaire contains ten categories of questions for adults pertaining to abuse, neglect, and family dysfunction during childhood. It is used to measure an adult's exposure to traumatic stressors in childhood. Based on a respondent's answers to the questionnaire, an ACE score is calculated, which is the total number of ACE categories reported as experienced by a respondent.

(3) ACEs are common in Vermont. One in eight Vermont children has experienced three or more ACEs, the most common being divorced or separated parents, food and housing insecurity, and having lived with someone with a substance use disorder or mental health condition. Children with three or more ACEs have higher odds of failing to engage and flourish in school.

(4) The impact of ACEs in Vermont is evident through the rise in caseloads in the Department for Children and Families, the acceleration of the opioid epidemic, which is both driving and affected by family dysfunction, and rising health care costs associated with adult chronic illness.

(5) The impact of ACEs is felt across all socioeconomic boundaries.

(6) The earlier in life an intervention occurs for an individual who has experienced ACEs, the more likely that intervention is to be successful.

(7) There are at least 17 nationally recognized models shown to be effective in lowering the risk for child abuse and neglect, improving maternal and child health, and promoting child development and school readiness.

(8) The General Assembly understands that people who have experienced adverse childhood experiences can build resilience and can succeed in leading happy, healthy lives.

Sec. 2. 33 V.S.A. chapter 34 is added to read:

CHAPTER 34. PROMOTION OF CHILD AND FAMILY RESILIENCE§ 3401. PRINCIPLES FOR VERMONT'S TRAUMA-INFORMED SYSTEM OF CARE

The General Assembly adopts the following principles with regard to strengthening Vermont's response to trauma and toxic stress during childhood:

(1) Childhood trauma affects all aspects of society. Each of Vermont's systems addressing trauma, particularly social services; health care, including mental health; education; child care; and the justice system, shall collaborate to address the causes and symptoms of childhood trauma and to build resilience.

(2) Addressing trauma in Vermont requires building resilience in those individuals already affected and preventing childhood trauma within the next generation.

(3) Early childhood adversity is common and can be prevented. When adversity is not prevented, early intervention is essential to ameliorate the impacts of adversity. A statewide, community-based, interconnected, public health and social service approach is necessary to address this effectively. This model shall include training for local leaders to facilitate a cultural change around the prevention and treatment of childhood trauma.

(4) Service systems shall be integrated at the local and regional levels to maximize resources and simplify how systems respond to individual and family needs. All programs and services shall be evidence-informed and research-based, adhering to best practices in addressing trauma and promoting resilience.

Sec. 3. ADVERSE CHILDHOOD EXPERIENCES; WORKING GROUP

(a) Creation. There is created the Adverse Childhood Experiences Working Group for the purpose of investigating, cataloguing, and analyzing existing resources to mitigate childhood trauma, identify populations served, and examine structures to build resiliency.

(b) Membership. The Working Group shall be composed of the following members:

(1) three members of the House, who shall be appointed by the Speaker, including:

(A) the Chair of the House Committee on Human Services or designee;

(B) the Chair of the House Committee on Health Care or designee; and

(C) the Chair of the House Committee on Education or designee; and

(2) three members of the Senate, who shall be appointed by the Committee on Committees, including:

(A) the Chair of the Senate Committee on Health and Welfare or designee;

(B) the Chair of the Senate Committee on Education or designee; and

(C) one current member from the Senate at large.

(c)(1) Powers and duties. In light of current research and the fiscal environment, the Working Group shall analyze existing resources related to building resilience in early childhood and propose appropriate structures for advancing the most evidence-based or evidence-informed and cost-effective approaches to serve children experiencing trauma, including the following:

(A) identifying by service area existing intervention programs for children and families and those populations served by each program, including the effectiveness of identified programs;

(B) determining whether there are any statewide or regional gaps in services for interventions on behalf of children and families;

(C) exploring previous and ongoing initiatives within the Agencies of Human Services and of Education that address trauma, including any gains achieved;

(D) considering, if necessary, a legislative proposal that targets the use of evidence-based or evidence-informed and cost-effective interventions for children and families based upon the strengths and weaknesses of existing services; and

(E) determining the fiscal impact and staffing needs related to any changes to State services proposed by the Working Group, including those that affect public schools.

(2) The Working Group shall take testimony from a diverse array of public and private stakeholders, including the Agency of Human Service's Child and Family Trauma Advisory Committee.

(d)(1) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Office of Legislative Council. The Joint Fiscal Office and the Agencies of Education and of Human Services shall provide assistance to the Working Group as necessary.

(2) On or before August 15, 2017, the Agency of Human Services, in consultation with the Agency of Education, shall provide data and background materials relevant to the responsibilities of the Working Group to the Office of Legislative Council, including:

(A) a spreadsheet by service area of those programs or services that receive State or federal funds to provide intervention services for children and families and the eligibility criteria for each program and service;

(B) a compilation of grants to organizations that address childhood trauma and resiliency from the grants inventory established pursuant to 3 V.S.A. § 3022a;

(C) a summary as to how the Agencies currently coordinate their work related to childhood trauma prevention, screening, and treatment efforts;

(D) any training materials currently disseminated to early child care and learning professionals by the Agencies regarding the identification of students exposed to adverse childhood experiences and strategies for referring families to community health teams and primary care medical homes; and

(E) a description of any existing programming within the Agencies or conducted in partnership with local community groups that is aimed at addressing and reducing trauma and associated health risks to children.

(e) Proposed legislation. On or before November 1, 2017, the Working Group shall submit any recommended legislation to the House Committee on Human Services and the Senate Committee on Health and Welfare.

(f) Meetings.

(1) The Chair of the House Committee on Human Services or designee shall call the first meeting of the Working Group to occur on or before September 1, 2017.

(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 December 1, 2017.

(g) 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 not more than six meetings.

(h) Appropriation. The sum of \$7,704.00 is appropriated to the General Assembly from the General Fund in fiscal year 2018 for per diem compensation and reimbursement of expenses for members of the Working Group.

Sec. 4. ADVERSE CHILDHOOD EXPERIENCES; RESPONSE PLAN

(a) On or before January 15, 2019, the Agency of Human Services shall

present to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare, in response to the work completed by the Adverse Childhood Experiences Working Group established pursuant to Sec. 3 of this act, a plan that specially addresses the integration of evidence-informed and family-focused prevention, intervention, treatment, and recovery services for individuals affected by adverse childhood experiences. The plan shall address the coordination of services throughout the Agency and shall propose mechanisms for:

(1) improving and engaging community providers in the systematic prevention of trauma;

(2) case detection and care of individuals affected by adverse childhood experiences; and

(3) ensuring that grants to the Agency of Human Services' community partners related to children and families strive toward accountability and community resilience.

(b) On or before February 1, 2018, the Agency of Human Services shall update the Senate Committee on Health and Welfare and the House Committees on Health Care and on Human Services on work being done in advance of the response plan required by subsection (a) of this section.

Sec. 5. CURRICULUM; ADVERSE CHILDHOOD EXPERIENCES

The General Assembly recommends that the State Colleges and University of Vermont's College of Medicine, College of Nursing and Health Sciences, and College of Education and Social Services expressly include information in their curricula pertaining to adverse childhood experiences and their impact on short- and long-term physical and mental health outcomes.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

*VIRGINIA V. LYONS
CLAIRE D. AYER
DEBORAH J. INGRAM*

Committee on the part of the Senate

*ANN D. PUGH
MICHAEL MROWICKI
CARL J. ROSENQUIST*

Committee on the part of the House

Which was considered and adopted on the part of the House.

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the bills were ordered messaged to the Senate forthwith.

S. 9

Senate bill, entitled

An act relating to the preparation of poultry products

S. 100

Senate bill, entitled

An act relating to promoting affordable and sustainable housing

S. 134

Senate bill, entitled

An act relating to court diversion and pretrial services

Recess

At five o'clock and six minutes in the evening, the Speaker declared a recess until the fall of the gavel.

At five o'clock and thirty-eight minutes in the evening, the Speaker called the House to order.

Rules Suspended; Senate Proposal of Amendment to House Proposal of Amendment Concurred in**S. 133**

Pending entry on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to examining mental health care and care coordination

Was taken up for immediate consideration.

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

First: In Sec. 3, in subsection (a), by striking out “systematic” and inserting in lieu thereof systemic

Second: In Sec. 4, in subdivision (3)(A), by striking out “evaluate” and inserting in lieu thereof assess

Third: In Sec. 4, in subdivision (7), in the first sentence, by striking out “evaluate” and inserting in lieu thereof assess

Fourth: In Sec. 4, in subdivision (8), by striking out “be utilized” and inserting in lieu thereof utilize

Fifth: In Sec. 4, by striking out subdivision (9) in its entirety and inserting in lieu thereof the following:

(9) Emergency services. The analysis, action plan, and long-term vision evaluation shall address how designated and specialized service agencies fund emergency services for the purpose of ensuring emergency services achieve maximum efficiency and are available to all individuals within a specific designated or specialized service agency's catchment area and shall identify any funding gaps, including methodologies of payment, capacity of payment, third-party payers, and unfunded services. "Emergency services" means crisis response teams and crisis bed programs.

Sixth: In Sec. 5, in subsection (a), in the first sentence, by striking out "to" after "Welfare" and inserting in lieu thereof and

Seventh: In Sec. 5, in subdivision (c)(1), in the first sentence, by striking out "court-order" and inserting in lieu thereof court-ordered

Eighth: In Sec. 5, in subdivision (c)(1)(A), by inserting a semi-colon after the word "hospitalization"

Ninth: In Sec. 11, 18 V.S.A. § 8914, in subsections (a) and (b), by striking out "and the Alcohol and Drug Abuse Program's preferred providers"

Tenth: In Sec. 11, 18 V.S.A. § 8914, in subdivision (a)(2), by striking out "cost" the second time in which appears and inserting in lieu thereof costs

Eleventh: In Sec. 12, by striking out "Blue Cross and Blue Shield" and by inserting in lieu thereof BlueCross BlueShield

Which the Senate proposal to the House proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment to House Proposal of Amendment Concurred in

S. 52

Appearing on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to the Public Service Board and its proceedings

Was taken up for immediate consideration.

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

First: By striking out Sec. 5 in its entirety and inserting in lieu thereof a new Sec. 5 to read:

Sec. 5. 30 V.S.A. § 248a is amended to read:

§ 248a. CERTIFICATE OF PUBLIC GOOD FOR COMMUNICATIONS FACILITIES

* * *

(j) Telecommunications facilities of limited size and scope.

* * *

(2)(A) Any ~~party~~ person seeking to proceed under the procedures authorized by this subsection shall file a proposed certificate of public good and proposed findings of fact with its application, ~~and provide.~~ Within two business days of notification from the Board that the filing is complete, the applicant shall serve notice and a copy of the application, proposed certificate of public good, and proposed findings of fact ~~to~~ on the Commissioner of Public Service and its Director for Public Advocacy, the Secretary of Natural Resources, the Division for Historic Preservation, the Natural Resources Board if the application concerns a telecommunications facility for which a permit previously has been issued under 10 V.S.A. chapter 151, and each of the legislative bodies and municipal and regional planning commissions in the communities in which the applicant proposes to construct or install facilities. ~~At the same time the applicant files the documents specified in this subdivision with the Board~~ Within two business days of notification from the Board that the filing is complete, the applicant ~~also shall give~~ serve written notice of the proposed certificate ~~to~~ on the landowners of record of property adjoining the project site or sites unless the Board has previously determined on request of the applicant that good cause exists to waive or modify the notice requirement with respect to such landowners. Such notice shall request comment to the Board within ~~21~~ 30 days of the ~~notice~~ date of service on the question of whether the application raises a significant issue with respect to the substantive criteria of this section. If the Board finds that an application raises a significant issue with respect to the substantive criteria of this section, the Board shall hear evidence on any such issue.

* * *

(C) If the Board accepts a request to consider an application under the procedures of this subsection, then unless the Public Service Board subsequently determines that an application raises a significant issue, the Board shall issue a final determination on an application ~~filed pursuant to this subsection within 45 days of its filing or, if the original filing did not substantially comply with the Public Service Board's rules,~~ within ~~45~~ 60 days of the date on which the Clerk of the Board notifies the applicant that the filing is complete. If, subsequent to acceptance of an application under this subsection, the Board rules that an application raises a significant issue, it shall issue a final determination on an application filed pursuant to this subsection ~~within 90 days of its filing or, if the original filing did not substantially comply~~

~~with the Public Service Board's rules,~~ within 90 days of the date on which the Clerk of the Board notifies the applicant that the filing is complete.

* * *

(k) De minimis modifications. An applicant intending to make a de minimis modification of a telecommunications facility shall provide written notice of its intent, including a description of the de minimis modification, its plans for the de minimis modification, and its certification that the project constitutes a de minimis modification under this section, to the following: the landowner of record of the property on which the facility is located; the legislative body of the municipality in which the applicant proposes to undertake such limited modifications to the facility; and the Commissioner of Public Service and his or her Director for Public Advocacy. Unless an objection to the classification of a proposed project as a de minimis modification is filed with the Board within ~~24~~ 30 days of this notice, a certificate of public good shall be issued. Objections may be filed only by persons entitled to notice of this proposed project pursuant to this subsection. If an objection of the classification of the proposed project as a de minimis modification is timely filed with the Board, the Board may determine whether the intended project meets the definition of de minimis modification established in subdivision (b)(2) of this section.

* * *

(o) Retention; experts. The Department of Public Service may retain experts and other personnel as identified in section 20 of this title to provide information essential to a full consideration of an application for a certificate of public good under this section. The Department may allocate the expenses incurred in retaining these personnel to the applicant in accordance with section 21 of this title. The Department may commence retention of these personnel once the applicant has filed the ~~45-day~~ 60-day notice under subsection (e) of this section. A municipal legislative body or planning commission may request that the Department retain these personnel. Granting such a request shall not oblige the Department or the personnel it retains to agree with the position of the municipality.

* * *

Second: After Sec. 15, by striking out Secs. 16 through 21 in their entirety and the reader assistance thereto and inserting in lieu thereof: Secs. 16-21. [Deleted.]

Third: After Sec. 23, by striking out Sec. 24 in its entirety and the reader assistance thereto and inserting in lieu thereof: Sec. 24. [Deleted.]

Fourth: In Sec. 25a, Report; Open Meeting Law; Public Service Board, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read:

(a) On or before December 15, 2017, the Secretary of State shall submit a report on the exemption of the Public Service Board from the Vermont Open Meeting Law, 1 V.S.A. § 312(e). The report shall evaluate whether the Board should continue to have a complete exemption from the Open Meeting Law or whether its exemption should be limited, as with other administrative boards, to the Board's deliberations in connection with quasi-judicial proceedings. The report shall set out the reasons favoring and disfavoring each of these outcomes and provide the Secretary of State's recommendation. In preparing the report, the Secretary of State shall consult with the Attorney General and the Public Service Board.

Fifth: In Sec. 26, effective dates, in the first sentence, by striking out “Secs. 14 through 25a” and inserting in lieu thereof Secs. 14, 15, 22, 23, 25, and 25a

Which the Senate proposal to the House proposal of amendment was considered and concurred in.

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the bills were ordered messaged to the Senate forthwith.

S. 52

Senate bill, entitled

An act relating to the Public Service Board and its proceedings

S. 133

Senate bill, entitled

An act relating to examining mental health care and care coordination

Rules Suspended; Report of Committee of Conference Adopted

H. 513

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to making miscellaneous changes to education law

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

H. 513

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. 513. An act relating to making miscellaneous changes to education law.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House Proposal of Amendment to the Senate Proposal of Amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Act 46 Findings and Purpose * * *

Sec. 1. FINDINGS AND PURPOSE

(a) 2015 Acts and Resolves No. 46 established a multi-year, phased process that provides multiple opportunities for school districts to unify existing governance units into more “sustainable governance structures” designed to meet the General Assembly’s identified educational and fiscal goals while recognizing and reflecting local priorities. It has been the General Assembly’s intent to revitalize Vermont’s small schools—to promote equity in their offerings and stability in their finances—through these changes in governance.

(b) While Vermont generally does an excellent job educating our children, we fall short in two critical areas. First, we are not as successful as we need to be in educating children from families with low income, and second, while we have a very high graduation rate from our high schools, not enough of our graduates continue their education. Fulfilling the goals of Act 46 is a critical step in addressing these shortcomings.

(c) As of May 1, 2017, voters in 105 Vermont towns have voted to merge 113 school districts into slightly larger, more sustainable governance structures, resulting in the creation of 23 new unified districts (serving prekindergarten–grade 12 students). As a result, approximately 60 percent of Vermont’s school-age children live or will soon live in districts that satisfy the goals of Act 46.

(d) These slightly larger, more flexible unified union districts have begun to realize distinct benefits, including the ability to offer kindergarten–grade 8 choice among elementary schools within the new district boundaries; greater flexibility in sharing students, staff, and resources among individual schools; the elimination of bureaucratic redundancies; and the flexibility to create magnet academies, focusing on a particular area of specialization by school.

(e) Significant areas of the State, however, have experienced difficulty satisfying the goals of Act 46. The range of complications is varied, including operating or tuitioning models that differ among adjoining districts, geographic isolation due to lengthy driving times or inhospitable travel routes between proposed merger partners, and greatly differing levels of debt per equalized pupil between districts involved in merger study committees.

(f) This act is designed to make useful changes to the merger time lines and allowable governance structures under Act 46 without weakening or eliminating the Act's fundamental phased merger and incentive structures and requirements. Nothing in this act should be interpreted to suggest that it is acceptable for a school district to fail to take reasonable and robust action to seek to meet the goals of Act 46.

* * * Side-by-Side Structures * * *

Sec. 2. 2012 Acts and Resolves No. 156, Sec. 15 is amended to read:

Sec. 15. TWO OR MORE MERGERS; REGIONAL EDUCATION DISTRICT INCENTIVES

(a) ~~Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) of No. 153 of the Acts of the 2009 Adj. Sess. (2010)~~ that requires a single regional education district ("RED") to have an average daily membership of at least 1,250 or result from the merger of at least four districts, or both, two or more new districts shall be eligible jointly for the incentives provided in ~~Sec. 4 of No. 153, Sec. 4~~ if:

* * *

~~(3) one of the new districts provides education in all elementary and secondary grades by operating one or more schools and the other new district or districts pay tuition for students in one or more grades; each new district has a model of operating schools or paying tuition that is different from the model of the other, which may include:~~

~~(A) operating a school or schools for all resident students in prekindergarten through grade 12;~~

~~(B) operating a school or schools for all resident students in some grades and paying tuition for resident students in the other grades; or~~

~~(C) operating no schools and paying tuition for all resident students in prekindergarten through grade 12;~~

* * *

~~(b) The incentives provided under this act shall be available only if the new districts receive final approval of their electorate on or before November 30, 2017. This section is repealed on July 1, 2017 2019.~~

Sec. 3. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE; EXEMPTION FROM STATEWIDE PLAN

If the conditions of this section are met, the Merged District and the Existing District shall be exempt from the requirement under 2015 Acts and Resolves No. 46, Secs. 9 and 10, to self-evaluate and make a proposal to the Secretary of Education and State Board of Education and from the State

Board's statewide plan, and the Merged District shall be eligible for the incentives provided in 2010 Acts and Resolves No. 153, Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015 Acts and Resolves No. 46.

(1) The new district is formed by the merger of at least three existing districts (Merged District) and, together with one existing district (an Existing District) are members of the same supervisory union (Three-by-One Side-by-Side Structure) that is operational as a unit on the day on which the Merged District becomes operational.

(2) As of March 7, 2017, town meeting day, the Existing District was either:

(A) geographically isolated, due to lengthy driving times or inhospitable travel routes between the Existing District's school or schools and the nearest school in which there is excess capacity as determined by the State Board of Education; or

(B) structurally isolated, because all adjoining school districts have operating or tuitioning models that differ from the Existing District; provided, however, that an Existing District shall not be disqualified from being structurally isolated due to the fact that one or more adjoining school districts that have merged or reached final agreement to merge under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended, have the same operating or tuitioning model as the Existing District.

(3) The Merged District and the Existing District have, following the receipt of all approvals required under this section, models of operating schools or paying tuition that are different from each other. These models are:

(A) operating a school or schools for all resident students in prekindergarten through grade 12;

(B) operating a school or schools for all resident students in some grades and paying tuition for resident students in the other grades; or

(C) operating no schools and paying tuition for all resident students in prekindergarten through grade 12.

(4) The Three-by-One Side-by-Side Structure meets all criteria, other than the size criterion (average daily membership of at least 1,250), for formation of a unified union school district under 2010 Acts and Resolves No. 153, Sec. 3 and otherwise as provided in this section.

(5) The Existing District and either the Merged District or the districts proposing to merge into the Merged District jointly submit a proposal to the State Board after the effective date of this section. The proposal may be made

either by districts that have not yet presented a merger proposal to the electorate or by a Merged District that received voter approval to merge on or after July 1, 2010. The proposal shall demonstrate that:

(A) the Three-by-One Side-by-Side Structure is better suited to them than a governance structure described in 2015 Acts and Resolves No. 46, Sec. 6 and will meet the goals set forth in Sec. 2 of that act;

(B) the Existing District meets one or more of the criteria set forth in subdivision (2) of this subsection;

(C) the Existing District has a detailed action plan to continue to improve its performance in connection with each of the goals set forth in 2015 Acts and Resolves No. 46, Sec. 2.

(6) The Existing District and the districts proposing to merge into the Merged District obtain State Board approval of their proposal to form the proposed Three-by-One Side-by-Side Structure.

(7) The Existing District obtains the approval of its electorate to be an Existing District in the proposed Three-by-One Side-by-Side Structure on or before November 30, 2017.

(8) The districts proposing to merge into the Merged District receive final approval from their electorates for the merger proposal on or before November 30, 2017, and the Merged District becomes fully operational on or before July 1, 2019.

Sec. 4. TWO-BY-TWO-BY-ONE SIDE-BY-SIDE STRUCTURE; REGIONAL EDUCATION DISTRICT INCENTIVES

(a) If the conditions of this section are met, each Merged District and the Existing District shall be exempt from the requirement under 2015 Acts and Resolves No. 46, Secs. 9 and 10 to self-evaluate and make a proposal to the Secretary of Education and State Board of Education and from the State Board's statewide plan, and, except as provided under subsection (b) of this section, each Merged District shall be eligible for the incentives provided in 2010 Acts and Resolves No. 153, Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015 Acts and Resolves No. 46.

(1) Each new district is formed by the merger of at least two existing districts (each a Merged District) and, together with an Existing District, are members of the same supervisory union (Two-by-Two-by-One Side-by-Side Structure) that is operational as a unit on the day on which the Merged Districts become operational.

(2) As of March 7, 2017, town meeting day, the Existing District was either:

(A) geographically isolated, due to lengthy driving times or inhospitable travel routes between the Existing District's school or schools and the nearest school in which there is excess capacity as determined by the State Board of Education; or

(B) structurally isolated, because all adjoining school districts have operating or tuitioning models that differ from the Existing District; provided, however, that an Existing District shall not be disqualified from being structurally isolated due to the fact that one or more adjoining school districts that have merged or reached final agreement to merge under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended, have the same operating or tuitioning model as the Existing District.

(3) Each Merged District and the Existing District, following the receipt of all approvals required under this section, has a model of operating schools or paying tuition that is different from the model of the other. These models are:

(A) operating a school or schools for all resident students in prekindergarten through grade 12;

(B) operating a school or schools for all resident students in some grades and paying tuition for resident students in the other grades; or

(C) operating no schools and paying tuition for all resident students in prekindergarten through grade 12.

(4) The Two-by-Two-by-One Side-by-Side Structure meets all criteria, other than the size criterion (average daily membership of at least 1,250), for formation of a unified union school district under 2010 Acts and Resolves No. 153, Sec. 3 and otherwise as provided in this section.

(5) The Existing District and either the Merged Districts or the districts proposing to merge into the Merged Districts jointly submit a proposal to the State Board after the effective date of this section. The proposal may be made either by districts that have not yet presented a merger proposal to the electorate or by Merged Districts that received voter approval to merge on or after July 1, 2010. The proposal shall demonstrate that:

(A) the Two-by-Two-by-One Side-by-Side Structure is better suited to them than a governance structure described in 2015 Acts and Resolves No. 46, Sec. 6 and will meet the goals set forth in Sec. 2 of that act;

(B) the Existing District meets one or more of the criteria set forth in subdivision (2) of this subsection (a); and

(C) the Existing District has a detailed action plan to continue to

improve its performance in connection with each of the goals set forth in 2015 Acts and Resolves No. 46, Sec. 2.

(6) The Existing District and the districts proposing to merge into the Merged Districts obtain State Board approval of their proposal to form the proposed Two-by-Two-by-One Side-by-Side Structure.

(7) The Existing District obtains the approval of its electorate to be an Existing District in the proposed Two-by-Two-by-One Side-by-Side Structure on or before November 30, 2017.

(8) The districts proposing to merge into each Merged District receive final approval from their electorates for the merger proposal on or before November 30, 2017, and each Merged District becomes fully operational on or before July 1, 2019.

(9) Each Merged District has the same effective date of merger.

(b) Notwithstanding subsection (a) of this section, a Merged District shall not be eligible to receive incentives under this section if the District already received or is eligible to receive incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended.

* * * Withdrawal from Union School District * * *

Sec. 5. TEMPORARY AUTHORITY TO WITHDRAW FROM UNION SCHOOL DISTRICT

(a) Notwithstanding any provision of 16 V.S.A. § 721a to the contrary, a school district may withdraw from a union high school district without approval by the remaining members of the union high school district upon the following conditions:

(1) The school district proposing to withdraw from the union high school district operates a school or schools for all resident students in prekindergarten through grade 6 and historically both has been a member of the union high school district and also pays tuition for resident students in grade 7 through grade 12.

(2) At least one year has elapsed since the union high school district became a body politic and corporate as provided in 16 V.S.A. § 706g.

(3) A majority of the voters of the school district proposing to withdraw from the union high school district present and voting at a school district meeting duly warned for that purpose votes to withdraw from the union high school district. The clerk of the school district shall certify the vote to the Secretary of State, who shall record the certificate in his or her office and shall give notice of the vote to the Secretary of Education and to the other members

of the union high school district.

(4) The State Board approves the withdrawal based on a recommendation from the Secretary of Education.

(5) The withdrawal process is completed on or before July 1, 2019.

(b) In making his or her recommendation, the Secretary of Education shall assess whether:

(1) students in the withdrawing school district would attend a school that complies with the rules adopted by the State Board pertaining to educational programs; and

(2) it is in the best interests of the State, the students, and the districts remaining in the union high school district for the union to continue to exist.

(c) The State Board shall:

(1) consider the recommendation of the Secretary and any other information it deems appropriate;

(2) hold a public meeting within 60 days of receiving the recommendation of the Secretary, and provide due notice of this meeting to the Secretary and all members of the union high school district;

(3) within 10 days of the meeting, notify the Secretary and all members of the union high school district of its decision;

(4) if it approves the withdrawal, declare the membership of the withdrawing school district in the union high school district terminated as of July 1 immediately following, or as soon after July 1 as the financial obligations of the withdrawing school district have been paid to, or an agreement has been made with, the union high school district in an amount to satisfy those obligations (Termination Date); and

(5) file the declaration with the Secretary of State, the clerk of the withdrawing school district, and the clerk of the union high school district concerned.

Sec. 6. REPEAL

(a) Sec. 5 of this act is repealed on July 2, 2019.

(b) If a district withdraws from a union high school district under Sec. 5 of this act, then 2006 Acts and Resolves No.182, Sec. 28 is repealed on the Termination Date, as defined under Sec. 5 (c)(4) of this act.

* * * Reduction of Average Daily Membership; Guidelines for Alternative Structures * * *

Sec. 7. 2015 Acts and Resolves No. 46, Sec. 5 is amended to read:

Sec. 5. PREFERRED EDUCATION GOVERNANCE STRUCTURE;
ALTERNATIVE STRUCTURE GUIDELINES

* * *

(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~~ may 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 complies with its obligations under 16 V.S.A. § 261a and that maximizes efficiencies through economies of scale and the flexible management, transfer, and sharing of nonfinancial resources among the member districts, which may include a common personnel system, with the goal of increasing the ratio of students to full-time equivalent staff;

(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 supervisory union has the smallest number of member school districts practicable after consideration of greatly differing levels of indebtedness among the member districts; and

~~(4)~~(5) the combined average daily membership of all member districts is not less than 1,100 900.

* * * Secretary and State Board; Consideration of Alternative Structure Proposals; Exemption from Statewide Plan; Supplemental Transitional Facilitation Grant * * *

Sec. 8. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE
STRUCTURES; PROPOSAL; FINAL PLAN

* * *

(c) Process. On and after October 1, 2017, the Secretary and State Board shall consider any proposals submitted by districts or groups of districts under Sec. 9 of this act. Districts that submit such a proposal shall have the opportunity to add to or otherwise amend their proposal in connection with the

Secretary's consideration of the proposal and conversations with the district or districts under subsection (a) of this section, and in connection with testimony presented to the State Board under subsection (b) of this section. The State Board may, in its discretion, approve an alternative governance proposal at any time on or before November 30, 2018.

(d) The statewide plan required by subsection (b) of this section shall include default Articles of Agreement to be used by all new unified union school districts created under the plan unless and until new or amended articles are approved.

(1) After the State Board of Education issues the statewide plan under subsection (b) of this section, districts subject to merger shall have 90 days to form a committee with members appointed in the same manner and number as required for a study committee under 16 V.S.A. chapter 11, and which shall draft Articles of Agreement for the new district. During this period, the committee shall hold at least one public hearing to consider and take comments on the draft Articles of Agreement.

(2) If the committee's draft Articles of Agreement are not approved within the 90-day period, then the provisions in the State Board's default Articles of Agreement included in the statewide plan shall apply to the new district.

(3) On or before January 15, 2018, the Vermont School Boards Association and the Vermont Superintendents Association, in consultation with the Agency of Education, shall develop and present to the House and Senate Committees on Education proposed legislation that:

(A) addresses which of the specific articles developed under subdivision (1) of this subsection must or should be approved only by the electorate and which can or should be approved by the committee created in that subdivision or another legal body; and

(B) amends 16 V.S.A. § 706n, which currently requires all later amendments to articles to be approved by either the electorate or the unified board based upon whether the provision was included in the Warning for the original merger vote.

(e) 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; or

(4) a supervisory district with a minimum average daily membership of 900.

(f)(1) The Secretary of Education shall make a supplemental Transitional Facilitation Grant of \$10,000.00 to a school district that:

(A) has received or is eligible to receive tax incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended (a qualifying school district); and

(B) either on its own initiative or at the request of the State Board, agrees by vote of its electorate to merge with another school district (a qualifying merger).

(2) A qualifying school district shall use the grant funding to defray the cost of integration. The Secretary shall pay the grant amount to a qualifying school district for each qualifying merger with a school district even if multiple qualifying mergers are effective on the same date. The Secretary shall pay the grant amount not later than 30 days after all required approvals are obtained.

(3) Notwithstanding any provision to the contrary in 16 V.S.A. § 4025, the Secretary of Education shall pay the supplemental Transition Facilitation Grant from the Education Fund.

(4) The supplemental Transition Facilitation Grant shall be available for a qualifying merger initiated by a qualifying school district only if the merger is scheduled to take effect on or before November 30, 2018.

* * * Deadline for Small School Support Metrics * * *

Sec. 9. 2015 Acts and Resolves No. 46, Sec. 21 is amended to read:

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; provided, however, that on or before September 30, 2017, the State Board shall publish a list of districts that it determines to be geographically isolated pursuant to that section as amended by Sec. 20 of this act.

* * * Time Extension for Qualifying Districts * * *

Sec. 10. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

Sec. 9. SELF-EVALUATION, MEETINGS, AND PROPOSAL

(a) On or before ~~November 30, 2017~~ the earlier of January 31, 2018 or the date that is six months after the date that the State Board's rules on the process for submitting alternative governance proposals take effect, 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, unless the district qualifies for an exemption under Sec. 10(g) of this act.

* * *

Sec. 11. TIME EXTENSION FOR VOTE OF ELECTORATE

Notwithstanding any provision of law to the contrary, the date by which a district must receive final approval from its electorate for its proposal to merge under 2010 Acts and Resolves No. 153 or 2012 Acts and Resolves No. 156, each as amended, is extended from July 1, 2017 to November 30, 2017.

* * * Grants and Fee Reimbursement * * *

Sec. 12. 2015 Acts and Resolves No. 46, Sec. 7 is amended to read:

Sec. 7. SCHOOL DISTRICTS CREATED AFTER DEADLINE FOR
ACCELERATED ACTIVITY; TAX INCENTIVES; SMALL
SCHOOL SUPPORT; JOINT CONTRACT SCHOOLS

* * *

(b) A newly formed school district that meets the criteria set forth in subsection (a) of this section shall receive the following:

* * *

(3) Transition Facilitation Grant.

(A) After voter approval of the plan of merger, notwithstanding any provision to the contrary in 16 V.S.A. § 4025, 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.

* * *

Sec. 13. 2012 Acts and Resolves No. 156, Sec. 9 is amended to read:

Sec. 9. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES;
MERGER; SCHOOL DISTRICTS; SUNSET

(a) From the ~~education fund~~ Education Fund, the ~~commissioner of education~~ Secretary of Education shall reimburse up to \$20,000.00 of fees paid by a study committee established under 16 V.S.A. § 706 for legal and other consulting services necessary to analyze the advisability of creating a union school district or a unified union school district ~~and~~ to prepare the report required by 16 V.S.A. § 706b, and to conduct community outreach, including communications with voters. Community outreach materials shall be limited to those that are reasonably designed to inform and educate. Not more than 30 percent of the reimbursement amount provided by the Secretary under this section shall be used for the purpose of community outreach.

* * *

* * * Applications for Adjustments to Supervisory Union Boundaries * * *

Sec. 14. 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 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 request that the State Board adjust the existing boundaries of the supervisory union of which it is a 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 requests~~ act on a

request made pursuant to this subsection within 75 days of receipt of the request and may regroup the school districts of the area so as to ensure reasonable supervision of all public schools therein.

* * *

* * * Technical Corrections; Clarifications * * *

Sec. 15. 2012 Acts and Resolves No. 156, Sec. 16 is amended to read:

Sec. 16. UNION ELEMENTARY SCHOOL DISTRICTS; REGIONAL
EDUCATION DISTRICT INCENTIVES

* * *

(b) This section is repealed on July 1, ~~2017~~ 2019.

Sec. 16. 2012 Acts and Resolves No. 156, Sec. 17 is amended to read:

Sec. 17. MODIFIED UNIFIED UNION SCHOOL DISTRICT

* * *

(d) This section is repealed on July 1, ~~2017~~ 2019.

Sec. 17. AVAILABILITY OF TAX AND OTHER INCENTIVES

The tax and other incentives under 2010 Acts and Resolves No. 153, as amended, and 2012 Acts and Resolves No. 156, as amended, shall be available only if the new governance structure formed under those acts becomes fully operational on or before July 1, 2019.

Sec. 18. 2015 Acts and Resolves No. 46, Sec. 23 is amended to read:

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. Until such time as Sec. 22 of this act shall apply to the district, the district’s equalized pupil count shall be calculated under 16 V.S.A. § 4010(f), as in effect on June 30, 2016.

Sec. 19. QUALIFICATION FOR INCENTIVES; ASSIGNMENT TO A SUPERVISORY UNION BY THE STATE BOARD

Notwithstanding any requirement under 2015 Acts and Resolves No. 46, Secs. 6 and 7 that the newly formed school district be its own supervisory district, the newly formed school district shall qualify for the incentives under those sections even if it is assigned to a supervisory union by the State Board of Education and that assignment by the State Board is not made at the request of the school district.

* * * State Board Rulemaking Authority * * *

Sec. 20. 2015 Acts and Resolves No. 46, Sec. 8 is amended to read:

Sec. 8. EVALUATION BY THE STATE BOARD OF EDUCATION

* * *

(c) The State Board may adopt rules designed to assist districts in submitting alternative structure proposals, but shall not by rule or otherwise impose more stringent requirements than those in this act.

* * * Tax Provisions * * *

Sec. 21. CALCULATION OF EDUCATION PROPERTY TAX SPENDING ADJUSTMENT AND EDUCATION INCOME TAX SPENDING ADJUSTMENT FOR CERTAIN SCHOOL DISTRICTS

(a) Under this section, a qualifying school district is a school district:

(1) that operates no schools and pays tuition for all resident students in prekindergarten through grade 12;

(2) that, on or before November 15, 2017, obtains final approval from its electorate to consolidate with an existing unified union school district that is eligible to receive incentives under 2010 Acts and Resolves No. 153 (consolidated district), as amended; and

(3) for which either:

(A) the education property tax spending adjustment under 32 V.S.A. § 5401(13)(A) for the district’s fiscal year 2017 exceeded the district’s education property tax spending adjustment for the district’s 2015 fiscal year by more than 100 percent; or

(B) the education income tax spending adjustment under 32 V.S.A.

§ 5401(13)(B) for the district's fiscal year 2017 exceeded the district's education income tax spending adjustment for the district's 2015 fiscal year by more than 100 percent.

(b) Notwithstanding any provision of law to the contrary:

(1) for the first year in which the consolidated district's equalized homestead tax rate or household income percentage is reduced under 2010 Acts and Resolves No. 153, as amended, the equalized homestead tax rate and household income percentage for the town associated with the qualifying district shall be set at the average equalized homestead tax rate and household income percentage of the towns associated with the other districts that merge into the consolidated district; and

(2) 2010 Acts and Resolves No. 153, Sec. 4(a)(2), which limits the amount by which tax rates are permitted to change, shall not apply to the town associated with the qualifying district for the first year for which the consolidated district's equalized homestead tax rate or household income percentage is reduced under that act.

Sec. 22. MODIFIED UNIFIED UNION SCHOOL DISTRICTS; TAX RATE CALCULATIONS

The tax rate provisions in 2010 Acts and Resolves No. 155, Sec. 13(a)(1), as amended, shall not apply to the calculation of tax rates in a member of a modified unified union school district (MUUSD) formed under 2012 Acts and Resolves No. 156, Sec. 17, as amended, if that member is a member for fewer than all grades, prekindergarten through grade 12. This section shall apply to the calculation of taxes in any MUUSD that began full operation after July 1, 2015.

* * * Elections to Unified Union School District Board * * *

Sec. 23. ELECTIONS TO UNIFIED UNION SCHOOL DISTRICT BOARD

(a) Notwithstanding any provision to the contrary under 16 V.S.A. § 706k, the election of a director on the board of a unified union school district who is to serve on the board after expiration of the term for an initial director shall be held at the unified union school district's annual meeting in accordance with the district's articles of agreement.

(b) Notwithstanding any provision to the contrary under 16 V.S.A. § 706l, if a vacancy occurs on the board of a unified union school district and the vacancy is in a seat that is allocated to a specific town, the clerk shall immediately notify the selectboard of the town. Within 30 days of the receipt of that notice, the unified union school district board, in consultation with the selectboard, shall appoint a person who is otherwise eligible to serve as a

member of the unified union school district board to fill the vacancy until an election is held in accordance with the unified union school district's articles of agreement.

(c) This section is repealed on July 1, 2018.

* * * Renewal of Principal's Contracts * * *

Sec. 24. 16 V.S.A. § 243(c) is amended to read:

(c) Renewal and nonrenewal. A principal who has been continuously employed for more than two years in the same position has the right either to have his or her contract renewed, or to receive written notice of nonrenewal ~~at least 90 days before~~ on or before February 1 of the year in which the existing contract expires. Nonrenewal may be based upon elimination of the position, performance deficiencies, or other reasons. The written notice shall recite the grounds for nonrenewal. If nonrenewal is based on performance deficiencies, the written notice shall be accompanied by an evaluation performed by the superintendent. At its discretion, the school board may allow a period of remediation of performance deficiencies prior to issuance of the written notice. After receiving such a notice, the principal may request in writing, and shall be granted, a meeting with the school board. Such request shall be delivered within 15 days of delivery of notice of nonrenewal, and the meeting shall be held within 15 days of delivery of the request for a meeting. At the meeting, the school board shall explain its position, and the principal shall be allowed to respond. The principal and any member of the board may present written information or oral information through statements of others, and the principal and the board may be represented by counsel. The meeting shall be in executive session unless both parties agree in writing that it be open to the public. After the meeting, the school board shall decide whether or not to offer the principal an opportunity to renew his or her contract. The school board shall issue its decision in writing within five days. The decision of the school board shall be final.

* * * Postsecondary Schools * * *

Sec. 25. 16 V.S.A § 176(d) is amended to read:

(d) Exemptions. The following are exempt from the requirements of this section except for the requirements of subdivision (c)(1)(C) of this section:

* * *

(4) Postsecondary schools that are accredited. The following postsecondary institutions are accredited, meet the criteria for exempt status, and are authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate: Bennington College, ~~Burlington College~~, Champlain College, College of St. Joseph, Goddard College, Green Mountain College, Landmark College, Marlboro

College, Middlebury College, New England Culinary Institute, Norwich University, Saint Michael's College, SIT Graduate Institute, Southern Vermont College, Sterling College, Vermont College of Fine Arts, and Vermont Law School. This authorization is provided solely to the extent necessary to ensure institutional compliance with federal financial aid-related regulations, and it does not affect, rescind, or supersede any preexisting authorizations, charters, or other forms of recognition or authorization.

* * *

* * * Educational Opportunities * * *

Sec. 26. 16 V.S.A § 165(b) is amended to read:

(b) ~~Every two years~~ Annually, the Secretary shall determine whether students in each Vermont public school are provided educational opportunities substantially equal to those provided in other public schools. If the Secretary determines that a school is not meeting the education quality standards listed in subsection (a) of this section or that the school is making insufficient progress in improving student performance in relation to the standards for student performance set forth in subdivision 164(9) of this title, he or she shall describe in writing actions that a district must take in order to meet either or both sets of standards and shall provide technical assistance to the school. If the school fails to meet the standards or make sufficient progress ~~by the end of the next two year period~~ within two years of the determination, the Secretary shall recommend to the State Board one or more of the following actions:

* * *

* * * Local Education Agency * * *

Sec. 27. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(26) ~~Shall carry out the duties of a local education agency, as that term is defined in 20 U.S.C. § 7801(26), for purposes of determining student 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. [Repealed.]~~

* * *

* * * State-placed and Homeless Students * * *

Sec. 28. 16 V.S.A § 1075 is amended to read:

§ 1075. LEGAL RESIDENCE DEFINED; RESPONSIBILITY AND PAYMENT OF EDUCATION OF STUDENT

* * *

(c) State-placed students.

(1) A State-placed student in the legal custody of the Commissioner for Children and Families, other than one placed in a 24-hour residential facility and except as otherwise provided in this subsection, shall be educated by the school district in which the student is living the student's school of origin, unless an alternative plan or facility for the education of the student is agreed upon by Secretary the student's education team determines that it is not in the student's best interest to attend the school of origin. The student's education team shall include, as applicable, the student, the student's parents and foster parents, the student's guardian ad litem and educational surrogate parent, representatives of both the school of origin and potential new school, and a representative of the Family Services Division of the Department for Children and Families. In the case of a dispute as to where a State-placed student is living, the Secretary shall conduct a hearing to determine which school district is responsible for educating the student. The Secretary's decision shall be final about whether it is in the student's best interest to attend the school of origin, the Commissioner for Children and Families shall make the final decision. As used in this section, "school of origin" means the school in which the child was enrolled at the time of placement into custody of the Commissioner for Children and Families, or in the case of a student already in the custody of the Commissioner for Children and Families, the school the student most recently attended.

(2) If a student is a State-placed student pursuant to subdivision 11(a)(28)(D)(i)(I) of this title, then the Department for Children and Families shall ~~assume responsibility~~ be responsible for the student's transportation to and from school, unless the receiving district chooses to provide transportation.

(3) A State-placed student not in the legal custody of the Commissioner for Children and Families, other than one placed in a 24-hour residential facility and except as otherwise provided in this subsection, shall be educated by the school district in which the student is living unless an alternative plan or facility for the education of the student is agreed upon by the Secretary. In the case of dispute as to where a State-placed student is living, the Secretary shall conduct a hearing to determine which school district is responsible for educating the student. The Secretary's decision shall be final.

(4) A student who is in temporary legal custody pursuant to 33 V.S.A. § 5308(b)(3) or (4) and is a State-placed student pursuant to subdivision 11(a)(28)(D)(i)(II) of this title, shall be enrolled, at the temporary legal custodian's discretion, in the district in which the student's parents reside, the district in which either parent resides if the parents live in different districts, the district in which the student's legal guardian resides, or the district in

which the temporary legal custodian resides. If the student enrolls in the district in which the temporary legal custodian resides, the district shall provide transportation in the same manner and to the same extent it is provided to other students in the district. In all other cases, the temporary legal custodian is responsible for the student's transportation to and from school, unless the receiving district chooses to provide transportation.

~~(4)~~(5) If a student who had been a State-placed student pursuant to subdivision 11(a)(28) of this title is returned to live in the district in which one or more of the student's parents or legal guardians reside, then, at the request of the student's parent or legal guardian, the Secretary may order the student to continue his or her enrollment for the remainder of the academic year in the district in which the student resided prior to returning to the parent's or guardian's district and the student will continue to be funded as a State-placed student. Unless the receiving district chooses to provide transportation:

* * *

(e) For the purposes of this title, the legal residence or residence of a child of homeless parents is ~~where the child temporarily resides~~ the child's school of origin, as defined in subdivision (c)(1) of this section, unless the parents and another school district agree that the child's attendance in school in that school district will be in the best interests of the child ~~in that continuity of education will be provided and transportation will not be unduly burdensome to the school district~~. A "child of homeless parents" means a child whose parents:

* * *

* * * Early College * * *

Sec. 29. REPEAL

16 V.S.A § 4011(e) (early college) is repealed.

Sec. 30. 16 V.S.A § 946 is added to read:

§ 946. EARLY COLLEGE

(a) For each grade 12 Vermont student enrolled, the Secretary shall pay an amount equal to 87 percent of the base education amount to:

(1) the Vermont Academy of Science and Technology (VAST); and

(2) an early college program other than the VAST program that is developed and operated or overseen by the University of Vermont, by one of the Vermont State Colleges, or by an accredited private postsecondary school located in Vermont and that is approved for operation by the Secretary; provided, however, when making a payment under this subdivision (2), the Secretary shall not pay more than the tuition charged by the institution.

(b) The Secretary shall make the payment pursuant to subsection (a) of this

section directly to the postsecondary institution, which shall accept the amount as full payment of the student's tuition.

(c) A student on whose behalf the Secretary makes a payment pursuant to subsection (a) of this subsection:

(1) shall be enrolled as a full-time student in the institution receiving the payment for the academic year for which payment is made;

(2) shall not be enrolled concurrently in a secondary school operated by the student's district of residence or to which the district pays tuition on the student's behalf; and

(3) shall not be included in the average daily membership of any school district for the academic year for which payment is made; provided, however, that if more than five percent of the grade 12 students residing in a district enroll in an early college program, then the district may include the number of students in excess of five percent in its average daily membership; but further provided that a student in grade 12 enrolled in a college program shall be included in the percentage calculation only if, for the previous academic year, the student was enrolled in a school maintained by the district or was a student for whom the district paid tuition to a public or approved independent school.

(d) A postsecondary institution shall not accept a student into an early college program unless enrollment in an early college program was an element of the student's personalized learning plan.

Sec. 31. REPEAL

16 V.S.A § 4011a (early college program; report; appropriations) is repealed.

Sec. 32. 16 V.S.A § 947 is added to read:

§ 947. EARLY COLLEGE PROGRAM; REPORT; APPROPRIATION

(a) Notwithstanding 2 V.S.A. § 20(d), any postsecondary institution receiving funds pursuant to section 946 of this title shall report annually in January to the Senate and House Committees on Education regarding the level of participation in the institution's early college program, the success in achieving the stated goals of the program to enhance secondary students' educational experiences and prepare them for success in college and beyond, and the specific results for participating students relating to programmatic goals.

(b) In the budget submitted annually to the General Assembly pursuant to 32 V.S.A. chapter 5, the Governor shall include the recommended appropriation for all early college programs to be funded pursuant to section 946 of this title, including the VAST program, as a distinct amount.

* * * Advisory Council on Special Education * * *

Sec. 33. 16 V.S.A § 2945(c) is amended to read:

(c) The members of the Council who are employees of the State shall receive no additional compensation for their services, but actual and necessary expenses shall be allowed State employees, and shall be charged to their departments or institutions. The members of the Council who are not employees of the State shall receive a per diem compensation of ~~\$30.00 per day~~ as provided under 32 V.S.A. § 1010 for each day of official business and reimbursement for actual and necessary expenses at the rate allowed State employees.

* * *

* * * Criminal Record Checks * * *

Sec. 34. 16 V.S.A. § 255(k) and (l) are added to read:

(k) The requirements of this section shall not apply to superintendents and headmasters with respect to persons operating or employed by a child care facility, as defined under 33 V.S.A. § 3511, that provides prekindergarten education pursuant to section 829 of this title and that is required to be licensed by the Department for Children and Families pursuant to 33 V.S.A. § 3502. Superintendents and headmasters are not prohibited from conducting a criminal record check as a condition of hiring an employee to work in a child care facility that provides prekindergarten education operated by the school.

(l) The requirements of this section shall not apply with respect to a school district's partners in any program authorized or student placement created by chapter 23, subchapter 2 of this title; provided, however, that superintendents are not prohibited from requiring a fingerprint-supported record check pursuant to district policy with respect to its partners in such programs.

* * * Education Weighting Report * * *

Sec. 35. EDUCATION WEIGHTING REPORT

(a) The Agency of Education, in consultation with the Secretary of Human Services, the Vermont Superintendents Association, the Vermont School Boards Association, and the Vermont National Education Association, shall consider and make recommendations on the criteria used for determining weighted long-term membership of a school district under 16 V.S.A. § 4010, including the following.

(1) The current weighting factors and any supporting evidence or basis in the historical record for these factors.

(2) The relationship between each of the current weighting factors and the quality and equity of educational outcomes for students.

(3) Whether any of the weighting factors, including the weighting factors for students from economically deprived backgrounds and for students for whom English is not the primary language, should be modified, and if so, how the weighting factors should be modified and if the modification would further the quality and equity of educational outcomes for students.

(4) Whether to add any weighting factors, including a school district population density factor, and if so, why the weighting factor should be added and if the weighting factor would further the quality and equity of educational outcomes for students. In considering whether to recommend the addition of a school district population density factor, the Agency of Education shall consider the practices of other states, information from the National Council for State Legislatures, and research conducted by higher education institutions working on identifying rural or urban education financing factors.

(b) In addition to considering and making recommendations on the criteria used for determining weighted long-term membership of a school district under subsection (a) of this section, the Agency of Education may consider and make recommendations on other methods that would further the quality and equity of educational outcomes for students.

(c) On or before December 15, 2017, the Agency of Education shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with its findings and any recommendations.

(d) Assistance. The Agency of Education shall have the technical assistance of the Joint Fiscal Office and the Office of Legislative Council.

* * * Postsecondary Institutions; Closing * * *

Sec. 36. 16 V.S.A. § 175 is amended to read:

§ 175. POSTSECONDARY EDUCATIONAL INSTITUTIONS; CLOSING
* * *

(g) The Association of Vermont Independent Colleges (AVIC) shall maintain a memorandum of understanding with each of its member colleges under which each member college agrees to:

(1) upon the request of AVIC, properly administer the student records of a member college that fails to comply with the requirements of subsection (a) of this section; and

(2) contribute on an equitable basis and in a manner determined in the sole discretion of AVIC to the costs of another AVIC member or other entity selected by AVIC maintaining the records of a member college that fails to comply with the requirements of subsection (a) of this section.

* * * Prekindergarten Education Recommendations * * *

Sec. 37. PREKINDERGARTEN EDUCATION RECOMMENDATIONS

On or before November 1, 2017, the Secretaries of Human Services and of Education shall jointly present recommendations to the House and Senate Committees on Education, House Committee on Human Services, and Senate Committee on Health and Welfare that will ensure equity, quality, and affordability, and reduce duplication and complexity, in the current delivery of prekindergarten services.

* * * High School Completion Program * * *

Sec. 38. 16 V.S.A. § 942(6) is amended to read:

(6) ~~“Contracting agency”~~ “Local adult education and literacy provider” means an entity that ~~enters into a contract with the Agency to provide “flexible pathways to graduation” services itself or in conjunction with one or more approved providers in Vermont~~ is awarded federal or State grant funds to conduct adult education and literacy activities.

Sec. 39. 16 V.S.A. § 943 is amended to read:

§ 943. HIGH SCHOOL COMPLETION PROGRAM

(a) There is created a High School Completion Program to be a potential component of a flexible pathway for any Vermont student who is at least 16 years ~~old~~ of age, who has not received a high school diploma, and who may or may not be enrolled in a public or approved independent school.

(b) If a person who wishes to work on a personalized learning plan leading to graduation through the High School Completion Program is not enrolled in a public or approved independent school, then the Secretary shall assign the prospective student to a high school district, which shall be the district of residence whenever possible. The school district in which a student is enrolled or to which a nonenrolled student is assigned shall work with the ~~contracting agency~~ local adult education and literacy provider that serves the high school district and the student to develop a personalized learning plan. The school district shall award a high school diploma upon successful completion of the plan.

(c) The Secretary shall reimburse, and net cash payments where possible, a school district that has agreed to a personalized learning plan developed under this section in an amount:

(1) established by the Secretary for the development and ongoing evaluation and revision of the personalized learning plan and for other educational services typically provided by the assigned district or an approved independent school pursuant to the plan, such as counseling, health services,

participation in cocurricular activities, and participation in academic or other courses; provided, however, that this amount shall not be available to a school district that provides services under this section to an enrolled student; and

(2) negotiated by the Secretary and the ~~contracting agency~~ local adult education and literacy provider, with the approved provider, for services and outcomes purchased from the approved provider on behalf of the student pursuant to the personalized learning plan.

* * * Vermont Standards Board for Professional Educators * * *

Sec. 40. 16 V.S.A. § 1693 is amended to read:

§ 1693. STANDARDS BOARD FOR PROFESSIONAL EDUCATORS

(a) There is hereby established the Vermont Standards Board for Professional Educators comprising 13 members as follows: seven teachers, two administrators, one of whom shall be a school superintendent, one public member, one school board member, one representative of educator preparation programs from a public institution of higher education, and one representative of educator preparation programs from a private institution of higher education.

* * *

Sec. 41. TRANSITIONAL PROVISION

A superintendent shall be appointed to the Vermont Standards Board for Professional Educators under Sec. 40 of this act upon the next expiration of the term of a member who is serving on the Board as an administrator.

* * * Approved Independent Schools Study Committee * * *

Sec. 42. APPROVED INDEPENDENT SCHOOLS STUDY COMMITTEE

(a) Creation. There is created the Approved Independent Schools Study Committee to consider and make recommendations on the criteria to be used by the State Board of Education for designation as an “approved” independent school.

(b) Membership. The Committee shall be composed of the following ten members:

(1) one current member of the House of Representatives who shall be appointed by the Speaker of the House;

(2) one current member of the Senate who shall be appointed by the Committee on Committees;

(3) the Chair of the State Board of Education or designee;

(4) the Secretary of Education or designee;

(5) the Executive Director of the Vermont Superintendents Association or designee;

(6) the Executive Director of the Vermont School Boards Association or designee;

(7) the Executive Director of the Vermont Independent Schools Association or designee;

(8) two members of the Vermont Council of Independent Schools, who shall be chosen by the Chair of the Vermont Council of Independent Schools; and

(9) the Executive Director of the Vermont Council of Special Education Administrators or designee.

(c) Powers and duties. The Committee shall consider and make recommendations on the criteria to be used by the State Board of Education for designation as an “approved” independent school, including the following criteria:

(1) the school’s enrollment policy and any limitation on a student’s ability to enroll;

(2) how the school should be required to deliver special education services and which categories of these services; and

(3) the scope and nature of financial information and special education information that should be required to be reported by the school to the State Board or Agency of Education.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Agency of Education.

(e) Report. On or before December 1, 2017, the Committee shall submit a written report to the House and Senate Committees on Education and the State Board of Education with its findings and any recommendations, including recommendations for any amendments to legislation.

(f) Continuation of rulemaking. It is the intent of the General Assembly to resolve the issues raised by the State Board of Education’s proposed amendments to the 2200 Series of its Rules and Practices initiated by the State Board on November 13, 2015 (Rules for Approval of Independent Schools) after taking into account the report of the Committee required under subsection (e) of this section. Therefore, notwithstanding any provision to the contrary under 16 V.S.A. § 164, the State Board of Education shall suspend further development of the amendments to the Rules for Approval of Independent Schools, pending receipt of the report of the Committee, and shall further develop these amendments after considering the Committee’s

report.

(g) Meetings.

(1) The Secretary of Education shall call the first meeting of the Committee to occur on or before May 30, 2017.

(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 December 2, 2017.

(h) 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 seven 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 seven meetings.

* * * Educational and Training Programs for College Credit * * *

Sec. 43. APPROPRIATION TO THE VERMONT STATE COLLEGES
TO EXPAND EDUCATION AND TRAINING EVALUATION
SERVICES PROGRAM

The sum of \$20,000.00 is appropriated from the Next Generation Initiative Fund created pursuant to 16 V.S.A. § 2887 to the Vermont State Colleges for the purpose of providing funding for the Colleges' Education and Training Evaluation Services Program. The Vermont State Colleges shall use the appropriation to evaluate or reevaluate educational and training programs for college credit at no cost or at a reduced cost to the programs being evaluated. The Vermont State Colleges shall identify training programs in the skilled trades, including the plumbing and electrical trades, to receive these evaluation services. The Vermont State Colleges shall, on or before January 15, 2018, issue a report to the House and Senate Committees on Education describing how the funds appropriated pursuant to this section have been spent, how any remaining funds appropriated pursuant to this section will be spent, and the number and nature of the programs evaluated or reevaluated and the results of the evaluations.

* * * Student Enrollment; Small School Grant * * *

Sec. 44. 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

(B) has an average grade size of 20 or fewer.

(2) “Enrollment” means the number of students who are enrolled in a school operated by the district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student. Students enrolled in prekindergarten programs shall not be counted.

(3) “Two-year average enrollment” means the average enrollment of the two most recently completed school years.

(4) “Average grade size” means two-year average enrollment divided by the number of grades taught in the district on October 1. For purposes of this calculation, kindergarten and prekindergarten programs shall be counted together as one grade.

* * *

* * * Prekindergarten Programs; STARS ratings * * *

Sec. 45. 16 V.S.A. § 829(c) is amended to read:

(c) Prequalification. Pursuant to rules jointly developed and overseen by the Secretaries of Education and of Human Services and adopted by the State Board pursuant to 3 V.S.A. chapter 25, the Agencies jointly may determine that a private or public provider of prekindergarten education is qualified for purposes of this section and include the provider in a publicly accessible database of prequalified providers. At a minimum, the rules shall define the process by which a provider applies for and maintains prequalification status, shall identify the minimum quality standards for prequalification, and shall include the following requirements:

(1) A program of prekindergarten education, whether provided by a school district or a private provider, shall have received:

(A) National Association for the Education of Young Children (NAEYC) accreditation; or

(B) at least four stars in the Department for Children and Families’ STARS system with a plan to get to at least two points in each of the five arenas; or

(C) three stars in the STARS system if the provider has developed a

plan, approved by the Commissioner for Children and Families and the Secretary of Education, to achieve four or more stars with at least two points in each of the five arenas in no more than ~~two~~ three years with at least two points in each of the five arenas, and the provider has met intermediate milestones.

* * * Student Rights; Freedom of Expression * * *

Sec. 46. 16 V.S.A. chapter 42 is added to read:

CHAPTER 42. STUDENT RIGHTS

§ 1623. FREEDOM OF EXPRESSION

(a) Findings.

(1) The General Assembly finds that freedom of expression and freedom of the press are fundamental principles in our democratic society granted to every citizen of the nation by the First Amendment to the U.S. Constitution and to every resident of this State by Vt. Const. Ch. I, Art. 13.

(2) These freedoms provide all citizens, including students, with the right to engage in robust and uninhibited discussion of issues.

(3) The General Assembly intends to ensure free speech and free press protections for both public school students and students at public institutions of higher education in this State in order to encourage students to become educated, informed, and responsible members of society.

(b) Definitions. As used in this chapter:

(1) "Media adviser" means an individual employed, appointed, or designated by a school or its governing body to supervise or provide instruction relating to school-sponsored media.

(2) "School" means a public school operating in the State.

(3) "School-sponsored media" means any material that is prepared, written, published, or broadcast as part of a school-supported program or activity by a student journalist and is distributed or generally made available as part of a school-supported program or activity to an audience beyond the classroom in which the material is produced.

(4) "Student journalist" means a student enrolled at a school who gathers, compiles, writes, edits, photographs, records, or prepares information for dissemination in school-sponsored media.

(5) "Student supervisor" is a student who is responsible for editing school-sponsored media.

(c)(1) Subject to subsection (e) of this section, a student journalist may

exercise freedom of speech and freedom of the press in school-sponsored media.

(2) Subdivision (1) of this subsection shall not be construed to be limited by the fact that the school-sponsored media are:

(A) supported financially by a school or its governing body, or by use of facilities owned by the school; or

(B) produced in conjunction with a class in which the student journalist is enrolled.

(d)(1) Subject to subsection (e) of this section, the student supervisors of school-sponsored media are responsible for determining the content of their respective media.

(2) Subject to subdivision (1) of this subsection, a media adviser may teach professional standards of English and journalism to student journalists.

(e) This section shall not be construed to authorize or protect content of school-sponsored media that:

(1) is libelous or slanderous;

(2) constitutes an unwarranted invasion of privacy;

(3) may be defined as obscene, gratuitously profane, threatening, or intimidating;

(4) may be defined as harassment, hazing, or bullying under section 11 of this title;

(5) violates federal or State law; or

(6) creates the imminent danger of materially or substantially disrupting the ability of the school to perform its educational mission.

(f) A school is prohibited from subjecting school-sponsored media, other than that listed in subsection (e) of this section, to prior restraint. A school may restrain the distribution of content in student media described in subsection (e), provided that the school's administration shall have the burden of providing lawful justification without undue delay. Content shall not be suppressed solely because it involves political or controversial subject matter, or is critical of the school or its administration.

(g) A student journalist may not be disciplined for acting in accordance with this section.

(h) A media adviser may not be dismissed, suspended, disciplined, reassigned, or transferred for:

(1) taking reasonable and appropriate action to protect a student journalist for engaging in conduct protected by this section; or

(2) refusing to infringe on conduct that is protected by this section, by the first amendment to the U.S. Constitution, or by the Vermont Constitution.

(i) Each school or its governing body shall adopt a written policy consistent with the provisions of this section.

(j) No expression made by students in school-sponsored media shall be deemed to be an expression of school policy.

Sec. 47. 16 V.S.A. § 180 is added to read:

§ 180. STUDENT RIGHTS—FREEDOM OF EXPRESSION

(a) Findings.

(1) The General Assembly finds that freedom of expression and freedom of the press are fundamental principles in our democratic society granted to every citizen of the nation by the First Amendment to the U.S. Constitution and to every resident of this State by Vt. Const. Ch. I, Art. 13.

(2) These freedoms provide all citizens, including students, with the right to engage in robust and uninhibited discussion of issues.

(3) The General Assembly intends to ensure free speech and free press protections for both public school students and students at public institutions of higher education in this State in order to encourage students to become educated, informed, and responsible members of society.

(b) Definitions. As used in this chapter:

(1) “Media adviser” means an individual employed, appointed, or designated by a school or its governing body to supervise or provide instruction relating to school-sponsored media.

(2) “School” means a public postsecondary school operating in the State.

(3) “School-sponsored media” means any material that is prepared, written, published, or broadcast as part of a school-supported program or activity by a student journalist and is distributed or generally made available as part of a school-supported program or activity to an audience beyond the classroom in which the material is produced.

(4) “Student journalist” means a student enrolled at a school who gathers, compiles, writes, edits, photographs, records, or prepares information for dissemination in school-sponsored media.

(5) “Student supervisor” is a student who is responsible for editing school-sponsored media.

(c)(1) Subject to subsection (e) of this section, a student journalist may exercise freedom of speech and freedom of the press in school-sponsored media.

(2) Subdivision (1) of this subsection shall not be construed to be limited by the fact that the school-sponsored media are:

(A) supported financially by a school or its governing body, or by use of facilities owned by the school; or

(B) produced in conjunction with a class in which the student journalist is enrolled.

(d)(1) Subject to subsection (e) of this section, the student supervisors of school-sponsored media are responsible for determining the content of their respective media.

(2) Subject to subdivision (1) of this subsection, a media adviser may teach professional standards of English and journalism to student journalists.

(e) This section shall not be construed to authorize or protect content of school-sponsored media that:

(1) is libelous or slanderous;

(2) constitutes an unwarranted invasion of privacy;

(3) may be defined as obscene, gratuitously profane, threatening, or intimidating;

(4) may be defined as harassment, hazing, or bullying under section 11 of this title;

(5) violates federal or State law; or

(6) creates the imminent danger of materially or substantially disrupting the ability of the school to perform its educational mission.

(f) Absent a showing that a particular publication will cause direct, immediate, and irreparable harm that would warrant the issuance of a prior restraint order against the private media, school officials are not authorized to censor or subject to prior restraint the content of school-sponsored media. Content shall not be suppressed solely because it involves political or controversial subject matter, or is critical of the school or its administration.

(g) A student journalist may not be disciplined for acting in accordance with this section.

(h) A media adviser may not be dismissed, suspended, disciplined, reassigned, or transferred for:

(1) taking reasonable and appropriate action to protect a student journalist for engaging in conduct protected by this section; or

(2) refusing to infringe on conduct that is protected by this section, by the first amendment to the U.S. Constitution, or by the Vermont Constitution.

(i) Each school or its governing body shall adopt a written policy consistent with the provisions of this section.

(j) No expression made by students in school-sponsored media shall be deemed to be an expression of school policy.

* * * Effective Dates * * *

Sec. 48. EFFECTIVE DATES

(a) This section and Secs. 2–27, 29–35, and 37–47 shall take effect on passage.

(b) Sec. 28 (State-placed students) shall take effect beginning with the 2017–2018 school year.

(c) Sec. 36 (Postsecondary Institutions; Closing) shall take effect on October 1, 2017.

*PHILIP E. BARUTH
REBECCA A. BALINT
KEVIN J. MULLIN*

Committee on the part of the Senate

*DAVID D. SHARPE
EMILY J. LONG
ALBERT E. PEARCE*

Committee on the part of the House

Which was considered and adopted on the part of the House

Adjournment

At six o'clock and sixteen minutes in the evening, on motion of **Rep. Turner of Milton**, the House adjourned until Monday, May 8, 2017, at ten o'clock in the forenoon.

Concurrent Resolutions Adopted

The following concurrent resolutions, having been placed on the Consent Calendar on the preceding legislative day, and no member having requested floor consideration as provided by Joint Rules of the Senate and House of Representatives, are hereby adopted in concurrence.

H.C.R. 158

House concurrent resolution honoring John Bisbee for his nearly three decades of extraordinary public service as a guardian ad litem;

H.C.R. 159

House concurrent resolution congratulating the Westford School Periodic Pandas on their selection as semifinalists in the FIRSTLEGO League Global Innovation Award competition;

H.C.R. 160

House concurrent resolution congratulating The Bank of Bennington on its 100th anniversary;

H.C.R. 161

House concurrent resolution honoring Summer Stoutes of Tinmouth for her selfless generosity as a kidney donor and congratulating Brent Garrow on his successful transplant surgery recovery and resumption of his firefighting and law enforcement careers;

H.C.R. 162

House concurrent resolution honoring Ron Stahley for his insightful public education leadership;

H.C.R. 163

House concurrent resolution commemorating the 75th anniversary of the U.S. Navy Construction Battalions, the Seabees;

H.C.R. 164

House concurrent resolution honoring former Representative Paul Harrington on his outstanding public policy career;

H.C.R. 165

House concurrent resolution congratulating the Bethel Public Library on its 125th anniversary;

H.C.R. 166

House concurrent resolution honoring Newport City Fire Department members 1st Assistant Chief Phil Laramie, Captain Kevin LaCoss, Lieutenant Andrew Carbine, and Firefighter Ryan Abel on their heroic rescue in Coventry;

H.C.R. 167

House concurrent resolution honoring Lila M. Richardson on the completion of her distinguished career as a Vermont Legal Aid attorney;

H.C.R. 168

House concurrent resolution in memory of Robert Harvey Beach Sr.;

H.C.R. 169

House concurrent resolution congratulating the 2016 Burlington High School Seahorses Division I championship boys' soccer team;

H.C.R. 170

House concurrent resolution honoring Sue Duprat on her outstanding varsity athletics coaching and administrative career;

H.C.R. 171

House concurrent resolution congratulating Lisa A.M. Atwood and Amy L. Rex on being named corecipients of the 2017 Robert F. Pierce Secondary School Principal of the Year Award;

H.C.R. 172

House concurrent resolution congratulating Duane Pierson on receiving the 2017 Henry R. Giaguque Vermont Elementary Principal of the Year Award;

H.C.R. 173

House concurrent resolution honoring the extraordinary public service and sacrifice of the Morse family of Jay and congratulating Helen (Sargent) Morse on her 95th birthday;

H.C.R. 174

House concurrent resolution congratulating the 2017 Harwood Union High School Highlanders State championship boys' alpine skiing team;

H.C.R. 175

House concurrent resolution congratulating Vermonters Brennon Crossmon, Jacobi Lafferty, and Ethan Whalen on their outstanding athletic performances at the 2017 Elks Hoop Shoot Finals;

H.C.R. 176

House concurrent resolution commemorating the centennial anniversary of the Fair Haven Grade School;

H.C.R. 177

House concurrent resolution congratulating Grace Cottage Hospital on being recognized as one of the nation's top 20 critical access hospitals for patient satisfaction;

H.C.R. 178

House concurrent resolution congratulating St. Johnsbury Academy on its 175th anniversary;

H.C.R. 179

House concurrent resolution honoring John Miner for his three decades of outstanding leadership in support of Vermont's Vietnam Veterans;

H.C.R. 180

House concurrent resolution congratulating Mary Ellen Sennett of Bennington on her 100th birthday;

H.C.R. 181

House concurrent resolution congratulating the 2017 Thetford Academy Panthers Division III championship girls' basketball team;

H.C.R. 182

House concurrent resolution congratulating Arlington Memorial High School on its receipt of a 2017 U.S. News & World Report Best High School in America Silver Medal;

H.C.R. 183

House concurrent resolution congratulating the 2016 St. Johnsbury Babe Ruth League 13-years-of-age State championship baseball team;

H.C.R. 184

House concurrent resolution congratulating Lucinda Storz of Kirby on winning her third consecutive Vermont Scripps Spelling Bee championship;

H.C.R. 185

House concurrent resolution thanking David and June Keenan of Essex for their generous donation to the State House art collection of a Keith Rocco print depicting the Battle of Cedar Creek;

H.C.R. 186

House concurrent resolution in memory of Vermont skiing legend Wendell Cram;

H.C.R. 187

House concurrent resolution congratulating Stephen Rice on winning the 2016 Arthur Williams Award for Meritorious Service to the Arts;

H.C.R. 188

House concurrent resolution congratulating former Fire Chief Ronald P. Lindsey Sr. on the 50th anniversary of his service with the Shaftsbury Fire Department;

H.C.R. 189

House concurrent resolution honoring Duane "Buster" Bandy of Windsor for his outstanding municipal public service;

H.C.R. 190

House concurrent resolution honoring Robert Mason for his unique leadership in the Chittenden South Supervisory Union;

S.C.R. 14

Senate concurrent resolution recognizing the establishment of the Coolidge Scholars Program and congratulating the first class of Coolidge Scholars.;

S.C.R. 15

Senate concurrent resolution designating October 16, 2017 as John Brown Day in Vermont.

[The full text of the concurrent resolutions appeared in the House Calendar Addendum on the preceding legislative day and will appear in the Public Acts and Resolves of the 2017, seventy-fourth Biennial session.]

Monday, May 8, 2017

At ten o'clock in the forenoon the Speaker called the House to order. Noting a lack of quorum, the House adjourned pursuant to Rule 9 until Wednesday May 10 at ten o'clock in the forenoon.

Wednesday, May 10, 2017

At ten o'clock in the forenoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Rep. Michael Yantachka of Charlotte.

Pledge of Allegiance

Page Hannah Cawley of Colchester led the House in the Pledge of Allegiance.

House Bill Introduced**H. 540**

By Reps. Ode of Burlington, O'Sullivan of Burlington, Conquest of Newbury, Dakin of Colchester, Fields of Bennington, Frenier of Chelsea, Lalonde of South Burlington, Rachelson of Burlington and Squirrell of Underhill,

House bill, entitled

An act relating to exempting military pension income from taxation;

To the committee on Ways and Means.

Recess

At ten o'clock and eleven minutes in the forenoon, the Speaker declared a recess until one o'clock in the afternoon.

At one o'clock and eleven minutes in the afternoon, the Speaker called the House to order.

Message from the Senate No. 73

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 143. An act relating to automobile insurance requirements and transportation network companies.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

H. 22. An act relating to the professional regulation of law enforcement officers by the Vermont Criminal Justice Training Council.

H. 503. An act relating to bail.

And has accepted and adopted the same on its part.

The Senate has considered House proposals of amendment to Senate bill of the following title:

S. 131. An act relating to State's Attorneys and sheriffs.

And has concurred therein.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon Senate bills of the following titles:

S. 9. An act relating to the preparation of poultry products.

S. 16. An act relating to expanding patient access to the Medical Marijuana Registry.

S. 50. An act relating to insurance coverage for telemedicine services delivered in or outside a health care facility.

S. 134. An act relating to court diversion and pretrial services.

And has accepted and adopted the same on its part.

**Senate Proposal of Amendment to House Proposal of Amendment to
Senate Proposal of Amendment to House Proposal of Amendment
Concurred in**

S. 22

The Senate proposed to the House to amend House bill, entitled

An act relating to increased penalties for possession, sale, and dispensation of fentanyl

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

By striking Secs. 1–5 in their entirety and inserting in lieu thereof new Secs. 1–18 to read as follows:

Sec. 1. LEGISLATIVE INTENT; CIVIL AND CRIMINAL PENALTIES

It is the intent of the General Assembly to eliminate all penalties for possession of one ounce or less of marijuana and two mature and four immature marijuana plants for a person who is 21 years of age or older while retaining criminal penalties for possession, dispensing and sale of larger amounts of marijuana. This act also retains civil penalties for possession of marijuana by a person under 21 years of age, which are the same as for possession of alcohol by a person under 21 years of age.

Sec. 2. 18 V.S.A. § 4201 is amended to read:

§ 4201. DEFINITIONS

As used in this chapter, unless the context otherwise requires:

* * *

(15)(A) “Marijuana” means ~~any plant material of the genus cannabis or any preparation, compound, or mixture thereof except:~~

~~(A) sterilized seeds of the plant;~~

~~(B) fiber produced from the stalks; or~~

~~(C) hemp or hemp products, as defined in 6 V.S.A. § 562 all parts of the plant Cannabis sativa L., except as provided by subdivision (B) of this~~

subdivision (15), whether growing or harvested, and includes:

(i) the seeds of the plant;

(ii) the resin extracted from any part of the plant; and

(iii) any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

(B) "Marijuana" does not include:

(i) the mature stalks of the plant and fiber produced from the stalks;

(ii) oil or cake made from the seeds of the plant;

(iii) any compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;

(iv) the sterilized seed of the plant that is incapable of germination; or

(v) hemp or hemp products, as defined in 6 V.S.A. § 562.

* * *

(43) "Immature marijuana plant" means a female marijuana plant that has not flowered and that does not have buds that may be observed by visual examination.

(44) "Mature marijuana plant" means a female marijuana plant that has flowered and that has buds that may be observed by visual examination.

Sec. 3. 18 V.S.A. § 4230 is amended to read:

§ 4230. MARIJUANA

(a) Possession and cultivation.

(1)(A) No person shall knowingly and unlawfully possess more than one ounce of marijuana or more than five grams of hashish or cultivate more than two mature marijuana plants or four immature marijuana plants. For a first offense under this subdivision (A), a person shall be provided the opportunity to participate in the Court Diversion Program unless the prosecutor states on the record why a referral to the Court Diversion Program would not serve the ends of justice. A person convicted of a first offense under this subdivision shall be imprisoned not more than six months or fined not more than \$500.00, or both.

(B) A person convicted of a second or subsequent offense of knowingly and unlawfully possessing more than one ounce of marijuana or more than five grams of hashish or cultivating more than two mature marijuana plants or four immature marijuana plants shall be imprisoned not more than

two years or fined not more than \$2,000.00, or both.

(C) Upon an adjudication of guilt for a first or second offense under this subdivision, the court may defer sentencing as provided in 13 V.S.A. § 7041 except that the court may in its discretion defer sentence without the filing of a presentence investigation report and except that sentence may be imposed at any time within two years from and after the date of entry of deferment. The court may, prior to sentencing, order that the defendant submit to a drug assessment screening which may be considered at sentencing in the same manner as a presentence report.

(2) A person knowingly and unlawfully possessing two ounces of marijuana or 10 grams of hashish or knowingly and unlawfully cultivating more than ~~three plants~~ of four mature marijuana plants or eight immature marijuana plants shall be imprisoned not more than three years or fined not more than \$10,000.00, or both.

(3) A person knowingly and unlawfully possessing more than one pound ~~or more~~ of marijuana or more than 2.8 ounces ~~or more~~ of hashish or knowingly and unlawfully cultivating more than ~~40 plants~~ of six mature marijuana plants or 12 immature marijuana plants shall be imprisoned not more than five years or fined not more than ~~\$100,000.00~~ \$10,000.00, or both.

(4) A person knowingly and unlawfully possessing more than 10 pounds ~~or more~~ of marijuana or more than one pound ~~or more~~ of hashish or knowingly and unlawfully cultivating more than ~~25 plants~~ of 12 mature marijuana plants or 24 immature marijuana plants shall be imprisoned not more than 15 years or fined not more than \$500,000.00, or both.

(5) If a court fails to provide the defendant with notice of collateral consequences in accordance with 13 V.S.A. § 8005(b) and the defendant later at any time shows that the plea and conviction for a violation of this subsection may have or has had a negative consequence, the court, upon the defendant's motion, shall vacate the judgment and permit the defendant to withdraw the plea or admission and enter a plea of not guilty. Failure of the court to advise the defendant of a particular collateral consequence shall not support a motion to vacate.

(6) The amounts of marijuana in this subsection shall not include marijuana cultivated, harvested, and stored in accordance with section 4230e of this title.

* * *

Sec. 4. 18 V.S.A. § 4230a is amended to read:

§ 4230a. MARIJUANA POSSESSION BY A PERSON 21 YEARS OF AGE
OR OLDER; ~~CIVIL VIOLATION~~

~~(a)(1) A person 21 years of age or older who knowingly and unlawfully possesses one ounce or less of marijuana or five grams or less of hashish commits a civil violation and shall be assessed a civil penalty as follows:~~

- ~~(1) not more than \$200.00 for a first offense;~~
- ~~(2) not more than \$300.00 for a second offense;~~
- ~~(3) not more than \$500.00 for a third or subsequent offense.~~

~~(b)(1) Except as otherwise provided in this section, a person 21 years of age or older who possesses one ounce or less of marijuana or five grams or less of hashish and two mature marijuana plants or fewer or four immature marijuana plants or fewer or who possesses paraphernalia for marijuana use shall not be penalized or sanctioned in any manner by the State or any of its political subdivisions or denied any right or privilege under State law. The one-ounce limit of marijuana or five grams of hashish that may be possessed by a person 21 years of age or older shall not include marijuana cultivated, harvested, and stored in accordance with section 4230e of this title.~~

~~(2)(A) A violation of this section shall not result in the creation of a criminal history record of any kind. A person shall not consume marijuana in a public place. "Public place" means any street, alley, park, sidewalk, public building other than individual dwellings, any place of public accommodation as defined in 9 V.S.A. § 4501, and any place where the possession of a lighted tobacco product is prohibited by law.~~

~~(B) A person who violates this subdivision (a)(2) shall be assessed a civil penalty as follows:~~

- ~~(i) not more than \$100.00 for a first offense;~~
- ~~(ii) not more than \$200.00 for a second offense; and~~
- ~~(iii) not more than \$500.00 for a third or subsequent offense.~~

~~(e)(1)(b) This section does not exempt any person from arrest or prosecution for being under the influence of marijuana while operating a vehicle of any kind and shall not be construed to repeal or modify existing laws or policies concerning the operation of vehicles of any kind while under the influence of marijuana.~~

~~(2) This section is not intended to affect the search and seizure laws afforded to duly authorized law enforcement officers under the laws of this State. Marijuana is contraband pursuant to section 4242 of this title and subject to seizure and forfeiture unless possessed in compliance with chapter 86 of this title (therapeutic use of cannabis).~~

~~(3) This section shall not be construed to prohibit a municipality from~~

~~regulating, prohibiting, or providing additional penalties for the use of marijuana in public places.~~

~~(d) If a person suspected of violating this section contests the presence of cannabinoids within 10 days of receiving a civil citation, the person may request that the State Crime Laboratory test the substance at the person's expense. If the substance tests negative for the presence of cannabinoids, the State shall reimburse the person at state expense:~~

~~(1) exempt a person from arrest, citation, or prosecution for being under the influence of marijuana while operating a vehicle of any kind or for consuming marijuana while operating a motor vehicle;~~

~~(2) repeal or modify existing laws or policies concerning the operation of vehicles of any kind while under the influence of marijuana or for consuming marijuana while operating a motor vehicle;~~

~~(3) limit the authority of primary and secondary schools to impose administrative penalties for the possession of marijuana on school property;~~

~~(4) prohibit a municipality from adopting a civil ordinance to provide additional penalties for consumption of marijuana in a public place;~~

~~(5) prohibit a landlord from banning possession or use of marijuana in a lease agreement; or~~

~~(6) allow an inmate of a correctional facility to possess or use marijuana or to limit the authority of law enforcement, the courts, the Department of Corrections, or the Parole Board to impose penalties on offenders who use marijuana in violation of a court order, conditions of furlough, parole, or rules of a correctional facility.~~

~~(e)(c)(1) A law enforcement officer is authorized to detain a person if:~~

~~(A) the officer has reasonable grounds to believe the person has violated subsection (b) of this section; and~~

~~(B) the person refuses to identify himself or herself satisfactorily to the officer when requested by the officer.~~

(2) The person may be detained only until the person identifies himself or herself satisfactorily to the officer or is properly identified. If the officer is unable to obtain the identification information, the person shall forthwith be brought before a judge in the Criminal Division of the Superior Court for that purpose. A person who refuses to identify himself or herself to the Court on request shall immediately and without service of an order on the person be subject to civil contempt proceedings pursuant to 12 V.S.A. § 122.

~~(f)(d) Fifty percent of the civil penalties imposed by the Judicial Bureau for~~

violations of this section shall be deposited in the Drug Task Force Special Fund, hereby created to be managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and available to the Department of Public Safety for the funding of law enforcement officers on the Drug Task Force, except for a \$12.50 administrative charge for each violation which shall be deposited in the Court Technology Special Fund, in accordance with 13 V.S.A. § 7252. The remaining 50 percent shall be deposited in the Youth Substance Abuse Safety Program Special Fund, hereby created to be managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and available to the Court Diversion Program for funding of the Youth Substance Abuse Safety Program as required by section 4230b of this title.

(e) Nothing in this section shall be construed to do any of the following:

(1) require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growing of marijuana in the workplace;

(2) prevent an employer from adopting a policy that prohibits the use of marijuana in the workplace;

(3) create a cause of action against an employer that discharges an employee for violating a policy that restricts or prohibits the use of marijuana by employees; or

(4) prevent an employer from prohibiting or otherwise regulating the use, consumption, possession, transfer, display, transportation, sale, or growing of marijuana on the employer's premises.

Sec. 5. 18 V.S.A. § 4230b is amended to read:

§ 4230b. MARIJUANA POSSESSION BY A PERSON UNDER 21 YEARS OF AGE; CIVIL VIOLATION

(a) Offense. A person under 21 years of age who knowingly and unlawfully possesses one ounce or less of marijuana or five grams or less of hashish or two mature marijuana plants or fewer or four immature marijuana plants or fewer commits a civil violation and shall be referred to the Court Diversion Program for the purpose of enrollment in the Youth Substance Abuse Safety Program. A person who fails to complete the program successfully shall be subject to:

(1) a civil penalty of \$300.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of 30 days, for a first offense; and

(2) a civil penalty of not more than \$600.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a

period of 90 days, for a second or subsequent offense.

* * *

Sec. 6. REPEAL

18 V.S.A. § 4230d (marijuana possession by a person under 16 years of age; delinquency) is repealed.

Sec. 7. 18 V.S.A. § 4230e is added to read:

§ 4230e. CULTIVATION OF MARIJUANA BY A PERSON 21 YEARS OF AGE OR OLDER

(a)(1) Except as otherwise provided in this section, a person 21 years of age or older who cultivates no more than two mature marijuana plants and four immature marijuana plants shall not be penalized or sanctioned in any manner by the State or any of its political subdivisions or denied any right or privilege under State law.

(2) Each dwelling unit shall be limited to two mature marijuana plants and four immature marijuana plants regardless of how many persons 21 years of age or older reside in the dwelling unit. As used in this section, "dwelling unit" means a building or the part of a building that is used as a primary home, residence, or sleeping place by one or more persons who maintain a household.

(3) Any marijuana harvested from the plants allowed pursuant to this subsection shall not count toward the one-ounce possession limit in section 4230a of this title provided it is stored in an indoor facility on the property where the marijuana was cultivated and reasonable precautions are taken to prevent unauthorized access to the marijuana.

(4) Cultivation in excess of the limits provided in this subsection shall be punished in accordance with section 4230 of this title.

(b)(1) Personal cultivation of marijuana only shall occur:

(A) on property lawfully in possession of the cultivator or with the consent of the person in lawful possession of the property; and

(B) in an enclosure that is screened from public view and is secure so that access is limited to the cultivator and persons 21 years of age or older who have permission from the cultivator.

(2) A person who violates this subsection shall be assessed a civil penalty as follows:

(A) not more than \$100.00 for a first offense;

(B) not more than \$200.00 for a second offense; and

(C) not more than \$500.00 for a third or subsequent offense.

Sec. 8. 18 V.S.A. § 4230g is added to read:

§ 4230g. FURNISHING MARIJUANA TO A PERSON UNDER
21 YEARS OF AGE; CRIMINAL OFFENSE

(a) No person shall:

(1) furnish marijuana to a person under 21 years of age; or

(2) knowingly enable the consumption of marijuana by a person under 21 years of age.

(b) As used in this section, “enable the consumption of marijuana” means creating a direct and immediate opportunity for a person to consume marijuana.

(c) Except as provided in subsection (d) of this section, a person who violates subsection (a) of this section shall be imprisoned not more than two years or fined not more than \$2,000.00, or both.

(d) A person who violates subsection (a) of this section, where the person under 21 years of age, while operating a motor vehicle on a public highway, causes death or serious bodily injury to himself or herself or to another person as a result of the violation, shall be imprisoned not more than five years or fined not more than \$10,000.00, or both.

(e) This section shall not apply to:

(1) A person under 21 years of age who furnishes marijuana to a person under 21 years of age or who knowingly enables the consumption of marijuana by a person under 21 years of age. Possession of an ounce or less of marijuana by a person under 21 years of age shall be punished in accordance with sections 4230b–4230d of this title and dispensing or selling marijuana shall be punished in accordance with sections 4230 and 4237 of this title.

(2) A dispensary that lawfully provides marijuana to a registered patient or caregiver pursuant to chapter 86 of this title.

Sec. 9. 18 V.S.A. § 4230h is added to read:

§ 4230h. FURNISHING MARIJUANA TO A PERSON UNDER
21 YEARS OF AGE; CIVIL ACTION FOR DAMAGES

(a) A spouse, child, guardian, employer, or other person who is injured in person, property, or means of support by a person under 21 years of age who is impaired by marijuana, or in consequence of the impairment by marijuana of any person under 21 years of age, shall have a right of action in his or her own name, jointly or severally, against any person or persons who have caused in whole or in part such impairment by furnishing marijuana to a person under 21 years of age.

(b) Upon the death of either party, the action and right of action shall survive to or against the party's executor or administrator. The party injured or his or her legal representatives may bring either a joint action against the impaired person under 21 years of age and the person or persons who furnished the marijuana, or a separate action against either or any of them.

(c) An action to recover for damages under this section shall be commenced within two years after the cause of action accrues, and not after.

(d) In an action brought under this section, evidence of responsible actions taken or not taken is admissible if otherwise relevant.

(e) A defendant in an action brought under this section has a right of contribution from any other responsible person or persons, which may be enforced in a separate action brought for that purpose.

(f) A person who knowingly furnishes marijuana to a person under 21 years of age may be held liable under this section if the social host knew, or a reasonable person in the same circumstances would have known, that the person who received the marijuana was under 21 years of age.

Sec. 10. 18 V.S.A. § 4230i is added to read:

§ 4230i. CHEMICAL EXTRACTION VIA BUTANE OR HEXANE
PROHIBITED

(a) No person shall manufacture concentrated marijuana by chemical extraction or chemical synthesis using butane or hexane unless authorized as a dispensary pursuant to a registration issued by the Department of Public Safety pursuant to chapter 86 of this title.

(b) A person who violates subsection (a) of this section shall be imprisoned not more than two years or fined not more than \$2,000.00, or both. A person who violates subsection (a) of this section and causes serious bodily injury to another person shall be imprisoned not more than five years or fined not more than \$5,000.00, or both.

Sec. 11. 18 V.S.A. § 4230j is added to read:

§ 4230j. EXCEPTIONS

(a) A person who is convicted of a felony for selling marijuana in violation of section 4230 of this title or selling a regulated drug to minors or on school grounds in violation of section 4237 of this title for an offense that occurred on or after July 1, 2018 and who possesses one ounce or less of marijuana or five grams or less of hashish commits a civil violation and shall be assessed a civil penalty as follows:

(1) not more than \$200.00 for a first offense;

(2) not more than \$300.00 for a second offense;

(3) not more than \$500.00 for a third or subsequent offense.

(b) A person who is convicted of a felony for selling marijuana in violation of section 4230 of this title or selling a regulated drug to minors or on school grounds in violation of section 4237 of this title for an offense that occurred on or after July 1, 2018 and who possesses any of the following commits a misdemeanor and is subject to imprisonment of not more than one year or a fine of not more than \$1,000.00, or both:

(1) more than one ounce, but not more than two ounces of marijuana;

(2) more than five grams, but not more than 10 grams of hashish; or

(3) not more than six mature marijuana plants and 12 immature marijuana plants.

Sec. 12. 18 V.S.A. § 4476 is amended to read:

§ 4476. OFFENSES AND PENALTIES

~~(a) No person shall sell, possess with intent to sell, or manufacture with intent to sell, drug paraphernalia, knowing, or under circumstances where one reasonably should know, that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a regulated drug in violation of chapter 84 of this title. Whoever violates any provision of this section shall be punished by imprisonment for not more than one year, or by a fine of not more than \$1,000.00, or both.~~

~~(b) Any A person who violates subsection (a) of this section by selling sells drug paraphernalia to a person under 18 years of age shall be imprisoned for not more than two years, or fined not more than \$2,000.00, or both.~~

~~(e)(b) The distribution and possession of needles and syringes as part of an organized community-based needle exchange program shall not be a violation of this section or of chapter 84 of this title.~~

Sec. 13. 23 V.S.A. § 1134 is amended to read:

§ 1134. MOTOR VEHICLE OPERATOR; CONSUMPTION OR
POSSESSION OF ALCOHOL OR MARIJUANA

(a) A person shall not consume alcoholic beverages or marijuana while operating a motor vehicle on a public highway. As used in this subsection, the prohibition on consumption of marijuana by the operator shall extend to the operator's consumption of secondhand marijuana smoke in the vehicle as a result of another person's consumption of marijuana. As used in this section,

“alcoholic beverages” shall have the same meaning as “intoxicating liquor” as defined in section 1200 of this title.

(b) A person operating a motor vehicle on a public highway shall not possess any open container which contains alcoholic beverages or marijuana in the passenger area of the motor vehicle.

(c) As used in this section, “passenger area” shall mean the area designed to seat the operator and passengers while the motor vehicle is in operation and any area that is readily accessible to the operator or passengers while in their seating positions, including the glove compartment, unless the glove compartment is locked. In a motor vehicle that is not equipped with a trunk, the term shall exclude the area behind the last upright seat or any area not normally occupied by the operator or passengers.

(d) A person who violates subsection (a) of this section shall be assessed a civil penalty of not more than \$500.00. A person who violates subsection (b) of this section shall be assessed a civil penalty of not more than ~~\$25.00~~ \$50.00. A person adjudicated and assessed a civil penalty for an offense under subsection (a) of this section shall not be subject to a civil violation for the same actions under subsection (b) of this section.

Sec. 14. 23 V.S.A. § 1134a is amended to read:

§ 1134a. MOTOR VEHICLE PASSENGER; CONSUMPTION OR
POSSESSION OF ALCOHOL OR MARIJUANA

(a) Except as provided in subsection (c) of this section, a passenger in a motor vehicle shall not consume alcoholic beverages or marijuana or possess any open container which contains alcoholic beverages or marijuana in the passenger area of any motor vehicle on a public highway. As used in this section, “alcoholic beverages” shall have the same meaning as “intoxicating liquor” as defined in section 1200 of this title.

(b) As used in this section, “passenger area” shall mean the area designed to seat the operator and passengers while the motor vehicle is in operation and any area that is readily accessible to the operator or passengers while in their seating positions, including the glove compartment, unless the glove compartment is locked. In a motor vehicle that is not equipped with a trunk, the term shall exclude the area behind the last upright seat or any area not normally occupied by the operator or passengers.

(c) A person, other than the operator, may possess an open container which contains alcoholic beverages in the passenger area of a motor vehicle designed, maintained, or used primarily for the transportation of persons for compensation or in the living quarters of a motor home or trailer coach.

(d) A person who violates this section shall be ~~fined~~ subject to a civil penalty of not more than \$25.00 \$50.00.

Sec. 15. 23 V.S.A. § 1134b is amended to read:

§ 1134b. ~~SMOKING USING MARIJUANA OR TOBACCO IN A MOTOR~~
VEHICLE WITH CHILD PRESENT

(a) A person shall not use marijuana as defined in 18 V.S.A. § 4201 or a tobacco substitute as defined in 7 V.S.A. § 1001 or possess a lighted tobacco product or use a tobacco substitute as defined in 7 V.S.A. § 1001 in a motor vehicle that is occupied by a child required to be properly restrained in a federally approved child passenger restraining system pursuant to subdivision 1258(a)(1) or (2) of this title.

(b) A person who violates subsection (a) of this section shall be subject to a fine civil penalty of not more than \$100.00. No points shall be assessed for a violation of this section.

Sec. 16. 33 V.S.A. § 3504 is amended to read:

§ 3504. MARIJUANA AND TOBACCO USE PROHIBITED AT CHILD
CARE FACILITIES

(a) No person shall be permitted to use marijuana as defined in 18 V.S.A. § 4201 or to cultivate marijuana, or use tobacco products or tobacco substitutes as defined in 7 V.S.A. § 1001 on the premises, both indoor and outdoor, of any licensed child care center or afterschool program at any time.

(b) No person shall be permitted to use marijuana as defined in 18 V.S.A. § 4201, tobacco products, or tobacco substitutes as defined in 7 V.S.A. § 1001 on the premises, both ~~indoor~~ indoors and in any outdoor area designated for child care, of a licensed or registered family child care home while children are present and in care. If use of marijuana or smoking of tobacco products or tobacco substitutes occurs on the premises during other times, the family child care home shall notify prospective families prior to enrolling a child in the family child care home that their child will be exposed to an environment in which marijuana, tobacco products, or tobacco substitutes, or both, are used. Cultivation of marijuana in a licensed or registered family child care home is not permitted.

Sec. 17. DISPARITIES IN ENFORCEMENT OF DRUG LAWS;
MARIJUANA REGULATORY COMMISSION

(a) Findings. The General Assembly finds that:

(1) A 2013 report by the American Civil Liberties Union, *The War on Marijuana in Black and White*, identified Vermont as 15th in the country and first in New England when comparing discrepancies in citation and arrest rates

for marijuana possession. The report stated that African-Americans in Vermont were 4.36 times more likely to be cited or arrested for marijuana possession than whites, higher than the national average of African-Americans being 3.73 more likely than whites to be cited or arrested for marijuana possession. Although Vermont later decriminalized possession of small amounts of marijuana, a 2016 report by Human Rights Watch and the ACLU, *Every 25 Seconds: The Human Toll of Criminalizing Drug Use in the United States*, found that Vermont had the third-highest racial disparity in drug possession arrest rates in the country despite nearly identical use rates.

(2) In the report, *Driving While Black or Brown in Vermont*, University of Vermont researchers, examining 2015 data from 29 police agencies covering 78 percent of Vermont's population, found significant disparities in how often African-Americans and Hispanics are stopped, searched, and arrested, as compared to whites and Asians. According to the report, African-American drivers are four times more likely than white drivers to be searched by Vermont police, even though they are less likely to be found with illegal items.

(3) As part of efforts to eliminate implicit bias in Vermont's criminal justice system, policymakers must reexamine the State's drug laws, beginning with its policy on marijuana.

(4) According to a 2014 study conducted by the RAND Corporation, an estimated 80,000 Vermont residents regularly consume marijuana. Except for patients on the Vermont Medical Marijuana Registry, these Vermonters obtain marijuana through a thriving illegal market.

(5) In November 2016, voters in Massachusetts and Maine approved possession and cultivation of marijuana for personal use by adults 21 years of age or older. In July 2018, both states will begin to allow retail sales of marijuana and marijuana-infused products through licensed stores. Canada is expected to act favorably on legislation legalizing marijuana possession and cultivation for adults 18 years of age or older and federal administration officials have cited the summer of 2018 as the date at which licensed retail stores will begin selling marijuana and marijuana-infused products to the public.

(6) By adopting a comprehensive regulatory structure for legalizing and licensing the marijuana market, Vermont can revise drug laws that have a disparate impact on racial minorities, help prevent access to marijuana by youths, better control the safety and quality of marijuana being consumed by Vermonters, and use revenues to support substance use prevention and education and enforcement of impaired driving laws.

(b) Creation. There is created the Marijuana Regulatory Commission.

(c) Membership. The Commission shall be composed of the following nine members:

(1) two current members of the House of Representatives and one member of the public who all shall be appointed by the Speaker of the House;

(2) two current members of the Senate and one member of the public who all shall be appointed by the Committee on Committees;

(3) the Attorney General or designee;

(4) the Secretary of Agriculture, Food and Markets or designee; and

(5) one member appointed by the Governor.

(d) Powers and duties. The Commission shall develop legislation that establishes a comprehensive regulatory and revenue system for an adult-use marijuana market that, when compared to the current illegal marijuana market, increases public safety and reduces harm to public health.

(e) Assistance. The Commission shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office for the purpose of preparing legislation and shall have the technical assistance of the Agency of Agriculture, Food and Markets.

(f) Legislation. On or before November 1, 2017, the Commission shall provide the General Assembly and the Governor with its recommended legislation.

(g) Meetings.

(1) The Office of Legislative Council shall call the first meeting of the Commission to occur on or before August 1, 2017.

(2) The members shall elect a chair from the membership.

(3) A majority of the membership shall constitute a quorum.

(4) The Commission shall cease to exist on January 30, 2018.

(h) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, legislative members of the Commission shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than six meetings.

(2) Other members of the Commission 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.

Sec. 18. EFFECTIVE DATE

This section and Sec. 17 shall take effect on passage and the remaining sections shall take effect on July 1, 2018.

Which proposal of amendment was considered.

Pending the question, Shall the House concur in the Senate proposal of amendment to the House proposal of amendment to the Senate proposal of amendment to the House proposal of amendment? **Rep. Poirier of Barre City** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House concur in the Senate proposal of amendment to the House proposal of amendment to the Senate proposal of amendment to the House proposal of amendment? was decided in the affirmative. Yeas, 79. Nays, 66.

Those who voted in the affirmative are:

Ancel of Calais	Gardner of Richmond	Noyes of Wolcott
Bartholomew of Hartland	Giambatista of Essex	Olsen of Londonderry
Baser of Bristol	Gonzalez of Winooski	O'Sullivan of Burlington
Belaski of Windsor	Grad of Moretown	Partridge of Windham
Bock of Chester	Greshin of Warren	Rachelson of Burlington
Botzow of Pownal	Haas of Rochester	Scheu of Middlebury
Buckholz of Hartford	Head of South Burlington	Sharpe of Bristol
Burditt of West Rutland	Hill of Wolcott	Sheldon of Middlebury
Burke of Brattleboro	Hooper of Montpelier	Sibilia of Dover
Carr of Brandon	Hooper of Brookfield	Squirrel of Underhill
Chesnut-Tangerman of Middletown Springs	Houghton of Essex	Stevens of Waterbury *
Christensen of Weathersfield	Jessup of Middlesex	Stuart of Brattleboro
Cina of Burlington *	Jickling of Brookfield	Sullivan of Dorset
Colburn of Burlington	Kimbell of Woodstock	Sullivan of Burlington
Condon of Colchester	Kitzmillier of Montpelier	Toleno of Brattleboro
Conlon of Cornwall	Krowinski of Burlington	Townsend of South Burlington
Connor of Fairfield	Lalonde of South Burlington	Trieber of Rockingham
Conquest of Newbury	Lefebvre of Newark	Troiano of Stannard
Copeland-Hanzas of Bradford	Lippert of Hinesburg	Walz of Barre City
Corcoran of Bennington	Long of Newfane	Webb of Shelburne
Donovan of Burlington	Lucke of Hartford *	Weed of Enosburgh
Dunn of Essex	Macaig of Williston	Wood of Waterbury *
Emmons of Springfield	Masland of Thetford	Yacovone of Morristown
Fields of Bennington	McCormack of Burlington	Yantachka of Charlotte
Forguites of Springfield	McCullough of Williston	Young of Glover
Gannon of Wilmington	Miller of Shaftsbury	
	Morris of Bennington	
	Mrowicki of Putney	

Those who voted in the negative are:

Ainsworth of Royalton	Graham of Williamstown	Parent of St. Albans Town
Bancroft of Westford	Harrison of Chittenden	Pearce of Richford

Batchelor of Derby *	Hebert of Vernon	Poirier of Barre City
Beck of St. Johnsbury	Helm of Fair Haven	Potter of Clarendon
Beyor of Highgate	Higley of Lowell	Pugh of South Burlington
Bissonnette of Winooski	Howard of Rutland City *	Quimby of Concord
Brennan of Colchester	Hubert of Milton	Rosenquist of Georgia
Briglin of Thetford	Joseph of North Hero	Savage of Swanton
Browning of Arlington	Juskiewicz of Cambridge	Scheuermann of Stowe
Brumsted of Shelburne	Keefe of Manchester	Shaw of Pittsford
Canfield of Fair Haven	Keenan of St. Albans City	Smith of Derby
Christie of Hartford	LaClair of Barre Town	Smith of New Haven
Cupoli of Rutland City	Lanpher of Vergennes	Strong of Albany
Dakin of Colchester	Lawrence of Lyndon	Taylor of Colchester
Devereux of Mount Holly	Marcotte of Coventry	Terenzini of Rutland Town
Dickinson of St. Albans Town	Martel of Waterford	Till of Jericho
Donahue of Northfield	McCoy of Poultney	Toll of Danville
Fagan of Rutland City	McFaun of Barre Town	Turner of Milton
Feltus of Lyndon	Morrissey of Bennington	Van Wyck of Ferrisburgh
Frenier of Chelsea	Myers of Essex	Viens of Newport City
Gage of Rutland City	Nolan of Morristown	Wright of Burlington
Gamache of Swanton	Norris of Shoreham	
	Ode of Burlington	

Those members absent with leave of the House and not voting are:

Deen of Westminster	Murphy of Fairfax
Lewis of Berlin	Willhoit of St. Johnsbury

Rep. Batchelor of Derby explained her vote as follows:

“Madam Speaker:

I voted NO on S.22. How can we say we value and cherish our young children and then pass a bill that could put them in harm’s way?

Shame on us!”

Rep. Cina of Burlington explained his vote as follows:

“Madam Speaker:

Substance use, in the absence of other violations of the law, ought to be treated as a health care issue, not a crime. The stigma that comes with prohibition creates barriers to treatment and intensifies the shame, guilt, and pain that drive addiction. Instead of judging and punishing people for the way that they deal with pain or even seek pleasure, let’s empower people to make healthier choices and to work towards wellness and recovery.”

Rep. Howard of Rutland City explained her vote as follows:

“Madam Speaker:

I voted no. I sincerely hope the Marijuana Regulatory Commission develops a timely plan to develop roadside testing, increased education and increase in trained officers. I support law enforcement. Thank you.”

Rep. Lucke of Hartford explained her vote as follows:

“Madam Speaker:

My vote today supports a year of intentional planning in Vermont as marijuana legalization takes root in our region of the country and Canada.”

Rep. Stevens of Waterbury explained his vote as follows:

“Madam Speaker:

Newsflash! 80,000 Vermonters smoke pot. And many of them illegally pay a dealer for it because it is less risky than growing it. The drug is here. The money is here. I would rather deal with people with a legal addiction - just like opioids, alcohol, lottery, smoking, and gambling - than perpetuate the myths as we have today.”

Rep. Wood of Waterbury explained her vote as follows:

“Madam Speaker:

80,000 Vermonters are proof that burying our heads in the sand has not proven effective in limiting the black market. Moving toward a regulated market will improve our ability to protect and educate our youth. That’s why I voted yes.”

Rules Suspended; Report of Committee of Conference Adopted

H. 503

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to bail

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

H. 503

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. 503. An act relating to bail.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Release Prior to Trial * * *

Sec. 1. 13 V.S.A. § 7551 is amended to read:

§ 7551. APPEARANCE BONDS; GENERALLY

(a) A bond given by a person charged with a criminal offense or by a witness in a criminal prosecution under section 6605 of this title, conditioned for the appearance of the person or witness before the court in cases where the offense is punishable by fine or imprisonment, and in appealed cases, shall be taken to the ~~district or superior court~~ Criminal Division of the Superior Court where the prosecution is pending, and shall remain binding upon parties until discharged by the court or until sentencing. The person or witness shall appear at all required court proceedings.

(b) No bond may be imposed at the initial appearance of a person charged with a misdemeanor if the person was cited for the offense in accordance with Rule 3 of the Vermont Rules of Criminal Procedure. This subsection shall not be construed to restrict the court's ability to impose conditions on such persons to reasonably ensure his or her appearance at future proceedings or to reasonably protect the public in accordance with section 7554 of this title.

Sec. 2. 28 V.S.A. § 301 is amended to read:

§ 301. SUMMONS OR ARREST OF PROBATIONER

* * *

(2) Arrest or citation of person on probation. Any correctional officer may arrest a probationer without a warrant if, in the judgment of the correctional officer, the probationer has violated a condition or conditions of his or her probation other than a condition that the probationer pay restitution; or may deputize any other law enforcement officer to arrest a probationer without a warrant by giving him or her a written statement setting forth that the probationer has, in the judgment of the correctional officer, violated a condition or conditions of his or her probation other than a condition that the probationer pay restitution. The written statement delivered with the person by the arresting officer to the supervising officer of the correctional facility to which the person is brought for detention shall be sufficient warrant for detaining him or her. In lieu of arrest, a correctional officer may issue a probationer a citation to appear for arraignment. In deciding whether to arrest or issue a citation, an officer shall consider whether issuance of a citation will

reasonably ensure the probationer's appearance at future proceedings and reasonably protect the public.

* * *

(4) Detention pending hearing for probationer. Pending arraignment for any charge of violation, the probationer shall ~~continue~~ to be detained at a correctional facility unless issued a citation by a correctional officer. Thereafter, the court may release the probationer pursuant to 13 V.S.A. § 7554. There shall be no right to bail or release, unless the person is on probation for a nonviolent misdemeanor or nonviolent felony ~~and the probation violation did not constitute a new crime.~~

(5)(A) At arraignment, if the court finds that bail or conditions of release will reasonably ensure the probationer's appearance at future proceedings and conditions of release will reasonably protect the public, the court shall release a probationer who is on probation for a nonviolent misdemeanor or nonviolent felony pursuant to 13 V.S.A. § 7554.

(B) As used in this subdivision section:

~~(A)(i)~~ "Nonviolent felony" means a felony offense ~~which~~ that is not a listed crime as defined in 13 V.S.A. § 5301(7) or an offense involving sexual exploitation of children in violation of 13 V.S.A. chapter 64.

~~(B)(ii)~~ "Nonviolent misdemeanor" means a misdemeanor offense ~~which~~ that is not a listed crime as defined in 13 V.S.A. § 5301(7) or an offense involving sexual exploitation of children in violation of 13 V.S.A. chapter 64 or 13 V.S.A. § 1030.

Sec. 3. PRETRIAL COMMUNICATIONS RECOMMENDATIONS

The Court Administrator, the Department of State's Attorneys and Sheriffs, the Office of the Defender General, and the Vermont Chapter of the American Civil Liberties Union shall work together and with other interested parties to examine options for facilitating pretrial communication between the courts and defendants with a goal of reducing the risk of nonappearance by defendants. The parties jointly shall provide options and costs of such options to the Joint Committee on Justice Oversight on or before October 15, 2017.

* * * Regulated Drugs * * *

Sec. 4. 18 V.S.A. § 4233a is added to read:

§ 4233a. FENTANYL

(a) Selling or dispensing.

(1) A person knowingly and unlawfully dispensing fentanyl shall be imprisoned not more than three years or fined not more than \$75,000.00, or both. A person knowingly and unlawfully selling fentanyl shall be imprisoned

not more than five years or fined not more than \$100,000.00, or both.

(2) A person knowingly and unlawfully selling or dispensing fentanyl in an amount consisting of four milligrams or more of one or more preparations, compounds, mixtures, or substances containing fentanyl shall be imprisoned not more than 10 years or fined not more than \$250,000.00, or both.

(3) A person knowingly and unlawfully selling or dispensing fentanyl in an amount consisting of 20 milligrams or more of one or more preparations, compounds, mixtures, or substances containing fentanyl shall be imprisoned not more than 20 years or fined not more than \$1,000,000.00, or both.

(4) In lieu of a charge under this subsection, but in addition to any other penalties provided by law, a person knowingly and unlawfully selling or dispensing any regulated drug containing a detectable amount of fentanyl shall be imprisoned not more than five years or fined not more than \$250,000.00, or both.

(b) Trafficking. A person knowingly and unlawfully possessing fentanyl in an amount consisting of 70 milligrams or more of one or more preparations, compounds, mixtures, or substances containing fentanyl with the intent to sell or dispense the fentanyl shall be imprisoned not more than 30 years or fined not more than \$1,000,000.00, or both. There shall be a permissive inference that a person who possesses fentanyl in an amount of 70 milligrams or more of one or more preparations, compounds, mixtures, or substances containing fentanyl intends to sell or dispense the fentanyl. The amount of possessed fentanyl under this subsection to sustain a charge of conspiracy under 13 V.S.A. § 1404 shall be not less than 70 milligrams in the aggregate.

(c) Transportation into the State. In addition to any other penalties provided by law, a person knowingly and unlawfully transporting more than 20 milligrams of fentanyl into Vermont with the intent to sell or dispense the fentanyl shall be imprisoned not more than 10 years or fined not more than \$100,000.00, or both.

Sec. 5. 18 V.S.A. § 4234 is amended to read:

§ 4234. DEPRESSANT, STIMULANT, AND NARCOTIC DRUGS

* * *

(b) Selling or dispensing.

(1) A person knowingly and unlawfully dispensing a depressant, stimulant, or narcotic drug, other than fentanyl, heroin, or cocaine, shall be imprisoned not more than three years or fined not more than \$75,000.00, or both. A person knowingly and unlawfully selling a depressant, stimulant, or narcotic drug, other than fentanyl, cocaine, or heroin, shall be imprisoned not more than five years or fined not more than \$25,000.00, or both.

(2) A person knowingly and unlawfully selling or dispensing a depressant, stimulant, or narcotic drug, other than fentanyl, heroin, or cocaine, consisting of 100 times a benchmark unlawful dosage or its equivalent as determined by the ~~board of health~~ Board of Health by rule shall be imprisoned not more than 10 years or fined not more than \$100,000.00, or both.

(3) A person knowingly and unlawfully selling or dispensing a depressant, stimulant, or narcotic drug, other than fentanyl, heroin, or cocaine, consisting of 1,000 times a benchmark unlawful dosage or its equivalent as determined by the ~~board of health~~ Board of Health by rule shall be imprisoned not more than 20 years or fined not more than \$500,000.00, or both.

Sec. 6. 13 V.S.A. § 1404 is amended to read:

§ 1404. CONSPIRACY

(a) A person is guilty of conspiracy if, with the purpose that an offense listed in subsection (c) of this section be committed, that person agrees with one or more persons to commit or cause the commission of that offense, and at least two of the co-conspirators are persons who are neither law enforcement officials acting in official capacity nor persons acting in cooperation with a law enforcement official.

(b) No person shall be convicted of conspiracy unless a substantial overt act in furtherance of the conspiracy is alleged and proved to have been done by the defendant or by a co-conspirator, other than a law enforcement official acting in an official capacity or a person acting in cooperation with a law enforcement official, and subsequent to the defendant's entrance into the conspiracy. Speech alone may not constitute an overt act.

(c) This section applies only to a conspiracy to commit or cause the commission of one or more of the following offenses:

- (1) murder in the first or second degree;
- (2) arson under sections 501-504 and 506 of this title;
- (3) sexual exploitation of children under sections 2822, 2823, and 2824 of this title;
- (4) receiving stolen property under sections 2561-2564 of this title; or
- (5) an offense involving the sale, delivery, manufacture, or cultivation of a regulated drug or an offense under:
 - (A) 18 V.S.A. § 4230(c), relating to trafficking in marijuana;
 - (B) 18 V.S.A. § 4231(c), relating to trafficking in cocaine;
 - (C) 18 V.S.A. § 4233(c), relating to trafficking in heroin;

(D) 18 V.S.A. § 4234(b)(3), relating to unlawful selling or dispensing of a depressant, stimulant, or narcotic drug, other than fentanyl, heroin or cocaine; ~~or~~

(E) 18 V.S.A. § 4234a(c), relating to trafficking in methamphetamine; or

(F) 18 V.S.A. § 4233a(c), relating to trafficking in fentanyl.

Sec. 7. 18 V.S.A. § 4234b is amended to read:

§ 4234b. EPHEDRINE AND PSEUDOEPHEDRINE

* * *

(c) Electronic registry system.

(1)(A) Retail establishments shall use an electronic registry system to record the sale of products made pursuant to subsection (b) of this section. The electronic registry system shall have the capacity to block a sale of nonprescription drug products containing ephedrine base, pseudoephedrine base, or phenylpropanolamine base that would result in a purchaser exceeding the lawful daily or monthly amount. The system shall contain an override function that may be used by an agent of a retail establishment who is dispensing the drug product and who has a reasonable fear of imminent bodily harm to his or her person or to another person if the transaction is not completed. The system shall create a record of each use of the override mechanism.

(B) The electronic registry system shall be available free of charge to the State of Vermont, retail establishments, and local law enforcement agencies.

(C) The electronic registry system shall operate in real time to enable communication among in-state users and users of similar systems in neighboring states.

(D) The State shall use the National Precursor Log Exchange (NPLEx) online portal or its equivalent to host Vermont's electronic registry system.

(2)(A) Prior to completing a sale under subsection (b) of this section, a retail establishment shall require the person purchasing the drug product to present a current, valid government-issued identification document. The retail establishment shall record in the electronic registry system:

(i) the name and address of the purchaser;

(ii) the name of the drug product and quantity of ephedrine, pseudoephedrine, and phenylpropanolamine base sold in grams;

(iii) the date and time of purchase;

(iv) the form of identification presented, the issuing government entity, and the corresponding identification number; and

(v) the name of the person selling or furnishing the drug product.

(B)(i) If the retail establishment experiences an electronic or mechanical failure of the electronic registry system and is unable to comply with the electronic recording requirement, the retail establishment shall maintain a written log or an alternative electronic record-keeping mechanism until the retail establishment is able to comply fully with this subsection (c).

(ii) If the region of the State where the retail establishment is located does not have broadband Internet access, the retail establishment shall maintain a written log or an alternative electronic record-keeping mechanism until broadband Internet access becomes accessible in that region. At that time, the retail establishment shall come into compliance with this subsection (c).

(C) A retail establishment shall maintain all records of drug product purchases made pursuant to this subsection (c) for a minimum of two years.

(3) A retail establishment shall display a sign at the register provided by NPLeX or its equivalent to notify purchasers of drug products containing ephedrine, pseudoephedrine, or phenylpropanolamine base that:

(A) the purchase of the drug product or products shall result in the purchaser's identity being listed on a national database; and

(B) the purchaser has the right to request the transaction number for any purchase that was denied pursuant to this subsection (c).

(4) Except as provided in subdivision (5) of this subsection (c), a person or retail establishment that violates this subsection shall:

(A) for a first violation be assessed a civil penalty of not more than \$100.00; and

(B) for a second or subsequent violation be assessed a civil penalty of not more than \$500.00.

(d) This section shall not apply to a manufacturer ~~which~~ that has obtained an exemption from the Attorney General of the United States under Section 711(d) of the federal Combat Methamphetamine Epidemic Act of 2005.

(e) As used in this section:

(1) "Distributor" means a person, other than a manufacturer or wholesaler, ~~who~~ that sells, delivers, transfers, or in any manner furnishes a

drug product to any person ~~who~~ that is not the ultimate user or consumer of the product.

(2) “Knowingly” means having actual knowledge of the relevant facts.

(3) “Manufacturer” means a person ~~who~~ that produces, compounds, packages, or in any manner initially prepares a drug product for sale or use.

(4) “Wholesaler” means a person, other than a manufacturer, ~~who~~ that sells, transfers, or in any manner furnishes a drug product to any other person for the purpose of being resold.

Sec. 8. USE OF U.S. FOOD AND DRUG ADMINISTRATION-
APPROVED DRUGS CONTAINING CANNABIDIOL

(a) Upon approval by the U.S. Food and Drug Administration (FDA) of one or more prescription drugs containing cannabidiol, the following activities shall be lawful in Vermont:

(1) the clinically appropriate prescription for a patient of an FDA-approved prescription drug containing cannabidiol by a health care provider licensed to prescribe medications in this State and acting within his or her authorized scope of practice;

(2) the dispensing, pursuant to a valid prescription, of an FDA-approved prescription drug containing cannabidiol to a patient or a patient’s authorized representative by a pharmacist or by another health care provider licensed to dispense medications in this State and acting within his or her authorized scope of practice;

(3) the possession and transportation of an FDA-approved prescription drug containing cannabidiol by a patient to whom a valid prescription was issued or by the patient’s authorized representative;

(4) the possession and transportation of an FDA-approved prescription drug containing cannabidiol by a licensed pharmacy or wholesaler in order to facilitate the appropriate dispensing and use of the drug; and

(5) the use of an FDA-approved prescription drug containing cannabidiol by a patient to whom a valid prescription was issued, provided the patient uses the drug only for legitimate medical purposes in conformity with instructions from the prescriber and dispenser.

(b) Upon approval by the U.S. Food and Drug Administration of one or more prescription drugs containing cannabidiol, the Department of Health shall amend its rules to conform to the provisions of subsection (a) of this section.

* * * Impaired Driving * * *

Sec. 9. 23 V.S.A. § 1202 is amended to read:

§ 1202. CONSENT TO TAKING OF TESTS TO DETERMINE BLOOD
ALCOHOL CONTENT OR PRESENCE OF OTHER DRUG

(a)(1) Implied consent. Every person who operates, attempts to operate, or is in actual physical control of any vehicle on a highway in this State is deemed to have given consent to an evidentiary test of that person's breath for the purpose of determining the person's alcohol concentration or the presence of other drug in the blood. The test shall be administered at the direction of a law enforcement officer.

(2) Blood test. If breath testing equipment is not reasonably available or if the officer has reason to believe that the person is unable to give a sufficient sample of breath for testing or if the law enforcement officer has reasonable grounds to believe that the person is under the influence of a drug other than alcohol, the person is deemed to have given consent to the taking of an evidentiary sample of blood. If in the officer's opinion the person is incapable of decision or unconscious or dead, it is deemed that the person's consent is given and a sample of blood shall be taken. A blood test sought pursuant to this subdivision (2) shall be obtained pursuant to subsection (f) of this section.

(3) Evidentiary test. The evidentiary test shall be required of a person when a law enforcement officer has reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title.

(4) Fatal collision or incident resulting in serious bodily injury. The evidentiary test shall also be required if the person is the surviving operator of a motor vehicle involved in a fatal incident or collision or an incident or collision resulting in serious bodily injury and the law enforcement officer has reasonable grounds to believe that the person has any amount of alcohol or other drug in his or her system.

~~(b) If the person refuses to submit to an evidentiary test it shall not be given, except as provided in subsection (f) of this section, but the A refusal to take a breath test may be introduced as evidence in a criminal proceeding.~~

* * *

(f) If a blood test is sought from a person pursuant to subdivision (a)(2) of this section, or if a person who has been involved in an accident or collision resulting in serious bodily injury or death to another refuses an evidentiary test, a law enforcement officer may apply for a search warrant pursuant to Rule 41 of the Vermont Rules of Criminal Procedure to obtain a sample of blood for an evidentiary test. If a blood sample is obtained by search warrant, the fact of the refusal may still be introduced in evidence, in addition to the results of the evidentiary test. Once a law enforcement official begins the application process for a search warrant, the law enforcement official is not obligated to

discontinue the process even if the person later agrees to provide an evidentiary breath sample. The limitation created by Rule 41(g) of the Vermont Rules of Criminal Procedure regarding blood specimens shall not apply to search warrants authorized by this section.

* * *

* * * Humane and Proper Treatment of Animals * * *

Sec. 10. 13 V.S.A. chapter 8 is amended to read:

CHAPTER 8. HUMANE AND PROPER TREATMENT OF ANIMALS

Subchapter 1. Cruelty to Animals

§ 351. DEFINITIONS

As used in this chapter:

(1) “Animal” means all living sentient creatures, not human beings.

* * *

(19) “Sexual conduct” means:

(A) any act between a person and animal that involves contact between the mouth, sex organ, or anus of a person and the mouth, sex organ, or anus of an animal; or

(B) without a bona fide veterinary or animal husbandry purpose, the insertion, however slight, of any part of a person’s body or of any instrument, apparatus, or other object into the vaginal or anal opening of an animal.

* * *

§ 352. CRUELTY TO ANIMALS

A person commits the crime of cruelty to animals if the person:

(1) intentionally kills or attempts to kill any animal belonging to another person without first obtaining legal authority or consent of the owner;

(2) overworks, overloads, tortures, torments, abandons, administers poison to, cruelly beats or mutilates an animal, or exposes a poison with intent that it be taken by an animal;

* * *

(10) uses a live animal as bait or lure in a race, game, or contest, or in training animals in a manner inconsistent with 10 V.S.A. Part 4 of Title 10 or the rules adopted thereunder;

(11)(A) engages in sexual conduct with an animal;

(B) possesses, sells, transfers, purchases, or otherwise obtains an animal with the intent that it be used for sexual conduct;

(C) organizes, promotes, conducts, aids, abets, or participates in as an

observer an act involving any sexual conduct with an animal;

(D) causes, aids, or abets another person to engage in sexual conduct with an animal;

(E) permits sexual conduct with an animal to be conducted on premises under his or her charge or control; or

(F) advertises, offers, or accepts the offer of an animal with the intent that it be subject to sexual conduct in this State.

§ 352a. AGGRAVATED CRUELTY TO ANIMALS

A person commits the crime of aggravated cruelty to animals if the person:

(1) kills an animal by intentionally causing the animal undue pain or suffering;

(2) intentionally, maliciously, and without just cause tortures, mutilates, or cruelly beats an animal; or

(3) intentionally injures or kills an animal that is in the performance of official duties while under the supervision of a law enforcement officer.

* * *

§ 353. DEGREE OF OFFENSE; SENTENCING UPON CONVICTION

(a) Penalties.

(1) Except as provided in subdivision (3) ~~or~~, (4), or (5) of this subsection, cruelty to animals under section 352 of this title shall be punishable by a sentence of imprisonment of not more than one year, or a fine of not more than \$2,000.00, or both. Second and subsequent convictions shall be punishable by a sentence of imprisonment of not more than two years or a fine of not more than \$5,000.00, or both.

(2) Aggravated cruelty under section 352a of this title shall be punishable by a sentence of imprisonment of not more than ~~three~~ five years or a fine of not more than \$5,000.00, or both. Second and subsequent offenses shall be punishable by a sentence of imprisonment of not more than ~~five~~ ten years or a fine of not more than \$7,500.00, or both.

* * *

(5) A person who violates subdivision 352(1) of this title by intentionally killing or attempting to kill an animal belonging to another or subdivision 352(2) of this title by torturing, administering poison to, or cruelly beating or mutilating an animal shall be imprisoned not more than two years or fined not more than \$5,000.00, or both.

* * *

* * * Electronic Monitoring * * *

Sec. 11. 13 V.S.A. § 7554b is amended to read:

§ 7554b. HOME DETENTION PROGRAM

(a) Definition. As used in this section, “home detention” means a program of confinement and supervision that restricts a defendant to a preapproved residence continuously, except for authorized absences, and is enforced by appropriate means of surveillance and electronic monitoring by the Department of Corrections. The court may authorize scheduled absences such as work, school, or treatment. Any changes in the schedule shall be solely at the discretion of the Department of Corrections. A defendant who is on home detention shall remain in the custody of the Commissioner of Corrections with conditions set by the ~~Court~~ court.

(b) Procedure. ~~The~~ At the request of the court, the Department of Corrections, or the defendant, the status of a defendant who is detained pretrial for more than seven days in a correctional facility for lack of bail may be reviewed by the ~~Court~~ court to determine whether the defendant is appropriate for home detention. The request for review may be made by either the Department of Corrections or the defendant. After At arraignment or after a hearing, the court may order that the defendant be released to the Home Detention Program, providing that the ~~Court~~ court finds placing the defendant on home detention will reasonably assure his or her appearance in ~~Court~~ court when required and the proposed residence is appropriate for home detention. In making such a determination, the court shall consider:

* * *

(d) Credit for time served. A defendant shall receive credit for a sentence of imprisonment for time served in the Home Detention Program.

Sec. 12. ELECTRONIC MONITORING

(a) The Commissioner of Corrections shall establish an active electronic monitoring program with real-time enforcement. The Commissioner of Corrections, in consultation with the Department of State’s Attorneys and Sheriffs, may contract with a third party to implement the program.

(b) The Electronic Monitoring Program described in subsection (a) of this section may be used to monitor, in lieu of incarcerating in a facility, the following populations:

(1) offenders in the custody of the Commissioner who are eligible for the Home Detention Program described in 13 V.S.A. § 7554b; and

(2) offenders in the custody of the Commissioner, including the following target populations:

(A) offenders who are eligible for home confinement furlough, as

described in 28 V.S.A. § 808b;

(B) offenders who are past their minimum sentence and are deemed appropriate for the Program by the Commissioner of Corrections; or

(C) offenders who are eligible for reintegration furlough, as described in 28 V.S.A. § 808c.

(c) An offender shall only be eligible for the Electronic Monitoring Program described in subsection (a) of this section if electronic monitoring equipment is fully functional in the geographic area where the offender will be located.

Sec. 13. EFFECTIVE DATES

This section and Secs. 7 (ephedrine and pseudoephedrine), 9 (impaired driving), and 12 (electronic monitoring) shall take effect on passage. The remaining sections shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to criminal justice.

*RICHARD W. SEARS
ALICE W. NITKA
JOSEPH C. BENNING*

Committee on the part of the Senate

*MARTIN J. LALONDE
CHARLES W. CONQUEST
CHARLES H. SHAW*

Committee on the part of the House

Which was considered and adopted on the part of the House

Rules Suspended; Report of Committee of Conference Adopted

H. 22

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to the professional regulation of law enforcement officers by the Vermont Criminal Justice Training Council

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference**H. 22****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. 22. An act relating to the professional regulation of law enforcement officers by the Vermont Criminal Justice Training Council.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposals of amendment and that the bill be further amended in Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council), in section 2406 (permitted Council sanctions), in subsection (b) (intended revocation; temporary voluntary surrender), in subdivision (1)(C), in the last sentence, following "the Council may modify its findings and decision on the basis of additional evidence" by inserting , but shall not be bound by any outcome of the labor proceeding

*JEANETTE K. WHITE
BRIAN P. COLLAMORE
CHRISTOPHER A. PEARSON*

Committee on the part of the Senate

*MAIDA F. TOWNSEND
ROBERT B. LACLAIR
MARCIA L. GARDNER*

Committee on the part of the House

Which was considered and adopted on the part of the House

Message from the Senate No. 74

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposals of amendment to Senate bill of the following title:

S. 8. An act relating to establishing the State Ethics Commission and standards of governmental ethical conduct.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

**Rules Suspended; Senate Proposal of Amendment to House Proposal of
Amendment Considered; Consideration Interrupted**

S. 8

Pending entry of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to establishing the State Ethics Commission and standards of governmental ethical conduct

Was taken up for immediate consideration.

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

First: In Sec. 3, 17 V.S.A. § 2414 (candidates for State and legislative office; disclosure form), in subsection (a), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) Each source, but not amount, of personal income of the candidate and of his or her spouse or domestic partner, and of the candidate together with his or her spouse or domestic partner, that totals more than \$5,000.00, including any of the sources meeting that total described as follows:

Second: In Sec. 3, 17 V.S.A. § 2414 (candidates for State and legislative office; disclosure form), by adding a new subsection to be subsection (c) to read as follows:

(c) In addition, each candidate for State office shall attach to the disclosure form described in subsection (a) of this section a copy of his or her most recent U.S. Individual Income Tax Return Form 1040; provided, however, that the candidate may redact from that form the following information:

(1) the candidate's Social Security Number and that of his or her spouse, if applicable;

(2) the names of any dependent and the dependent's Social Security Number; and

(3) the signature of the candidate and that of his or her spouse, if applicable.

And by relettering the remaining subsections to be alphabetically correct.

Third: In Sec. 3, 17 V.S.A. § 2414 (candidates for State and legislative office; disclosure form), in subsection (c) (relettered subsection (d)), by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read as follows:

(2)(A) The Secretary of State shall post a copy of any disclosure forms

and tax returns he or she receives under this section on his or her official State website.

(B) Prior to posting, the Secretary shall redact from a tax return the information permitted to be redacted under subsection (c) of this section, if the candidate fails to do so.

Fourth: In Sec. 7, 3 V.S.A. chapter 31, by striking out section 1202 (State Code of Ethics) in its entirety and inserting in lieu thereof a new section 1202 to read as follows:

§ 1202. STATE CODE OF ETHICS

The Ethics Commission, in consultation with the Department of Human Resources, shall create and maintain a State Code of Ethics that sets forth general principles of governmental ethical conduct.

Fifth: In Sec. 7, 3 V.S.A. chapter 31, in section 1211 (Executive officers; biennial disclosure), in subsection (a), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) Each source, but not amount, of personal income of the officer and of his or her spouse or domestic partner, and of the officer together with his or her spouse or domestic partner, that totals more than \$5,000.00, including any of the sources meeting that total described as follows:

Sixth: In Sec. 7, 3 V.S.A. chapter 31, in section 1211 (Executive officers; biennial disclosure), in subdivision (d)(1) (“domestic partner” definition), following “an enduring domestic relationship” by inserting the following: of a spousal nature

Seventh: In Sec. 7, 3 V.S.A. chapter 31, in section 1221 (State Ethics Commission), in subsection (b) (membership), in subdivision (1), by striking out subparagraph (A) in its entirety and inserting in lieu thereof a new subparagraph (A) to read as follows:

(A) one member appointed by the Chief Justice of the Supreme Court;

Eighth: In Sec. 7, 3 V.S.A. chapter 31, in section 1221 (State Ethics Commission), in subsection (b) (membership), by inserting a new subdivision (2) to read as follows:

(2) The Commission shall elect the Chair of the Commission from among its membership.

And by renumbering the remaining subdivisions to be numerically correct.

Ninth: In Sec. 7, 3 V.S.A. chapter 31, in section 1224 (Commission ethics training), in the first sentence, following “the Commission shall make available

to” by striking out “State officers” and inserting in lieu thereof the following: legislators, State officers.

Tenth: By striking out Sec. 9 (State Ethics Commission; State Code of Ethics; rule-making procedure requirements) in its entirety and inserting in lieu thereof a new Sec. 9 to read:

Sec. 9. STATE ETHICS COMMISSION; STATE CODE OF ETHICS;
PROCEDURE FOR CREATION

(a) The State Ethics Commission shall create a draft of the State Code of Ethics in consultation with the Department of Human Resources as described in 3 V.S.A. § 1202 in Sec. 7 of this act and submit that draft to the House and Senate Committees on Government Operations for their review on or before March 15, 2018.

(b) After considering any recommendations by those Committees, the Commission shall create its final version of the State Code of Ethics on or before July 1, 2018.

Eleventh: In Sec. 10 (implementation of the State Ethics Commission), in subsection (b), in the first sentence, following “including the hiring of the Commission’s Executive Director” by inserting the following: and electing the Chair of the Commission

Twelfth: In Sec. 10 (implementation of the State Ethics Commission), in subsection (c), in subdivisions (1) and (2), by striking out “3 V.S.A. § 1221(b)(4)(A)” and inserting in lieu thereof the following: 3 V.S.A. § 1221(b)(5)(A)

Thirteenth: In Sec. 10 (implementation of the State Ethics Commission), in subdivision (c)(1)(A), following “the Chief Justice of the Supreme Court shall appoint” by striking out “the Chair” and inserting in lieu thereof the following: a member

Fourteenth: In Sec. 17 (transitional provision; municipal ethics complaints; Secretary of State; Ethics Commission; reports), by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) The State Ethics Commission shall include a summary of these municipal complaints along with its report of complaints described in 3 V.S.A. § 1226(1) (Commission reports; complaints) in Sec. 7 of this act.

Which proposal of amendment was considered.

Recess

At three o'clock and three minutes in the afternoon, the Speaker declared a recess until four o'clock in the afternoon.

At four o'clock and fifteen minutes in the afternoon, the Speaker called the House to order.

Consideration Resumed; Senate Proposal of Amendment Concurred in

S. 8

Consideration resumed on Senate bill, entitled

An act relating to establishing the State Ethics Commission and standards of governmental ethical conduct.

Pending the question, Will the House concur with the Senate proposal of amendment to the House proposal of amendment? **Rep. Donahue of Northfield** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Will the House concur with the Senate proposal of amendment to the House proposal of amendment? was decided in the affirmative. Yeas, 120. Nays, 24.

Those who voted in the affirmative are:

Ancel of Calais	Giambatista of Essex	Noyes of Wolcott
Bancroft of Westford	Gonzalez of Winooski	Ode of Burlington
Bartholomew of Hartland	Grad of Moretown	Olsen of Londonderry
Baser of Bristol	Graham of Williamstown	O'Sullivan of Burlington
Beck of St. Johnsbury	Greshin of Warren	Parent of St. Albans Town
Belaski of Windsor	Haas of Rochester	Partridge of Windham
Bissonnette of Winooski	Harrison of Chittenden	Pearce of Richford
Bock of Chester	Head of South Burlington	Poirier of Barre City
Botzow of Pownal	Hill of Wolcott	Potter of Clarendon
Briglin of Thetford	Hooper of Montpelier	Pugh of South Burlington
Browning of Arlington	Hooper of Brookfield	Rachelson of Burlington
Buckholz of Hartford	Houghton of Essex	Savage of Swanton
Burditt of West Rutland	Howard of Rutland City	Scheu of Middlebury
Burke of Brattleboro	Jessup of Middlesex	Scheuermann of Stowe
Carr of Brandon	Jickling of Brookfield	Sharpe of Bristol
Chesnut-Tangerman of Middletown Springs	Joseph of North Hero	Shaw of Pittsford
Christensen of Weathersfield	Juskiewicz of Cambridge	Sheldon of Middlebury
Christie of Hartford	Keefe of Manchester	Sibilia of Dover
Cina of Burlington	Keenan of St. Albans City	Smith of New Haven
Colburn of Burlington	Kimbell of Woodstock	Squirrell of Underhill
Condon of Colchester	Kitzmiller of Montpelier	Stevens of Waterbury
Conlon of Cornwall	Krowinski of Burlington	Sullivan of Dorset
Connor of Fairfield	LaClair of Barre Town	Sullivan of Burlington
Conquest of Newbury	Lalonde of South Burlington	Taylor of Colchester
	Lanpher of Vergennes	Terenzini of Rutland Town

Copeland-Hanzas of Bradford	Lefebvre of Newark	Till of Jericho
Corcoran of Bennington	Lippert of Hinesburg	Toleno of Brattleboro
Cupoli of Rutland City	Long of Newfane	Toll of Danville
Dakin of Colchester	Lucke of Hartford	Townsend of South Burlington
Devereux of Mount Holly	Macaig of Williston	Trieber of Rockingham
Donovan of Burlington	Masland of Thetford	Troiano of Stannard
Dunn of Essex	McCormack of Burlington	Walz of Barre City
Emmons of Springfield	McCoy of Poultney	Webb of Shelburne
Fagan of Rutland City	McCullough of Williston	Weed of Enosburgh
Feltus of Lyndon	McFaun of Barre Town	Willhoit of St. Johnsbury
Fields of Bennington	Miller of Shaftsbury	Wood of Waterbury
Forguites of Springfield	Morris of Bennington	Wright of Burlington
Frenier of Chelsea	Morrissey of Bennington	Yacovone of Morristown
Gannon of Wilmington *	Mrowicki of Putney *	Yantachka of Charlotte
Gardner of Richmond	Myers of Essex	Young of Glover
	Nolan of Morristown	

Those who voted in the negative are:

Ainsworth of Royalton	Gamache of Swanton	Quimby of Concord
Batchelor of Derby	Hebert of Vernon	Rosenquist of Georgia
Beyor of Highgate	Helm of Fair Haven	Smith of Derby
Brennan of Colchester	Higley of Lowell	Strong of Albany
Canfield of Fair Haven	Hubert of Milton	Turner of Milton
Dickinson of St. Albans Town	Lawrence of Lyndon	Van Wyck of Ferrisburgh
Donahue of Northfield *	Marcotte of Coventry	Viens of Newport City
Gage of Rutland City	Martel of Waterford	
	Norris of Shoreham	

Those members absent with leave of the House and not voting are:

Brumsted of Shelburne	Lewis of Berlin	Stuart of Brattleboro
Deen of Westminster	Murphy of Fairfax	

Rep. Donahue of Northfield explainer her vote as follows:

“Madam Speaker:

This bill is about creating a code of ethics, but the amendment eliminates the role of public notice, and comment on, the code. Transparency does not merely support ethics, it is at the very heart of ethics. Allowing development of a code of ethics without requiring a public process is antithetical to its very definition.”

Rep. Gannon of Wilmington explained his vote as follows:

“Madam Speaker:

At a time when there are serious ethical concerns in our nation’s capital, this bill is an important step in governmental transparency and public integrity for Vermont.”

Rep. Mrowicki of Putney explained his vote as follows:

“Madam Speaker:

My yes vote is agreement with your Government Operations committee’s work that takes us a step forward. With this bill our constituents can see there are standards to which were held accountable and we can join all the other states that have passed similar legislation. And, given what’s happening on the national scene right now, we can start re-building trust in elected public officials at the state level. Thanks to your Government Operations committee for taking on this complex and necessary work.”

Rules Suspended; Report of Committee of Conference Adopted

S. 112

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled
An act relating to creating the Spousal Support and Maintenance Task Force
Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Committee of Conference Report

S. 112

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.112. An act relating to creating the spousal support and maintenance task force.

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. SPOUSAL SUPPORT AND MAINTENANCE TASK FORCE

(a) Creation. There is created the Spousal Support and Maintenance Task Force for the purpose of reviewing and making legislative recommendations to Vermont’s laws concerning spousal support and maintenance.

(b) Membership. The Task Force shall be composed of the following eight members:

(1) a current member of the House of Representatives appointed by the

Speaker of the House;

(2) a current member of the Senate appointed by the Committee on Committees;

(3) a Superior Court judge who has significant experience in the Family Division of Superior Court appointed by the Chief Justice;

(4) the Chief Superior Judge;

(5) two experienced family law attorneys appointed by the Family Law Section of the Vermont Bar Association;

(6) a representative of Vermont Alimony Reform who is domiciled in Vermont; and

(7) the Executive Director of the Vermont Commission on Women or a designee who is domiciled in Vermont.

(c) Powers and duties. The Task Force shall make legislative recommendations to Vermont's spousal support and maintenance laws aimed to improve clarity, fairness, predictability, and consistency across the State in recognition of changes to the family structure in recent decades. The Task Force may hold public hearings and shall consider:

(1) perspectives from stakeholders and interested parties; and

(2) spousal support and maintenance laws in other states and any relevant reports or analysis on alimony.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Office of Legislative Council.

(e) Recommendation. On or before December 1, 2017, the Task Force shall submit its recommendations for any legislative action to the Senate and House Committees on Judiciary.

(f) Meetings.

(1) The Superior Court judge appointed in accordance with subdivision (b)(3) of this section shall serve as chair.

(2) A majority of the membership shall constitute a quorum.

(3) The Task Force shall cease to exist on March 1, 2018.

(g) Reimbursement.

(1) For attendance at meetings 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 regular meetings and two public hearings. No meeting shall

be held on the same day as a public hearing, and the Task Force shall endeavor to hold the public hearings in geographically diverse parts of the State.

(2) Other members of the Task Force 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 six regular meetings and two public hearings.

Sec. 2. 15 V.S.A. § 752 is amended to read:

§ 752. MAINTENANCE

(a) In an action under this chapter, the court may order either spouse to make maintenance payments, either rehabilitative or permanent in nature, to the other spouse if it finds that the spouse seeking maintenance:

(1) lacks sufficient income; or property, or both, including property apportioned in accordance with section 751 of this title, to provide for his or her reasonable needs; and

(2) is unable to support himself or herself through appropriate employment at the standard of living established during the civil marriage or is the custodian of a child of the parties.

(b) The maintenance order shall be in such amounts and for such periods of time as the court deems just, after considering all relevant factors, including, but not limited to:

(1) the financial resources of the party seeking maintenance, the property apportioned to the party, the party's ability to meet his or her needs independently, and the extent to which a provision for support of a child living with the party contains a sum for that party as custodian;

(2) the time and expense necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment;

(3) the standard of living established during the civil marriage;

(4) the duration of the civil marriage;

(5) the age and the physical and emotional condition of each spouse;

(6) the ability of the spouse from whom maintenance is sought to meet his or her reasonable needs while meeting those of the spouse seeking maintenance; ~~and~~

(7) inflation with relation to the cost of living; and

(8) the following guidelines:

<u>Length of marriage</u>	<u>% of the difference between parties' gross incomes</u>	<u>Duration of alimony award as % length of marriage</u>
<u>0 to <5 years</u>	<u>0–20%</u>	<u>No alimony or short-term alimony up to one year</u>
<u>5 to <10 years</u>	<u>15–35%</u>	<u>20–50% (1–5 yrs)</u>
<u>10 to <15 years</u>	<u>20–40%</u>	<u>40–60% (3–9 yrs)</u>
<u>15 to <20 years</u>	<u>24–45%</u>	<u>40–70% (6–14 yrs)</u>
<u>20+ years</u>	<u>30–50%</u>	<u>45% (9–20+ yrs)</u>

Sec. 3. REPEAL

On July 1, 2019, 15 V.S.A. § 752(b)(8) (spousal support and maintenance guidelines) is repealed.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

*JEANETTE K. WHITE
RICHARD W. SEARS
MARGARET K. FLORY*

Committee on the part of the Senate

*MARTIN J. LALONDE
GARY G. VIENS
KIMBERLY JESSUP*

Committee on the part of the House

Which was considered and adopted on the part of the House

Rules Suspended; Bill Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

S. 112

House bill, entitled

An act relating to creating the Spousal Support and Maintenance Task Force

Adjournment

At five o'clock and seven minutes in the evening, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.

Thursday, May 11, 2017

At nine o'clock and thirty minutes in the forenoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Speaker.

Rules Suspended; Bill Committed**H. 143**

Appearing on the Calendar for notice, on motion of **Rep. Kimbell of Woodstock**, the rules were suspended and House bill, entitled

An act relating to automobile insurance requirements and transportation network companies

Was taken up for immediate consideration. Thereupon, pending the question Will the House concur in the Senate proposal of amendment? on motion of **Rep. Kimbell of Woodstock**, the bill was committed to the committee on Commerce and Economic Development.

Rules Suspended; Report of Committee of Conference Adopted; Rules Suspended; Bill Messaged to Senate Forthwith**S. 34**

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to cross-promoting development incentives and State policy goals

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference**S.34****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.34. An act relating to cross-promoting development incentives and State policy goals.

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:

* * * Rural Economic Development Initiative * * *

Sec. 1. 10 V.S.A. chapter 15, subchapter 4 is added to read:

Subchapter 4. Rural Economic Development Initiative

§ 325m. RURAL ECONOMIC DEVELOPMENT INITIATIVE

(a) Definitions. As used in this subchapter:

(1) “Industrial park” means an area of land permitted as an industrial park under chapter 151 of this title or under 24 V.S.A. chapter 117, or under both.

(2) “Rural area” means a county of the State designated as “rural” or “mostly rural” by the U.S. Census Bureau in its most recent decennial census.

(3) “Small town” means a town in the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

(b) Establishment. There is created within the Vermont Housing and Conservation Board a Rural Economic Development Initiative to promote and facilitate community economic development in the small towns and rural areas of the State. The Rural Economic Development Initiative shall collaborate with municipalities, businesses, industrial parks, regional development corporations, and other appropriate entities to access funding and other assistance available to small towns and businesses in rural areas of the State when existing State resources or staffing assistance is not available.

(c) Services; access to funding.

(1) The Rural Economic Development Initiative shall provide the following services to small towns and businesses in rural areas:

(A) identification of grant or other funding opportunities available to small towns, businesses in rural areas, and industrial parks in small towns and rural areas that facilitate business development, siting of businesses, workforce development, broadband deployment, infrastructure development, or other economic development opportunities;

(B) technical assistance to small towns, businesses in rural areas, and industrial parks in small towns and rural areas in writing grants, accessing and completing the application process for identified grants or other funding opportunities, including writing applications for grants or other funding, coordination with providers of grants or other funding, strategic planning for the implementation or timing of activities funded by grants or other funding, and compliance with the requirements of grant awards or awards of other funding.

(2) In providing services under this subsection, the Rural Economic Development Initiative shall give first priority to projects that have received necessary State or municipal approval and that are ready for construction or implementation.

(d) Services; business development. The Rural Economic Development Initiative shall provide small towns and rural areas with services to facilitate business development in these areas. These services shall include:

(1) Identifying businesses or business types suitable for a small town, rural areas, industrial parks in a small town or rural area, or coworker spaces or generator spaces in rural areas. In identifying businesses or business types, the Rural Economic Development Initiative shall seek to:

(A) identify businesses or business types in the following priority areas:

(i) milk plants, milk handlers, or dairy products, as those terms are defined in 6 V.S.A. § 2672;

(ii) the outdoor equipment or recreation industry;

(iii) the value-added forest products industry;

(iv) the value-added food industry;

(v) phosphorus removal technology; and

(vi) composting facilities.

(B) explore with a small town or rural area whether underused or closed school buildings are appropriate sites for coworker or generator spaces.

(2) Recommending available grants, tax credits, or other incentives that a small town or rural area can use to attract businesses.

(3) In providing services under this subsection, the Rural Economic Development Initiative shall coordinate with the Secretary of Commerce and Community Development in order to avoid duplication by the Rural Economic Development Initiative of business recruitment and workforce development services provided by the Agency of Commerce and Community Development.

(e) Report. Beginning on January 15, 2018, and annually thereafter, the Rural Economic Development Initiative shall submit to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs and the House Committees on Agriculture and Forestry and on Commerce and Economic Development a report regarding the activities and progress of the Initiative. The report shall include:

(1) a summary of the Initiative's activities in the preceding calendar year;

(2) an evaluation of the effectiveness of the services provided by the Initiative to small towns, rural areas, and industrial parks;

(3) a summary of the Initiative's progress in attracting priority businesses to small towns and rural areas;

(4) an accounting of the grants or other funding that the Initiative facilitated or provided assistance with;

(5) an accounting of the funds acquired by the Rural Economic Development Initiative for administration of grants or other funding mechanisms and whether these funds are sufficient to offset the cost of the Rural Economic Development Initiative; and

(6) recommended changes to the program, including proposed legislative amendments to further economic development in small towns and rural areas in the State.

Sec. 2. FUNDING; LEGISLATIVE INTENT; RURAL ECONOMIC
DEVELOPMENT INITIATIVE

It is the intent of the General Assembly that \$75,000.00 appropriated to the Agency of Agriculture, Food and Markets in fiscal year 2018 shall be allocated by the Agency of Agriculture, Food and Markets to the Vermont Housing and Conservation Board for implementation of the Rural Economic Development Initiative under 10 V.S.A. chapter 15, subchapter 4.

* * * Vermont Milk Commission * * *

Sec. 3. VERMONT MILK COMMISSION; EQUITABLE DAIRY PRICING

On or before October 1, 2017, the Secretary of Agriculture, Food and Markets shall convene the Vermont Milk Commission under 6 V.S.A. chapter 161 to review and evaluate proposals that enhance and stabilize the dairy industry in Vermont and New England and that may be appropriate for inclusion in the federal Farm Bill 2018. The Secretary of Agriculture, Food and Markets shall submit to the congressional delegation of Vermont proposals that the Milk Commission recommends for inclusion in the federal Farm Bill 2018.

* * * Cross-promotion of Development Programs * * *

Sec. 4. EXECUTIVE BRANCH CROSS-PROMOTION OF LOAN, GRANT,
AND INCENTIVE PROGRAMS

(a) The General Assembly finds that it is within the authority of the Executive Branch to manage a process of continuous improvement for agency and statewide programs and operations. While undertaking these efforts, the Executive Branch shall ensure that State loan, grant, and other incentive programs cross-promote:

(1) the availability of financial and technical assistance from the State through education and outreach materials; and

(2) the State policies funded by State incentive programs, including the adoption of renewable energy, rural economic development, public access to conserved lands, and water quality improvements.

(b) The Secretary of Administration shall provide material or information regarding the cross-promotion of State policies on State websites and within application materials available to the public regarding State loan, grant, and other incentive programs.

* * * Energy Efficiency * * *

Sec. 5. REPORT; ENERGY EFFICIENCY CHARGE; COMMERCIAL AND INDUSTRIAL CUSTOMERS

(a) On or before January 15, 2018, the Commissioner of Public Service (the Commissioner) shall submit a report with recommendations as described in subsection (b) of this section.

(1) In preparing the report, the Commissioner shall consult with the Secretary of Commerce and Community Development, the energy efficiency utilities (EEU) appointed under 30 V.S.A. § 209(d)(2), the regional development corporations, the Public Service Board, and other affected persons.

(2) The Commissioner shall submit the report to the Senate Committees on Finance, on Natural Resources and Energy, and on Agriculture and the House Committees on Ways and Means, on Energy and Technology, on Commerce and Economic Development, and on Agriculture and Forestry.

(b) The report shall provide the Commissioner's recommendations on:

(1) Whether and how to increase the use by commercial and industrial customers of self-administered efficiency programs under 30 V.S.A. § 209(d) and (j), including:

(A) Potential methods and incentives to increase participation in self-administration of energy efficiency, including:

(i) Potential changes to the eligibility criteria for existing programs.

(ii) Use of performance-based structures.

(iii) Self-administration of energy efficiency by a commercial and industrial customer, with payment of an energy efficiency charge (EEC) amount only for technical assistance by an EEU, if the customer demonstrates that it possesses in-house expertise that supports such self-administration and implements energy efficiency measures that the customer demonstrates are cost-effective and save energy at a benefit-cost ratio similar to the EEU.

(B) The potential inclusion of such methods and incentives in EEU demand resource plans.

(C) Periodic reporting by the EEU's of participation rates in self-administration of energy efficiency by commercial and industrial customers located in the small towns in the State's rural areas. As used in this subdivision (C):

(i) "Rural area" means a county of the State designated as "rural" or "mostly rural" by the U.S. Census Bureau in its most recent decennial census.

(ii) "Small town" means a town in a rural area of the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

(2) The potential establishment of a multiyear pilot program that allows a category of commercial and industrial customers to apply the total amount of their Energy Efficiency Charge (EEC), for the period of the pilot, to investments that reduce the customer's total energy consumption.

(A) The goal of such a program would be to reduce significantly all energy costs for the customer, and to transform the energy profile of the customer such that significant savings would be generated and endure over the long term. Customers in the program would receive the full amount of their EEC contributions, for the period of the pilot, in the form of direct services and incentives provided by an EEU, which would consider how to lower customers' bills cost-effectively across electric, heating, transportation, and process fuels using energy efficiency, demand management, energy storage, fuel switching, and on-site renewable energy.

(B) In the report, the Commissioner shall consider:

(i) the definition of eligible commercial and industrial customers;

(ii) the potential establishment and implementation of such a program in a manner similar to an economic development rate for the EEU;

(iii) the interaction of such a program with the existing programs for self-managed energy efficiency under 30 V.S.A. § 209(d), including the

Energy Savings Account, Self-Managed Energy Efficiency, and Customer Credit Programs;

(iv) the benefits and costs of such a program, including:

(I) a reduction in the operating costs of participating customers;

(II) the effect on job retention and creation and on economic development;

(III) the effect on greenhouse gas emissions;

(IV) the effect on systemwide efficiency benefits that would otherwise be obtained with the EEC funds, such as avoided supply costs, avoided transmission and distribution costs, avoided regional network service charges, and lost revenues from the regional forward-capacity market;

(V) the potential impact on commercial and industrial customers that may not be eligible to participate in such a program;

(VI) the extent to which such a program may result in cost shifts or subsidization among rate classes, and methods for avoiding or mitigating these effects;

(VII) the effect on the budgets developed through the demand resource planning process;

(VIII) the costs of administration;

(IX) any other benefits and costs of the potential program; and

(v) the consistency of such a program with least-cost planning as defined in 30 V.S.A. § 218c; with State energy goals and policy set forth in 10 V.S.A. §§ 578, 580, and 581 and 30 V.S.A. §§ 202a and 218e; and with the State energy plans adopted pursuant to 30 V.S.A. §§ 202 and 202b.

(c) The report submitted under this section shall include a proposed timeline to phase in the recommendations contained in the report. In developing this timeline, the Commissioner shall consider the impact to the established budgets of the EEU's, the regulatory requirements applicable to the EEU's, and the value of rapid implementation of the recommendations.

Sec. 6. 30 V.S.A. § 209(d)(3) is amended to read:

(3) Energy efficiency charge; regulated fuels. In addition to its existing authority, the Board may establish by order or rule a volumetric charge to customers for the support of energy efficiency programs that meet the requirements of section 218c of this title, with due consideration to the State's energy policy under section 202a of this title and to its energy and economic policy interests under section 218e of this title to maintain and enhance the

State's economic vitality. The charge shall be known as the energy efficiency charge, shall be shown separately on each customer's bill, and shall be paid to a fund administrator appointed by the Board and deposited into ~~an~~ the Electric Efficiency Fund. When such a charge is shown, notice as to how to obtain information about energy efficiency programs approved under this section shall be provided in a manner directed by the Board. This notice shall include, at a minimum, a toll-free telephone number, and to the extent feasible shall be on the customer's bill and near the energy efficiency charge.

* * *

* * * Environmental Permitting * * *

Sec. 7. 3 V.S.A. § 2822(j) is amended to read:

(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:

(A) Base service fees. Any persons subject to the provisions of 10 V.S.A. § 556 shall submit with each permit application or with each request for a permit amendment, a base service fee in accordance with the base fee schedule in subdivision (i) of this subdivision (1)(A). Prior to taking final action under 10 V.S.A. § 556 on any application for a permit for a nonmajor stationary source or on any request for an amendment of a permit for such a source, the Secretary shall assess each applicant for any additional fees due to the Agency, assessed in accordance with the base fee schedule and the supplementary fee schedule in subdivision (ii) of this subdivision (1)(A). The applicant shall submit any fees so assessed to the Secretary prior to issuance of the final permit, notwithstanding the provisions of subsection (i) of this section. The base fee schedule and the supplementary fee schedule are applicable to all applications on which the Secretary makes a final decision on or after the date on which this section is operative.

(i) Base fee schedule

(I) Application for permit to construct

or modify source

(aa) Major stationary source \$ 15,000.00

(bb) Nonmajor stationary source \$ 2,000.00

(cc) A source of emissions from \$ 1,000.00

anaerobic digestion of agricultural

products, agricultural by-products,
agricultural waste, or food waste

(II) Amendments

Change in business name, division name,
or plant name; mailing address; or
company stack designation; or other

administrative amendments \$ 150.00

(ii) Supplementary fee schedule for nonmajor
stationary sources

(I) Engineering review \$ 2,000.00

(II) Air quality impact analysis

Review refined modeling \$ 2,000.00

(III) Observe and review source emission
testing

\$ 2,000.00

(IV) Audit performance of continuous emis-
sions monitors

\$ 2,000.00

(V) Audit performance of ambient air
monitoring

\$ 2,000.00

(VI) Implement public comment requirement \$ 500.00

(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.

(C) Anaerobic digesters. Notwithstanding the requirements of subdivisions (1)(A) and (B) of this subsection (j), a person required to register an air contaminant source under 10 V.S.A. § 555(c) or subject to the requirements of 10 V.S.A. § 556 shall not be subject to supplementary fees assessed under subdivision (1)(A)(ii) of this subsection (j) and shall pay an annual registration fee not exceeding \$1,000.00 when the source of the emissions is the anaerobic digestion of agricultural products, agricultural by-products, agricultural waste, or food waste.

* * *

* * * Phosphorus Removal Technology; Grants * * *

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 waters, improve water quality of State waters, reduce odors from manure application, separate phosphorus from manure, decrease greenhouse gas emissions, and reduce costs to farmers.

(b) The capital equipment assistance program is created in the Agency of Agriculture, Food and Markets to provide farms, nonprofit organizations, and custom applicators in Vermont with State financial assistance for the purchase of new or innovative equipment to improve manure application, separation of phosphorus from manure, or nutrient management plan implementation.

(c) Assistance under this section shall in each fiscal year be allocated according to the following priorities and as further defined by the Secretary:

(1) First priority shall be given to capital equipment to be used on farm sites that are serviced by custom applicators, phosphorus separation equipment providers, and nonprofit organizations and that are located in descending order within the boundaries of:

- (A) the Lake Champlain Basin;
- (B) the Lake Memphremagog Basin;
- (C) the Connecticut River Basin; and
- (D) the Hudson River Basin.

(2) Next priority shall be given to capital equipment to be used at a farm site ~~which~~ that is located in descending order within the boundaries of:

- (A) the Lake Champlain Basin;

- (B) the Lake Memphremagog Basin;
- (C) the Connecticut River Basin; and
- (D) the Hudson River Basin.

(d) An applicant for a State grant under this section to purchase or implement phosphorus removal technology or equipment shall pay 10 percent of the total eligible project cost. The dollar amount of a State grant to purchase or implement phosphorus removal technology or equipment shall be equal to the total eligible project cost, less 10 percent of the total as paid by the applicant, and shall not exceed \$300,000.00.

* * * Forestry Equipment * * *

Sec. 9. 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.

* * *

(51) The following machinery, including repair parts, used for timber cutting, timber removal, and processing of timber or other solid wood forest products intended to be sold ultimately at retail: skidders with grapple and cable, feller bunchers, cut-to-length processors, forwarders, delimiters, loader slashers, log loaders, whole-tree chippers, stationary screening systems, and firewood processors, elevators, and screens. The Department of Taxes shall publish guidance relating to the application of this exemption.

Sec. 10. 32 V.S.A. § 9706(kk) is added to read:

(kk) The statutory purpose of the exemption for timber cutting, removal, and processing machinery in subdivision 9741(51) of this title is to promote Vermont's commercial timber and forest products economy.

* * * Workers' Compensation * * *

Sec. 11. WORKERS' COMPENSATION; INDUSTRIES AND OCCUPATIONS WITH HIGH RISK, HIGH PREMIUMS, AND FEW POLICYHOLDERS; STUDY; REPORT

(a) The Commissioner of Financial Regulation, in consultation with the Commissioner of Labor, the Secretary of Agriculture, Food and Markets, the Commissioner of Forests, Parks and Recreation, the National Council on Compensation Insurance, and other interested stakeholders, shall identify and study industries and occupations in Vermont that experience a high risk of workplace and on-the-job injuries and whose workers' compensation insurance is characterized by high premiums and few policyholders in the insurance pool.

The industries and occupations addressed in the study shall include, among others, agriculture and farming, logging and log hauling, as well as arborists, roofers, and occupations in sawmills and wood manufacturing operations. In particular, the Commissioner shall:

(1) examine differences in the potential for loss, premium rates, and experience and participation in the workers' compensation marketplace between the industries and occupations identified, and the average for all industries and occupations in Vermont;

(2) study potential methods for reducing workers' compensation premium rates and costs for high-risk industries and occupations, including risk pooling between multiple high-risk industries or occupations, creating self-insured trusts, creating voluntary safety certification programs, and programs or best practices employed by other states; and

(3) model the potential impact on workers' compensation premiums and costs from each of the methods identified pursuant to subdivision (2) of this subsection.

(b) On or before November 15, 2017, the Commissioner of Financial Regulation shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Finance regarding his or her findings and any recommendations for legislative action to reduce the workers' compensation premium rates and costs for the industries identified in the study.

* * * Repeals * * *

Sec. 12. REPEALS

(a) 10 V.S.A. chapter 15, subchapter 4 (Rural Economic Development Initiative) shall be repealed on July 1, 2021; and

(b) 6 V.S.A. § 4828(d) (phosphorus removal grant criteria) shall be repealed on July 1, 2023.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

(a) This section and Sec. 3 (Vermont Milk Commission) shall take effect on passage.

(b) Sec. 7 (environmental permitting) shall take effect January 1, 2018.

(c) All other sections shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to rural economic development.

*ANTHONY POLLINA
BRIAN P. COLLAMORE*

ROBERT A. STAR

Committee on the part of the Senate

RICHARD H. LAWRENCE

STEPHEN A. CARR

LINDA JOY SULLIVAN

Committee on the part of the House

Which was considered and adopted on the part of the House

Thereupon, on motion of **Rep. Savage of Swanton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Recess

At nine o'clock and fifty-four minutes in the forenoon, the Speaker declared a recess until the fall of the gavel.

At one o'clock and seventeen minutes in the afternoon, the Speaker called the House to order.

Message from the Senate No. 75

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposal of amendment to the following Senate bill and has refused to concur therein and asks for Committees of Conference upon the disagreeing votes of the two Houses to which the President announced the appointment as members of such Committees on the part of the Senate:

S. 100. An act relating to promoting affordable and sustainable housing.

Senator Mullin

Senator Cummings

Senator Sirotkin

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

H. 238. An act relating to modernizing and reorganizing Title 7.

H. 515. An act relating to Executive Branch and Judiciary fees.

And has accepted and adopted the same on its part.

Committee of Conference Appointed**S. 100**

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

An act relating to promoting affordable and sustainable housing

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Young of Glover

Rep. Sullivan of Burlington

Rep. Wright of Burlington

**Legislative Committee
On Judicial Rules Appointed**

Pursuant to 12 V.S.A. § 3, the Chair hereby appoints the following members to the Legislative Committee on Judicial Rules:

Rep. Haas of Rochester

Rep. Burditt of West Rutland

Rep. Lalonde of South Burlington

Rep. Buckholz of Hartford

Vermont Economic Progress Council Appointed

Pursuant to 32V.S.A. § 3325, the Chair hereby appoints the following member to the Vermont Economic Progress Council:

Rep. O'Sullivan of Burlington

Recess

At one o'clock and twenty-six minutes in the afternoon, the Speaker declared a recess until four o'clock in the afternoon.

At four o'clock and forty-five minutes in the afternoon, the Speaker called the House to order.

Message from the Senate No. 76

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 495. An act relating to miscellaneous agriculture subjects.

And has accepted and adopted the same on its part.

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the 10th day of May, 2017, he signed bills originating in the House of the following titles:

- H. 5** **An act relating to investment of town cemetery funds**
- H. 42** **An act relating to appointing municipal clerks and treasurers and to municipal audit penalties**
- H. 297** **An act relating to miscellaneous court operations procedures**
- H. 326** **An act relating to encouraging savings by participants in Reach Up and the Child Care Financial Assistance Program**
- H. 497** **An act relating to health requirements for animals used in agriculture**
- H. 502** **An act relating to modernizing Vermont's parentage laws**

Rules Suspended; Report of Committee of Conference Adopted

H. 495

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to miscellaneous agriculture subjects

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

H. 495

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. 495. An act relating to miscellaneous agriculture subjects.

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 thereto as follows:

First: By striking out Sec. 10 (subsurface tile drains) in its entirety and inserting in lieu thereof the following:

Sec. 10. AGENCY OF AGRICULTURE, FOOD AND MARKETS REPORT;
SUBSURFACE TILE DRAINAGE; NUTRIENT MANAGEMENT
PLANS

(a) On or before November 15, 2017, the Secretary of Agriculture, Food and Markets (Secretary) shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry a report recommending:

(1) whether and how the Secretary will collect information regarding subsurface tile drains on farms in the State; and

(2) whether and how nutrient management plans and nutrient management data acquired by the Secretary shall be available for public inspection and copying under the Public Records Act.

(b) In addressing whether and how to map subsurface tile drains, the report shall provide:

(1) the rationale for why information regarding subsurface tile drains should be collected;

(2) how the Secretary would require the collection of information regarding subsurface tile drains on farms in the State;

(3) what information regarding subsurface tile drains that would be required to be submitted to the Secretary;

(4) who would be required to submit information to the Secretary;

(5) when information would be required to be reported, including a schedule for implementation of any required reporting; and

(6) how the Secretary would utilize subsurface tile drain information.

(c) In addressing whether and how nutrient management plans and nutrient management data shall be available for public inspection and copying under the Public Records Act, the report shall include:

(1) The Secretary's recommendation of whether the information should be exempt from inspection and copying under the Public Records Act, including the rationale for the recommendation; and

(2) a proposal on how to implement the Secretary's recommendation.

Second: By striking out Sec. 18a (nutrient management plan confidentiality) and its reader assistance in their entireties and inserting in lieu thereof the following:

Sec. 18a. [Deleted.]

*BRIAN P. COLLAMORE
ANTHONY POLLINA
ROBERT A. STARR*

Committee on the part of the Senate

*HARVEY T. SMITH
THOMAS A. BOCK
MARK A. HIGLEY*

Committee on the part of the House

Which was considered and adopted on the part of the House

Rules Suspended; Report of Committee of Conference Adopted

H. 238

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to modernizing and reorganizing Title 7

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

H. 238

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. 238. An act relating to modernizing and reorganizing Title 7.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment, and that the bill be further amended as follows:

First: Before Sec. 1, 7 V.S.A. § 1, construction, by inserting reader assistance to read:

* * * Modernization and Reorganization of Title 7 * * *

Second: In Sec. 2, 7 V.S.A. § 2, definitions, in subdivision (20), by striking

out the word "three" and inserting in lieu thereof the words two-and-one-half

Third: By striking out Sec. 4, 7 V.S.A. § 4, wine and beer auctions, in its entirety and inserting in lieu thereof a new Sec. 4 to read:

Sec. 4. 7 V.S.A. § 4 is amended to read:

§ 4. NONPROFIT ORGANIZATIONS; WINE AND BEER ALCOHOLIC BEVERAGE AUCTIONS; FUNDRAISING

(a) A nonprofit organization qualified for tax exempt status pursuant to Section 501(c) of the federal Internal Revenue Code, as amended, in the discretion of the ~~commissioner~~ Commissioner, may auction ~~vinous or malt beverages, or both,~~ alcoholic beverages to the public without a license, provided that:

(1) Prior to the auction, the organization provides written notification of the auction accompanied by documentation of its nonprofit status satisfactory to the ~~commissioner~~ Commissioner.

(2) The ~~commissioner~~ Commissioner approves the organization's nonprofit qualifications and the organization's ~~right~~ proposal to auction ~~vinous or malt~~ alcoholic beverages.

(3) The profits from the ~~auction sale of~~ auctioned beverages are used solely for the expenses of the nonprofit organization related to ~~conduct~~ conducting the sale auction or for the nonprofit purposes of the organization.

(b) A person who donates ~~vinous or malt~~ alcoholic beverages to a nonprofit organization for an auction under this section is not required to be licensed under this ~~chapter~~ title.

(c) A licensee under this title may donate alcoholic beverages to a nonprofit organization pursuant to this section, provided the licensee pays to the ~~state~~ State all the taxes that would be due as if the alcoholic beverages had been sold in the course of the licensee's business.

* * *

Fourth: By striking out Sec. 9, 7 V.S.A. § 64, sale of malt beverages in kegs, in its entirety and inserting in lieu thereof a new Sec. 9 to read:

Sec. 9. 7 V.S.A. § 64 is amended to read:

§ 64. SALE OF MALT BEVERAGES AND VINOUS BEVERAGES IN KEGS

(a) ~~As used in this section, "keg" means a reusable container capable of holding at least five gallons of malt beverage.~~

(~~b~~) A keg shall be sold by a ~~second-class~~ second-class or fourth-class licensee only under the following conditions:

(1) The keg shall be tagged in a manner and with a label approved by the ~~board~~ Liquor Control Board. The label shall be supplied and securely affixed to the keg by the wholesale dealer, or in the case of a second-class license issued for the premises of a licensed manufacturer or a fourth-class licensee, by the manufacturer.

(2) A ~~person~~ purchaser shall exhibit ~~proper proof~~ a valid authorized form of identification upon demand of a licensee or an agent of a licensee. If the ~~person~~ purchaser fails to provide ~~such proof~~ a valid authorized form of identification, the licensee shall be entitled to refuse to sell the keg to the ~~person~~ individual. As used in this subsection, "~~proper proof~~ a valid authorized form of identification" ~~means a photographic motor vehicle operator's license, a liquor control photographic identification card, a valid passport, a United States military identification card or a photographic nondriver motor vehicle identification card obtained from the department of motor vehicles~~ has the same meaning as in section 589 of this title.

(3) The purchaser shall complete a form, provided by the ~~board~~ Board, ~~which~~ that includes at least the name, address, and date of birth of the purchaser as they appear on the purchaser's ~~proper proof~~ valid authorized form of identification and the identification number of the keg. The form shall also include the provisions of this section and the penalties for a violation of ~~these provisions~~ this section. The licensee shall retain the form for 90 days after return of the keg.

(4) The licensee shall collect a deposit of at least \$25.00 which shall be returned to the purchaser upon return of the keg with the label intact.

~~(e)~~(b) A licensee shall not:

(1) sell a keg without a legible label attached; or

(2) return a deposit on a keg ~~which~~ that is returned without the label intact.

~~(d)~~(c) Any person, other than ~~the wholesaler~~ a wholesale dealer or manufacturer, who intentionally removes or defaces the label attached to a keg shall be imprisoned not more than two years or fined not more than \$1,000.00, or both.

Fifth: In Sec. 23, 7 V.S.A. § 204 (as redesignated), fees for licenses and permits, in the section catchline before the words "FEES FOR LICENSES" by inserting the words APPLICATION AND RENEWAL and in subsection (a), after the words "The following fees shall be paid" by inserting the words when applying for a new license or permit or to renew a license or permit

Sixth: In Sec. 37, 7 V.S.A. § 241, fourth-class licenses, after subdivision

(b)(2), by inserting a subdivision (b)(3) to read:

(3) At each licensed location, a fourth-class licensee may, pursuant to section 64 of this title, sell malt beverages or vinous beverages, or both, by the keg.

Seventh: In Sec. 52, 7 V.S.A. § 255, retail alcoholic beverage tasting permits, in subdivision (b)(1)(A), after the words “The permit authorizes the employees of the second-class licensee” by inserting the words or of a designated manufacturer or rectifier

Eighth: In Sec. 90, 7 V.S.A. § 572 (as redesignated), proceeds of sale of condemned vehicle, in subdivision (a)(1), by striking out the word “judgement” and inserting in lieu thereof the word judgment

Ninth: In Sec. 117, 7 V.S.A. § 660 (as redesignated), advertising, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read:

(b) Advertising Notwithstanding subsection (a) of this section, advertising of ~~malt or vinous~~ alcoholic beverages on ~~vehicles~~ a motor vehicle lawfully transporting alcoholic beverages or on a vehicle drawn by horses shall be permitted.

Tenth: In Sec. 118, 7 V.S.A. § 661 (as redesignated), violations of title, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read:

(c) The provisions of subsection (b) of this section shall not apply to a violation of subsection 1005(a) of this title, relating to purchase of tobacco products by a person ~~less than~~ under 18 years of age.

Eleventh: In Sec. 120, 7 V.S.A. § 65 (as redesignated), purchase of kegs, after the words “second-class” by inserting the words or fourth-class

Twelfth: In Sec. 137, 7 V.S.A. § 1007, furnishing tobacco to persons under 18 years of age, in subdivision (b)(1), before the words “17 years of age” by inserting: who are 16 or

Thirteenth: By striking out Sec. 163, effective date, in its entirety and inserting in lieu thereof reader assistance and six new sections to be

Secs. 163–168 to read:

Sec. 163. 7 V.S.A. § 5 is added to read:

§ 5. DEPARTMENT OF LIQUOR CONTROL; RAFFLES FOR RIGHT TO PURCHASE RARE AND UNUSUAL PRODUCTS

(a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary,

the Department of Liquor Control may conduct raffles for the right to purchase certain rare and unusual spirits and fortified wines that are acquired by the Liquor Control Board. A raffle conducted pursuant to this section shall meet the following requirements:

(1) Tickets to enter the raffle shall only be available for purchase to a member of the general public who is 21 years of age or older.

(2) Tickets for the raffle shall be sold at a price fixed by the Commissioner.

(3) All notices or advertisements relating to the raffle shall clearly state:

(A) the price of a raffle ticket;

(B) the date of the drawing;

(C) the sales price of each rare and unusual spirit or fortified wine; and

(D) that the winning prize will be the right to purchase the rare and unusual spirit or fortified wine for the specified sales price.

(4) No Board member or employee of the Department and no immediate family member of a Board member or employee of the Department shall be permitted to enter the raffle.

(b) The proceeds from the sale of tickets for each raffle shall be deposited in the Liquor Control Enterprise Fund established pursuant to section 112 of this title.

(c) As used in this section, "rare and unusual spirits and fortified wines" means spirits and fortified wines that are distributed or allocated to the Board in an amount that is insufficient for general distribution to local agency stores and for which the Commissioner determines that an extraordinary level of public demand exists.

Sec. 164. PROCEEDS FROM SALE OF RAFFLE TICKETS FOR
PURCHASE OF RARE AND UNUSUAL PRODUCTS;
REPORT

On or before January 15, 2018, the Commissioner of Liquor Control shall submit a written report regarding raffles conducted by the Department pursuant to 7 V.S.A. § 5, including the number of products for which a raffle was conducted, the total number of tickets sold, and the proceeds from the sales of raffle tickets to the House Committees on Appropriations and on General, Housing and Military Affairs and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs.

* * * Casino Events Hosted by Nonprofit Organizations * * *

Sec. 165. 13 V.S.A. § 2143 is amended to read:

§ 2143. NONPROFIT ORGANIZATIONS

(a) Notwithstanding the provisions of this chapter, a nonprofit organization, as defined in 32 V.S.A. § 10201(5), may organize and execute, and an individual may participate in lotteries, raffles, or other games of chance for the purpose of raising funds to be used in charitable, religious, educational, and civic undertakings or used by fraternal organizations to provide direct support to charitable, religious, educational, or civic undertakings with which they are affiliated. Except as provided in subsection (d) of this section, gambling machines and other mechanical devices described in section 2135 of this title shall not be utilized under authority of this section.

* * *

(d) Casino events shall be limited as follows:

(1) A location may be the site of no more than:

(A) one casino event in any calendar quarter; or

(B) three casino events in any calendar year, as long as there are at least 15 days between each event.

(2) A location that is owned by a nonprofit, as defined in 32 V.S.A. § 10201(5), may be the site of no more than ~~three casino events in any calendar quarter and no more than 12 casino events in any calendar year~~ two casino events in any calendar month as long as there are at least ~~15~~ 10 days between each event.

(3) A nonprofit organization, as defined in 32 V.S.A. § 10201(5), may organize and execute no more than:

~~(A) one casino event in any calendar quarter; or~~

~~(B) three casino events in any calendar year, as long as there are at least 15 days between each event~~ month.

(4) ~~For the purposes of~~ As used in this subsection, “casino event” means an event held during any 24-hour period at which any game of ~~change chance~~ is conducted except those prohibited by ~~13 V.S.A. § subdivision~~ 2135(a)(1) or (2) of this title. A “casino event” shall not include a fair, bazaar, field days, agricultural exposition, or similar event ~~which that~~ which utilizes a wheel of fortune, chuck-a-luck, or other such games commonly conducted at such events, or break-open tickets, bingo, a lottery, or a raffle.

(e) Games of chance shall be limited as follows:

(1) All proceeds raised by a game of chance shall be used exclusively for charitable, religious, educational, and civic undertakings after deducting:

(A) reasonable expenses, as determined by fair market value, of purchasing or renting materials and equipment used for the game of chance ~~and~~, of printing advertisements, and of the direct purchase of advertising through established media, such as newspapers, radio, and television; and

(B) reasonable expenses, as determined by fair market value, for rent for the premises on which the game of ~~change~~ chance is executed, ~~except that rent paid prior to August 1, 1994, pursuant to a written lease in effect on June 1, 1994, and not subject to cancellation, may be deducted, whether or not such rent is reasonable,~~ and repairs and upkeep to the premises for nonprofit organizations having ownership in premises; and

(C) prizes awarded to players as limited in subdivision (4) of this subsection (e); and

(D) payments to persons as limited in subdivision (2) of this subsection (e).

* * *

(6) A nonprofit organization shall not organize and execute games of chance on more than two days in any calendar week, nor shall games of chance be organized and executed at any location on more than two days in any calendar week, except that:

(A) Casino events may be conducted only as permitted under subsection (d) of this section.

* * *

(D) Agricultural fairs ~~qualified to receive a State stipend pursuant to 31 V.S.A. § 617~~ that are registered with the Agency of Agriculture, Food and Markets may organize and execute games of chance for not more than 12 consecutive days during the fair once each calendar year.

* * *

* * * Task Force to Create the Department of Liquor and Lottery * * *

Sec. 166. FINDINGS AND PURPOSE

(a) The General Assembly finds:

(1) The Department of Liquor Control and the State Lottery serve similar roles in Vermont's government by generating significant revenue for the State through the sales of a controlled product.

(2) The Department of Liquor Control is responsible for enforcing Vermont's laws related to alcoholic beverages and tobacco.

(3) The Department is overseen by the Liquor Control Board, which also grants alcohol and tobacco licenses, serves as a quasi-judicial body to adjudicate violations by licensees, and adopts rules necessary to implement the

alcoholic beverage and tobacco laws. The Liquor Control Board is composed of five members that are appointed by the Governor for staggered five-year terms. Each member receives per diem compensation for attendance at meetings.

(4) The Lottery Commission oversees and manages the Vermont Lottery and adopts rules necessary to operate it. It is composed of five members that are appointed by the Governor for three-year terms. Each member receives per diem compensation for attendance at meetings.

(5) The respective responsibilities and duties of the Liquor Control Board and Lottery Commission place significant demands on their part-time, volunteer members.

(6) The similarities between the roles and functions of the Department of Liquor Control and the Liquor Control Board, and the State Lottery and the Lottery Commission create the opportunity for the two entities to merge and collaborate in carrying out their respective functions and missions.

(b) Accordingly, it is the intent of the General Assembly to:

(1) create a combined Department of Liquor and Lottery that will be a successor to and continuation of the Department of Liquor Control and the State Lottery; and

(2) create a Board of Liquor and Lottery that shall be the successor to and a continuation of the Liquor Control Board and the Lottery Commission.

Sec. 167. DEPARTMENT OF LIQUOR AND LOTTERY; TASK
FORCE; REPORT

(a) Creation. There is created the Department of Liquor and Lottery Task Force to develop a plan and draft legislation necessary to merge the Department of Liquor Control and the State Lottery into the Department of Liquor and Lottery.

(b) Membership. The Task Force shall be composed of the following six members:

(1) one current member of the House of Representatives who shall be appointed by the Speaker of the House;

(2) one current member of the Senate who shall be appointed by the Committee on Committees;

(3) the Chair of the Liquor Control Board or designee;

(4) the Chair of the Lottery Commission or designee; and

(5) two members appointed by the Governor.

(c) Powers and duties. The Task Force shall develop a plan and legislation necessary to merge the Department of Liquor Control and the State Lottery and create a new Department of Liquor and Lottery on or before July 1, 2018. In particular, the Task Force shall carry out the following duties:

(1) identify and examine efficiencies that can be realized through the combination of the Department of Liquor Control's and the State Lottery's administrative, licensing, regulatory, and educational functions, as well as in the marketing, warehousing, distribution, sales, and control of alcoholic beverages and lottery products;

(2) identify and examine long-term efficiencies that can be realized by merging the Department of Liquor Control with the State Lottery;

(3) examine the current role, functions, and composition of the Liquor Control Board and the Lottery Commission, and determine:

(A) how each body's role, functions, or composition will be affected by their combination; and

(B) the limitations or barriers to combining the two bodies and how those limitations or barriers can be addressed;

(4) examine whether the Board of Liquor and Lottery should be a full-time, professional board;

(5) identify and examine the positive and negative impacts of creating the Department of Liquor and Lottery with respect to the State's ability to control the distribution of alcoholic beverages, tobacco products, and lottery products without diminishing the Department of Liquor Control's and State Lottery's respective contributions to the General Fund and the Education Fund; and

(6) develop a plan and draft legislation necessary to accomplish on or before July 1, 2018 the merger of the Department of Liquor Control and the Liquor Control Board with the State Lottery and the Lottery Commission in order to create the Department of Liquor and Lottery and the Board of Liquor and Lottery. The draft legislation shall include provisions that would:

(A) On July 1, 2018:

(i) Combine the Department of Liquor Control and the State Lottery to create a Department of Liquor and Lottery, which shall include a Division of Liquor Control to administer and carry out the laws relating to alcohol and tobacco set forth in Title 7 and a Division of Lottery to administer and carry out the laws relating to the State Lottery set forth in 31 V.S.A. chapter 14.

(ii) Combine the Liquor Control Board and the Lottery

Commission to create a Board of Liquor and Lottery.(B) Provide that:

(i) The Board of Liquor and Lottery shall be the successor to and a continuation of the Liquor Control Board and the Lottery Commission.

(ii) The rules of the Liquor Control Board and the Lottery Commission in effect on July 1, 2018 shall become the rules of either the Board of Liquor and Lottery or the Department of Liquor and Lottery until they are amended or repealed.

(iii)(I) The Department of Liquor and Lottery shall be a successor to and a continuation of the Department of Liquor Control and the State Lottery.

(II) All positions and appropriations of the Department of Liquor Control and the State Lottery shall be transferred to the Department of Liquor and Lottery.

(iv)(I) The Commissioner of Liquor Control shall become the Commissioner of Liquor and Lottery, and shall direct and supervise the Department of Liquor and Lottery subject to the direction of the Board of Liquor and Lottery.

(II) The Commissioner of Liquor and Lottery shall assume the powers, duties, rights, and responsibilities of the Commissioner of Liquor Control and the Director of the State Lottery.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before January 15, 2018, the Task Force shall submit a written report to the Governor, the House Committees 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 a plan and draft legislation necessary to create on or before July 1, 2018 the Department of Liquor and Lottery and the Board of Liquor and Lottery. The Task Force's report may take the form of draft legislation.

(f) Meetings.

(1) The members from the House and the Senate shall call the first meeting of the Task Force to occur on or before September 1, 2017.

(2) The Task Force shall select a 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 January 15, 2018.

(g) Reimbursement.

(1) For attendance at meetings 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.

(2) Other members of the Task Force 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 six meetings.

* * * Effective Date * * *

Sec. 168. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

*ALISON CLARKSON
PHILIP E. BARUTH
RICHARD J. MCCORMACK*

Committee on the part of the Senate

*HELEN J. HEAD
THOMAS S. STEVENS
DIANA E. GONZALEZ*

Committee on the part of the House

Which was considered and adopted on the part of the House

Adjournment

At five o'clock and seven minutes in the evening, on motion of **Rep. Savage of Swanton**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.

Friday, May 12, 2017

At nine o'clock and thirty minutes in the forenoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Speaker.

Rules Suspended; Report of Committee of Conference Adopted**H. 515**

Appearing on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to Executive Branch and Judiciary fees

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference**H. 515**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. 515. An act relating to executive branch and judiciary fees and food and lodging establishments.

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. 5, 18 V.S.A. § 4354, by striking out “~~shall be renewable~~ may be renewed” and inserting in lieu thereof shall be ~~renewable~~ renewed

Second: By striking out Sec. 6, short-term rental working group; report, in its entirety and inserting in lieu thereof the following:

Sec. 6. SHORT-TERM RENTAL WORKING GROUP; REPORT

(a) Creation. There is created the Short-Term Rental Working Group within the Department of Health for the purpose of making recommendations regarding the short-term rental industry in Vermont, including an evaluation of:

(1) the impact of short-term rentals on revenues of the State;

(2) necessary precautions to protect the health and safety of the transient, traveling, or vacationing public;

(3) policies implemented in other states and municipalities regarding short-term rentals; and

(4) alternative definitions of “short-term rental” to that enacted in 18 V.S.A. § 4301.

(b)(1) Membership. The Working Group shall be composed of the following members:

(A) the Commissioner of Health or designee; and

(B) the Executive Director of the Department of Public Safety's Fire Safety Division or designee.

(2) The Commissioner of Health shall invite at least the following representatives to participate in the Working Group:

(A) the Commissioner of Taxes or designee;

(B) a representative of the Vermont Chamber of Commerce;

(C) three representatives of Vermont's short-term rental industry;

(D) a representative of local government; and

(E) a representative of the Vermont Lodging Association.

(c) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Department of Health.

(d) Report. On or before October 1, 2017, the Working Group shall submit a written report to the House Committee on Human Services and the Senate Committee on Health and Welfare with its findings and any recommendations for legislative action.

(e) Meetings.

(1) The Commissioner of Health or designee shall call the first meeting of the Working Group to occur on or before August 1, 2017.

(2) The Commissioner of Health or designee shall be the Chair.

(3) A majority of the membership shall constitute a quorum.

(4) The Working Group shall cease to exist on October 31, 2017.

(f) Definitions. As used in this section:

(1) "Lodging establishment" means the same as in 18 V.S.A. § 4301(9).

(2) "Short-term rental" means the same as in 18 V.S.A. § 4301(14).

VIRGINIA V. LYONS

ANN E. CUMMINGS

BRIAN A. CAMPION

Committee on the part of the Senate

SAMUEL R. YOUNG

THERESA A. WOOD

FRED K. BASER

Committee on the part of the House

Which was considered and adopted on the part of the House

**Rules Suspended; Report of Committee of Conference Adopted
Rules Suspended; Bill Messaged to Senate Forthwith**

S. 136

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to miscellaneous consumer protection provisions

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Committee of Conference Report

S. 136

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.136. An act relating to miscellaneous consumer protection provisions.

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. SUNRISE REVIEW; REPORT

(a) Upon completion of its sunrise review concerning construction contractors, the Office of Professional Regulation (the Office), in addition to the House and Senate Committees on Government Operations, shall submit its sunrise report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

(b) As part of its review and report, the Office shall compile information on how other states address consumer protection in home improvement contracts, including whether contracts should be in writing and at what threshold amount, and how such protections should be incorporated into any regulatory structure recommended by the Office.

Sec. 2. 8 V.S.A. § 10404 is amended to read:

§ 10404. HOME LOAN ESCROW ACCOUNTS

* * *

(c) A lender shall not require a borrower to deposit into an escrow account any greater sum than is sufficient to pay taxes, insurance premiums, and other

charges with respect to the residential real estate, subject to the following additional charges:

(1) a lender may require aggregate annual deposits no greater than the reasonably estimated total annual charges plus ~~one-twelfth~~ one-sixth of such total; and

(2) a lender may require monthly deposits no greater than one-twelfth of the reasonably estimated total annual charges plus an amount needed to maintain an additional account balance no greater than ~~one-twelfth~~ one-sixth of such total.

* * *

(g)(1) At least annually, at the completion of the escrow account computation year, a lender shall conduct an escrow account analysis to determine the borrower's monthly escrow account payments for the next computation year based on the borrower's current tax liability, if made available to the lender either by the borrower or the municipality, after any applicable adjustment for a State credit on property taxes.

(2) Upon receipt of a revised property tax bill, the lender shall review the property tax bill and, upon verifying that it has been reduced since the date of the last escrow account analysis, the lender shall, within 30 days of receiving the bill, conduct a new escrow account analysis, recalculate the borrower's monthly escrow payment, and notify the borrower of any change.

(3) ~~The lender shall provide~~ At least annually, and whenever an escrow account analysis is conducted or upon request of the borrower, the lender shall provide to the borrower financial statements relating to the borrower's escrow account in a manner and on a form ~~approved by the Commissioner~~ consistent with the federal Real Estate Settlement Procedures Act. The lender shall not charge the borrower for the preparation and transmittal of such statements.

* * *

Sec. 3. FANTASY SPORTS; FINDINGS AND PURPOSE

(a) Findings. The General Assembly finds:

(1) Participation in online fantasy sports contests throughout the nation has grown significantly in recent years and it is estimated that approximately 80,000 Vermonters have participated in at least one fantasy sports contest.

(2) At least 10 states have now recognized fantasy sports as a legal, regulated activity, and legislation has been introduced in many more states to recognize, regulate, and tax the activity in order to identify contest operators, ensure fair play, and protect consumers.

(3) Given the widespread participation in online fantasy sports contests, Vermont should carefully consider how best to regulate fantasy sports contests.

register fantasy sports contest operators, and provide necessary protection for Vermont consumers.

(b) Purpose. The purpose of Sec. 3 of this act is to direct the Attorney General and the Executive Branch to consider and propose an appropriate registration fee and tax framework for fantasy sports contests.

Sec. 4. FANTASY SPORTS CONTESTS; PROPOSALS

On or before December 15, 2017, the Secretary of Administration shall submit to the House Committee on Ways and Means and the Senate Committee on Finance a proposal for fantasy sports contests concerning:

(1) any amendments to the registration requirements or registration fee imposed in Sec. 5 of this act; and

(2) an appropriate percentage tax on an appropriate measure of revenue.

Sec. 5. 9 V.S.A. chapter 116 is added to read:

CHAPTER 116. FANTASY SPORTS CONTESTS

§ 4185. DEFINITIONS

As used in this chapter:

(1) “Computer script” means a list of commands that can be executed by a program, scripting engine, or similar mechanism that a fantasy sports player can use to automate participation in a fantasy sports contest.

(2) “Confidential fantasy sports contest information” means nonpublic information available to a fantasy sports operator that relates to a fantasy sports player’s activity in a fantasy sports contest and that, if disclosed, may give another fantasy sports player an unfair competitive advantage in a fantasy sports contest.

(3) “Fantasy sports contest” means a virtual or simulated sporting event governed by a uniform set of rules adopted by a fantasy sports operator in which:

(A) a fantasy sports player may earn one or more cash prizes or awards, the value of which a fantasy sports operator discloses in advance of the contest;

(B) a fantasy sports player uses his or her knowledge and skill of sports data, performance, and statistics to create and manage a fantasy sports team;

(C) a fantasy sports team earns fantasy points based on the sports performance statistics accrued by individual athletes or teams, or both, in real world sporting events;

(D) the outcome is determined by the number of fantasy points earned; and

(E) the outcome is not determined by the score, the point spread, the performance of one or more teams, or the performance of an individual athlete in a single real world sporting event.

(4) "Fantasy sports operator" means a person that offers to members of the public the opportunity to participate in a fantasy sports contest for consideration.

(5) "Fantasy sports player" means an individual who participates in a fantasy sports contest for consideration.

(6) "Location percentage" mean the percentage, rounded to the nearest tenth of a percent, of the total of all entry fees collected from fantasy sports players located in Vermont, divided by the total entry fees collected from all fantasy sports players in fantasy sports contests.

(7) "Net fantasy sports contest revenues" means the amount equal to the total of all entry fees that a fantasy sports operator collects from all fantasy sports players, less the total of all sums paid out as winnings to all fantasy sports players, multiplied by the location percentage for Vermont.

§ 4186. CONSUMER PROTECTION

(a) A fantasy sports operator shall adopt commercially reasonable policies and procedures to:

(1) prevent participation in a fantasy sports contest it offers to the public with a cash prize of \$5.00 or more by:

(A) the fantasy sports operator;

(B) an employee of the fantasy sports operator or a relative of the employee who lives in the same household; or

(C) a professional athlete or official who participates in one or more real world sporting events in the same sport as the fantasy sports contest;

(2) prevent the disclosure of confidential fantasy sports contest information to an unauthorized person;

(3) require that a fantasy sports player is 18 years of age or older, and verify the age of each player using one or more commercially available databases, which government or business regularly use to verify and authenticate age and identity;

(4) limit and disclose to prospective players the number of entries a fantasy sports player may submit for each fantasy sports contest;

(5) limit a fantasy sports player to not more than one username or account;

(6) prohibit the use of computer scripts that provide a player with a competitive advantage over another player;

(7) segregate player funds from operational funds, or maintain a reserve in the form of cash, cash equivalents, payment processor receivables, payment processor reserves, an irrevocable letter of credit, a bond, or a combination thereof in an amount that equals or exceeds the amount of deposits in fantasy sports player accounts, for the benefit and protection of fantasy sports player funds held in their accounts; and

(8) notify fantasy sports players that winnings of a certain amount may be subject to income taxation.

(b) A fantasy sports operator shall have the following duties:

(1) The operator shall provide a link on its website to information and resources addressing addiction and compulsive behavior and where to seek assistance with these issues in Vermont and nationally.

(2)(A) The operator shall enable a fantasy sports player to restrict irrevocably his or her own ability to participate in a fantasy sports contest, for a period of time the player specifies, by submitting a request to the operator through its website or by online chat with the operator's agent.

(B) The operator shall provide to a player who self-restricts his or her participation information concerning:

(i) available resources addressing addiction and compulsive behavior;

(ii) how to close an account and restrictions on opening a new account during the period of self-restriction;

(iii) requirements to reinstate an account at the end of the period; and

(iv) how the operator addresses reward points and account balances during and after the period of self-restriction, and when the player closes his or her account.

(3) The operator shall provide a player access to the following information for the previous six months:

(A) a player's play history, including money spent, games played, previous line-ups, and prizes awarded;

(B) a player's account details, including deposit amounts, withdrawal amounts, and bonus information, including amounts remaining for a pending bonus and amounts released to the player.

(c)(1) A fantasy sports operator shall contract with a third party to perform an annual independent audit, consistent with the standards established by the American Institute of Certified Public Accountants, to ensure compliance with the requirements in this chapter.

(2) The fantasy sports operator shall submit the results of the independent audit to the Attorney General.

(d) A fantasy sports operator shall not extend credit to a fantasy sports player.

(e) A fantasy sports operator shall not offer a fantasy sports contest based on the performance of participants in college, high school, or youth athletic events.

§ 4187. FAIR AND TRUTHFUL ADVERTISING

(a) A fantasy sports operator shall not depict in an advertisement to consumers in this State:

(1) minors, other than professional athletes who may be minors;

(2) students;

(3) schools or colleges; or

(4) school or college settings, provided that incidental depiction of nonfeatured minors does not violate this section.

(b) A fantasy sports operator shall not state or imply in an advertisement to consumers in this State endorsement by:

(1) minors, other than professional athletes who may be minors;

(2) collegiate athletes;

(3) colleges; or

(4) college athletic associations.

(c)(1) A fantasy sports operator shall include in an advertisement to consumers in this State information concerning assistance available to problem gamblers, or shall direct consumers to a reputable source of that information.

(2) If an advertisement is of insufficient size or duration to provide the information required in subdivision (1) of this subsection, the advertisement shall refer to a website or application that does prominently include such information.

(d) A fantasy sports operator shall only make representations concerning winnings that are accurate, not misleading, and capable of substantiation at the time of the representation. For purposes of this subsection, an advertisement is misleading if it makes representations about average winnings without equally prominently representing the average net winnings of all players.

§ 4188. EXEMPTION

The provisions of 13 V.S.A. chapter 51, relating to gambling and lotteries, shall not apply to a fantasy sports contest.

§ 4189. REGISTRATION

In addition to applicable requirements under Titles 11–11C for a business organization doing business in this State to register with the Secretary of State, on or before October 15 of each year in which a fantasy sports operator offers a fantasy sports contest to consumers in this State, the operator shall file an annual registration with the Secretary of State on a form adopted for that purpose and pay to the Secretary an annual registration fee in the amount of \$5,000.00.

§ 4190. ENFORCEMENT

(a) A person that violates a provision of this chapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the authority to adopt rules to implement the provisions of this chapter and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

Sec. 6. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Secs. 1–4 shall take effect on July 1, 2017.

(c) Sec. 5 (fantasy sports contests) shall take effect on January 1, 2018, except that 9 V.S.A. § 4189 (registration requirement) shall take effect on passage.

MICHAEL D. SIROTKIN

PHILIP B. BARUTH

ALLISON CLARKSON

Committee on the part of the Senate

MICHAEL J. MARCOTTE

JEAN D. O'SULLIVAN

MATTHEW HILL

Committee on the part of the House

Which was considered and adopted on the part of the House

Thereupon, on motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Recess

At ten o'clock and twenty-one minutes in the forenoon, the Speaker declared a recess until one o'clock in the afternoon.

At two o'clock in the afternoon, the Speaker called the House to order.

Message from the Senate No. 77

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposals of amendment to Senate proposals of amendment to House bill of the following title:

H. 509. An act relating to calculating statewide education tax rates.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

Recess

At two o'clock and one minute in the afternoon, the Speaker declared a recess until the fall of the gavel.

At four o'clock and forty eight minutes in the afternoon, the Speaker called the House to order.

Adjournment

At four o'clock and fifty two minutes in the afternoon, on motion of **Rep. Turner of Milton**, the House adjourned until Monday, May, 15, 2017 at eleven o'clock in the forenoon.

Monday, May 15, 2017

At eleven o'clock in the forenoon the Speaker called the House to order. Noting a lack of quorum, the House adjourned pursuant to Rule 9 until Tuesday, May 16 at three o'clock in the afternoon.

Tuesday, May 16, 2017

At three o'clock in the afternoon the Speaker called the House to order. Noting a lack of quorum, the House adjourned pursuant to Rule 9 until tomorrow at one o'clock in the afternoon.

Wednesday, May 17, 2017

At one o'clock in the afternoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Speaker.

Bill Committed

S. 122

House bill, entitled

An act relating to increased flexibility for school district mergers

Appearing on the Calendar for action, was taken up and pending the report of the committee on Education, on motion of **Rep. Sharpe of Bristol**, the bill was committed to the committee on Education.

**Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed; Rules Suspended;
Bill Messaged to Senate Forthwith**

H. 509

The Senate proposed to the House to amend House bill, entitled
An act relating to calculating statewide education tax rates

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

First: In Sec. 1, subdivision (1), by striking out “\$10,077.00” and inserting in lieu thereof \$10,280.00, and in subdivision (2), by striking out “\$11,851.00” and inserting in lieu thereof \$12,132.00

Second: By striking out the reader assistance and Secs. 2a and 2b (sales and use tax allocation) in their entirety and inserting in lieu thereof new Secs. 2a and 2b to read:

Sec. 2a. [Deleted.]

Sec. 2b. [Deleted.]

Third: By striking out the reader assistance and Secs. 3 through 5 (unfunded mandates) in their entirety and inserting in lieu thereof new Secs. 3 through 5 to read:

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

Sec. 5. [Deleted.]

Fourth: By striking out Sec. 7 (health care transition) in its entirety and inserting in lieu thereof the following:

Sec. 7. SAVINGS FROM HEALTH CARE TRANSITION

(a)(1) As a result of the Affordable Care Act, as of January 1, 2018, all school employees will be on new health care plans. The new health plans cover the same health care services and networks, but they have lower premium costs. The new plans also create higher out-of-pocket exposure through deductibles and co-payment requirements. However, because the premiums for these plans are markedly lower, there are opportunities to keep employees' out-of-pocket costs at current levels while also realizing up to \$26,000,000.00 in annual savings, which would equal approximately \$13,000,000.00 in savings for the second half of fiscal year 2018. These health care savings are returned to taxpayers by reducing homestead property tax rates for fiscal year 2018.

(2) These health care savings can be achieved by an 80/20 employer/employee premium split pegged to the Gold CDHP plan in plan year 2018, and employer contributions toward employees' out-of-pocket costs in amounts that hold school employees harmless over the out-of-pocket exposure for plan year 2017.

(b)(1) For fiscal year 2018 only, each supervisory union and school district shall be responsible for achieving through health care savings an amount equal to a proportional share of \$13,000,000.00. Savings shall not be achieved by reducing any expenditure related to direct instructional services. For fiscal year 2019 and after, the budgets for all supervisory unions and school districts shall continue to reflect these health care savings.

(2) The Secretary of Administration, in collaboration with the Agency of Education, shall consult with the Vermont Education Health Initiative to determine the proportional amount of total health care savings that each supervisory union or school district shall be responsible for achieving in fiscal year 2018 based on the assumptions described in subdivision (a)(2) of this section and on the number of covered employees per plan tier in each supervisory union or school district in plan year 2017.

(3) On or before June 1, 2017, the Agency of Education shall notify each supervisory union or school district of the amount of health care savings for which it is responsible pursuant to subdivision (2) of this subsection.

(c) Notwithstanding any other provision of law, for fiscal year 2018 only, the State shall reduce the amount of education payments to supervisory unions and schools districts authorized by 16 V.S.A. chapter 133 by \$13,000,000.00, by subtracting the amount of savings allocated to each supervisory union or

school district in subsection (b) of this section from the payments due to that supervisory union or school district.

(d) As used in this section, the terms “supervisory union” and “school district” shall have the same meaning as in 16 V.S.A. § 11.

Fifth: By striking out Sec. 8 (effective dates) in its entirety and inserting in lieu thereof two new sections to be Secs. 8 and 9 to read as follows:

Sec. 8. VERMONT EDUCATIONAL HEALTH BENEFITS COMMISSION

(a) The Vermont Educational Health Benefits Commission is created to determine whether and how to establish a single statewide health benefit plan for all teachers, administrators, and municipal school employees in this State.

(b) The Commission shall comprise the following 10 members:

(1) four members of the labor organization representing the majority of teachers, administrators, and municipal school employees in this State, appointed by its membership;

(2) one member on behalf of all other labor organizations representing teachers, administrators, and municipal school employees in this State, jointly appointed by their membership;

(3) three members of the nonprofit organization representing Vermont’s school boards, appointed by that organization’s members; and

(4) two members of the nonprofit organization representing Vermont’s superintendents, appointed by that organization’s members.

(c) The Commission shall determine the advantages and disadvantages of establishing a single statewide health benefit plan for all teachers, administrators, and municipal school employees in this State, including considering transition issues, potential savings from avoided negotiation expenses, whether to use income-sensitized premiums, ways to address benefit disparities between bargaining units, ways to address disparities between districts, property tax implications, and issues related to uninsured school employees.

(d) On or before November 15, 2017, the Commission shall provide its findings and recommendations, along with any necessary proposed legislation regarding the establishment of a statewide health benefit plan for all teachers, administrators, and municipal school employees in this State, to the House Committees on Education, on General, Housing and Military Affairs, and on Ways and Means and the Senate Committees on Education, on Economic Development, Housing and General Affairs, and on Finance.

Sec. 9. EFFECTIVE DATES

(a) This section, Sec. 6a (calculation of rates in certain districts), and Sec. 7 (health care transition) shall take effect on passage.

(b) Sec. 8 (Vermont Educational Health Benefits Commission) shall take effect on passage, with the first meeting of the Commission to occur on or before July 1, 2017.

(c) The remaining sections of this act shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

Pending the question, Will the House concur in the Senate proposal of amendment to the House proposal of amendment to the Senate proposal of amendment? **Rep. Ancel of Calais** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Ancel of Calais
Rep. Head of South Burlington
Rep. Sharpe of Bristol

Thereupon, on motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Adjournment

At one o'clock and twenty-three minutes in the afternoon, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at one o'clock in the afternoon.

Thursday, May 18, 2017

At one o'clock in the afternoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Representative Warren VanWyck of Ferrisburg.

Message from the Senate No. 78

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

Pursuant to the request of the House for Committees of Conference on the disagreeing votes of the two Houses on the following House bill the President announced the appointment as members of such Committee on the part of the Senate:

H. 509. An act relating to calculating statewide education tax rates.

Senator Cummings
Senator Baruth
Senator Kitchel.

Message from the Senate No. 79

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Governor has informed the Senate that on the 17th day of May, 2017, he approved and signed bills originating in the Senate of the following titles:

S. 14. An act relating to expanding the Vermont Practitioner Recovery Network.

S. 96. An act relating to a news media privilege.

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the seventeenth day of May, 2017, he signed bills originating in the House of the following titles:

H. 50 An act relating to the telecommunications siting law

H. 58 An act relating to permanent licenses for persons 66 years of age or older

H. 184 An act relating to evaluation of suicide profiles

H. 230 An act relating to consent by minors for mental health treatment related to sexual orientation and gender identity

H. 241 An act relating to the charter of the Central Vermont Solid Waste Management District

H. 312 An act relating to retirement and pensions

H. 327 An act relating to the charter of the Northeast Kingdom Solid Waste Management District

H. 462 An act relating to social media privacy for employees

- H. 494** **An act relating to the Transportation Program and miscellaneous changes to transportation-related law**
- H. 520** **An act relating to approval of amendments to the charter of the Town of Stowe**
- H. 524** **An act relating to approval of amendments to the charter of the Town of Hartford**
- H. 536** **An act relating to approval of amendments to the charter of the Town of Colchester**

Recess

At one o'clock and nine minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At three o'clock and fifty-five minutes in the afternoon, the Speaker called the House to order.

Rules Suspended; Report of Committee of Conference Adopted; Rules Suspended; Bill Messaged to Senate Forthwith

S. 135

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to promoting economic development

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

S.135

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.135. An act relating to promoting economic development.

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:

* * * Vermont Employment Growth Incentive Program * * *

Sec. A.1. 32 V.S.A. chapter 105 is amended to read:

CHAPTER 105. VERMONT EMPLOYMENT GROWTH
INCENTIVE PROGRAM

* * *

§ 3332. APPLICATION; APPROVAL CRITERIA

(a) Application.

(1) A business may apply for an incentive in one or more years of an award period by submitting an application to the Council in the format the Council specifies for that purpose.

(2) For each award year the business applies for an incentive, the business shall:

(A) specify a payroll performance requirement;

(B) specify a jobs performance requirement or a capital investment performance requirement, or both; and

(C) provide any other information the Council requires to evaluate the application under this subchapter.

(b) Mandatory criteria. The Council shall not approve an application unless it finds:

(1) Except as otherwise provided for an enhanced incentive for a business in a qualifying labor market area under section 3334 of this title, the new revenue the proposed activity ~~generates~~ would generate to the State ~~exceeds~~ would exceed the costs of the activity to the State.

(2) The host municipality welcomes the new business.

(3) ~~The Pursuant to a self-certification or other documentation the Council requires by rule or procedure, the business attests to the best of its knowledge:~~

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree;

(B) the business complies with applicable State laws and regulations; and

(C) the proposed economic activity ~~conforms~~ would conform to applicable town and regional plans and with applicable State laws and regulations.

(4) If the business proposes to expand within a limited local market, an incentive would not give the business an unfair competitive advantage over

other Vermont businesses in the same or similar line of business and in the same limited local market.

(5) But for the incentive, the proposed economic activity:

(A) would not occur; or

(B) would occur in a significantly different manner that is significantly less desirable to the State.

* * *

§ 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING
LABOR MARKET AREA

(a) The Council may increase the value of an incentive for a business that is located in a labor market area in which:

(1) the average annual unemployment rate is greater than the average annual unemployment rate for the State; or

(2) the average annual wage is less than the average annual wage for the State.

(b) In each calendar year, the amount by which the Council may increase the value of all incentives pursuant to this section is:

(1) \$1,500,000.00 for one or more initial approvals; and

(2) \$1,000,000.00 for one or more final approvals.

(c) The Council may increase the cap imposed in subdivision (b)(2) of this section by not more than \$500,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee.

(d) In evaluating the Governor's request, the Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections.

(e) The Council shall provide the Committee with testimony, documentation, company-specific data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

(f) The purpose of the enhanced incentive for a business in a qualifying labor market area is to increase job growth in economically disadvantaged regions of the State, as provided in subsection (a) of this section.

§ 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL

TECHNOLOGY BUSINESS

(a) As used in this section, an “environmental technology business” means a business that:

(1) is subject to income taxation in Vermont; and

(2) seeks an incentive for economic activity in Vermont that the Secretary of Commerce and Community Development certifies is primarily research, design, engineering, development, or manufacturing related to one or more of the following:

(A) waste management, including waste collection, treatment, disposal, reduction, recycling, and remediation;

(B) natural resource protection and management, including water and wastewater purification and treatment, air pollution control and prevention or remediation, soil and groundwater protection or remediation, and hazardous waste control or remediation;

(C) energy efficiency or conservation;

(D) clean energy, including solar, wind, wave, hydro, geothermal, hydrogen, fuel cells, waste-to-energy, or biomass.

(b) The Council shall consider and administer an application from an environmental technology business pursuant to the provisions of this subchapter, except that:

(1) the business’s potential share of new revenue growth shall be 90 percent; and

(2) to calculate qualifying payroll, the Council shall:

(A) determine the background growth rate in payroll for the applicable business sector in the award year;

(B) multiply the business’s full-time payroll for the award year by 20 percent of the background growth rate; and

(C) subtract the product from the payroll performance requirement for the award year.

(c) The purpose of the enhanced incentive for an environmental technology business is to promote the growth of businesses in Vermont that both create and sustain high quality jobs and improve the natural environment.

* * *

§ 3338. CLAIMING AN INCENTIVE; ANNUAL FILING WITH
DEPARTMENT OF TAXES

(a) On or before April 30 following each year of the utilization period, a

business with an approved application shall submit an incentive claim to the Department of Taxes.

(b) A business shall include:

(1) the information the Department requires, including the information required in section 5842 of this title and other documentation concerning payroll, jobs, and capital investment necessary to determine whether the business earned the incentive specified for an award year and any installment payment for which the business is eligible; and

(2) a self-certification or other documentation the Department requires by rule or procedure, by which the business attests to the best of its knowledge that:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree; and

(B) the business complies with applicable State laws and regulations.

(c) The Department may consider an incomplete claim to be timely filed if the business files a complete claim within the additional time allowed by the Department in its discretion.

(d) Upon finalizing its review of a complete claim, the Department shall:

(1) notify the business and the Council whether the business is entitled to an installment payment for the applicable year; and

(2) make an installment payment to which the business is entitled.

(e) The Department shall not pay interest on any amounts it holds or pays for an incentive or installment payment pursuant to this subchapter.

§ 3339. RECAPTURE; REDUCTION; REPAYMENT

(a) Recapture.

(1) The Department of Taxes may recapture the value of one or more installment payments a business has claimed, with interest, if:

(A) the business fails to file a claim as required in section 3338 of this title; ~~or~~

(B) during the utilization period, the business experiences:

(i) a 90 percent or greater reduction from base employment; or

(ii) if it had no jobs at the time of application, a 90 percent or greater reduction from the sum of its job performance requirements; or

(C) the Department determines that during the application or claims process the business knowingly made a false attestation that the business:

(i) was not a named party to, or was in compliance with, an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State: or

(ii) was in compliance with State laws and regulations.

(2) If the Department determines that a business is subject to recapture under subdivision (1) of this subsection, the business becomes ineligible to earn or claim an additional incentive or installment payment for the remainder of the utilization period.

(3) Notwithstanding any other statute of limitations, the Department may commence a proceeding to recapture amounts under subdivision (1) of this subsection as follows:

(A) under subdivision (1)(A) of this subsection, no later than three years from the last day of the utilization period; and

(B) under subdivision (1)(B) of this subsection, no later than three years from date the business experiences the reduction from base employment, or three years from the last day of the utilization period, whichever occurs first.

(b) Reduction; recapture. If a business fails to make capital investments that equal or exceed the sum of its capital investment performance requirements by the end of the award period:

(1) The Department shall:

(A) calculate a reduced incentive by multiplying the combined value of the business's award period incentives by the same proportion that the business's total actual capital investments bear to the sum of its capital investment performance requirements; and

(B) reduce the value of any remaining installment payments for which the business is eligible by the same proportion.

(2) If the value of the installment payments the business has already received exceeds the value of the reduced incentive, then:

(A) the business becomes ineligible to claim any additional installment payments for the award period; and

(B) the Department shall recapture the amount by which the value of the installment payments the business has already received exceeds the value of the reduced incentive.

(c) Tax liability.

(1) A person who has the duty and authority to remit taxes under this title shall be personally liable for an installment payment that is subject to recapture under this section.

(2) For purposes of this section, the Department of Taxes may use any enforcement or collection action available for taxes owed pursuant to chapter 151 of this title.

* * *

* * * VEGI; Confidentiality * * *

Sec. A.2. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than \$1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, he or she shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

* * *

(d) The Commissioner shall disclose a return or return information:

* * *

(5) to the Attorney General, if such return or return information relates to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19, subchapters 1A and 1B;

(6) to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed is reasonably necessary for the Council to perform its duties under that subchapter.

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(11) To the Joint Fiscal Office or its agent, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Joint Fiscal Office or its agent to perform the duties authorized by the Joint Fiscal Committee or a standing committee of the General Assembly under that

subchapter; to the Auditor of Accounts for the performance of duties under section 163 of this title; and to the Department of Economic Development for the purposes of subsection 5922(f) of this title; and to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Council to perform its duties under that subchapter.

* * *

Sec. A.3. VERMONT EMPLOYMENT GROWTH INCENTIVE; WAGE
REPORTING; RECOMMENDATION

On or before January 15, 2018, the Agency of Commerce and Community Development, in collaboration with the Department of Labor, shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a report concerning the Vermont Employment Growth Incentive Program specifying means by which the Vermont Economic Progress Council can report aggregate information on the wages and benefits for jobs created through the Program.

* * * Rural Economic Development Infrastructure Districts * * *

Sec. B.1. 24 V.S.A. chapter 138 is added to read:

CHAPTER 138. RURAL ECONOMIC DEVELOPMENT
INFRASTRUCTURE DISTRICTS

§ 5701. PURPOSE

The purpose of this chapter is to enable formation of special municipal districts to finance, own, and maintain infrastructure that provides economic development opportunities in rural and underresourced areas of the State, including areas within one or more municipalities. Specifically, this chapter provides mechanisms for public and private partnerships, including opportunities for tax-incentivized financing and voluntary citizen engagement, to help overcome density and economic hardship.

§ 5702. ESTABLISHMENT; GENERAL PROVISIONS

(a) Establishment. Upon written application by 20 or more voters within a proposed district or upon its own motion, the legislative body of a municipality may establish a rural economic development infrastructure district. The application shall describe the infrastructure to be built or acquired; the plan for financing its acquisition; the anticipated economic benefit; the source of revenues for loan, bond, or lease payments; and plans for retention and disbursement of excess revenues, if any. The application also shall clearly

state that the proposed district shall not have authority to levy taxes upon the grand list and may not levy service charges or fees upon any underlying municipality except for services used by such municipality, its own officers, and employees in the operation of municipal functions. Notice of establishment of a district shall be recorded as provided in subsection (e) of this section, posted in at least three public places within the municipality for at least 30 days, and published in a newspaper of general circulation within the municipality not more than 10 days from the date of establishment by the legislative body. Following 40 days from the later of the date of establishment by the legislative body of the municipality or an affirmative vote under subdivision (d)(1) or (2) of this section, the district shall be deemed to be a body politic and corporate, capable of exercising those powers and prerogatives explicitly granted by the legislative body of the municipality in accordance with this chapter and the district's establishment application.

(b) Districts involving more than one municipality. Where the limits of a proposed district include two or more municipalities, or portions of two or more municipalities, the application required by this section shall be made to and considered by the legislative body of each such municipality.

(c) Alteration of district limits. The legislative body of a municipality in which a district is located may alter the limits of a district upon application to the governing board of the district, provided the governing board gives prior written consent. A district expansion need not involve contiguous property. Notice of an alteration of the limits of a district shall be recorded as provided in subsection (e) of this section, posted in at least three public places within the municipality for at least 30 days, and published in a newspaper of general circulation within the municipality not more than 10 days from the date of the legislative body's decision to alter the limits of a district.

(d)(1) Contestability. If a petition signed by five percent of the voters of the municipality objecting to the proposed establishment or alteration of limits of a district is presented to the municipal clerk within 30 days of the date of posting and publication of the notice required by subsection (a) or (c) of this section, as applicable, the legislative body of the municipality shall cause the question of whether the municipality shall establish or alter the limits of the district to be considered at a meeting called for that purpose. The district shall be established in accordance with the application or the limits altered unless a majority of the voters of the municipality present and voting votes to disapprove such establishment or alteration of limits.

(2) If a petition signed by five percent of the voters of the municipality objecting to a legislative body's decision denying the establishment or the alteration of limits of a district is presented to the municipal clerk within 30 days of the legislative body's decision, the legislative body shall cause the

question of whether the municipality shall establish or alter the limits of the district to be considered at an annual or special meeting called for that purpose.

(e) Recording. A record of the establishment of a district and any alteration of district limits made by a legislative body shall be filed with the clerk of each municipality in which the district is located, and shall be recorded with the Secretary of State.

§ 5703. LIMITATIONS; TAXES; INDEBTEDNESS; EMINENT DOMAIN

Notwithstanding any grant of authority in this chapter to the contrary:

(1) A district shall not accept funds generated by the taxing or assessment power of any municipality in which it is located.

(2) 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 underlying municipalities, without specific authorization of the General Assembly.

(3) All obligations of the district, including financing leases, shall be secured by and payable only out of the assets of or revenues or monies in the district, including revenue generated by an enterprise owned or operated by the district.

(4) A district shall not have powers of eminent domain.

§ 5704. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

(a) Governing board. The legislative power and authority of a district and the administration and the general supervision of all fiscal, prudential, and governmental affairs of a district shall be vested in a governing board, except as otherwise specifically provided in this chapter.

(b) Composition. The first governing board of the district shall consist of four to eight members appointed in equal numbers by the legislative bodies of the underlying municipalities. It shall draft the district's bylaws specifying the size, composition, quorum requirements, and manner of appointing members to the permanent governing board. The bylaws shall require that a majority of the board shall be appointed annually by the legislative bodies of the underlying municipalities. Board members shall serve staggered, three-year terms, and shall be eligible to serve successive terms. The legislative bodies of the municipalities in which the district is located shall fill board vacancies, and may remove board members at will. Any bylaws developed by the governing board under this subsection shall be submitted for approval to the legislative bodies of the municipalities within the district and shall be considered duly adopted 45 days from the date of submission, provided none of the legislative bodies disapprove of the bylaws.

(c) First meeting. The first meeting of the district shall be called upon 30 days' posted and published notice by a presiding officer of a legislative body in which the district is located. Voters within a municipality in which the district is located are eligible to vote at annual and special district meetings. At the first meeting of the district, and at each subsequent annual meeting, there shall be elected from among board members a chair, vice chair, clerk, and treasurer who shall assume their respective offices upon election. At the first meeting, the fiscal year of the district shall be established and rules of parliamentary procedure shall be adopted. Prior to assuming their offices, officers may be required to post bond in such amounts as determined by resolution of the board. The cost of such bond shall be borne by the district.

(d) Annual and special meetings. Unless otherwise established by the voters, the annual district meeting shall be held on the second Monday in January and shall be warned by the clerk or, in the clerk's absence or neglect, by a member of the board. Special meetings shall be warned in the same manner on application in writing by five percent of the voters of the district. A warning for a district meeting shall state the business to be transacted. The time and place of holding the meeting shall be posted in two or more public places in the district not more than 40 days nor less than 30 days before the meeting and recorded in the office of the clerk before the same is posted.

(e) Annual report. The district shall report annually to the legislative bodies and the citizens of the municipalities in which the district is located on the results of its activities in support of economic growth, job creation, improved community efficiency, and any other benefits incident to its activities.

§ 5705. OFFICERS

(a) Generally. The district shall elect at its first meeting and at each annual meeting thereafter a chair, vice chair, clerk, and treasurer, who shall hold office until the next annual meeting and until others are elected. The board may fill a vacancy in any office.

(b) Chair. The chair shall preside at all meetings of the board and 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) Vice chair. 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 given to or imposed upon the chair. 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 members an acting vice chair who shall have the powers and be subject to all the responsibilities given or imposed upon the vice chair.

(d) Clerk. The clerk shall keep a record of the meetings, votes, and proceedings of the district for the inspection of its inhabitants.

(e) Treasurer. The treasurer of the district shall be appointed by the board, and shall serve at its pleasure. 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 warrants are 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 made. 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 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. Upon the treasurer's termination from office by virtue of removal or resignation, the treasurer shall immediately pay over to his or her successor all of the funds belonging to the district and at the same time deliver to the successor all official books and papers.

§ 5706. 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. The results of the audit shall be provided to the governing board and to the legislative bodies of the municipalities in which the district is located.

§ 5707. 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.

§ 5708. DISTRICT POWERS

A district created under this chapter has the power to:

(1) exercise independently and in concert with other municipalities any other powers which are necessary or desirable for the installation, ownership, operation, maintenance, and disposition of infrastructure promoting economic development in rural areas and matters of mutual concern and that are exercised or are capable of exercise by any of its members;

(2) enter into municipal financing agreements as provided by sections 1789 and 1821–1828 of this title, or other provisions authorizing the pledge of district assets or net revenue, or alternative means of financing capital improvements and operations;

(3) purchase, sell, lease, own, acquire, convey, mortgage, improve, and use real and personal property in connection with its purpose;

(4) enter into contracts for any term or duration;

(5) operate, cause to be operated, or contract for the construction, ownership, management, financing, and operation of an enterprise which a municipal corporation is authorized by law to undertake;

(6) hire employees and fix the compensation and terms of employment;

(7) contract with individuals, corporations, associations, authorities, and agencies for services and property, including the assumption of the liabilities and assets thereof, provided that no assumed liability shall be a general obligation of a municipality in which the district is located;

(8) contract with the State of Vermont, the United States of America, or any subdivision or agency thereof for services, assistance, and joint ventures;

(9) contract with any municipality for the services of any officers or employees of that municipality useful to it;

(10) promote cooperative arrangements and coordinated action among its members and other public and private entities;

(11) make recommendations for review and action to its members and other public agencies that perform functions within the region in which its members are located;

(12) sue and be sued; provided, however, that the property and assets of the district, other than such property as may be pledged as security for a district obligation, shall not be subject to levy, execution, or attachment;

(13) appropriate and expend monies; provided, however, that no appropriation shall be funded or made in reliance upon any taxing authority of the district;

(14) establish sinking and reserve funds for retiring and securing its obligations;

(15) establish capital reserve funds and make deposits in them;

(16) solicit, accept, and administer gifts, grants, and bequests in trust or otherwise for its purpose;

(17) enter into an interstate compact consistent with the purposes of this chapter, subject to the approval of the Vermont General Assembly and the U. S. Congress;

(18) develop a public sewer or water project, provided the legislative body and the planning commission for the municipality in which the sewer or water project is proposed to be located confirm in writing that such project conforms with any duly adopted municipal plan, and the regional planning commission confirms in writing that such project conforms with the duly adopted regional plan;

(19) exercise all powers incident to a public corporation, but only to the extent permitted in this chapter;

(20) adopt a name under which it shall be known and shall conduct business; and

(21) make, establish, alter, amend, or repeal ordinances, regulations, and bylaws relating to matters contained in this chapter and not inconsistent with law.

§ 5709. DISSOLUTION

(a) If the board by resolution approved by a two-thirds vote 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 district assets or 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 of them. 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 of them;

(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.

* * * Public Retirement * * *

Sec. C.1. THE GREEN MOUNTAIN SECURE RETIREMENT PLAN

(a) The State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the "Green Mountain Secure Retirement Plan."

(b) The Plan shall be designed and implemented based upon the following guiding principles:

(1) Simplicity: the Plan should be easy for participants to understand.

(2) Affordability: the Plan should be administered to maximize cost effectiveness and efficiency.

(3) Ease of access: the Plan should be easy to join.

(4) Trustworthy oversight: the Plan should be administered by an organization with unimpeachable credentials.

(5) Protection from exploitation: the Plan should protect its participants, particularly the elderly, from unscrupulous business practices and individuals.

(6) Portability: the Plan should not depend upon employment with a specific firm or organization.

(7) Choice: the Plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce analysis paralysis.

(8) Voluntary: the Plan should not be mandatory but autoenrollment should be used to increase participation.

(9) Financial education and financial literacy: the Plan should assist the individual in understanding his or her financial situation.

(10) Sufficient savings: the Plan should encourage adequate savings in retirement combined with existing pension savings and Social Security.

(11) Additive not duplicative: the Plan should not compete with existing private sector solutions.

(12) Use of pretax dollars: contributions to the Plan should be made using pretax dollars.

(c) The Plan shall:

(1) be available on a voluntary basis to:

(A) employers:

(i) with 50 employees or fewer; and

(ii) that do not currently offer a retirement plan to their employees; and

(B) self-employed individuals;

(2) automatically enroll all employees of employers that choose to participate in the MEP;

(3) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(4) be funded by employee contributions with an option for future voluntary employer contributions; and

(5) be overseen by a board:

(A) that shall:

(i) set program terms;

(ii) prepare and design plan documents; and

(iii) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services; and

(B) that shall be composed of seven members as follows:

(i) an individual with investment experience, to be appointed by the Governor;

(ii) an individual with private sector retirement plan experience, to be appointed by the Governor;

(iii) an individual with investment experience, to be appointed by the State Treasurer;

(iv) an individual who is an employee or retiree, to be appointed by the State Treasurer;

(v) an individual who is an employee advocate or consumer advocate, to be appointed by the Speaker of the House;

(vi) an individual who is an employer with 50 employees or fewer and who does not offer a retirement plan to his or her employees, to be appointed by the Committee on Committees; and

(vii) the State Treasurer, who shall serve as chair.

(C) that shall, on or before January 15, 2020 and every year thereafter, report to the House and Senate Committees on Government Operations concerning the Green Mountain Secure Retirement Plan, including:

(i) the number of employers and self-employed individuals participating in the plan;

(ii) the total number of individuals participating in the plan;

(iii) the number of employers and self-employed individuals who are eligible to participate in the plan but who do not participate;

(iv) the number of employers and self-employed individuals, and the number of employees of participating employers who have ended their participation during the preceding 12 months;

(v) the total amount of funds contributed to the Plan during the preceding 12 months;

(vi) the total amount of funds withdrawn from the Plan during the preceding 12 months;

(vii) the total funds or assets under management by the Plan;

(viii) the average return during the preceding 12 months;

(ix) the costs of administering the Plan;

(x) the Board's assessment concerning whether the Plan is sustainable and viable;

(xi) once the marketplace is established:

(I) the number of individuals participating;

(II) the number and nature of plans offered; and

(III) the Board's process and criteria for vetting plans; and

(xii) any other information the Board considers relevant, or that the Committee requests.

(D) for attendance at meetings, members of the Board who are not employees of the State of Vermont, and who are not otherwise compensated by their employer or other organization, shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

(d) The State of Vermont shall implement the "Green Mountain Secure Retirement Plan" on or before January 15, 2019, based on the recommendations of the Public Retirement Plan Study Committee as set forth in 2016 Acts and Resolves No. 157, Sec. F.1.

Sec. C.2. 2016 Acts and Resolves No. 157, Sec. F.1 is amended to read:

Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF
ESTABLISHING A PUBLIC RETIREMENT PLAN

(a) Creation of Committee.

(1) There is created a the Public Retirement Plan Study Committee to evaluate the feasibility of establishing a public retirement plan.

(2) It is the intent of the General Assembly that the Committee continue the work of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop specific recommendations concerning the design, creation, and implementation of the Multiple Employer Plan (MEP), pursuant to Sec. C.1 of S.135 (2017) as enacted and as set forth in the January 6, 2017 report issued by the Committee.

(b) Membership.

(1) The Public Retirement Plan Study Committee shall be composed of eight members as follows:

(A) the State Treasurer or designee;

(B) the Commissioner of Labor or designee;

(C) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(D) an individual with private sector experience in the area of providing retirement products and financial services to small businesses, to be appointed by the Speaker;

(E) an individual with experience or expertise in the area of the financial needs of an aging population, to be appointed by the Committee on Committees;

(F) an individual with experience or expertise in the area of the financial needs of Vermont youth or young working adults, to be appointed by the Treasurer;

(G) a representative of employers, to be appointed by the Speaker; and

(H) a representative of employees who currently lack access to employer-sponsored retirement plans, to be appointed by the Committee on Committees.

(2) Unless another appointee is specified pursuant to the authority granted under subdivision (1) of this subsection, the members of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, shall serve as the members of the Committee created pursuant to this section.

(c) Powers and duties.

(1)(A) The Committee shall ~~study the feasibility of establishing a~~ develop specific recommendations concerning the design, creation, and implementation time line of the Multiple Employer Plan (MEP) public retirement plan, including the following pursuant to Sec. C.1 of S.135 (2017) as enacted, which shall:

~~(i) the access Vermont residents currently have to employer-sponsored retirement plans and the types of employer sponsored retirement plans;~~

~~(ii) data and estimates on the amount of savings and resources Vermont residents will need for a financially secure retirement;~~

~~(iii) data and estimates on the actual amount of savings and resources Vermont residents will have for retirement, and whether those savings and resources will be sufficient for a financially secure retirement;~~

~~(iv) current incentives to encourage retirement savings, and the effectiveness of those incentives;~~

~~(v) whether other states have created a public retirement plan and the experience of those states;~~

~~(vi) whether there is a need for a public retirement plan in Vermont;~~

~~(vii) whether a public retirement plan would be feasible and effective in providing for a financially secure retirement for Vermont residents;~~

~~(viii) other programs or incentives the State could pursue in combination with a public retirement plan, or instead of such a plan, in order to encourage residents to save and prepare for retirement; and be available on a voluntary basis to:~~

~~(I) employers:~~

~~(aa) with 50 employees or fewer; and~~

~~(bb) that do not currently offer a retirement plan to their employees; and~~

~~(II) self-employed individuals;~~

~~(ii) automatically enroll all employees of employers that choose to participate in the MEP;~~

~~(iii) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;~~

~~(iv) be funded by employee contributions with an option for future voluntary employer contributions; and~~

~~(v) be overseen by a board that shall:~~

~~(I) set program terms;~~

~~(II) prepare and design plan documents; and~~

~~(III) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services.~~

~~(B) if the Committee determines that a public retirement plan is necessary, feasible, and effective, the Committee shall study:~~

~~(i) potential models for the structure, management, organization, administration, and funding of such a plan;~~

~~(ii) how to ensure that the plan is available to private sector employees who are not covered by an alternative retirement plan;~~

~~(iii) how to build enrollment to a level where enrollee costs can be lowered;~~

(iv) whether such a plan should impose any obligation or liability upon private sector employers; The Committee, and thereafter the board that will oversee the MEP, shall study and make specific recommendations concerning:

(i) options to provide access to retirement plans to individuals who are not eligible to participate in, or choose not to participate in, the MEP public retirement plan, including alternative plans and options vetted by the board that shall oversee the MEP, and which private sector plans and options shall be provided through a marketplace implemented no earlier than one year after the MEP begins;

(ii) options for paying for the costs of administering the MEP for the period during which program costs may exceed revenues, including allowing financial service providers to subsidize costs in exchange for longer term contracts;

(iii) if after three years there remain significant numbers of Vermonters who are not covered by a retirement plan, methods to increase participation in the MEP; and

(iv) any other issue the Committee deems relevant.

(2) The Committee shall:

(A) continue monitoring U.S. Department of Labor guidance concerning State Savings Programs for Non-Governmental Employees regarding ERISA rules and other pertinent areas of analysis;

(B) further analyze the relationship between the role of states and the federal government; and

(C) continue its collaboration with educational institutions, other states, and national stakeholders.

(3) The Committee shall have the assistance of the staff of the Office of the Treasurer, the Department of Labor, and the Department of Disabilities, Aging, and Independent Living.

(d) Report. On or before January 15, 2018, the Committee shall report to the General Assembly its findings and ~~any~~ recommendations ~~for legislative action~~. In its report, the Committee shall state its findings as to every factor set forth in ~~subdivision~~ subdivisions (c)(1)(A) ~~of this section, whether it recommends that a public retirement plan be created, and the reasons for that recommendation. If the Committee recommends that a public retirement plan be created, the Committee's report shall include specific recommendations as to the factors listed in subdivision~~ and (c)(1)(B) of this section.

(e) Meetings; term of Committee; Chair. The Committee may meet

as frequently as necessary to perform its work and shall cease to exist on January 15, 2018. The State Treasurer shall serve as Chair of the Committee and shall call the first meeting.

(f) Reimbursement. For attendance at meetings, members of the Committee who are not employees of the State of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

* * * Workers' Compensation; VOSHA * * *

Sec. D.1. 21 V.S.A. § 210 is amended to read:

§ 210. PENALTIES

(a) Upon issuance of a citation under this chapter, the Review Board is authorized to assess civil penalties for grounds provided in this subsection. In assessing civil penalties, the Review Board shall follow to the degree practicable the federal procedures prescribed in rules ~~promulgated~~ adopted under the Act. The Review Board shall give due consideration to the appropriateness of the penalty with respect to the size of the business or operation of the employer being assessed, the gravity of the violation, the good faith of the employer, and the history of previous violations. Civil penalties shall be paid to the Commissioner for deposit with the State Treasurer, and may be recovered in a civil action in the name of the State of Vermont brought in any court of competent jurisdiction. The Commissioner shall not reduce the assessed penalties in any fiscal year by more than 50 percent.

(1) Any employer ~~who~~ that willfully or repeatedly violates the requirements of this Code or any standard; or rule adopted, or order ~~promulgated~~ issued pursuant to this Code ~~or regulations prescribed pursuant to this Code~~ may be assessed a civil penalty of not more than ~~\$70,000.00~~ \$126,749.00 for each violation, but not less than \$5,000.00 for each willful violation.

(2) Any employer ~~who~~ that has received a citation for a serious violation of the requirements of this Code, or any standard; or rule adopted, or order ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each violation.

(3) Any employer ~~who~~ that has received a citation for a violation of the requirements of this Code, or any standard; or rule adopted, or order ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant to this Code~~, and such violation if the violation is specifically determined not to be of a serious nature, may be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each such violation.

(4) Any employer ~~who~~ that fails to correct a violation for which a citation has been issued within the period permitted for its correction, which period shall not begin to run until the date of the final order of the Review Board, in the case of any review proceeding under section 226 of this title initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a civil penalty of not more than ~~\$7,000.00~~ \$12,675.00 for each day during which the failure or violation continues.

(5) Any employer ~~who~~ that willfully violates any standard, ~~or~~ rule adopted, or order ~~promulgated~~ issued pursuant to this Code, and that violation caused death to any employee, shall, upon conviction, be punished by a fine of not more than ~~\$20,000.00~~ \$126,749.00 or by imprisonment for not more than one year, or by both.

* * *

(8) Any employer ~~who~~ that violates any of the posting requirements, as prescribed under the provisions of this Code, shall be assessed a civil penalty of up to ~~\$7,000.00~~ \$12,675.00 for each violation.

(9)(A) As provided under the federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and the Act, the penalties provided in subdivisions (1), (2), (3), (4), (5), and (8) of this subsection shall annually, on January 1, be adjusted to reflect the increase in the Consumer Price Index, CPI-U, U.S. City Average, not seasonally adjusted, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous December 1.

(B) The Commissioner shall calculate and publish the adjustment to the penalties on or before January 1 of each year, and the penalties shall apply to fines imposed on or after that date.

* * *

Sec. D.2. 21 V.S.A. § 711 is amended to read:

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

(a) A Workers' Compensation Administration Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the administration of the workers' compensation and occupational disease programs. The Fund shall consist of contributions from employers made at a rate of ~~1.75~~ 1.4 percent of the direct calendar year premium for workers' compensation insurance, one percent of self-insured workers' compensation losses, and one percent of workers' compensation losses of corporations approved under this chapter. Disbursements from the Fund shall be on warrants drawn by the Commissioner of Finance and Management in anticipation of receipts authorized by this section.

* * *

* * * Workforce Development; Career Technical Education * * *

Sec. E.1. STATE WORKFORCE DEVELOPMENT SYSTEM; REPORT

(a) Under 10 V.S.A. § 540, as the leader of workforce education and training in the State of Vermont, the Commissioner of Labor, in collaboration with the State Workforce Development Board, has the duty to:

(1) advise the Governor on the establishment of an integrated system of workforce education and training for Vermont;

(2) create and maintain an inventory of all existing workforce education and training programs and activities in the State;

(3) use data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;

(4) develop a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;

(5) ensure coordination and nonduplication of workforce education and training activities;

(6) identify best practices and gaps in the delivery of workforce education and training programs;

(7) design and implement criteria and performance measures for workforce education and training activities; and

(8) establish goals for the integrated workforce education and training system.

(b) Consistent with these duties, the Commissioner of Labor and the State Workforce Development shall convene a working group on State workforce development Board composed of the following:

(1) the Commissioner of Labor or Deputy;

(2) a subgroup of at least seven members of the State Workforce Development Board who are appointed by the Board, and who shall serve in addition to the Commissioner and the Secretaries specified in this subsection, or their deputies if applicable, and shall include:

(A) the Chair of the State Workforce Development Board, who shall serve as the Chair of the working group; and

(B) at least one member who represents the interests of organized labor and employees;

(3) the Secretary of Commerce and Community Development or Deputy;

(4) the Secretary of Education or Deputy.

(5) the Secretary of Human Services or Deputy;

(6) a member of the Vermont Senate who is a member of the State Workforce Development Board, designated by the Senate Committee on Committees; and

(7) a member of the Vermont House of Representatives who is a member of the State Workforce Development Board, designated by the Speaker of the House.

(c) The working group, in collaboration with relevant State agencies, stakeholders, and workforce education and training providers, shall:

(1) assess Vermont's current workforce education, development, and training program and resource allocations;

(2) identify efficiencies and delivery models that more effectively allocate, reallocate, redirect, and deploy these resources to more dynamically serve the needs of Vermonters and Vermont employers; and

(3) design two or more options, at least one of which is not primarily based upon restructuring State agencies and departments, for a State workforce development system that:

(A) aligns State efforts to train, employ, and improve the wages of Vermont's workforce and ensure collaboration and sustainable interagency partnerships within government;

(B) coordinates within and across State government a comprehensive workforce development strategy that grows the workforce, recruits new workers to the State, and meets employers' workforce needs;

(C) aligns to the needs of employers and current or prospective employees through systematic and ongoing engagement and partnership;

(D) serves two customers with equal energy: the current or prospective employee and the employer;

(E) is engaged at the State and local levels with employers on an ongoing basis to ensure alignment with the workforce needs of employers; and

(F) expands access and accelerates Career and Technical Education to Vermont students in grades 9–12 and to Vermont adults.

(d)(1) The working group shall have the administrative support of the State Workforce Development Board, which shall organize and convene meetings of

the group.

(2) The working group shall have the technical support and related subject matter expertise of the Department of Labor and the Agencies of Commerce and Community Development, of Education, and of Human Services.

(3) The working group shall have the legal and fiscal support of the Office of Legislative Council and the Joint Fiscal Office as is necessary for the purposes of preparing proposed legislation for submission to the General Assembly.

(e) In order to perform its duties pursuant to this act, the working group shall have the authority to request and gather data and information as it determines is necessary from entities that conduct workforce education and training programs and activities, including agencies, departments, and programs within the Executive Branch, and from nongovernmental entities that receive State-controlled funding. Unless otherwise exempt from public disclosure pursuant to State or federal law, a workforce education and training provider shall provide the data and information requested by the working group within a reasonable time.

(f) 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 five meetings, provided this limitation shall not apply to a meeting of the working group that occurs on the same date as a meeting of the full State Workforce Development Board for which the member is receiving compensation.

(g) On or before November 15, 2017, the Commissioner of Labor and the working group on State workforce development shall report to the Senate Committee on Economic Development, Housing and General Affairs and to the House Committee on Commerce and Economic Development on the implementation of this section and any recommendations for legislative action.

Sec. E.2. 10 V.S.A. § 543 is amended to read:

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT
PROGRAMS

(a) Creation. There is created a the Workforce Education and Training Fund in the Department of Labor to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) Purposes. The Department shall use the Fund for the following purposes:

(1) training for Vermont workers, including those who are unemployed, underemployed, or in transition from one job or career to another;

(2) internships to provide students with work-based learning opportunities with Vermont employers;

(3) apprenticeship, preapprenticeship, and industry-recognized credential training; and

(4) other workforce development initiatives related to current and future job opportunities in Vermont as determined by the Commissioner of Labor.

(c) Administrative and other support. The Department of Labor shall provide administrative support for the grant award process. When appropriate and reasonable, the State Workforce ~~Investment~~ Development Board and all other public entities involved in economic development and workforce education and training shall provide other support in the process.

(d) Eligible activities.

(1) The Department, in collaboration with the Agency of Education when applicable, shall grant awards from the Fund to employers and entities, including private, public, and nonprofit entities, institutions of higher education, high schools, K-12 school districts, supervisory unions, technical centers, and workforce education and training programs that:

(A) create jobs, offer education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, career planning, or work-based learning activities, or any combination;

(B) employ student-oriented approaches to workforce education and training; and

(C) link workforce education and economic development strategies.

(2) The Department may fund programs or projects that demonstrate actual increased income and economic opportunity for employees and employers for more than one year.

(3) The Department may fund student internships and training programs that involve the same employer in multiple years, with approval of the Commissioner.

(e) [Repealed].

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce Development Board, shall develop award criteria and may grant awards to the following:

(1) Training Programs.

(A) Public, private, and nonprofit entities, including employers and education and training providers, for existing or new training programs that enhance the skills of Vermont workers and:

(i) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;

(ii) do not duplicate, supplant, or replace other available training funded with public money;

(iii) provide a project timeline, including performance goals, and identify how the effectiveness and outcomes of the program will be measured, including for the individual participants, the employers, and the program as a whole; and

(iv) articulate the need for the training and the direct connection between the training and the job.

(B) The Department shall grant awards under this subdivision (1) to programs or projects that:

(i) offer innovative programs of intensive, student-centric, competency-based education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, or any combination of these;

(ii) address the needs of workers who are unemployed, underemployed, or are at risk of becoming unemployed, and workers who are in transition from one job or career to another;

(iii) address the needs of employers to hire new employees; or retrain incumbent workers, when the employer has demonstrated a need not within the normal course of business, with priority to training that results in new or existing job openings for which the employer intends to hire; or

(iv) in the discretion of the Commissioner, otherwise serve the purposes of this chapter.

(2) Vermont Strong Internship Program. Funding for eligible internship programs and activities under the Vermont Strong Internship Program established in section 544 of this title.

(3) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the Department of Labor.

(4) Career Focus and Planning programs. In collaboration with the Agency of Education, funding for one or more programs that institute career training and planning for young Vermonters, beginning in middle school.

Sec. E.3. CAREER PATHWAYS COORDINATOR

(a) Notwithstanding any provision of law to the contrary, the Secretary of Administration shall have the authority to create a two-year limited service position, subject to available funding, of Career Pathways Coordinator within the Agency of Education.

(b) The Career Pathways Coordinator shall work under the direction of the State Director for Career Technical Education, and his or her duties shall include the following:

(1) serve as the interagency point person for the development of a State-approved Career Pathways System;

(2) convene stakeholders across the Department of Labor, the Agency of Commerce and Community Development, the Agency of Education, the Agency of Human Services, the Statewide Workforce Development Board, Career Technical Education Centers, employers, postsecondary partners, and related entities in order to create a series of career pathways;

(3) curriculum development, stakeholder engagement, process documentation, and identification of key performance indicators, outcomes collection and reporting;

(4) engage statewide education, employer, and workforce organizations to co-develop statewide career pathways models and exemplars;

(5) identify target populations and entry points;

(6) review and develop competency models, required skill sets, and appropriate credentials at each step of a career pathway, in partnership with business and industry representatives;

(7) coordinate employer validation of competencies and pathways;

(8) develop targeted career ladders and lattices, including stackable skills and industry-recognized credentials;

(9) work with CTE Directors to design and endorse elements of Career Pathways;

(10) use labor market information and other relevant data to identify critical Career Pathways for the State; and

(11) advise the Career Technical Education Director on the funding, governance, and access to career technical education in Vermont.

* * * Heating Fuel and Service Workforce Training Pilot Project * * *

Sec. E.4. HEATING FUEL AND SERVICE WORKFORCE TRAINING
PILOT PROJECT

(a) Findings and purpose.

(1) Vermont's heating fuel and service companies provide high-skill, high-demand jobs, many of which do not require a college degree but pay over \$20.00 per hour and include benefits.

(2) Vermont's heating fuel and service companies have a significant need for new employees. More than two-thirds of these companies report that there is a lack of qualified applicants for heating technician jobs, and more than half report a lack of qualified drivers.

(3) The purpose of this section is to create a partnership between the State and the industry to identify prospective employees, provide them with training and skills necessary for currently available jobs, and provide employers with a skilled workforce.

(b) The Department of Labor, in collaboration with the regional Career Technical Education and Training Centers and the Vermont Fuel Dealers Association, shall establish a Heating Fuel and Service Workforce Training Pilot Project, consistent with the following:

(1) The Department, CTE Centers, Adult Technical Education Providers, and the Association shall:

(A) advertise the availability of workforce training in the field of heating fuel and service;

(B) organize informational sessions, meetings, and other group and individual opportunities for prospective trainees and interested heating and fuel service companies to connect; and

(C) coordinate matches between trainees and employers.

(2) In the event of a successful match, the Department shall facilitate the negotiation and execution of training and employment agreements, pursuant to which:

(A) a prospective trainee agrees to pursue specified training, education, or certification necessary to meet the employer's workforce need;

(B) the Department agrees to provide educational and administrative support to the trainee and 50 percent of the cost of training; and

(C) the employer agrees to provide 50 percent of the cost of training and to employ the trainee upon the successful completion of training, passage

of an examination, attainment of a required certification, or a combination of these.

(3) The Association, in collaboration with the CTE Centers and subject to approval by the Department, shall provide education and training that meet the needs of trainees and employers.

(c) The Department shall have the authority to use available private, State, and federal funding to implement the provisions of this section.

(d) On or before January 15, 2018, the Department shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development addressing the implementation of this section, the profile of trainees and employers that participated, and any recommendations for further action.

* * * CTE Dual Enrollment * * *

Sec. E.5. CTE DUAL ENROLLMENT MEMORANDA OF UNDERSTANDING

(a) Pursuant to 16 V.S.A. § 944(e), the Agency of Education shall assist the University of Vermont and the Vermont State Colleges in developing memoranda of understanding with each regional CTE center and each comprehensive high school, as defined in 16 V.S.A. § 1522, to facilitate dual enrollment under section 944.

(b) The University of Vermont and the Vermont State Colleges shall enter into memoranda of understanding, as developed with the Agency, with each regional CTE center.

(c) On or before January 15, 2018, the Secretary of Education shall provide a progress report on the status of the memoranda of understanding to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Minimum Wage and Benefits Cliff * * *

Sec. F.1. MINIMUM WAGE AND BENEFITS CLIFF STUDY

(a) Creation. There is created a Minimum Wage Study Committee.

(b) Membership. The Committee shall be composed of the following members:

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties. The Committee shall study the following issues:

(1) the minimum wage in Vermont and livable wage in Vermont in relation to real cost of living;

(2) the economic effects of small to large increases in the Vermont minimum wage, including in relation to the minimum wage in neighboring states;

(3) how the potential for improving economic prosperity for Vermonters with low and middle income through the Vermont Earned Income Tax Credit might interact with raising the minimum wage;

(4) working in direct collaboration with the Department for Children and Families and the Joint Fiscal Office, the State's public benefit structure and recommended methods for mitigating or eliminating the benefit cliffs experienced by working Vermonters receiving public assistance or earning below the livable wage, or both, to enhance work incentives;

(5) the effects of potential reductions in federal transfer payments as the minimum wage increases, and impacts of possible reductions in federal benefits due to changes in federal law;

(6) ways to offset losses in State and federal benefits through State benefit programs or State tax policy; and

(7) further research to better understand the maximum beneficial minimum wage level in Vermont.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Joint Fiscal Office, the Office of Legislative Council, the Department of Labor, the Department of Taxes, and the Agency of Human Services.

(e) Report. On or before December 1, 2017, the Committee shall submit a written report with its findings and any recommendations for legislative action to the Senate Committee on Economic Development, Housing and General Affairs, and the House Committee on General, Housing and Military Affairs.

(f) Meetings.

(1) The Joint Fiscal Office shall convene the first meeting of the Committee on or before July 15, 2017.

(2) A majority of the membership shall constitute a quorum.

(3) The members of the Committee shall select a chair at its first

meeting.

(4) The Committee shall cease to exist on December 1, 2017.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than five meetings.

* * * Financial Technology * * *

Sec. G.1. FINANCIAL TECHNOLOGY

(a) The General Assembly finds:

(1) The field of financial technology is rapidly expanding in scope and application.

(2) These developments present both opportunities and challenges.

(3) On the opportunity side, Vermont has been a leader in previous innovations in finance in contexts such as captive insurance.

(4) The existing Vermont legislation on blockchain technology and other aspects of e-finance have given Vermont the potential for leadership in this new era of innovation as well, with the possibility of expanded economic activity in the financial technology sector that would provide opportunities for employment, tax revenues, and other benefits.

(5) Furthermore, it is important for Vermonters that these developments proceed in ways that do not create avoidable risks for individuals and enterprises in the new e-economy.

(6) The legislative and regulatory response in Vermont will be critical to our ability to embrace the benefits of financial technology and to avoid challenges it may create.

(b)(1) In order to permit the legislature to respond to these developing opportunities and concerns on an informed basis, on or before November 30, 2017, the Center for Legal Innovation at Vermont Law School, in consultation with the Commissioner of Financial Regulation, the Secretary of Commerce and Community Development, and the Attorney General, shall submit a report to the General Assembly that includes:

(A) findings and recommendations on the potential opportunities and risks presented by developments in financial technology;

(B) suggestions for an overall policy direction and proposals for legislative and regulatory action that would effectively implement that policy direction; and

(C) measurable goals and outcomes that would indicate success in the implementation of such a policy.

(2) In developing the background for this report, the Center, Commissioner, Secretary, and Attorney General may consult such other constituencies and stakeholders within and outside the State as they may determine will be helpful to their considerations.

* * * Municipal Outreach; Sewerage and Water Service Connections * * *

Sec. H.1. AGENCY OF NATURAL RESOURCES; EDUCATION AND
OUTREACH; DELEGATION; SEWERAGE AND WATER
SERVICE CONNECTIONS

(a) The Secretary of Natural Resources, after consultation with the Vermont League of Cities and Towns, shall conduct outreach and education for municipalities regarding the ability of a municipality under 10 V.S.A. § 1976 to be delegated the authority to permit the connection of a municipal sewer or water service line to subdivided land, a building, or a campground.

(b) The education and outreach shall specify the conditions or requirements for delegation, how a municipality can seek delegation, and contact information or other resource to provide additional information regarding delegation. The education and outreach may include educational materials, workshops, or classes regarding the ability of a municipality to be delegated under 10 V.S.A. § 1976 the permitting of sewer and water service connection.

(c) On or before January 15, 2018, the Secretary of Natural Resources shall submit a report to the Senate Committees on Natural Resources and Energy and on Economic Development, Housing and General Affairs and the House Committees on Natural Resources, Fish and Wildlife and on Commerce and Economic Development summarizing the education and outreach conducted or planned by the Secretary under the requirements of this section and whether any municipality has sought delegation of sewer and water service connection permitting under 10 V.S.A. § 1976 since the effective date of this act.

* * * Municipal Land Use and Development; Affordable Housing * * *

Sec. H.2. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

(1) “Affordable housing” means either of the following:

(A) ~~Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or~~

~~80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household's gross annual income. Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:~~

~~(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;~~

~~(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or~~

~~(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.~~

~~(B) Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household's gross annual income. Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:~~

~~(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;~~

~~(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or~~

~~(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.~~

* * *

* * * Act 250; Priority Housing Projects * * *

Sec. H.3. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

In this chapter:

* * *

(3)(A) “Development” means each of the following:

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land, and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) ~~275 or more, in a municipality with a population of 15,000 or more;~~ [Repealed.]

(bb) ~~150 or more, in a municipality with a population of 10,000 or more but less than 15,000;~~ [Repealed.]

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000;

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000;

(ee) 25 or more, in a municipality with a population of less than 3,000; ~~and.~~

(ff) ~~notwithstanding~~ Notwithstanding subdivisions (aa)(cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

(II) The determination of jurisdiction over a priority housing project shall count only the housing units included in that discrete project.

(III) Housing units in a priority housing project shall not count toward determining jurisdiction over any other project.

* * *

(D) The word “development” does not include:

* * *

(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.

(II) If the construction of a priority housing project in this subdivision (3)(D)(viii) involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.

* * *

(27) “Mixed income housing” means a housing project in which the following apply:

(A) Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:

(i) at least 15 percent of the housing units have a purchase price ~~which that~~ at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or

(ii) at least 20 percent of the housing units have a purchase price ~~which that~~ at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency;

(B) Rental ~~Housing~~ housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of ~~no not~~ less than ~~20~~ 15 years.

(28) “Mixed use” means construction of both mixed income housing and construction of space for any combination of retail, office, services, artisan, and recreational and community facilities, provided at least 40 percent of the gross floor area of the buildings involved is mixed income housing. “Mixed use” does not include industrial use.

(29) “Affordable housing” means either of the following:

(A) ~~Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household's gross annual income.~~
Owner-occupied housing for which the total annual cost of ownership,

including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

~~(B) Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household's gross annual income. Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:~~

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

(35) "Priority housing project" means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

(A) mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, or designated village center that is also a designated neighborhood development area under 24 V.S.A. chapter 76A; or

(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.

* * *

Sec. H.4. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

(a) No person shall sell or offer for sale any interest in any subdivision located in this State, or commence construction on a subdivision or development, or commence development without a permit. This section shall not prohibit the sale, mortgage, or transfer of all, or an undivided interest in all, of a subdivision unless the sale, mortgage, or transfer is accomplished to circumvent the purposes of this chapter.

* * *

(o) If a ~~downtown development district~~ designation pursuant to 24 V.S.A. § ~~2793~~ chapter 76A is removed, subsection (a) of this section shall apply to any subsequent substantial change to a priority housing project that was originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the basis of that designation.

(p)(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after the effective date of this subsection, remain below ~~the~~ any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.

(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.

* * *

Sec. H.5. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS, COMMENCEMENT OF REVIEW

* * *

(f) This subsection concerns an application for a new permit amendment to change the conditions of an existing permit or existing permit amendment in order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.

(1) The District Commission may authorize a district coordinator to

issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the existing permit or existing permit amendment, which contains the condition or conditions proposed to be changed, or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party obtained party status.

(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions in the existing permit or permit amendment proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings to be made under subsection 6086(a) and are authorized under subsection 6086(c) of this title.

Sec. H.6. 30 V.S.A. § 55 is added to read:

§ 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

A priority housing project as defined in 10 V.S.A. § 6001 shall meet or exceed the stretch codes established under this subchapter by the Department of Public Service.

* * * ACCD; Publication of Median Household Income and Qualifying Costs
for Affordable Housing * * *

Sec. H.7. 3 V.S.A. § 2472 is amended to read:

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT

(a) The Department of Housing and Community Development is created within the Agency of Commerce and Community Development. The Department shall:

* * *

(5) In conjunction with the Vermont Housing Finance Agency, annually publish data and information to enable the public to determine income levels and costs for owner-occupied and rental housing to qualify as affordable housing, as defined in 24 V.S.A. § 4303 and 10 V.S.A. § 6001(29), including:

(A) the median income for each Vermont county, as defined by the U.S. Department of Housing and Urban Development;

(B) the standard metropolitan statistical area median income for each municipality located in such an area, as defined by the U.S. Department of Housing and Urban Development; and

(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

* * * Downtown Tax Credits * * *

Sec. H.8. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$2,200,000.00~~ \$2,400,000.00;

* * *

Sec. H.9. 32 V.S.A. § 5930bb(a) is amended to read:

(a) Qualified applicants may apply to the State Board to obtain the tax credits provided by this subchapter for a qualified project at any time before ~~one year after~~ the completion of the qualified project.

* * * Tax Credit for Affordable Housing; Captive Insurance Companies * * *

Sec. H.10. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) As used in this section:

* * *

(5) “Credit certificate” means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax credits that can be applied against the taxpayer’s individual or corporate income tax, or franchise, captive insurance premium, or insurance premium tax liability as provided in this subchapter.

* * *

(c) Amount of credit. A taxpayer who makes an eligible cash contribution shall be entitled to claim against the taxpayer’s individual income, corporate, franchise, captive insurance premium, or insurance premium tax liability a credit in an amount specified on the taxpayer’s credit certificate. The first-year allocation of a credit amount to a taxpayer shall also be deemed an allocation of the same amount in each of the following four years.

* * *

* * * Vermont State Housing Authority; Powers * * *

Sec. H.11. 24 V.S.A. § 4005 is amended to read:

§ 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT, MEMBERS, POWERS

* * *

(e) Notwithstanding any provision of law, no person, ~~domestic or foreign,~~

shall be authorized to administer allocations of money under 42 U.S.C.A. § 1437a or 1437f or other federal statute authorizing rental subsidies for the benefit of persons of low or moderate income, except:

- (1) ~~a subcontractor of the State Authority; or~~
- (2) a State public body authorized by law to administer such allocations;
- (3) a person authorized to administer such allocations pursuant to an agreement with the State Authority; or
- (4) an organization, of which the State Authority is a promoter, member, associate, owner, or manager, that is authorized by a federal agency to administer such allocations in this State.

(f) In addition to the powers granted by this chapter, the State Authority shall have all the powers necessary or convenient for the administration of federal monies pursuant to subsection (e) of this section, including the power:

- (1) to enter into one or more agreements for the administration of federal monies;
- (2) to be a promoter, partner, member, associate, owner, or manager of any partnership, limited liability company, joint venture, association, trust, or other organization;
- (3) to conduct its activities, locate offices, and exercise the powers granted by this title within or outside this State;
- (4) to carry on a business in the furtherance of its purposes; and
- (5) to do all things necessary or convenient, consistent with law, to further the activities and affairs of the Authority.

* * * Repeal of Sunset on Sales and Use Tax Exemption;
Airplanes and Airplane Parts * * *

Sec. I.1. REPEALS

The following are repealed:

- (1) 2007 Acts and Resolve No. 81, Secs. 7a (amendment to sales tax exemption for aircraft parts) and 7b (effective date).
- (2) 2008 Acts and Resolve No. 190, Sec. 43 (effective date).

* * * Tax Increment Financing Districts * * *

Sec. J.1. TAX INCREMENT FINANCING; FINDINGS

The General Assembly finds that the State of Vermont has an important role to play in creating the infrastructure necessary to support downtown development and revitalization, particularly in distressed communities.

Sec. J.2. 24 V.S.A. § 1892 is amended to read:

§ 1892. CREATION OF DISTRICT

(a) Upon a finding that such action will serve the public purposes of this subchapter and subject to subsection (d) of this section, the legislative body of any municipality may create within its jurisdiction a special district to be known as a tax increment financing district. The district shall be described by its boundaries and the properties therein and the district boundary shall be shown on a plan entitled “Proposed Tax Increment Financing District (municipal name), Vermont.” The legislative body shall hold one or more public hearings, after public notice, on the proposed plan.

* * *

(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district, ~~and the Vermont Economic Progress Council is not authorized to approve any additional tax increment financing districts even if one of the districts named in this subsection is terminated pursuant to subsection 1894(a) of this subchapter:~~

- (1) the City of Burlington, Downtown;
- (2) the City of Burlington, Waterfront;
- (3) the Town of Milton, North and South;
- (4) the City of Newport;
- (5) the City of Winooski;
- (6) the Town of Colchester;
- (7) the Town of Hartford;
- (8) the City of St. Albans;
- (9) the City of Barre; ~~and~~
- (10) the Town of Milton, Town Core; and
- (11) the City of South Burlington.

(e) On or before January 15, 2018, the Joint Fiscal Office, with the assistance of the consulting Legislative Economist, the Department of Taxes, the State Auditor, and the Agency of Commerce and Community Development in consultation with the Vermont Economic Progress Council, shall examine and report to the General Assembly on the use of both tax increment financing districts and other policy options for State assistance to municipalities for funding infrastructure in support of economic development and the capacity of Vermont to utilize TIF districts moving forward.

(f) The report shall include:

(1) a recommendation for a sustainable statewide capacity level for TIFs or comparable economic development tools and relevant permitting criteria;

(2) the positive and negative impacts on the State's fiscal health of TIFs and other tools, including the General Fund and Education Fund;

(3) the economic development impacts on the State of TIFs and other tools, both positive and negative;

(4) the mechanics for ensuring geographic diversity of TIFs or other tools throughout the State; and

(5) the parameters of TIFs and other tools in other states.

(g) Beginning in 2019 and annually thereafter, on or before January 15 of each year, the Joint Fiscal Office, with the assistance of the consulting Legislative Economist, the Department of Taxes, and the Agency of Commerce and Community Development in consultation with the Vermont Economic Progress Council, shall examine the recommendations and conclusions of the tax increment financing capacity study and report created pursuant to subsection (e) of this section, and shall submit to the Emergency Board and to the House Committees on Commerce and Economic Development and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance an updated summary report that includes:

(1) an assessment of any material changes from the initial report concerning TIFs and other tools and an assessment of the health and sustainability of the tax increment financing system in Vermont;

(2) short-term and long-term projections on the positive and negative fiscal impacts of the TIF districts or other tools, as applicable, that are currently active or authorized in the State;

(3) a review of the size and affordability of the net indebtedness for TIF districts and an estimate of the maximum amount of new long-term net debt that prudently may be authorized for TIF districts or other tools in the next fiscal year.

(h) Annually, based on the analysis and recommendations included in the reports required in this section, the General Assembly shall consider the amount of new long-term net debt that prudently may be authorized for TIF districts in the next fiscal year and determine whether to expand the number of TIF districts or similar economic development tools in addition to the previously approved districts referenced in subsection (d) of this section and the six additional districts authorized by 32 V.S.A. § 5404a(f).

Sec. J.3. 24 V.S.A. § 1894 is amended to read:

§ 1894. POWER AND LIFE OF DISTRICT

* * *

(b) Use of the education property tax increment. For only debt incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, up to ~~75~~ 70 percent of the education tax increment may be retained for up to 20 years, beginning with the education tax increment generated the year in which the first debt incurred for improvements financed in whole or in part with incremental education property tax revenue. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the 20-year retention period of education tax increment.

(c) Use of the municipal property tax increment. For only debt incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, not less than ~~an equal share~~ 85 percent of the municipal tax increment ~~pursuant to subsection (f) of this section~~ shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.

* * *

(f) ~~Equal share required~~ Required share of increment. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), ~~no not~~ not more than ~~75~~ 70 percent of the State property tax increment and ~~no not~~ not less than ~~an equal percent~~ 85 percent of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.

* * *

Sec. J.4. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
FINANCING DISTRICTS

* * *

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply ~~up to 75~~ not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, as defined in 24 V.S.A. § 1896 to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the six-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the six-district limit.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (3)(A) of this subsection, the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

* * *

(h) Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

(1)(A) Review each application to determine that the ~~new real property~~ infrastructure improvements proposed to serve the tax increment financing district and the proposed development in the district would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the incremental tax revenues.

(B) The review shall take into account:

(A)(i) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(B)(ii) how the proposed development components and size would differ, if at all, including, if applicable to the development, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303, without education property tax increment financing; and

~~(C)(iii)~~(I) the amount of additional revenue expected to be generated as a result of the proposed development;

(II) the percentage of that revenue that shall be paid to the ~~education fund~~ Education Fund;

(III) the percentage that shall be paid to the municipality; and

(IV) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.

* * *

(3) Location criteria. Determine that each application meets ~~one~~ at least two of the following three criteria:

(A) The development ~~or redevelopment~~ is:

(i) compact;

(ii) high density; ~~and~~ or

(iii) located in or near existing industrial areas.

(B) The proposed district is within an approved growth center, designated downtown, designated village center, ~~or~~ new town center, or neighborhood development area.

(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the ~~area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values~~ municipality in which the area is located has at least one of the following:

(i) a median family income that is not more than 80 percent of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data are available;

(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or

(iii) a median sales price for residential properties under six acres that is not more than 80 percent of the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three of the following five criteria:

(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.

(B) The development includes new or rehabilitated affordable housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. ~~“Affordable” has the same meaning as in 10 V.S.A. § 6001(29), as defined in 24 V.S.A. § 4303.~~

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

(D) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the ~~department of labor~~ Department of Labor.

(E) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

Sec. J.5. IMPLEMENTATION

Secs. J.1– J.4 of this act shall apply only to tax increment financing district applications filed, and districts approved, on or after the date of passage of this act.

Sec. J.6. 24 V.S.A. chapter 53, subchapter 5 is redesignated to read:

Subchapter 5. Statewide Tax Increment Financing

Sec. J.7. 24 V.S.A. chapter 53, subchapter 6 is added to read:

Subchapter 6. Municipal Tax Increment Financing

§ 1903. DEFINITIONS

As used in this subchapter:

(1) “District” or “TIF” means a tax increment financing district.

(2) “Improvements” means the installation, new construction, or reconstruction of infrastructure to benefit a municipal tax increment financing district, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation.

(3) “Legislative body” means the mayor and alderboard, the city council, the selectboard, or the president and trustees of an incorporated village, as appropriate.

(4) “Municipality” means a city, town, or incorporated village.

(5) “Original taxable value” means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district as of the creation date as set forth in section 1904 of this subchapter, provided that no parcel within the district shall be divided or bisected by the district boundary.

(6) “Related costs” means expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of a municipal tax increment financing district, including reimbursement of sums previously advanced by the municipality for those purposes, direct municipal expenses such as departmental or personnel costs related to creating or administering the project, and audit costs allocable to the district.

§ 1904. MUNICIPAL TAX INCREMENT FINANCING DISTRICT

(a) General authority. Notwithstanding any provision of subchapter 5 of this chapter or 32 V.S.A. § 5404a to the contrary, upon approval of the legislative body of any municipality, a municipality may create a municipal tax increment financing district, and may incur debt to provide funding for improvements and related costs for the district.

(b) Municipal approval; voter approval.

(1) The legislative body of the municipality shall hold one or more public hearings to consider a municipal tax increment financing plan. Following public notice, hearing, and opportunity to comment, the legislative body of the municipality may grant approval of the plan.

(2) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor, and the creation of the district shall occur at 12:01 a.m. on April 1 of the calendar year so voted by the municipal legislative body.

(3) The municipality may only incur debt for the project if the voters of the municipality approve the debt obligation by a majority vote at a regular or special meeting for which voting upon the debt obligation was properly warned.

(4) Following final voter approval, the municipality has up to five years to incur debt pursuant to the financing plan.

(c) Life of district.

(1) A municipality may incur indebtedness against revenues of the municipal tax increment financing district over any period authorized by the legislative body of the municipality.

(2) Any indebtedness incurred under subdivision (1) of this subsection may be retired over any period authorized by the legislative body of the municipality.

(3) The district shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, after the period authorized by the legislative body of the municipality to incur indebtedness.

(d) Financing. During the life of an active district, the following apply, notwithstanding any provision of law to the contrary:

(1) Valuation.

(A) Within 30 days of voter approval pursuant to subsection (b) of this section, the lister or assessor for a municipality shall certify to the legislative body of the municipality the original taxable value of a tax increment financing district as of the date the voters approved the debt obligation.

(B) On or before June 30 following voter approval and annually thereafter, the lister or assessor shall assess and certify to the legislative body the current value of a project parcel.

(2) Tax rate.

(A) The lister or assessor shall use the original taxable value of a project parcel when computing the municipal tax rate.

(B) When calculating the amount of tax due on a project parcel, the treasurer shall apply the municipal tax rate to the current assessed value, rather than the original taxable value.

(3) Tax increment.

(A) The "tax increment" is the amount of tax paid on a project parcel, as calculated pursuant to subdivision (2)(B) of this subsection (d) using the current assessed value, that exceeds the amount of tax that would have been due if the tax rate were applied to the original taxable value.

(B) The municipality may retain any share of the municipal tax increment to service the debt, beginning the first year in which debt is incurred.

(C) A municipal tax increment financing district created pursuant to this subchapter is not authorized to retain any education property tax increment.

(D) A municipality shall segregate the tax increment in a special account and in its official books and records.

(4) Use of tax increment.

(A) As of each date the municipality receives a tax payment and retains a portion of the tax increment pursuant to this section, the municipality shall use the portion of the municipal tax increment that is necessary to pay costs actually incurred as of that date for debt service and related costs.

(B) If, after paying for improvements and related costs, there remains any excess portion of the tax increment, the municipality may retain the increment to prepay principal and interest on the financing, use for future financing payments, or use for defeasance of the financing.

(e) Annual audit.

(1) The municipality shall ensure that the segregated account for the tax increment financing district required by this section is subject to the annual audit requirements prescribed in sections 1681 and 1690 of this title.

(2) Any audit procedures shall include verification of the original taxable value and current assessed value, expenditures for project debt service and related costs, annual and total tax increment funds generated, and allocation of tax increment funds.

Secs. K.1–K.3. [Deleted.]

* * * Opportunity Economy * * *

Sec. L.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;
APPROPRIATION

(a) Findings. The General Assembly finds:

(1) Since 1989, the Microbusiness Development Program has provided free business technical assistance, including training and counseling, as well as access to capital to Vermonters with low income.

(2) The Vermont Community Action Agencies work in conjunction with many partners, including other service providers, State agencies, business technical assistance providers, and both traditional and alternative lenders.

(3) Each year the Program:

(A) enables the creation or expansion of an average of 145 businesses across Vermont;

(B) supports the creation of 84 new jobs; and

(C) provides access to more than \$1,100,000.00 in capital.

(4) The average cost per job created through the Program is less than \$3,600.00.

(b) Intent. It is the intent of the General Assembly to provide additional funding, subject to available resources, for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

* * * Funding Priorities * * *

Sec. M.1. SMALL BUSINESS DEVELOPMENT CENTER

In fiscal year 2018, it is the intent of the General Assembly to provide funding, subject to available resources, to the Vermont Small Business Development Center for the purpose of increasing the number of business advisors, with priority to underserved regions of the State.

Sec. M.2. ECONOMIC DEVELOPMENT MARKETING

(a) The Agency of Commerce and Community Development shall have the authority, and may use available funds, to:

(1) implement the Department of Economic Development's economic development marketing plan to attract and retain residents and businesses to Vermont, highlighting the many positive features that make Vermont a great place to live, work, and do business; and

(2) prioritize marketing tactics with the potential to shift most efficiently and effectively perceptions about Vermont as a place to live and work, and that will form a set of marketing assets and strategic framework to sustain Department of Economic Development activities beyond initial implementation.

(b) Funds available to implement this section may be matched with federal funds, special funds, grants, donations, and private funds. To increase the amount and effectiveness of marketing activities conducted, the Agency shall collaborate with 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.

(c) Prior to taking any action pursuant to subsection (a) of this section, including issuing any requests for proposals for contracts or grants to partner with the Department in implementing this section, the Secretary of Commerce and Community Development shall adopt relevant outcomes, performance measures, and indicators in order to:

(1) clearly articulate the goals and expectations for the State's economic development marketing plan and its implementation, for any contracts or grants with the Department, and for the activities of the Department and its partners; and

(2) enable the General Assembly to evaluate the performance and effectiveness of the plan and its implementation and of the activities of the Department and its partners undertaken pursuant to this section.

* * * Effective Dates * * *

Sec. N.1. EFFECTIVE DATES

(a) This section and Secs C.1–C.2 (public retirement); D.1–D.2 (VOSHA and workers' compensation); E.1 (workforce development system); F.1 (minimum wage and benefits cliff study); and H.11 (Vermont State Housing Authority) shall take effect on passage.

(b) The remaining provisions of this act shall take effect on the date of enactment of the fiscal year 2018 annual budget bill.

*KEVIN J. MULLIN
REBECCA A. BALINT
MICHAEL D. SIROTKIN*

Committee on the part of the Senate

*WILLIAM G. F. BOTZOW III
MICHAEL J. MARCOTTE
JAMES O. CONDON*

Committee on the part of the House

Which was considered.

Pending the question, Shall the House adopt the report of the committee of conference? **Rep. Botzow of Pownal** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House adopt the report of the committee of conference? was decided in the affirmative. Yeas, 140. Nays, 1.

Those who voted in the affirmative are:

Ancel of Calais	Gamache of Swanton	Myers of Essex
Bancroft of Westford	Gannon of Wilmington	Nolan of Morristown
Bartholomew of Hartland	Gardner of Richmond	Norris of Shoreham
Baser of Bristol	Giambatista of Essex	Noyes of Wolcott
Batchelor of Derby	Gonzalez of Winooski	Ode of Burlington
Beck of St. Johnsbury	Grad of Moretown	O'Sullivan of Burlington
Belaski of Windsor	Graham of Williamstown	Parent of St. Albans Town
Beyor of Highgate	Haas of Rochester	Partridge of Windham
Bissonnette of Winooski	Harrison of Chittenden	Pearce of Richford
Bock of Chester	Head of South Burlington	Poirier of Barre City
Botzow of Pownal	Hebert of Vernon	Potter of Clarendon
Brennan of Colchester	Helm of Fair Haven	Pugh of South Burlington
Briglin of Thetford	Higley of Lowell	Quimby of Concord

Browning of Arlington	Hill of Wolcott	Rachelson of Burlington
Brumsted of Shelburne	Hooper of Montpelier	Rosenquist of Georgia
Buckholz of Hartford	Hooper of Brookfield	Savage of Swanton
Burke of Brattleboro	Houghton of Essex	Scheu of Middlebury
Canfield of Fair Haven	Howard of Rutland City	Scheuermann of Stowe
Carr of Brandon	Jickling of Brookfield	Sharpe of Bristol
Chesnut-Tangerman of Middletown Springs	Joseph of North Hero	Shaw of Pittsford
Christensen of Weathersfield	Juskiewicz of Cambridge	Sheldon of Middlebury
Christie of Hartford	Keefe of Manchester	Sibilia of Dover
Cina of Burlington	Keenan of St. Albans City	Smith of Derby
Colburn of Burlington	Kimbell of Woodstock	Smith of New Haven
Condon of Colchester	Kitzmiller of Montpelier	Squirrel of Underhill
Conlon of Cornwall	Krowinski of Burlington	Stevens of Waterbury
Connor of Fairfield	LaClair of Barre Town	Strong of Albany
Conquest of Newbury	Lalonde of South Burlington	Stuart of Brattleboro
Copeland-Hanzas of Bradford	Lanpher of Vergennes	Sullivan of Dorset
Corcoran of Bennington	Lawrence of Lyndon	Sullivan of Burlington
Cupoli of Rutland City	Lefebvre of Newark	Taylor of Colchester
Dakin of Colchester	Lewis of Berlin	Till of Jericho
Deen of Westminster	Lippert of Hinesburg	Toleno of Brattleboro
Devereux of Mount Holly	Long of Newfane	Toll of Danville
Dickinson of St. Albans Town	Lucke of Hartford	Townsend of South Burlington
Donahue of Northfield	Macaig of Williston	Trieber of Rockingham
Donovan of Burlington	Marcotte of Coventry	Troiano of Stannard
Dunn of Essex	Martel of Waterford	Turner of Milton
Emmons of Springfield	Masland of Thetford	Van Wyck of Ferrisburgh
Fagan of Rutland City	McCormack of Burlington	Viens of Newport City
Feltus of Lyndon	McCoy of Poultney	Walz of Barre City
Fields of Bennington	McCullough of Williston	Weed of Enosburgh
Forguites of Springfield	McFaun of Barre Town	Wood of Waterbury
Frenier of Chelsea	Miller of Shaftsbury	Wright of Burlington
Gage of Rutland City	Morris of Bennington	Yacovone of Morristown
	Morrissey of Bennington	Yantachka of Charlotte
	Mrowicki of Putney	Young of Glover
	Murphy of Fairfax	

Those who voted in the negative are:

Ainsworth of Royalton

Those members absent with leave of the House and not voting are:

Burditt of West Rutland	Jessup of Middlesex	Webb of Shelburne
Greshin of Warren	Olsen of Londonderry	Willhoit of St. Johnsbury
Hubert of Milton	Terenzini of Rutland Town	

Thereupon, on motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Recess

At four o'clock and twenty-nine minutes in the afternoon, the Speaker

declared a recess until six o'clock in the evening.

At six o'clock and twenty-one minutes in the evening, the Speaker called the House to order.

Message from the Senate No. 80

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 516. An act relating to miscellaneous tax changes.

And has accepted and adopted the same on its part.

Rules Suspended; Report of Committee of Conference Adopted; Rules Suspended; Action Ordered Messaged to Senate Forthwith and Delivered to the Governor Forthwith

H. 516

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to miscellaneous tax changes

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

H. 516

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 .516. An act relating to miscellaneous tax changes.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Administrative and Technical Provisions * * *

Sec. 1. 7 V.S.A. § 423(a) is amended to read:

(a) The ~~Commissioner of Taxes and the~~ Liquor Control Board shall adopt such rules as ~~they deem~~ it deems necessary for the proper administration and collection of the tax imposed under section 422 of this title.

Sec. 2. 24 V.S.A. § 1168 is amended to read:

§ 1168. RETURN OF NAMES OF LISTERS TO DIRECTOR OF THE
DIVISION OF PROPERTY VALUATION AND REVIEW

After each annual meeting, a town clerk shall report forthwith ~~in writing~~ electronically to the Director of the Division of Property Valuation and Review the name of each lister therein, his or her post office address, and the length of his or her term of office. In like manner, ~~such a town~~ a town clerk shall notify the Director of the Division of Property Valuation and Review of any lister appointed to fill a vacancy.

Sec. 3. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than \$1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, he or she shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

(b) The following definitions shall apply for purposes of this ~~section~~ chapter:

(1) "Person" shall include any individual, firm, partnership, association, joint stock company, corporation, trust, estate, or other entity.

(2) "Return" means any tax return, declaration of estimated tax, license application, report, or similar document, including attachments, schedules, and transmittals, filed with the Department of Taxes.

(3) "Return information" includes a person's name, address, date of birth, Social Security or federal identification number or any other identifying number; information as to whether or not a return was filed or required to be filed; the nature, source or amount of a person's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liabilities, tax payments, deficiencies or over-assessments; and any other data, from any source, furnished to or prepared or collected by the Department of Taxes with respect to any person.

(4) "Tax administration" means the verification of a tax return or claim

for credit, rebate or refund; the investigation, assessment, determination, litigation or collection of a tax liability of any person; the investigation or prosecution of a tax-related crime; or the enforcement of a tax statute.

(5) “Commissioner” means the Commissioner of Taxes appointed under section 3101 of this title or any officer, employee or agent of the Department of Taxes authorized by the Commissioner (directly or indirectly by one or more redelegations of authority) to perform any function of the Commissioner.

(6) “State” means any sovereign body politic, including the United States, any state or territory thereof, and any foreign country or state or province thereof.

(7) “Authorized representative” means any person who would be considered a designee of the taxpayer under 26 U.S.C. § 6103(c). The signature of a notary public shall not be required for a person to be considered an “authorized representative.”

* * *

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(17) To the Department of Financial Regulation, if such return or return information relates to the tax on premiums of captive insurance companies contained in 8 V.S.A. chapter 141, to the tax on surplus lines under 8 V.S.A. § 5035, to the tax on the direct placement of insurance under 8 V.S.A. § 5036, or to the tax on insurance premiums under section 8551 of this title.

(18) To the Agency of Natural Resources, if such return or return information relates to the tax on hazardous waste under chapter 237 of this title, or to the franchise tax on waste facilities under subchapter 13 of chapter 151 of this title.

(19) To the Vermont Student Assistance Corporation if such return or return information is necessary to verify eligibility for the matching allocation required by 16 V.S.A. § 2880d(c).

* * *

Sec. 4. 32 V.S.A. § 5914(a) is amended to read:

(a) An S corporation which engages in activities in Vermont which would subject a C corporation to the requirement to file a return under section 5862 of this title shall file with the Commissioner an annual return, in the form prescribed by the Commissioner, on or before the due date prescribed for the filing of ~~C corporation returns under section 5862~~ S corporation returns under

subsection 6072(b) of the Internal Revenue Code. The return shall set forth the name, address, and Social Security or federal identification number of each shareholder; the income attributable to Vermont and income not attributable to Vermont with respect to each shareholder as determined under this subchapter; and such other information as the Commissioner may by regulation prescribe. The S corporation shall, on or before the day on which such return is filed, furnish to each person who was a shareholder during the year a copy of such information shown on the return as the Commissioner may by regulation prescribe.

Sec. 5. 32 V.S.A. § 9243(a) is amended to read:

(a) Where the meals and rooms tax liability under this chapter for the immediately preceding full calendar year has been (or would have been in cases when the business was not operating for the entire year) \$500.00 or less, the gross receipts taxes imposed by this chapter shall be due and payable in quarterly installments on or before the 25th day of the calendar month succeeding the quarter ending the last day of March, June, September, and December of each year. In all other cases, the gross receipts tax imposed by this chapter shall be due and payable monthly on or before the 25th (23rd of February) day of the month following the month for which the tax is due. The Commissioner may authorize payment of the tax due by electronic funds transfer. The Commissioner may require payment by electronic funds transfer from any taxpayer who is required by federal tax law to pay any federal tax in that manner, or from any taxpayer who has submitted to the Department of Taxes two or more protested or otherwise uncollectible checks with regard to any State tax payment in the prior two years. Each operator shall make out and sign under the pains and penalties of perjury a return for each quarter or month. The return shall be filed with the Commissioner on a form prescribed by the Commissioner. The Commissioner shall distribute return forms to the operators, upon request, but no operator shall be excused from liability for failure to file a return or pay the tax because he or she has failed to receive a form. A remittance for the amount of taxes shall accompany each quarterly or monthly return. Returns shall be made on forms provided by the Commissioner. Payment of taxes by electronic funds transfer does not affect the requirement to file returns.

Sec. 6. 32 V.S.A. § 9606(e) is amended to read:

(e) The Commissioner of Taxes is authorized to disclose to any person any information appearing on a property transfer tax return, including statistical information derived therefrom, and such information derived from research into information appearing on property transfer tax returns as is necessary to determine if the property being transferred is subject to 10 V.S.A. chapter 151, except the Commissioner shall not disclose the Social Security number, federal

identification number, e-mail address, or telephone number of any person pursuant to this subsection.

Sec. 7. 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 ~~2015~~ 2016, 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. 8. 32 V.S.A. § 7442a(c) is added to read:

(c) All values shall be as finally determined for federal estate tax purposes.

Sec. 9. 33 V.S.A. § 1959(a) is amended to read:

(a)(1) The annual assessment for each ambulance agency shall be 3.3 percent of the ambulance agency's annual net patient revenues for services delivered to patients in Vermont during the most recent annual fiscal period. As used in this section, "net patient revenues" means the total amount of payments an ambulance agency received during the fiscal period from Medicaid, Medicare, commercial insurance, and all other payers as payment for services rendered. The term does not include municipal appropriations, donations from any source, or any other funding unrelated to the delivery of health care services.

(2) The Department shall determine the appropriate fiscal period as necessary to ensure compliance with federal law.

(3) Ambulance agencies shall remit the assessment amount to the Department annually on or before March 31, beginning with March 31, 2017.

Sec. 10. 32 V.S.A. § 5400(i) is added to read:

(i) The statutory purpose of subdivision 5401(10)(D) of this title is to support Vermont's ski industry and to encourage personal property investments and improvements at ski resorts.

Sec. 11. 3 V.S.A. chapter 10 is added to read:

CHAPTER 10. FEDERAL TAX INFORMATION

§ 241. BACKGROUND INVESTIGATIONS

(a) "Federal tax information" or "FTI" means returns and return information as defined in 26 U.S.C. § 6103(b) that are received directly from the Internal Revenue Service or obtained through an IRS-authorized secondary source, that are in the Recipient's possession or control, and that are subject to the confidentiality protections and safeguarding requirements of the Internal

Revenue Code and corresponding federal regulations and guidance.

(b) As used in this chapter, "Recipient" means the following authorities of the Executive Branch of State government that receive FTI:

(1) Agency of Human Services, including:

(A) Department for Children and Families;

(B) Department of Health;

(C) Department of Mental Health; and

(D) Department of Vermont Health Access.

(2) Department of Labor.

(3) Department of Motor Vehicles.

(4) Department of Taxes.

(c) The Recipient shall conduct an initial background investigation of any prospective employee, volunteer, contractor, or subcontractor, to whom the Recipient will permit access to FTI for the purpose of assessing the individual's fitness to be permitted access to FTI.

(d) The Recipient shall request and obtain from the Vermont Crime Information Center (VCIC) the Federal Bureau of Investigation and State and local law enforcement criminal history records based on fingerprints for the purpose of conducting a background investigation under this section.

(e) The Recipient shall sign and keep a user agreement with the VCIC.

(f) A request made under subsection (d) of this section shall be accompanied by a release signed by the individual on a form provided by the VCIC, a set of the individual's fingerprints, and a fee established by the VCIC that shall reflect the cost of obtaining the record. The fee for a current or prospective employee shall be paid by the Recipient. The release form to be signed by the individual shall include a statement informing the individual of:

(1) the right to challenge the accuracy of the record by appealing to the VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Recipient's policy regarding background investigations and the maintenance and destruction of records.

(g) Upon completion of a criminal history record check under subsection (d) of this section, the VCIC shall send to the Recipient either a notice that no record exists or a copy of the record. If a copy of a criminal history record is received, the Recipient shall forward it to the individual and shall inform the individual in writing of:

(1) the right to challenge the accuracy of the record by appealing to the VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Recipient's policy regarding background investigations and the maintenance and destruction of records.

(h) Criminal history records and information received under this chapter are exempt from public inspection and copying under the Public Records Act and shall be kept confidential by the Recipient, except to the extent that federal or State law authorizes disclosure of such records or information to specifically designated persons.

(i) The Recipient shall adopt policies in consultation with the Department of Human Resources to carry out this chapter and to guide decisions based on the results of any background investigation conducted under this chapter.

* * * Property Taxes; Reporting Education Fund Impact of TIFs * * *

Sec. 11a. 32 V.S.A. § 305b is added to read:

§ 305b. EDUCATION PROPERTY TAX INCREMENT; EMERGENCY BOARD ESTIMATE

Annually, at the January meeting of the Emergency Board held pursuant to section 305a of this title, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board a consensus estimate of the impact on the Education Fund resulting from tax increment financing districts authorized pursuant to 24 V.S.A. chapter 53 and section 5404a of this title. The estimate shall be for the succeeding fiscal year. The Emergency Board shall adopt an official estimate of the impact on the Education Fund at the January meeting.

* * * Games of Chance * * *

Sec. 12. 13 V.S.A. § 2143 is amended to read:

§ 2143. NONPROFIT ORGANIZATIONS

(a) Notwithstanding the provisions of this chapter, a nonprofit organization, as defined in ~~32 V.S.A. § 10201(5)~~ 31 V.S.A. § 1201(5), may organize and execute, and an individual may participate in lotteries, raffles or other games of chance for the purpose of raising funds to be used in charitable, religious, educational, and civic undertakings or used by fraternal organizations to provide direct support to charitable, religious, educational, or civic undertakings with which they are affiliated. Except as provided in subsection (d) of this section, gambling machines and other mechanical devices described in section 2135 of this title shall not be utilized under authority of this section.

* * *

(d) Casino events shall be limited as follows:

* * *

(2) A location that is owned by a nonprofit, as defined in ~~32 V.S.A. § 10201(5)~~ 31 V.S.A. § 1201(5), may be the site of no more than three casino events in any calendar quarter and no more than 12 casino events in any calendar year as long as there are at least 15 days between each event.

(3) A nonprofit organization, as defined in ~~32 V.S.A. § 10201(5)~~ 31 V.S.A. § 1201(5), may organize and execute no more than:

(A) one casino event in any calendar quarter; or

(B) three casino events in any calendar year, as long as there are at least 15 days between each event.

* * *

(e) Games of chance shall be limited as follows:

* * *

(6) A nonprofit organization shall not organize and execute games of chance on more than two days in any calendar week, nor shall games of chance be organized and executed at any location on more than two days in any calendar week, except that:

(A) Casino events may be conducted only as permitted under subsection (d) of this section.

(B) Break-open tickets may be purchased and distributed only as provided in ~~32 V.S.A. chapter 239~~ 31 V.S.A. chapter 23.

(C) A nonprofit organization may organize and execute games of chance on three consecutive days not more than twice in any calendar year as long as there are at least 90 days between each event.

(D) Agricultural fairs qualified to receive a State stipend pursuant to 31 V.S.A. § 617 may organize and execute games of chance for not more than 12 consecutive days during the fair once each calendar year.

(E) A nonprofit organization may organize and execute games of chance at a location used by another nonprofit organization which results in the location being used on more than two days a week if all the nonprofit organizations using the location were in existence as of January 1, 1994, and are not affiliated with each other or under common control.

* * *

Sec. 13. 31 V.S.A. chapter 23 is added to read:

CHAPTER 23. GAMES OF CHANCE

§ 1201. DEFINITIONS

As used in this chapter:

(1) “Break-open ticket” means a lottery utilizing a card or ticket of the so-called pickle card, jar ticket, or break-open variety commonly bearing the name “Lucky 7,” “Nevada Club,” “Victory Bar,” “Texas Poker,” “Triple Bingo,” or any other name.

(2) “Commissioner” means the Commissioner of Liquor Control.

(3)(A) “Distributor” means a person that purchases break-open tickets from a manufacturer and sells or distributes break-open tickets at wholesale in Vermont. “Distributor” shall include any officer, employee, or agent of a corporation or dissolved corporation that has a duty to act for the corporation in complying with the requirements of this chapter.

(B) “Distributor” shall not include a person who distributes only jar tickets that are used only for merchandise prizes.

(4) “Manufacturer” means a person that designs, assembles, fabricates, produces, constructs, or who otherwise prepares a break-open ticket for sale to a distributor.

(5) “Nonprofit organization” means a nonprofit corporation that is qualified for tax exempt status under I.R.C. § 501(c), as amended, and that has engaged, in good faith, in charitable, religious, educational, or civic activities in Vermont on a regular basis during the preceding year. “Nonprofit organization” also includes churches, schools, fire departments, municipalities, fraternal organizations, and organizations that operate agricultural fairs or field days, and that have engaged, in good faith, in charitable, religious, educational, or civic activities in Vermont on a regular basis during the preceding year. An organization shall be considered a nonprofit organization under this subdivision only if it certifies annually, on a form with whatever information is required by the Commissioner, how it meets the definition under this subdivision.

§ 1202. LICENSE REQUIRED

(a) Manufacture. Break-open tickets sold in Vermont shall be manufactured only by a person licensed by the Commissioner. A licensed manufacturer shall sell break-open tickets only to distributors licensed under this chapter. A distributor licensed under this chapter shall purchase break-open tickets only from a manufacturer licensed under this chapter.

(b) Distribution. A distributor who sells or distributes break-open tickets for resale in Vermont shall be licensed by the Commissioner, and shall also be:

(1) a natural person who is a resident of Vermont;

(2) a partnership in which the majority of partners are residents of Vermont;

(3) a corporation incorporated under the laws of Vermont, provided that a majority of the ownership interest is held by residents of Vermont; or

(4) a person who is not a resident of Vermont and whose state of residence allows residents or corporations of Vermont to distribute break-open tickets in that state under similar terms and conditions as provided under this chapter.

§ 1203. DISTRIBUTION; RETAIL PURCHASE AND SALE

(a) Only nonprofit organizations may purchase break-open tickets from a distributor licensed under this chapter.

(b) No person, other than a licensed distributor or a nonprofit organization acting under subsection (f) of this section, shall distribute a box of break-open tickets. No person shall distribute a box of break-open tickets unless the box bears indicia as required by the Commissioner. No person shall distribute or sell a break-open ticket at retail unless the ticket bears a unique serial number.

(c) A distributor licensed under this chapter may sell break-open tickets only to nonprofit organizations as defined in subdivision 1201(5) of this chapter, except that a person other than a licensed distributor may sell such tickets to a licensed distributor upon written approval of the Commissioner.

(d) Only nonprofit organizations may sell break-open tickets at retail.

(e) Break-open tickets shall not be sold at premises licensed to sell alcoholic beverages except:

(1) at clubs as defined in 7 V.S.A. § 2(7); or

(2) a nonprofit organization may sell break-open tickets at premises licensed to sell alcoholic beverages if, notwithstanding 13 V.S.A. § 2143(e) of this chapter, all proceeds from the sale of break-open tickets are used by the nonprofit organization exclusively for charitable, religious, educational, and civic undertakings, with only the following costs deducted from the proceeds:

(A) actual cost of the break-open tickets;

(B) the prizes awarded;

(C) reasonable legal fees necessary to organize the nonprofit organization and to ensure compliance with all legal requirements; and

(D) reasonable accounting fees necessary to account for the proceeds from the sale of break-open tickets.

(f) A nonprofit organization that sells break-open tickets, other than a club as defined in 7 V.S.A. § 2(7), shall report to the Department of Liquor Control on a quarterly basis the number of tickets purchased and distributed, and the

corresponding serial numbers of those tickets, the amount of revenue realized by the nonprofit organization, and the amounts accounted for under subdivisions (e)(2)(A)–(D) of this section. The nonprofit organization shall also identify an individual from the organization responsible for the reporting requirements under this subsection. If the Department of Liquor Control determines that a nonprofit organization has failed to comply with the requirements of this subsection, the Department of Liquor Control shall notify the nonprofit organization and any licensed distributors of this failure, and any licensed distributor that continues to sell break-open tickets to that nonprofit organization after notice shall be considered in violation of the requirements of this chapter, until the Department of Liquor Control has determined the nonprofit organization is back in compliance with this subsection.

(g) The provisions of this chapter regarding sales and purchases of break-open tickets also apply to transfers of break-open tickets for no charge.

§ 1204. LICENSE REQUIREMENTS; FEES

(a) Upon application and payment of the fee, the Commissioner may issue the following licenses to qualified applicants:

(1) Manufacturer annual license: \$3,000.00

(2) Distributor annual license: \$2,000.00

(b) A license shall not be granted to an individual who has been convicted of a felony within five years of the license application nor to an entity in which any partner, officer, or director has been convicted of a felony within five years of the application.

(c) Licenses issued under this section may be renewed annually on October 1, upon reapplication and payment of the licensing fee.

(d) All fees collected pursuant to this section shall be deposited into the Liquor Control Enterprise Fund.

§ 1205. RECORDS; REPORT

(a) Each distributor and manufacturer licensed under this chapter shall maintain records and books relating to the distribution and sale of break-open tickets and to any other expenditure required by the Commissioner. A licensee shall make its records and books available to the Commissioner for auditing.

(b) Each licensed distributor shall file with the Commissioner on the same schedule as the distributor files sales tax returns the following information for the preceding reporting period:

(1) The names of organizations to which boxes of break-open tickets were sold.

(2) The number of boxes of break-open tickets sold to each organization.

(3) The ticket denomination and serial numbers of tickets for each box.

(c) Records and reports filed under this section shall be designated confidential unless, under State or federal law or regulation, the record or information may be disclosed to specifically designated persons.

(d) Notwithstanding subsection (c) of this section, the Commissioner of Liquor Control shall provide the records and reports filed under this section to the Attorney General, upon request.

§ 1206. ENFORCEMENT

(a) Any person who intentionally violates section 1203 of this chapter shall be fined not more than \$500.00.

(b) Any person who intentionally violates section 1202, 1204, or 1205 of this title shall be fined not more than \$10,000.00 for the first offense and fined not more than \$20,000.00 or imprisoned not more than one year, or both, for each subsequent offense.

(c) In addition to the criminal penalties provided under subsections (a) and (b) of this section, any person who violates a provision of this chapter shall be subject to one or more of the following penalties:

(1) Revocation or suspension by the Commissioner of a license granted pursuant to this chapter.

(2) Confiscation of break-open tickets or confiscation of the revenues derived from the sale of those tickets, or both.

§ 1207. APPEALS

Any licensee aggrieved by an action taken under subsection 1206(c) of this chapter and any person aggrieved by the Commissioner's refusal to issue or renew a license under this chapter may appeal in writing to the Commissioner for review of such action. The Commissioner shall thereafter grant a hearing subject to the provisions of 3 V.S.A. chapter 25 upon the matter and notify the aggrieved person in writing of his or her determination. The Commissioner's determination may be appealed within 30 days to the Washington Superior Court or the Superior Court of the county in which the taxpayer resides or has a place of business.

§ 1208. RULEMAKING

The Department of Liquor Control may regulate the licensing and reporting requirements of manufacturers and distributors of break-open tickets under this chapter. The Commissioner of Liquor Control may adopt rules for licensure

and indicia for boxes of break-open tickets, for record keeping relating to the distribution and sale of break-open tickets, and the remittance of net proceeds from sales of break-open tickets to the intended eligible charitable recipients. The rules shall permit no proceeds to be retained by the operators of for-profit bars, except for:

- (1) the actual cost of the break-open tickets;
- (2) the prizes awarded; and
- (3) any sales tax due on the sale of break-open tickets under 32 V.S.A. chapter 233.

* * * Income Tax; Adjusted Gross Income * * *

Sec. 13a. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context requires otherwise:

(21) “Taxable income” means, in the case of an individual, federal ~~taxable~~ adjusted gross 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; and

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations;

~~(iii) the amount 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~~

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from U.S. government obligations;

(ii) with respect to adjusted net capital gain income as defined in

26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first \$5,000.00 of such adjusted net capital gain income; or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable income; and

(iii) recapture of State and local income tax deductions not taken against Vermont income tax; and

(C) Decreased by the following exemptions and deductions:

(i) the amount of personal exemptions taken at the federal level;

(ii) for taxpayers who do not itemize at the federal level, the amount of the standard deduction taken at the federal level; and

(iii) for taxpayers who itemize at the federal level:

(I) the amount of federally itemized deductions for medical and dental expenses and charitable contributions;

(II) the total amount of federally itemized deductions, other than deductions for State and local income taxes, medical and dental expenses, and charitable contributions, deducted from federal adjusted gross income for the taxable year, but in no event shall the amount under this subdivision exceed two and one-half times the federal standard deduction allowable to the taxpayer; and

(III) in no event shall the total amount of deductions allowed under subdivisions (I) and (II) of this subdivision (21)(C)(iii) reduce the total amount of itemized deductions below the federal standard deduction allowable to the taxpayer.

* * *

(27)(A) For the purposes of subdivisions (21)(B)(ii)(I), (21)(B)(ii)(II), (28)(B)(ii)(I), and (28)(B)(ii)(II) of this section, the sale of a farm shall mean the disposition of real and personal property owned by a farmer as that term is defined in subsection 3752(7) of this title and used by the farmer in the business of farming as that term is defined in

26 C.F.R. § 1.175-3.

(B) For the purposes of ~~subdivision (21)(B)(ii)(I)~~ subdivisions (21)(B)(ii)(II) and (28)(B)(ii)(II) of this section, the sale of standing timber shall mean the disposition of standing timber by an owner of timber that would give rise to the owner recognizing a capital gain or loss as defined in 26 U.S.C. § 631(b).

(28) "Taxable income" means, in the case of an estate or a trust, federal taxable income determined without regard to 26 U.S.C. § 168(k) and:

(A) increased by the following items of 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 of State and local income taxes deducted from federal gross income for the taxable year; and

(B) decreased by the following items of income:

(i) income from U.S. government obligations;

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h), reduced by the total amount of any qualified dividend income: either the first \$5,000.00 of such adjusted net capital gain income; or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (28)(B)(ii) shall not exceed 40 percent of federal taxable income; and

(iii) recapture of State and local income tax deductions not taken against Vermont income tax.

* * * Health Care Provisions; Health IT-Fund * * *

Sec. 14. 2013 Acts and Resolves No. 73, Sec. 60(10) is amended to read:

(10) Secs. 48-51 (health claims tax) shall take effect on July 1, 2013 and 52 and 53 (health claims sunset) shall take effect on July 1, ~~2017~~ 2018.

Sec. 15. HEALTH INFORMATION TECHNOLOGY REPORT

(a) The Secretaries of Administration and of Human Services shall conduct a comprehensive review of the State's Health-IT Fund established by 32 V.S.A. § 10301, Health Information Technology Plan established by 18 V.S.A. § 9351, and Vermont Information Technology Leaders administered pursuant to 18 V.S.A. § 9352.

(b) The report shall:

(1) review the need for a State-sponsored Health-IT Fund;

(2) review how past payments from the Fund have or have not promoted the advancement of health information technology adoption and utilization in Vermont;

(3) review the past development, approval process, and use of the Vermont Health Information Technology Plan;

(4) review the Vermont Information Technology Leaders (VITL) organization, including:

(A) its maintenance and operation of Vermont's Health Information Exchange (VHIE);

(B) the organization's ability to support current and future health care reform goals;

(C) defining VITL's core mission;

(D) identifying the level of staffing necessary to support VITL in carrying out its core mission; and

(E) examining VITL's use of its staff for activities outside its core mission;

(5) recommend whether to continue the Health-IT Fund, including with its current revenue source as set forth in 32 V.S.A § 10402;

(6) recommend any changes to the structure of VITL, including whether it should be a public or private entity, and any other proposed modifications to 18 V.S.A § 9352;

(7) review property and ownership of the VHIE, including identifying all specific tangible and intangible assets that comprise or support the VHIE (especially in regards to VITL's current and previous agreements with the State), and the funding sources used to create this property;

(8) evaluate approaches to health information exchange in other states, including Maine and Michigan, in order to identify opportunities for reducing duplication in Vermont's health information exchange infrastructure; and

(9) recommend any accounting or financial actions the State should take regarding State-owned tangible and intangible assets that comprise or support the VHIE.

(c) On or before November 15, 2017, the Secretaries of Administration and of Human Services shall submit this report to the House Committees on Health Care, on Appropriations, on Energy and Technology, and on Ways and Means and the Senate Committees on Health and Welfare, on Appropriations, and on Finance.

* * * Health Care Provisions; GMCB Bill Backs * * *

Sec. 15a. GREEN MOUNTAIN CARE BOARD; FISCAL YEAR 2018 BILL
BACK ALLOCATION

(a) Notwithstanding any provision of 18 V.S.A. § 9374(h) to the contrary and except as otherwise provided in subsection (b) of this section, for fiscal year 2018 only, expenses incurred by the Green Mountain Care Board to obtain information, analyze expenditures, review hospital budgets, and for any other contracts authorized by the Board shall be borne as follows:

(1) 40 percent by the State from State monies;

(2) 15 percent by the hospitals; and

(3) 45 percent by nonprofit hospital and medical service corporations licensed under 8 V.S.A. chapter 123 or 125, health insurance companies licensed under 8 V.S.A. chapter 101, and health maintenance organizations licensed under 8 V.S.A. chapter 139.

(b) The Board may determine the scope of the incurred expenses to be allocated pursuant to the formula set forth in subsection (a) of this section if, in the Board's discretion, the expenses to be allocated are in the best interests of the regulated entities and of the State.

(c) Expenses under subdivision (a)(3) of this section shall be billed to persons licensed under Title 8 based on premiums paid for health care coverage, which for the purposes of this section shall include major medical, comprehensive medical, hospital or surgical coverage, and comprehensive health care services plans, but shall not include long-term care or limited benefits, disability, credit or stop loss, or excess loss insurance coverage.

* * * Health Care Provisions; Employer Assessment * * *

Sec. 16. 32 V.S.A. chapter 245 is added to read:

CHAPTER 245. HEALTH CARE FUND CONTRIBUTION
ASSESSMENT

§ 10501. PURPOSE

For the purpose of more equitably distributing the costs of health care to uninsured residents of this State, an employers' health care fund contribution is established to provide a fair and reasonable method for sharing health care costs with employers that do not offer their employees health care coverage and employers that offer insurance but whose employees enroll in Medicaid.

§ 10502. DEFINITIONS

As used in this chapter:

(1) "Employee" means an individual who is:

(A) 18 years of age or older for all of a calendar quarter,

(B) employed full-time or part-time, and

(C) reported by an employer for purposes of complying with Vermont unemployment compensation law pursuant to 21 V.S.A. chapter 17.

(2) "Employer" means a person who is required to furnish unemployment insurance coverage pursuant to 21 V.S.A. chapter 17.

(3)(A) "Full-time equivalent" or "FTE" means the number of employees expressed as the number of employee hours worked during a calendar quarter divided by 520. The FTE calculation shall be based on a 40-hour work week. No more than one FTE may be assessed against an individual employee, regardless of the actual number of hours worked by that employee during the calendar quarter.

(B) The hours worked during a calendar quarter means hours worked during all pay periods in that quarter for which gross wages were reported and paid. Unworked hours, such as vacation or sick time, may be excluded from the FTE calculation.

(C) "Full-time equivalent" shall not include any employee hours attributable to a seasonal employee or part-time employee of an employer who offers health care coverage to all of its regular full-time employees, provided that the seasonal employee or part-time employee has health care coverage under either a private plan or any public plan except Medicaid.

(4) "Health care coverage" shall mean any private or public plan that includes both hospital and physician services.

(5) "Part-time employee" shall mean an employee who works for an employer for fewer than 30 hours a week or fewer than 390 hours in a calendar quarter.

(6) "Seasonal employee" means an employee who:

(A) works for an employer for 20 weeks or fewer in a calendar

year; and

(B) works in a job scheduled to last 20 weeks or fewer.

(7) “Uncovered employee” means:

(A) an employee of an employer who does not offer to pay any part of the cost of health care coverage for its employees;

(B) an employee who is not eligible for health care coverage offered by an employer to any other employees; or

(C) an employee who is offered and is eligible for coverage by the employer but elects not to accept the coverage and:

(i) is enrolled in Medicaid;

(ii) has no other health care coverage under either a private or public plan except Medicaid; or

(iii) has purchased health insurance coverage as an individual through the Vermont Health Benefit Exchange.

§ 10503. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

(a) The Commissioner of Taxes shall assess and an employer shall pay a quarterly Health Care Fund contribution for each full-time equivalent uncovered employee employed during that quarter in excess of four full-time equivalent employees.

(b) The amount of the contribution shall be \$158.77 for each full-time equivalent employee in excess of four. Starting in calendar year 2018, the amount of the contribution shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest-cost silver-level plan in the Vermont Health Benefit Exchange.

(c) Health Care Fund contribution assessments under this chapter shall be determined on a calendar quarter basis, due and payable on or before the 25th day of the calendar month succeeding the close of each quarter. All administrative provisions of chapter 151 of this title shall apply to this chapter, except penalty and interest shall apply according to chapter 103 of this title.

(d) Revenues from the Health Care Fund contributions collected shall be deposited into the State Health Care Resources Fund established under 33 V.S.A. § 1901d.

(e)(1) Notwithstanding any provision of law to the contrary, the Department of Taxes shall provide the Joint Fiscal Office with all returns or return information relating to the Health Care Fund contribution assessment except information that would identify a taxpayer. The information sharing

required by this subsection shall occur quarterly within a reasonable time following the return due date for each quarter.

(2) When handling information shared pursuant to this subsection, the Joint Fiscal Office shall be subject to the same requirements and penalties as employees of the Department of Taxes under section 3102 of this title. It shall be considered an unauthorized disclosure for an officer, employee, or agent of the Joint Fiscal Office to disclose returns or return information provided pursuant to this subsection that does not combine a taxpayer's information with at least nine other taxpayers.

§ 10504. HOURS WORKED BY UNCOVERED EMPLOYEES;
CALCULATION AND REPORTING

(a) Employers shall report to the Department of Taxes the number of hours worked by each uncovered employee on a return provided by the Department. The return shall be filed at the same time payment is required under subsection 10503(c) of this chapter, shall be filed electronically, and shall include any information required by the Commissioner.

(b) Quarterly health care contributions shall be calculated in the following manner:

(1) An employer shall divide the total hours worked by all uncovered employees during a quarter by 520, to represent one full-time equivalent employee. The employer shall then round the resulting number down to the nearest whole number and subtract four. The employer shall then multiply the resulting number by the amount established under subsection 10503(b) of this chapter to determine the amount of assessment due for the quarter.

(A) For full-time salaried employees, employers shall use 520 hours a quarter for the total hours worked.

(B) For all employees who worked more than 520 hours in a quarter, employers shall use 520 hours a quarter for the total hours worked.

(2) The Commissioner shall provide an electronic declaration of health care coverage form for employers to collect the health coverage statuses of their employees for purposes of this assessment. The form shall preserve the confidentiality of the type of coverage possessed by the employee and the employer shall only use the form for purposes of this assessment.

(A) An employer shall annually obtain a declaration of health care coverage from every employee who is not enrolled in a plan offered by the employer.

(B) An employer shall maintain declarations of health care coverage for a minimum of three years in a manner reasonably available for review

and audit.

(C) Employees for whom no declaration of coverage is obtained shall be treated as uncovered.

(c) In the case of an employee leasing agreement, leased employees shall be considered employees of a client company and not employees of an employee leasing company.

§ 10505. HEALTH BENEFIT COSTS

(a) Employers shall provide their employees with an annual statement indicating:

(1) the total monthly premium cost paid for any employer-sponsored health benefit plan;

(2) the employer's share and the employee's share of the total monthly premium; and

(3) any amount the employer contributes toward the employee's cost-sharing requirement or other out-of-pocket expenses.

(b) Notwithstanding the provisions of subsection (a) of this section, an employer who reports the cost of coverage under an employer-sponsored health benefit plan as required by 26 U.S.C. § 6051(a)(14) shall be deemed to be in full compliance with the requirements of this section.

Sec. 17. 32 V.S.A. § 3102(d) is amended to read:

(d) The Commissioner shall disclose a return or return information:

* * *

(5) to the Attorney General, if such return or return information relates to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19, subchapters 1A and 1B; and

(6) to the Joint Fiscal Office pursuant to 32 V.S.A. § 10503(e) and subject to the conditions and limitations specified in that subsection.

* * * Health Care Provisions; Home Health Agency Provider Tax * * *

Sec. 18. 33 V.S.A. § 1951 is amended to read:

§ 1951. DEFINITIONS

As used in this subchapter:

(1) "Assessment" means a tax levied on a health care provider pursuant to this chapter.

(2)(A) ~~“Core home~~ Home health care services” means any of the following:

(i) those medically necessary, intermittent, skilled nursing, home health aide, therapeutic, and personal care attendant services, provided exclusively in the home by home health agencies. Core home health services do not include private duty nursing, hospice, homemaker, or physician services, or services provided under early periodic screening, diagnosis, and treatment (EPSDT), traumatic brain injury (TBI), high technology programs, or services provided by a home for persons who are terminally ill as defined in subdivision 7102(3) of this title home health services provided by Medicare-certified home health agencies of the type covered under Title XVIII (Medicare) or XIX (Medicaid) of the Social Security Act;

(ii) services covered under the adult and pediatric High Technology Home Care programs as of January 1, 2015;

(iii) personal care, respite care, and companion care services provided through the Choices for Care program contained within Vermont’s Global Commitment to Health Section 1115 demonstration; and

(iv) hospice services.

(B) The term “home health services” shall not include any other service provided by a home health agency, including:

(i) private duty services;

(ii) case management services, except to the extent that such services are performed in order to establish an individual’s eligibility for services described in subdivision (A) of this subdivision (2);

(iii) homemaker services;

(iv) adult day services;

(v) group-directed attendant care services;

(vi) primary care services;

(vii) nursing home room and board when a hospice patient is in a nursing home; and

(viii) health clinics, including occupational health, travel, and flu clinics.

(C) The term “home health services” shall not include any services provided by a home health agency under any other program or initiative unless the services fall into one or more of the categories described in subdivision (A) of this subdivision (2). Other programs and initiatives include:

(i) the Flexible Choices or Assistive Devices options under the Choices for Care program contained within Vermont's Global Commitment to Health Section 1115 demonstration;

(ii) services provided to children under the early and periodic screening, diagnostic, and treatment Medicaid benefit;

(iii) services provided pursuant to the Money Follows the Person demonstration project;

(iv) services provided pursuant to the Traumatic Brain Injury Program; and

(v) maternal-child wellness services, including services provided through the Nurse Family Partnership program.

* * *

(10) "Net ~~operating~~ patient revenues" means a provider's gross charges related to patient care services less any deductions for bad debts, charity care, contractual allowances, and other payer discounts.

* * *

Sec. 18a. 33 V.S.A. § 1955a is amended to read:

§ 1955a. HOME HEALTH AGENCY ASSESSMENT

(a)(1) ~~Beginning October 1, 2011, each~~ Each home health agency's assessment shall be ~~49.30~~ 4.25 percent of its net ~~operating~~ patient revenues from ~~core home health care services, excluding revenues for services provided under Title XVIII of the federal Social Security Act; provided, however, that each home health agency's annual assessment shall be limited to no more than six percent of its annual net patient revenue provided exclusively in Vermont.~~

(2) ~~On or before May 1 of each year, each home health agency shall provide to the Department a copy of its most recent audited financial statement prepared in accordance with generally accepted accounting principles. The amount of the tax shall be determined by the Commissioner based on the home health net patient revenue attributable to services reported on the agency's most recent audited financial statements statement at the time of submission, a copy of which shall be provided on or before May 1 of each year to the Department.~~

(3) For providers who ~~begin~~ began operations as a home health agency after January 1, 2005, the tax shall be assessed as follows:

~~(4)(A)~~ (A) Until such time as the home health agency submits audited financial statements for its first full year of operation as a home health agency, the Commissioner, in consultation with the home health agency, shall annually estimate the amount of tax payable and shall prescribe a schedule for interim

payments.

~~(2)(B)~~ At such time as the full-year audited financial statement is filed, the final assessment shall be determined, and the home health agency shall pay any underpayment or the Department shall refund any overpayment. The assessment for the State fiscal year in which a provider commences operations as a home health agency shall be prorated for the proportion of the State fiscal year in which the new home health agency was in operation.

* * *

Sec. 18b. 2016 Acts and Resolves No. 134, Sec. 32 is amended to read:

Sec. 32. HOME HEALTH AGENCY ASSESSMENT FOR FISCAL
~~YEARS YEAR 2017 AND 2018~~

Notwithstanding any provision of 33 V.S.A. § 1955a(a) to the contrary, for fiscal years year 2017 and 2018 only, the amount of the home health agency assessment under 33 V.S.A. § 1955a for each home health agency shall be 3.63 percent of its annual net patient revenue.

Sec. 18c. TRANSITIONAL PROVISION FOR FISCAL YEAR 2018

Notwithstanding any provision of 33 V.S.A. § 1955a(a)(2) to the contrary, for fiscal year 2018 only, the Commissioner of Vermont Health Access may determine the amount of a home health agency's provider tax based on such documentation as the Commissioner deems acceptable.

Sec. 18d. REPEAL

33 V.S.A. § 1955a (home health agency assessment) is repealed on July 1, 2019.

* * * Sales and Use Tax; Aircraft * * *

Sec. 19. 32 V.S.A. § 9741(29) is amended to read:

(29) Aircraft, but not drones, sold to a person which holds itself out to the general public as engaging in air commerce, for use primarily in the carriage of persons or property for compensation or hire; and parts, machinery, and equipment to be installed in any aircraft, other than drones.

* * * Strategies for Increased Collections * * *

Sec. 20. 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 a

percentage of their ~~Vermont~~ adjusted gross income ~~indexed annually determined~~ 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~~ 0.10 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;~~ provided however, that a taxpayer shall not be required to pay more than \$500.00 for use tax liability under this subsection, arising from total purchases of items with a purchase price of \$1,000.00 or less.

Sec. 21. INCREASING USE TAX COMPLIANCE

32 V.S.A. § 5870 provides that the Commissioner of Taxes “shall provide that individuals report use tax on their State individual income tax returns.” In an effort to increase the level of use tax compliance, the Department of Taxes shall conduct an outreach and education campaign designed to highlight the use tax liability for taxpayers on their income tax forms, and to increase ease of compliance. These efforts shall be in addition to any current compliance and enforcement efforts.

Sec. 22. 32 V.S.A. § 5862d is amended to read:

§ 5862d. FILING OF FEDERAL FORM 1099

(a) Any individual or business required to file a federal form 1099 with respect to a nonresident who performed services within the State during the taxable year shall file a copy of the form with the Department. The Commissioner may authorize electronic filing of the form.

(b) Any ~~individual or business~~ person required to file information returns pursuant to 26 U.S.C. § 6050W shall within 30 days of the date the filing is due to the Internal Revenue Service file with the Commissioner a duplicate of such information returns on which the recipient has a Vermont address. In addition, at the same time the information in this subsection is required, third-party settlement organizations shall report to the Department of Taxes, and to any participating payee with a Vermont address, any information required by 26 U.S.C. § 6050W with respect to third-party network transactions related to that participating payee, as if the de minimis limitations of 26 U.S.C. § 6050W(e) did not apply, but that the de minimis limitations of 26 U.S.C. § 6041(a) did apply. The Commissioner may adopt rules and authorize

electronic filing of the ~~form~~ information required by this subsection.

(c) A failure to provide the information required by subsections (a) and (b) of this section shall be considered a failure to provide a return or return information required by this chapter, for the purposes of sections 3202, 5863, and 5864 of this title.

Sec. 23. 32 V.S.A. § 9712 is amended to read:

§ 9712. NOTICE REQUIREMENTS FOR NONCOLLECTING VENDORS

* * *

(c) Each noncollecting vendor shall file a copy of the notice required by subsection (b) with the Department of Taxes on or before January 31 of each year. The notice required by this subsection only apply to noncollecting vendors who made \$100,000.00 or more of sales into Vermont in the previous calendar year. Failure to file a copy of the notice required by this subsection shall subject the noncollecting vendor to a penalty of \$10.00 for each failure, unless the noncollecting vendor shows reasonable cause.

(d) The Commissioner is authorized to adopt rules or procedures or to create forms necessary to implement this section. Penalties imposed under this section shall be subject to the same administrative and appeal provisions of this chapter as if imposed under section 3202 of this title.

Sec. 24. TAX COLLECTIONS

The General Assembly finds that there is a gap between the amount of taxes paid in this State and the amount of taxes due. Therefore, the General Assembly directs the Department of Taxes to use new and existing strategies for collections to close the tax gap during the State fiscal year 2018. The Department of Taxes shall redeploy resources to focus on these strategies with the goal of increasing current collections by \$3,175,000.00 in fiscal year 2018.

Sec. 24a. SMALL BUSINESS TAXPAYER OUTREACH AND
EDUCATION WORKING GROUP

The Taxpayer Advocate at the Department of Taxes shall convene a working group of interested stakeholders to examine the ways the Department can improve outreach and education to small business taxpayers. On or before November 15, 2017, the Taxpayer Advocate shall report to the House Committee on Ways and Means and the Senate Committee on Finance recommendations to improve the relationship between the Department and small businesses. In considering the recommendations, the Taxpayer Advocate shall examine the following:

(1) identifying complex areas of the law that could be simplified to enhance voluntary compliance;

(2) compiling a list of common issues on which the Department may focus its outreach and education efforts;

(3) considering how the Department can maximize its existing resources to provide additional guidance targeted to small businesses;

(4) directing the Department to identify existing organizations and resources for small businesses and how to provide tax guidance through those organizations;

(5) providing for a plan to contact and provide direction to new small businesses in Vermont within one year of their operation in the State;

(6) recommending guidelines to forgive tax penalties and interest under certain circumstances; and

(7) making other recommendations as appropriate.

* * * Clean Water * * *

Sec. 25. STATE TREASURER; PUBLIC GOOD PAYMENTS; WATER QUALITY REVENUE BOND

On or before January 15, 2018, the State Treasurer shall recommend to the House Committees on Ways and Means and on Corrections and Institutions and the Senate Committees on Finance and on Institutions whether public good benefits payments made to the State for water quality as a condition of a certificate of public good issued by the Public Service Board provide sufficient revenue to leverage the issuance of a revenue bond to fund water quality improvements in the State through the Clean Water Fund. In developing a recommendation, the State Treasurer shall review all final and proposed public good payments for water quality required by the Public Service Board, including all payments for pollution abatement in, restoration of, and enhancement of State waters and what is necessary to ensure their deposit in the Clean Water Fund.

Sec. 26. WORKING GROUP ON WATER QUALITY FUNDING

(a) Establishment. There is established the Working Group on Water Quality Funding to develop recommendations for equitable and effective long-term funding methods to support clean water efforts in Vermont.

(b) Membership. The Working Group shall be composed of the following six members:

(1) the Secretary of Natural Resources or designee;

(2) one member from the Vermont League of Cities and Towns, appointed by the Board of Directors of that organization;

(3) the Secretary of Agriculture, Food and Markets or designee;

(4) a representative of the Vermont Center for Geographic Information;

(5) the Commissioner of Taxes or designee;

(6) one member representing commercial or industrial business interests in the State, to be appointed by the Governor, after consultation with other business groups in the State;

(c) Advisory Council. The Working Group shall be assisted by an Advisory Council to be made up of:

(1) the State Treasurer or designee;

(2) the Secretary of Transportation or designee;

(3) one member from the Vermont Municipal Clerks and Treasurers Association appointed by the Executive Board of that organization;

(4) one member from the Vermont Mayors Coalition appointed by that organization;

(5) a representative of an environmental advocacy group appointed by the Speaker of the House;

(6) a representative of the agricultural community appointed by the Vermont Association of Conservation Districts; and

(7) a representative of University of Vermont Extension appointed by the President Pro Tempore of the Senate.

(d) Powers and duties. The Working Group on Water Quality Funding shall recommend to the General Assembly draft legislation to establish equitable and effective long-term funding methods to support clean water efforts in Vermont.

(e) Consultation with Advisory Council. The Working Group shall meet at least three times with the Advisory Council for input on the report to be submitted to the General Assembly under subsection (f) of this section. The Advisory Council's comments shall be included in the final report.

(f) Report. On or before November 15, 2017, the Working Group on Water Quality Funding shall submit to the General Assembly a summary of its activities, an evaluation of existing sources of funding, and draft legislation to establish equitable and effective long-term funding methods to support clean water efforts in Vermont.

(g) Meetings.

(1) The Secretary of Natural Resources shall call the first meeting of the

Working Group to occur on or before July 1, 2017.

(2) The Secretary of Natural Resources shall be the Chair of the Working Group.

(3) A majority of the membership shall constitute a quorum.

(4) The Working Group shall cease to exist on March 1, 2018.

(5) No specific state appropriations shall be used to support the working group or advisory council.

(h) Assistance. The Working Group on Water Quality Funding shall have the administrative, technical, and legal assistance of the Agency of Natural Resources and the Department of Taxes. The Working Group on Water Quality Funding shall have the technical assistance of the Vermont Center for Geographic Information or designee.

* * * Property Tax Appeals * * *

Sec. 27. 32 V.S.A. § 5412 is amended to read:

§ 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF EDUCATION TAX LIABILITY

(a)(1) ~~If a listed value is reduced as the result of an appeal or court action, and if the municipality files a written request with the Commissioner within 30 days after the date of the determination, entry of the final order, or settlement agreement if the Commissioner determines that the settlement value is the fair market value of the parcel, the Commissioner made pursuant to section 4461 of this title, a municipality may submit a request for the Director of Property Valuation and Review to recalculate its education property tax liability for the education grand list value lost due to a determination, declaratory judgment, or settlement. The Director shall recalculate the municipality's education property tax liability for the each year at issue, in accord with the reduced valuation, provided that:~~

(A) ~~the~~ The reduction in valuation is the result of an appeal under chapter 131 of this title to the Director of Property Valuation and Review or to a court, with no further appeal available with regard to that valuation, or any judicial decision with no further right of appeal, or a settlement of either an appeal or court action if the ~~Commissioner~~ Director determines that the settlement value is the fair market value of the parcel;

(B) ~~the~~ The municipality ~~notified the Commissioner of the appeal or court action, in writing, within 10 days after notice of the appeal was filed under section 4461 of this title or after the complaint was served; and submits the request on or before January 15 for a request involving an appeal or court action resolved within the previous calendar year.~~

~~(C) as a result of the valuation reduction of the parcel, the value of the municipality's grand list is reduced at least one percent. [Repealed.]~~

(D) The Director determines that the municipality's actions were consistent with best practices published by the Property Valuation and Review in consultation with the Vermont Assessors and Listers Association. The municipality shall have the burden of showing that its actions were consistent with the Director's best practices.

(2) A determination of the Director made under subdivision (1) of this subsection may be appealed within 30 days by an aggrieved municipality to the Commissioner for a hearing to be held in accordance with 3 V.S.A. §§ 809–813. The Commissioner's determination may be further appealed to Superior Court, which shall review the Commissioner's determination using the record that was before the Commissioner. The Commissioner's determination may only be overturned for abuse of discretion.

~~(3) The municipality's~~ Upon the Director's request, a municipality submitting a request under subdivision (1) of this subsection shall include a copy of the agreement, determination or final order, and any other documentation necessary to show the existence of these conditions.

~~(b) To the extent that the municipality has paid that liability, the Commissioner~~ Director shall allow a credit for any reduction in education tax liability against the next ensuing year's education tax liability or, at the request of the municipality, may refund to the municipality an amount equal to the reduction in education tax liability.

~~(c) If a listed value is increased as the result of an appeal under chapter 131 of this title or court action, whether adjudicated or settled and the Commissioner~~ Director determines that the settlement value is the fair market value of the parcel, with no further appeal available with regard to that valuation, the Commissioner ~~Director~~ shall recalculate the municipality's education property tax for each year at issue, in accord with the increased valuation, and shall assess the municipality for the additional tax at the same time the Commissioner ~~Director~~ assesses the municipality's education tax liability for the next ensuing year, unless the resulting assessment would be less than \$300.00. Payment under this section shall be due with the municipality's education tax liability for the next ensuing year.

~~(d) Recalculation of education property tax under this section shall have no effect other than to reimburse or assess a municipality for education property tax changes which~~ that result from property revaluation.

(e) A reduction made under this section shall be an amount equal to the loss in education grand list value multiplied by the tax rate applicable to the subject

property in the year the request is submitted. However, the total amount for all reductions made under this section in one year shall not exceed \$100,000.00. If total reductions for a calendar year would exceed this amount, the Director shall instead prorate the reductions proportionally among all municipalities eligible for a reduction so that total reductions equal \$100,00.00.

(f) Prior to the issuance of a final administrative determination or judicial order, a municipality may request that the Director certify that best practices were followed for purposes of meeting the requirements of subdivision (a)(1)(D) of this section. The Director may choose to grant certification, deny certification, or refrain from a decision until a request is submitted under subdivision (a)(1) of this section. The Director shall consider the potential impact on the Education Fund, the unique character of the subject property or properties, and any extraordinary circumstances when deciding whether to grant certification under this subsection. The Director shall be bound by a decision to grant certification unless the municipality agrees to a settlement after such certification was made.

Sec. 28. GRAND LIST LITIGATION ASSISTANCE; STUDY

(a) The Attorney General, in consultation with the Vermont League of Cities and Towns, property owners, and other interested stakeholders, shall study approaches to assisting municipalities with expenses incurred during litigation pursuant to 32 V.S.A. chapter 131, including assigning an Assistant Attorney General to the Division of Property Valuation and Review to support municipalities litigating complex matters.

(b) On or before December 1, 2017, the Attorney General shall submit a report to the Senate Committee on Finance and the House Committee on Ways and Means on the findings of the study described in subsection (a) of this section. The report shall include recommendations for legislative action based on the findings of the study.

Sec. 29. REIMBURSEMENT OF EDUCATION TAX LIABILITY; REPORT

(a) On or before December 1, 2019, the Director of Property Valuation and Review shall submit a report to the Senate Committee on Finance and the House Committee on Ways and Means on the reimbursement of education tax liabilities to municipalities pursuant to Sec. 27 of this act.

(b) The report shall include:

(1) the annual number of reductions to the education grand list;

(2) the annual amount reimbursed to municipalities from the Education Fund; and

(3) the annual increase, if any, to the education grand list.

Sec. 29a. COMPENSATION FOR OVERPAYMENT

Notwithstanding any other provision of law, the sum of \$56,791.80 shall be transferred from the Education Fund to the Town of Georgia in fiscal year 2018 to compensate the town for an overpayment of education taxes in fiscal year 2017 due to an erroneous classification of certain property.

* * * Property and Debt of Merging Districts * * *

Sec. 29b. TRANSFER OF PROPERTY AND DEBT OF MERGED DISTRICTS

(a) Notwithstanding any other provision of law, under 16 V.S.A. § 706b(6)–(8), a study committee report may provide terms for transferring the ownership of capital assets, and the liability for any associated debt, from the merging districts to the towns within the merging district where those assets are fixed. A study committee report may also provide terms for leases governing the management of these same capital assets.

(b) A transfer of assets included in a study committee report under this section and approved under 16 V.S.A. chapter 11 shall not be considered a sale for the purpose of the refund upon sale requirement of 16 V.S.A. § 3448(b).

(c) As used in this section, a union school district established under 16 V.S.A. chapter 11 includes a school district voluntarily created pursuant to 2015 Acts and Resolves No. 46, Sec. 6 or 7, 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.

* * * Calculation of Certain Rates; Five Percent Hold Harmless Rule * * *

Sec. 29c. CALCULATION OF TAX RATES FOR MEMBER TOWNS IN VOLUNTARY SCHOOL GOVERNANCE MERGERS.

(a) Definitions. As used in this section:

(1) “Five percent provision” means collectively the provisions in 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No.156, and 2015 Acts and Resolves No. 46, limiting a town’s equalized homestead property tax rate increase or decrease, and related household income percentage adjustments to five percent in a single year during the years in which the corresponding tax rate reductions apply to a new union school district’s equalized unified homestead property rate.

(2) “Tax rate reductions” means collectively the equalized homestead property tax rate reductions, and related household income percentage

reductions, provided for voluntary school governance mergers in 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, and 2015 Acts and Resolves No. 46.

(3) “Education spending in the prior fiscal year” means the total education spending of all merging districts in the year prior to merger, divided by the total number of equalized pupils of all the merging districts in the year prior to merger.

(4) “Tax rate of a member town” means collectively the equalized homestead property tax rate, and related household income percentage reductions, for the referenced town.

(b) Tax rate reduction review.

(1) In a fiscal year in which the tax rate reductions are applied to a new union school district, if the district’s education spending per equalized pupil increases by four percent or less over its education spending per equalized pupil in the prior fiscal year, then it shall be presumed to not trigger Tax Rate Reduction Review.

(2) In a fiscal year in which the tax rate reductions are applied to a new union school district, if the district’s education spending per equalized pupil increases by more than four percent over its education spending per equalized pupil in the prior fiscal year, then it shall be subject to a Tax Rate Reduction Review.

(3) Upon the request of the Secretary, a union school district shall submit its budget to Tax Rate Reduction Review to determine whether its increase in education spending per equalized pupil was beyond the school district’s control or for other good cause. In conducting the Review, the Secretary will select three business managers and three superintendents to serve in an advisory role in the Review. The Review shall consider at least the following factors:

(A) the extent to which the increase in education spending per equalized pupil is caused by declining enrollment in the union school district;

(B) the extent to which the increase in education spending per equalized pupil is caused by unifying employee contracts in the course of the union school district formation process; and

(C) the extent to which the increase in education spending per equalized pupil is caused by increases in tuition paid by the union school district.

(4) If, at the conclusion of the Review, the Secretary determines that the union school district’s budget contains excessive increases in educational

spending per equalized pupil that are within the district's control and are not supported by good cause, then union school district rates for the fiscal year will be determined as follows:

(A) The tax rate of a member town that would otherwise be increased by no more than five percent shall be increased by no more than five percent plus the difference between a four percent increase in education spending per equalized pupil and the actual increase in the union school district's education spending per equalized pupil.

(B) The tax rate of a member town that would otherwise be decreased by no more than five percent shall be decreased by no more than five percent minus the difference between a four percent increase in education spending per equalized pupil and the actual increase in the union school district's education spending per equalized pupil.

* * * Premium Tax Credit; Captive Insurance Companies * * *

Sec. 30. 8 V.S.A. § 6014(k) is amended to read:

(k) A captive insurance company first licensed under this chapter on or after January 1, ~~2014~~ 2017 shall receive a nonrefundable credit of ~~\$7,500.00~~ \$5,000.00 applied against the aggregate taxes owed for the first two taxable ~~year~~ years for which the company has liability under this section.

* * * Repeals * * *

Sec. 31. REPEALS

The following are repealed:

(1) 32 V.S.A. chapter 239 (games of chance).

(2) 32 V.S.A. § 10010(c) (requirement that form for payment of land gains tax set out penalties in large type).

(3) 2007 Acts and Resolves No. 81, Secs. 7a (amendment to sales tax exemption for aircraft parts) and 7b (effective date).

(4) 2008 Acts and Resolves No. 190, Sec. 43 (extension of sales tax exemption for aircraft parts).

(5) 21 V.S.A. chapter 25 (Employer Assessment).

* * * Effective Dates * * *

Sec. 32. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Notwithstanding 1 V.S.A. § 214, Sec. 7 (annual update of income tax link to the IRC) shall take effect retroactively on January 1, 2016 and apply to taxable years beginning on and after January 1, 2016.

(2) Notwithstanding 1 V.S.A. § 214, Sec. 8 (estate tax) shall take effect retroactively on January 1, 2016.

(3) Sec. 11 (background checks) shall take effect on passage.

(4) Secs. 12–13 (break-open tickets) and Sec. 31(1) (repeal) shall take effect on September 1, 2017, except the first quarter for which nonprofit organizations shall be required to comply with 31 V.S.A. § 1203(f) shall be the fourth quarter of 2017.

(5) Sec. 13a (adjusted gross income) shall take effect on January 1, 2018 and apply to taxable year 2018 and after.

(6) Sec. 15a (Green Mountain Care Board bill backs) shall take effect on July 1, 2017.

(7) Secs. 16 and 17 (transferring employer assessment from the Department of Labor to the Department of Taxes) and Sec. 31(5) (repeal) shall take effect on January 1, 2018 with the return of the fourth quarter of 2017 being due on January 25, 2018.

(8) Sec. 19 (sales tax exemption for aircraft) shall take effect on September 1, 2017.

(9) Notwithstanding 1 V.S.A. § 214, Sec. 20 (use tax reporting) shall take effect retroactively on January 1, 2017 and apply to returns filed for tax year 2017 and after.

(10) Notwithstanding 1 V.S.A. § 214, Sec. 22 (third party settlement network reporting requirements) shall take effect retroactively on January 1, 2017 and apply to taxable year 2017 and after.

(11) Sec. 23 (additional noncollecting vendor reporting requirements) shall take effect on July 1, 2017.

(12) Sec. 30 (premium tax credit) shall take effect on July 1, 2017.

*ANN E. CUMMINGS
MARK A. MACDONALD
DUSTIN A. DEGREE*

Committee on the part of the Senate

*JANET ANCEL
SAMUEL R. YOUNG
FRED K. BASER*

Committee on the part of the House

Which was considered and adopted on the part of the House

On motion of **Rep. Turner of Milton**, the rules were suspended and action on the bill was ordered messaged to the Senate forthwith and the bill delivered to the Governor forthwith.

Recess

At six o'clock and thirty-eight minutes in the evening, the Speaker declared a recess until seven o'clock and thirty minutes in the evening.

At ten o'clock and seven minutes in the evening, the Speaker called the House to order.

Message from the Senate No. 81

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part adopted joint resolutions of the following titles:

J.R.S. 33. Joint resolution relating to compensation of Members of the General Assembly during the remainder of the 2017 Session.

J.R.S. 34. Joint resolution relating to final adjournment of the General Assembly 2017.

In the adoption of which the concurrence of the House is requested.

Message from the Senate No. 82

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

H. 509. An act relating to calculating statewide education tax rates.

H. 518. An act relating to making appropriations for the support of government.

And has accepted and adopted the same on its part.

Message from the Senate No. 83

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that the Senate has on its part completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 34.

Message from the Senate No. 84

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon Senate bills of the following titles:

S. 112. An act relating to creating the Spousal Support and Maintenance Task Force.

S. 136. An act relating to miscellaneous consumer protection provisions.

And has accepted and adopted the same on its part.

The Senate has on its part adopted Senate concurrent resolutions of the following titles:

S.C.R. 16. Senate concurrent resolution honoring the Martin Family for its pioneering role in Vermont television broadcasting.

S.C.R. 17. Senate concurrent resolution congratulating and thanking all the participants in the 25th Annual Letter Carriers' Food Drive in Rutland County.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon Senate bill of the following title:

S. 135. An act relating to promoting economic development.

And has accepted and adopted the same on its part.

**Joint Resolution Adopted in Concurrence
J.R.S. 33**

By Senators Ashe, Balint and Degree,

J.R.S. 33. Joint resolution relating to compensation of Members of the General Assembly during the remainder of the 2017 Session.

Whereas, in order that the 2017 Session of the General Assembly may achieve an orderly adjournment, provide reasonable compensation to Members of the General Assembly for their services, and to preserve the funds of the state, *now therefore be it*

Resolved by the Senate and House of Representatives:

That notwithstanding the provisions of 32 V.S.A. §§ 1051(a)(1) and 1052(a)(1) providing for a weekly rate of compensation, commencing May 8, 2017, Members of the General Assembly shall be entitled to compensation for services equal to a daily rate of one-fourth of the annually adjusted weekly compensation set forth in sections 1051(a)(1) and 1052(a)(1) and reimbursement for expenses at the daily rate established in sections 1051(a)(3) and 1052(b) of Title 32 for each day on which their respective houses shall sit and the member attends for the remainder of the 2017 Session, except that no member shall receive compensation for more than four days in any week.

Was taken up, read and adopted in concurrence.

Joint Resolution Adopted in Concurrence**J.R.S. 34**

By Senator Ashe,

J.R.S. 34. Joint resolution relating to final adjournment of the General Assembly 2017.

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 eighteenth or nineteenth day of May, 2017 they shall do so to reconvene on the twenty-first day of June, 2017, 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-third day of October, 2017, 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 third day of January, 2018, 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.

Was taken up, read and adopted in concurrence.

Joint Resolution Adopted in Concurrence**H.C.R. 191**

House concurrent resolution honoring former Representative and Deputy Secretary of Education William B. Talbott for his dedicated public service

Was taken up, read and adopted in concurrence.

Rules Suspended; Report of Committee of Conference Adopted**H. 509**

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to calculating statewide education tax rates

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference**H.509**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:

H.509. An act relating to calculating statewide education tax rates.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Yields and Nonresidential Tax Rate * * *

Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD AND INCOME

DOLLAR EQUIVALENT YIELD FOR FISCAL YEAR 2018

Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2018 only:

(1) the property dollar equivalent yield is \$10,160.00; and

(2) the income dollar equivalent yield is \$11,990.00.

Sec. 2. NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL YEAR
2018

For fiscal year 2018 only, the nonresidential education property tax imposed under 32 V.S.A. § 5402(a)(2) shall be reduced from the rate of \$1.59 and instead be \$1.555 per \$100.00.

* * * Education Fund Allocation; Sales and Use Tax * * *

Sec. 3. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(6) ~~Thirty-five~~ Thirty-six percent of the revenues raised from the sales and use tax imposed by 32 V.S.A. chapter 233.

* * *

Sec. 4. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(11) ~~65~~ 64 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

* * *

* * * Health Benefits Commission * * *

Sec. 5. VERMONT EDUCATIONAL HEALTH BENEFITS COMMISSION

(a) The Vermont Educational Health Benefits Commission is created to determine whether and how to establish a single statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts.

(b) The Commission shall comprise the following 10 members:

(1) four members of the labor organization representing the majority of teachers, administrators, and other employees of supervisory unions and school districts, appointed by its membership;

(2) one member on behalf of all other labor organizations representing teachers, administrators, and other employees of supervisory unions and school districts, jointly appointed by their membership;

(3) three members of the nonprofit organization representing Vermont's school boards, appointed by that organization's members; and

(4) two members of the nonprofit organization representing Vermont's superintendents, appointed by that organization's members.

(c) The Commission shall determine the advantages and disadvantages of establishing a single statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts, including considering transition issues, potential savings from avoided negotiation expenses, whether to use income-sensitized premiums, ways to address benefit disparities between bargaining units, ways to address disparities between districts, property tax implications, and issues related to uninsured school employees.

(d) On or before November 15, 2017, the Commission shall provide its

findings and recommendations, along with any necessary proposed legislation regarding the establishment of a statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts, to the House Committees on Education, on General, Housing and Military Affairs, and on Ways and Means and the Senate Committees on Education, on Economic Development, Housing and General Affairs, and on Finance.

(e) As used in this section, the terms “supervisory union” and “school district” shall have the same meaning as in 16 V.S.A. § 11.

* * * Health Care Benefits and Coverage * * *

Sec. 6. HEALTH CARE BENEFITS AND COVERAGE FOR TEACHERS,
ADMINISTRATORS, AND OTHER EMPLOYEES OF
SUPERVISORY UNIONS AND SCHOOL DISTRICTS

(a) The health care benefit and coverage provisions of a collective bargaining agreement between a supervisory union or school district and its teachers, administrators, or other employees shall expire on or before September 1, 2019.

(b) As used in this section, the terms “supervisory union” and “school district” shall have the same meaning as in 16 V.S.A. § 11.

(c) This section shall not apply to collective bargaining agreements that were, prior to July 1, 2017, either executed or agreed to by a school board negotiations council and employee organization negotiations council pending ratification by the school board and by the bargaining unit or members of the employee organization.

* * * Effective Dates * * *

Sec. 7. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Secs. 1 (yields) and 2 (nonresidential rate) shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

(c) Secs. 3 and 4 (sales tax allocation) shall take effect on July 1, 2018 and apply to fiscal year 2019 and after.

(d) Sec. 5 (Vermont Educational Health Benefits Commission) shall take effect on passage, with the first meeting of the Commission to occur on or before July 1, 2017.

(e) Sec. 6 (health care benefits and coverage) shall take effect on July 1, 2017.

*ANN E. CUMMINGS
M. JANE KITCHEL
Committee on the part of the Senate
JANET ANCEL*

HELEN J. HEAD

DAVID D. SHARPE

Committee on the part of the House

Which was considered.

Pending the question, Shall the House adopt the report of the committee of conference? **Rep. Turner of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House adopt the report of the committee of conference? was decided in the affirmative. Yeas, 84. Nays, 54.

Those who voted in the affirmative are:

Ancel of Calais	Fields of Bennington	Noyes of Wolcott
Bartholomew of Hartland	Forguites of Springfield	Ode of Burlington
Belaski of Windsor	Gannon of Wilmington	O'Sullivan of Burlington
Bissonnette of Winooski	Giambatista of Essex	Partridge of Windham
Bock of Chester	Gonzalez of Winooski	Potter of Clarendon
Botzow of Pownal	Grad of Moretown	Pugh of South Burlington
Briglin of Thetford	Haas of Rochester	Rachelson of Burlington
Browning of Arlington	Head of South Burlington	Scheu of Middlebury
Brumsted of Shelburne	Hill of Wolcott	Sharpe of Bristol *
Buckholz of Hartford	Hooper of Montpelier	Sheldon of Middlebury
Burke of Brattleboro	Hooper of Brookfield	Squirrell of Underhill
Carr of Brandon	Houghton of Essex	Stevens of Waterbury
Chesnut-Tangerman of Middletown Springs	Howard of Rutland City	Stuart of Brattleboro *
Christensen of Weathersfield	Joseph of North Hero	Sullivan of Dorset
Christie of Hartford	Keenan of St. Albans City	Sullivan of Burlington
Cina of Burlington	Kimbell of Woodstock	Taylor of Colchester
Colburn of Burlington	Kitzmiller of Montpelier	Till of Jericho
Conlon of Cornwall	Krowinski of Burlington	Toleno of Brattleboro
Connor of Fairfield	Lalonde of South Burlington	Toll of Danville
Conquest of Newbury	Lanpher of Vergennes	Townsend of South Burlington
Copeland-Hanzas of Bradford	Lippert of Hinesburg	Trieber of Rockingham
Corcoran of Bennington	Long of Newfane	Troiano of Stannard
Dakin of Colchester	Lucke of Hartford	Walz of Barre City
Deen of Westminster	Macaig of Williston	Weed of Enosburgh
Donovan of Burlington	Masland of Thetford	Wood of Waterbury
Dunn of Essex	McCullough of Williston	Yacovone of Morristown
Emmons of Springfield	Miller of Shaftsbury	Yantachka of Charlotte *
	Morris of Bennington	Young of Glover
	Mrowicki of Putney	

Those who voted in the negative are:

Bancroft of Westford	Graham of Williamstown	Norris of Shoreham
Baser of Bristol	Harrison of Chittenden	Parent of St. Albans Town
Batchelor of Derby	Helm of Fair Haven	Pearce of Richford
Beck of St. Johnsbury *	Higley of Lowell	Quimby of Concord
Beyor of Highgate	Jickling of Brookfield	Rosenquist of Georgia

Brennan of Colchester	Juskiewicz of Cambridge	Savage of Swanton
Burditt of West Rutland	Keefe of Manchester	Scheuermann of Stowe
Canfield of Fair Haven	LaClair of Barre Town	Shaw of Pittsford
Condon of Colchester	Lawrence of Lyndon	Sibilia of Dover
Cupoli of Rutland City	Lefebvre of Newark	Smith of Derby
Devereux of Mount Holly	Lewis of Berlin	Smith of New Haven
Dickinson of St. Albans Town	Marcotte of Coventry	Strong of Albany
Donahue of Northfield	Martel of Waterford	Turner of Milton
Fagan of Rutland City	McCoy of Poultney	Van Wyck of Ferrisburgh
Feltus of Lyndon	McFaun of Barre Town	Viens of Newport City
Frenier of Chelsea	Morrissey of Bennington	Willhoit of St. Johnsbury
Gage of Rutland City	Murphy of Fairfax	Wright of Burlington *
Gamache of Swanton	Myers of Essex	
	Nolan of Morristown	

Those members absent with leave of the House and not voting are:

Ainsworth of Royalton	Hubert of Milton	Poirier of Barre City
Gardner of Richmond	Jessup of Middlesex	Terenzini of Rutland Town
Greshin of Warren	McCormack of Burlington	Webb of Shelburne
Hebert of Vernon	Olsen of Londonderry	

Rep. Beck of St. Johnsbury explained his vote as follows:

“Madam Speaker:

The H. 509 conference Report does nothing to reduce property taxes. What it does is use phantom savings and one-time reserve money to create an illusion that voters will clearly realize, and pay for dearly in FY19.”

Rep. Sharpe of Bristol explained his vote as follows:

“Madam Speaker:

I applaud the efforts of the speaker to reach a compromise with the Governor on this important subject. When the Governor insists on significant cost increases for hard working school support staff including bus drivers, para professional classroom aids, janitors and school cafeteria workers, it leaves me no option but to disagree and help pass a bill that requires thoughtful analysis of a system to make Vermont more affordable for all.”

Rep. Stuart of Brattleboro explained her vote as follows:

“Madam Speaker:

Teachers are on the front lines every day taking care of our state's most precious assets, our children and our young people. Madam Speaker, those of us in the House are concerned about property taxes, and we heard Vermonters' call to lower property taxes. We did that by developing a responsible plan. Madam Speaker, as a member of the House, I am not willing to take anything away from the people who take care of our state's most precious asset, our

children and our young people. Madam Speaker, I commend all those who carefully crafted this bill, which strikes a balance between lowering property taxes and taking care of Vermont's youth.”

Rep. Wright of Burlington explained his vote as follows:

“Madam Speaker:

The answer to the Governor’s proposal to maximize savings to property taxes, help our local school boards deal with a massively complex issue, while still holding teachers harmless, was an illusion. We have failed our property taxpayers once again. The cry of 'where is the beef' or 'where are the savings', will be heard clear across Vermont.”

Rep. Yantachka of Charlotte explained his vote as follows:

“Madam Speaker:

The right of employees to enter into collective bargaining with their employer is a right that was hard-fought and won over the last century and a half. It is a right that we should not throw away. My yes vote underlies my support for this sacred principle.”

Bill Committed

H. 29

House bill, entitled

An act relating to permitting Medicare supplemental plans to offer expense discounts

Appearing on the Calendar for action, was taken up and pending the question, Will the House concur in the Senate proposal of amendment? on motion of **Rep. Lippert of Hinesburg**, the bill was committed to the committee on Health Care.

Rules Suspended; Report of Committee of Conference Adopted

H. 518

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to making appropriations for the support of government

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

Report of Committee of Conference

H. 518

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. 518. 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 Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2018 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2018. 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, 2017. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2018 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 2018.

(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, 2018.

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, 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 2018, 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 2018, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2017 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 2018 except for new positions authorized by the 2017 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction, nor shall positions created pursuant to the Position Pilot Program authorized in 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, and by 2016 Acts and Resolves No. 172, Sec. E.100.2, and as further amended by Sec. E.100.1 of this act.

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds for the upcoming budget year. The sections between E.100 and E.9999 contain language that relates to specific appropriations or government functions, or both. The function areas by section numbers are as follows:

<u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and Property</u>
<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and Community Development</u>
<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>
<u>B.1000–B.1099 and E.1000–E.1099</u>	<u>Debt Service</u>
<u>B.1100–B.1199 and E.1100–E.1199</u>	<u>One-time and other appropriation actions</u>

(b) The C sections contain any amendments to the current fiscal year, the D sections contain fund transfers and reserve allocations for the upcoming budget year, the F sections contain miscellaneous technical statute corrections, and the I sections contain housing bond authorization.

Sec. B.100 Secretary of administration - secretary's office

Personal services	777,092
Operating expenses	<u>150,120</u>
Total	927,212
Source of funds	
General fund	<u>927,212</u>
Total	927,212

Sec. B.101 Secretary of administration - finance

Personal services	1,187,190
Operating expenses	<u>153,789</u>
Total	1,340,979
Source of funds	
Interdepartmental transfers	<u>1,340,979</u>
Total	1,340,979

Sec. B.102 Secretary of administration - workers' compensation insurance

Personal services	566,009
Operating expenses	<u>226,235</u>
Total	792,244
Source of funds	
Internal service funds	<u>792,244</u>
Total	792,244

Sec. B.103 Secretary of administration - general liability insurance

Personal services	445,807
Operating expenses	<u>43,958</u>
Total	489,765
Source of funds	
Internal service funds	<u>489,765</u>
Total	489,765

Sec. B.104 Secretary of administration - all other insurance

Personal services	22,513
Operating expenses	<u>11,382</u>
Total	33,895
Source of funds	
Internal service funds	<u>33,895</u>

Total	33,895
Sec. B.105 Information and innovation - communications and information technology	
Personal services	24,540,424
Operating expenses	<u>15,675,832</u>
Total	40,216,256
Source of funds	
Internal service funds	<u>40,216,256</u>
Total	40,216,256
Sec. B.106 Finance and management - budget and management	
Personal services	1,471,321
Operating expenses	<u>202,003</u>
Total	1,673,324
Source of funds	
General fund	1,309,469
Interdepartmental transfers	<u>363,855</u>
Total	1,673,324
Sec. B.107 Finance and management - financial operations	
Personal services	2,374,631
Operating expenses	<u>619,703</u>
Total	2,994,334
Source of funds	
Internal service funds	<u>2,994,334</u>
Total	2,994,334
Sec. B.108 Human resources - operations	
Personal services	7,612,746
Operating expenses	<u>1,377,239</u>
Total	8,989,985
Source of funds	
General fund	1,968,777
Special funds	277,462
Internal service funds	6,206,438
Interdepartmental transfers	<u>537,308</u>
Total	8,989,985
Sec. B.108.1 Human Resources - VTHR Operations	
Personal services	1,802,885
Operating expenses	<u>765,629</u>
Total	2,568,514

Source of funds	
Internal service funds	<u>2,568,514</u>
Total	2,568,514
Sec. B.109 Human resources - employee benefits & wellness	
Personal services	1,070,140
Operating expenses	<u>581,803</u>
Total	1,651,943
Source of funds	
Internal service funds	<u>1,651,943</u>
Total	1,651,943
Sec. B.110 Libraries	
Personal services	1,759,682
Operating expenses	1,463,407
Grants	<u>148,400</u>
Total	3,371,489
Source of funds	
General fund	2,329,975
Special funds	123,998
Federal funds	820,514
Interdepartmental transfers	<u>97,002</u>
Total	3,371,489
Sec. B.111 Tax - administration/collection	
Personal services	14,471,939
Operating expenses	<u>5,117,491</u>
Total	19,589,430
Source of funds	
General fund	18,075,976
Special funds	1,370,888
Interdepartmental transfers	<u>142,566</u>
Total	19,589,430
Sec. B.112 Buildings and general services - administration	
Personal services	659,538
Operating expenses	<u>103,275</u>
Total	762,813
Source of funds	
Interdepartmental transfers	<u>762,813</u>
Total	762,813
Sec. B.113 Buildings and general services - engineering	

Personal services	2,725,021
Operating expenses	<u>812,504</u>
Total	3,537,525
Source of funds	
General fund	0
Interdepartmental transfers	<u>3,537,525</u>
Total	3,537,525
Sec. B.114 Buildings and general services - information centers	
Personal services	3,247,710
Operating expenses	1,560,479
Grants	<u>35,750</u>
Total	4,843,939
Source of funds	
General fund	632,642
Transportation fund	3,886,230
Special funds	<u>325,067</u>
Total	4,843,939
Sec. B.115 Buildings and general services - purchasing	
Personal services	1,052,452
Operating expenses	<u>197,598</u>
Total	1,250,050
Source of funds	
General fund	<u>1,250,050</u>
Total	1,250,050
Sec. B.116 Buildings and general services - postal services	
Personal services	741,125
Operating expenses	<u>116,121</u>
Total	857,246
Source of funds	
General fund	85,063
Internal service funds	<u>772,183</u>
Total	857,246
Sec. B.117 Buildings and general services - copy center	
Personal services	708,890
Operating expenses	<u>162,809</u>
Total	871,699
Source of funds	
Internal service funds	<u>871,699</u>
Total	871,699

Sec. B.118 Buildings and general services - fleet management services	
Personal services	759,471
Operating expenses	<u>239,611</u>
Total	999,082
Source of funds	
Internal service funds	<u>999,082</u>
Total	999,082
Sec. B.119 Buildings and general services - federal surplus property	
Personal services	32,667
Operating expenses	<u>5,760</u>
Total	38,427
Source of funds	
Enterprise funds	<u>38,427</u>
Total	38,427
Sec. B.120 Buildings and general services - state surplus property	
Personal services	142,751
Operating expenses	<u>109,881</u>
Total	252,632
Source of funds	
Internal service funds	<u>252,632</u>
Total	252,632
Sec. B.121 Buildings and general services - property management	
Personal services	1,025,441
Operating expenses	<u>864,228</u>
Total	1,889,669
Source of funds	
Internal service funds	<u>1,889,669</u>
Total	1,889,669
Sec. B.122 Buildings and general services - fee for space	
Personal services	15,282,330
Operating expenses	<u>14,081,331</u>
Total	29,363,661
Source of funds	
Internal service funds	<u>29,363,661</u>
Total	29,363,661
Sec. B.124 Executive office - governor's office	
Personal services	1,412,803
Operating expenses	<u>468,873</u>

Total	1,881,676
Source of funds	
General fund	1,695,176
Interdepartmental transfers	<u>186,500</u>
Total	1,881,676
Sec. B.125 Legislative council	
Personal services	3,812,245
Operating expenses	<u>866,666</u>
Total	4,678,911
Source of funds	
General fund	<u>4,678,911</u>
Total	4,678,911
Sec. B.126 Legislature	
Personal services	3,932,539
Operating expenses	<u>3,649,343</u>
Total	7,581,882
Source of funds	
General fund	<u>7,581,882</u>
Total	7,581,882
Sec. B.127 Joint fiscal committee	
Personal services	1,603,075
Operating expenses	<u>154,661</u>
Total	1,757,736
Source of funds	
General fund	<u>1,757,736</u>
Total	1,757,736
Sec. B.128 Sergeant at arms	
Personal services	667,093
Operating expenses	<u>74,252</u>
Total	741,345
Source of funds	
General fund	<u>741,345</u>
Total	741,345
Sec. B.129 Lieutenant governor	
Personal services	208,858
Operating expenses	<u>30,097</u>
Total	238,955
Source of funds	

General fund	<u>238,955</u>
Total	238,955
Sec. B.130 Auditor of accounts	
Personal services	3,689,915
Operating expenses	<u>158,765</u>
Total	3,848,680
Source of funds	
General fund	400,371
Special funds	53,145
Internal service funds	<u>3,395,164</u>
Total	3,848,680
Sec. B.131 State treasurer	
Personal services	3,443,785
Operating expenses	<u>267,689</u>
Total	3,711,474
Source of funds	
General fund	1,006,452
Special funds	2,604,257
Interdepartmental transfers	<u>100,765</u>
Total	3,711,474
Sec. B.132 State treasurer - unclaimed property	
Personal services	827,048
Operating expenses	<u>298,653</u>
Total	1,125,701
Source of funds	
Private purpose trust funds	<u>1,125,701</u>
Total	1,125,701
Sec. B.133 Vermont state retirement system	
Personal services	5,984,464
Operating expenses	<u>1,314,760</u>
Total	7,299,224
Source of funds	
Pension trust funds	<u>7,299,224</u>
Total	7,299,224
Sec. B.134 Municipal employees' retirement system	
Personal services	2,096,238
Operating expenses	<u>751,569</u>
Total	2,847,807

Source of funds	
Pension trust funds	<u>2,847,807</u>
Total	2,847,807
Sec. B.135 State labor relations board	
Personal services	208,856
Operating expenses	<u>47,734</u>
Total	256,590
Source of funds	
General fund	247,014
Special funds	6,788
Interdepartmental transfers	<u>2,788</u>
Total	256,590
Sec. B.136 VOSHA review board	
Personal services	74,662
Operating expenses	<u>13,543</u>
Total	88,205
Source of funds	
General fund	44,103
Interdepartmental transfers	<u>44,102</u>
Total	88,205
Sec. B.137 Homeowner rebate	
Grants	<u>16,600,000</u>
Total	16,600,000
Source of funds	
General fund	<u>16,600,000</u>
Total	16,600,000
Sec. B.138 Renter rebate	
Grants	<u>10,500,000</u>
Total	10,500,000
Source of funds	
General fund	3,150,000
Education fund	<u>7,350,000</u>
Total	10,500,000
Sec. B.139 Tax department - reappraisal and listing payments	
Grants	<u>3,460,000</u>
Total	3,460,000
Source of funds	
Education fund	<u>3,460,000</u>

Total	3,460,000
Sec. B.140 Municipal current use	
Grants	<u>15,283,643</u>
Total	15,283,643
Source of funds	
General fund	<u>15,283,643</u>
Total	15,283,643
Sec. B.141 Lottery commission	
Personal services	1,950,778
Operating expenses	1,321,236
Grants	<u>150,000</u>
Total	3,422,014
Source of funds	
Enterprise funds	<u>3,422,014</u>
Total	3,422,014
Sec. B.142 Payments in lieu of taxes	
Grants	<u>7,600,000</u>
Total	7,600,000
Source of funds	
Special funds	<u>7,600,000</u>
Total	7,600,000
Sec. B.143 Payments in lieu of taxes - Montpelier	
Grants	<u>184,000</u>
Total	184,000
Source of funds	
Special funds	<u>184,000</u>
Total	184,000
Sec. B.144 Payments in lieu of taxes - correctional facilities	
Grants	<u>40,000</u>
Total	40,000
Source of funds	
Special funds	<u>40,000</u>
Total	40,000
Sec. B.145 Total general government	
Source of funds	
General fund	80,004,752
Transportation fund	3,886,230

Special funds	12,585,605
Education fund	10,810,000
Federal funds	820,514
Internal service funds	92,497,479
Interdepartmental transfers	7,116,203
Enterprise funds	3,460,441
Pension trust funds	10,147,031
Private purpose trust funds	<u>1,125,701</u>
Total	222,453,956
Sec. B.200 Attorney general	
Personal services	9,260,374
Operating expenses	1,382,078
Grants	<u>26,894</u>
Total	10,669,346
Source of funds	
General fund	4,876,409
Special funds	1,774,350
Tobacco fund	348,000
Federal funds	1,113,091
Interdepartmental transfers	<u>2,557,496</u>
Total	10,669,346
Sec. B.201 Vermont court diversion	
Personal services	823,550
Operating expenses	500
Grants	<u>1,996,483</u>
Total	2,820,533
Source of funds	
General fund	2,156,486
Special funds	<u>664,047</u>
Total	2,820,533
Sec. B.202 Defender general - public defense	
Personal services	10,815,479
Operating expenses	<u>1,058,134</u>
Total	11,873,613
Source of funds	
General fund	11,283,960
Special funds	<u>589,653</u>
Total	11,873,613
Sec. B.203 Defender general - assigned counsel	

Personal services	5,631,235
Operating expenses	<u>49,819</u>
Total	5,681,054
Source of funds	
General fund	<u>5,681,054</u>
Total	5,681,054
Sec. B.204 Judiciary	
Personal services	38,277,720
Operating expenses	9,358,344
Grants	<u>76,030</u>
Total	47,712,094
Source of funds	
General fund	42,162,907
Special funds	2,667,460
Federal funds	556,455
Interdepartmental transfers	<u>2,325,272</u>
Total	47,712,094
Sec. B.205 State's attorneys	
Personal services	12,440,142
Operating expenses	<u>2,158,949</u>
Total	14,599,091
Source of funds	
General fund	11,733,829
Special funds	123,480
Federal funds	31,000
Interdepartmental transfers	<u>2,710,782</u>
Total	14,599,091
Sec. B.206 Special investigative unit	
Personal services	85,000
Operating expenses	1,100
Grants	<u>1,913,000</u>
Total	1,999,100
Source of funds	
General fund	<u>1,999,100</u>
Total	1,999,100
Sec. B.207 Sheriffs	
Personal services	4,061,398
Operating expenses	<u>433,009</u>
Total	4,494,407

Source of funds	
General fund	<u>4,494,407</u>
Total	4,494,407
Sec. B.208 Public safety - administration	
Personal services	2,624,989
Operating expenses	<u>2,661,095</u>
Total	5,286,084
Source of funds	
General fund	2,896,171
Federal funds	279,160
Interdepartmental transfers	<u>2,110,753</u>
Total	5,286,084
Sec. B.209 Public safety - state police	
Personal services	52,941,680
Operating expenses	9,656,601
Grants	<u>759,635</u>
Total	63,357,916
Source of funds	
General fund	35,799,847
Transportation fund	20,250,000
Special funds	3,190,202
Federal funds	2,334,001
Interdepartmental transfers	<u>1,783,866</u>
Total	63,357,916
Sec. B.210 Public safety - criminal justice services	
Personal services	9,015,234
Operating expenses	2,346,270
Grants	<u>191,650</u>
Total	11,553,154
Source of funds	
General fund	7,006,967
Special funds	2,134,552
Federal funds	1,516,096
Interdepartmental transfers	<u>895,539</u>
Total	11,553,154
Sec. B.211 Public safety - emergency management and homeland security	
Personal services	3,398,216
Operating expenses	1,401,401
Grants	<u>10,100,000</u>

Total	14,899,617
Source of funds	
General fund	516,797
Special funds	300,000
Federal funds	13,798,597
Interdepartmental transfers	<u>284,223</u>
Total	14,899,617
Sec. B.212 Public safety - fire safety	
Personal services	6,442,511
Operating expenses	3,083,185
Grants	<u>107,000</u>
Total	9,632,696
Source of funds	
General fund	426,712
Special funds	8,309,126
Federal funds	851,858
Interdepartmental transfers	<u>45,000</u>
Total	9,632,696
Sec. B.215 Military - administration	
Personal services	712,974
Operating expenses	359,195
Grants	<u>100,000</u>
Total	1,172,169
Source of funds	
General fund	<u>1,172,169</u>
Total	1,172,169
Sec. B.216 Military - air service contract	
Personal services	5,527,805
Operating expenses	<u>1,073,275</u>
Total	6,601,080
Source of funds	
General fund	583,733
Federal funds	<u>6,017,347</u>
Total	6,601,080
Sec. B.217 Military - army service contract	
Personal services	7,325,373
Operating expenses	<u>6,008,750</u>
Total	13,334,123
Source of funds	

Federal funds	<u>13,334,123</u>
Total	13,334,123
Sec. B.218 Military - building maintenance	
Personal services	884,161
Operating expenses	<u>696,659</u>
Total	1,580,820
Source of funds	
General fund	1,520,820
Special funds	<u>60,000</u>
Total	1,580,820
Sec. B.219 Military - veterans' affairs	
Personal services	762,092
Operating expenses	163,245
Grants	<u>94,380</u>
Total	1,019,717
Source of funds	
General fund	794,678
Special funds	125,310
Federal funds	<u>99,729</u>
Total	1,019,717
Sec. B.220 Center for crime victim services	
Personal services	1,788,731
Operating expenses	312,067
Grants	<u>11,663,697</u>
Total	13,764,495
Source of funds	
General fund	1,264,140
Special funds	5,132,559
Federal funds	<u>7,367,796</u>
Total	13,764,495
Sec. B.221 Criminal justice training council	
Personal services	1,061,527
Operating expenses	<u>1,277,414</u>
Total	2,338,941
Source of funds	
General fund	2,298,555
Interdepartmental transfers	<u>40,386</u>
Total	2,338,941

 Sec. B.222 Agriculture, food and markets - administration

Personal services	1,654,766
Operating expenses	288,742
Grants	<u>272,972</u>
Total	2,216,480
Source of funds	
General fund	1,098,695
Special funds	630,066
Federal funds	<u>487,719</u>
Total	2,216,480

Sec. B.223 Agriculture, food and markets - food safety and consumer protection

Personal services	3,939,183
Operating expenses	726,671
Grants	<u>2,750,000</u>
Total	7,415,854
Source of funds	
General fund	2,661,332
Special funds	3,672,807
Federal funds	1,074,715
Interdepartmental transfers	<u>7,000</u>
Total	7,415,854

Sec. B.224 Agriculture, food and markets - agricultural development

Personal services	1,640,008
Operating expenses	1,016,357
Grants	<u>1,170,875</u>
Total	3,827,240
Source of funds	
General fund	1,928,127
Special funds	625,830
Federal funds	1,233,783
Interdepartmental transfers	<u>39,500</u>
Total	3,827,240

Sec. B.225 Agriculture, food and markets - agricultural resource management and environmental stewardship

Personal services	3,344,918
Operating expenses	563,044
Grants	<u>587,000</u>
Total	4,494,962

Source of funds	
General fund	1,852,119
Special funds	1,958,384
Federal funds	477,028
Interdepartmental transfers	<u>207,431</u>
Total	4,494,962
Sec. B.225.1 Agriculture, food and markets - Vermont Agriculture and Environmental Lab	
Personal services	1,356,637
Operating expenses	<u>757,396</u>
Total	2,114,033
Source of funds	
General fund	848,119
Special funds	1,207,787
Interdepartmental transfers	<u>58,127</u>
Total	2,114,033
Sec. B.225.2 Agriculture, Food and Markets - Clean Water	
Personal services	1,070,182
Operating expenses	266,190
Grants	<u>850,000</u>
Total	2,186,372
Source of funds	
Special funds	<u>2,186,372</u>
Total	2,186,372
Sec. B.226 Financial regulation - administration	
Personal services	1,998,578
Operating expenses	<u>198,577</u>
Total	2,197,155
Source of funds	
Special funds	<u>2,197,155</u>
Total	2,197,155
Sec. B.227 Financial regulation - banking	
Personal services	1,668,222
Operating expenses	<u>394,337</u>
Total	2,062,559
Source of funds	
Special funds	<u>2,062,559</u>
Total	2,062,559

Sec. B.228 Financial regulation - insurance

Personal services	4,436,994
Operating expenses	<u>555,765</u>
Total	4,992,759
Source of funds	
Special funds	4,921,496
Interdepartmental transfers	<u>71,263</u>
Total	4,992,759

Sec. B.229 Financial regulation - captive insurance

Personal services	4,476,171
Operating expenses	<u>566,984</u>
Total	5,043,155
Source of funds	
Special funds	<u>5,043,155</u>
Total	5,043,155

Sec. B.230 Financial regulation - securities

Personal services	863,956
Operating expenses	<u>185,402</u>
Total	1,049,358
Source of funds	
Special funds	<u>1,049,358</u>
Total	1,049,358

Sec. B.232 Secretary of state

Personal services	9,750,435
Operating expenses	<u>2,538,565</u>
Total	12,289,000
Source of funds	
Special funds	11,007,000
Federal funds	1,207,000
Interdepartmental transfers	<u>75,000</u>
Total	12,289,000

Sec. B.233 Public service - regulation and energy

Personal services	10,273,714
Operating expenses	2,111,355
Grants	<u>3,883,867</u>
Total	16,268,936
Source of funds	
Special funds	13,856,417

Federal funds	1,234,279
ARRA funds	1,120,000
Interdepartmental transfers	41,667
Enterprise funds	<u>16,573</u>
Total	16,268,936
Sec. B.234 Public service board	
Personal services	3,166,727
Operating expenses	<u>481,111</u>
Total	3,647,838
Source of funds	
Special funds	<u>3,647,838</u>
Total	3,647,838
Sec. B.235 Enhanced 9-1-1 Board	
Personal services	3,759,427
Operating expenses	362,937
Grants	<u>720,000</u>
Total	4,842,364
Source of funds	
Special funds	<u>4,842,364</u>
Total	4,842,364
Sec. B.236 Human rights commission	
Personal services	481,533
Operating expenses	<u>79,095</u>
Total	560,628
Source of funds	
General fund	490,527
Federal funds	<u>70,101</u>
Total	560,628
Sec. B.237 Liquor control - administration	
Personal services	3,864,134
Operating expenses	<u>600,485</u>
Total	4,464,619
Source of funds	
Enterprise funds	<u>4,464,619</u>
Total	4,464,619
Sec. B.238 Liquor control - enforcement and licensing	
Personal services	2,660,717
Operating expenses	<u>560,506</u>

Total	3,221,223
Source of funds	
Special funds	20,000
Tobacco fund	213,843
Federal funds	312,503
Enterprise funds	<u>2,674,877</u>
Total	3,221,223
Sec. B.239 Liquor control - warehousing and distribution	
Personal services	990,624
Operating expenses	<u>422,578</u>
Total	1,413,202
Source of funds	
Enterprise funds	<u>1,413,202</u>
Total	1,413,202
Sec. B.240 Total protection to persons and property	
Source of funds	
General fund	147,547,660
Transportation fund	20,250,000
Special funds	83,999,327
Tobacco fund	561,843
Federal funds	53,396,381
ARRA funds	1,120,000
Interdepartmental transfers	13,253,305
Enterprise funds	<u>8,569,271</u>
Total	328,697,787
Sec. B.300 Human services - agency of human services - secretary's office	
Personal services	19,186,112
Operating expenses	5,427,146
Grants	<u>7,444,843</u>
Total	32,058,101
Source of funds	
General fund	10,014,889
Special funds	91,017
Tobacco fund	25,000
Federal funds	19,149,640
Global Commitment fund	453,000
Interdepartmental transfers	<u>2,324,555</u>
Total	32,058,101
Sec. B.301 Secretary's office - global commitment	

Operating expenses	846,057
Grants	<u>1,582,497,210</u>
Total	1,583,343,267
Source of funds	
General fund	265,834,181
Special funds	29,496,422
Tobacco fund	21,269,352
State health care resources fund	293,176,780
Federal funds	955,526,532
Interdepartmental transfers	<u>18,040,000</u>
Total	1,583,343,267
Sec. B.302 Rate setting	
Personal services	864,718
Operating expenses	<u>97,142</u>
Total	961,860
Source of funds	
General fund	480,930
Federal funds	<u>480,930</u>
Total	961,860
Sec. B.303 Developmental disabilities council	
Personal services	290,325
Operating expenses	67,012
Grants	<u>248,388</u>
Total	605,725
Source of funds	
Federal funds	<u>605,725</u>
Total	605,725
Sec. B.304 Human services board	
Personal services	682,525
Operating expenses	<u>88,308</u>
Total	770,833
Source of funds	
General fund	409,989
Federal funds	314,044
Interdepartmental transfers	<u>46,800</u>
Total	770,833
Sec. B.305 AHS - administrative fund	
Personal services	350,000
Operating expenses	<u>10,150,000</u>

Total	10,500,000
Source of funds	
Interdepartmental transfers	<u>10,500,000</u>
Total	10,500,000
Sec. B.306 Department of Vermont health access - administration	
Personal services	177,240,484
Operating expenses	5,542,033
Grants	<u>7,264,742</u>
Total	190,047,259
Source of funds	
General fund	31,518,780
Special funds	3,577,938
Federal funds	139,552,196
Global Commitment fund	7,915,736
Interdepartmental transfers	<u>7,482,609</u>
Total	190,047,259
Sec. B.307 Department of Vermont health access - Medicaid program - global commitment	
Grants	<u>752,459,668</u>
Total	752,459,668
Source of funds	
Global Commitment fund	<u>752,459,668</u>
Total	752,459,668
Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver	
Grants	<u>196,483,201</u>
Total	196,483,201
Source of funds	
General fund	753,720
Federal funds	896,280
Global Commitment fund	<u>194,833,201</u>
Total	196,483,201
Sec. B.309 Department of Vermont health access - Medicaid program - state only	
Grants	<u>50,175,082</u>
Total	50,175,082
Source of funds	
General fund	40,507,054
Global Commitment fund	<u>9,668,028</u>

Total	50,175,082
Sec. B.310 Department of Vermont health access - Medicaid non-waiver matched	
Grants	<u>37,213,898</u>
Total	37,213,898
Source of funds	
General fund	13,685,694
Federal funds	<u>23,528,204</u>
Total	37,213,898
Sec. B.311 Health - administration and support	
Personal services	7,692,836
Operating expenses	2,999,965
Grants	<u>3,725,000</u>
Total	14,417,801
Source of funds	
General fund	2,646,995
Special funds	1,640,781
Federal funds	6,606,306
Global Commitment fund	3,478,719
Interdepartmental transfers	<u>45,000</u>
Total	14,417,801
Sec. B.312 Health - public health	
Personal services	41,822,394
Operating expenses	7,579,809
Grants	<u>36,081,485</u>
Total	85,483,688
Source of funds	
General fund	8,567,428
Special funds	17,443,570
Tobacco fund	1,063,918
Federal funds	44,857,697
Global Commitment fund	12,551,629
Interdepartmental transfers	974,446
Permanent trust funds	<u>25,000</u>
Total	85,483,688
Sec. B.313 Health - alcohol and drug abuse programs	
Personal services	3,763,900
Operating expenses	208,810
Grants	<u>49,363,212</u>

Total	53,335,922
Source of funds	
General fund	2,908,535
Special funds	1,084,761
Tobacco fund	949,917
Federal funds	13,197,694
Global Commitment fund	<u>35,195,015</u>
Total	53,335,922
Sec. B.314 Mental health - mental health	
Personal services	29,838,587
Operating expenses	3,666,056
Grants	<u>198,309,782</u>
Total	231,814,425
Source of funds	
General fund	4,864,021
Special funds	434,904
Federal funds	6,691,092
Global Commitment fund	219,804,408
Interdepartmental transfers	<u>20,000</u>
Total	231,814,425
Sec. B.316 Department for children and families - administration & support services	
Personal services	41,307,378
Operating expenses	10,464,802
Grants	<u>3,678,688</u>
Total	55,450,868
Source of funds	
General fund	30,639,729
Special funds	655,548
Federal funds	23,274,906
Global Commitment fund	664,660
Interdepartmental transfers	<u>216,025</u>
Total	55,450,868
Sec. B.317 Department for children and families - family services	
Personal services	31,887,814
Operating expenses	4,723,500
Grants	<u>75,838,377</u>
Total	112,449,691
Source of funds	
General fund	33,280,421

Special funds	1,691,637
Federal funds	26,151,771
Global Commitment fund	51,191,608
Interdepartmental transfers	<u>134,254</u>
Total	112,449,691
Sec. B.318 Department for children and families - child development	
Personal services	6,405,300
Operating expenses	802,146
Grants	<u>76,955,662</u>
Total	84,163,108
Source of funds	
General fund	34,716,782
Special funds	1,820,000
Federal funds	36,142,431
Global Commitment fund	<u>11,483,895</u>
Total	84,163,108
Sec. B.319 Department for children and families - office of child support	
Personal services	10,242,836
Operating expenses	<u>3,632,098</u>
Total	13,874,934
Source of funds	
General fund	3,478,675
Special funds	455,719
Federal funds	9,552,940
Interdepartmental transfers	<u>387,600</u>
Total	13,874,934
Sec. B.320 Department for children and families - aid to aged, blind and disabled	
Personal services	2,182,805
Grants	<u>11,367,424</u>
Total	13,550,229
Source of funds	
General fund	9,649,899
Global Commitment fund	<u>3,900,330</u>
Total	13,550,229
Sec. B.321 Department for children and families - general assistance	
Grants	<u>6,927,360</u>
Total	6,927,360
Source of funds	

General fund	5,530,025
Federal funds	1,111,320
Global Commitment fund	<u>286,015</u>
Total	6,927,360
Sec. B.322 Department for children and families - 3SquaresVT	
Grants	<u>29,827,906</u>
Total	29,827,906
Source of funds	
Federal funds	<u>29,827,906</u>
Total	29,827,906
Sec. B.323 Department for children and families - reach up	
Operating expenses	95,202
Grants	<u>33,735,219</u>
Total	33,830,421
Source of funds	
General fund	6,717,098
Special funds	21,806,288
Federal funds	2,674,594
Global Commitment fund	<u>2,632,441</u>
Total	33,830,421
Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP	
Grants	<u>17,351,664</u>
Total	17,351,664
Source of funds	
Federal funds	<u>17,351,664</u>
Total	17,351,664
Sec. B.325 Department for children and families - office of economic opportunity	
Personal services	452,430
Operating expenses	33,444
Grants	<u>9,673,747</u>
Total	10,159,621
Source of funds	
General fund	4,483,212
Special funds	57,990
Federal funds	4,350,903
Global Commitment fund	<u>1,267,516</u>
Total	10,159,621

Sec. B.326 Department for children and families - OEO - weatherization assistance

Personal services	333,097
Operating expenses	56,878
Grants	<u>10,529,067</u>
Total	10,919,042
Source of funds	
Special funds	9,690,895
Federal funds	<u>1,228,147</u>
Total	10,919,042

Sec. B.327 Department for children and families - Woodside rehabilitation center

Personal services	5,515,892
Operating expenses	<u>697,584</u>
Total	6,213,476
Source of funds	
General fund	1,142,720
Global Commitment fund	4,973,756
Interdepartmental transfers	<u>97,000</u>
Total	6,213,476

Sec. B.328 Department for children and families - disability determination services

Personal services	6,023,192
Operating expenses	<u>507,294</u>
Total	6,530,486
Source of funds	
General fund	82,500
Federal funds	6,338,219
Global Commitment fund	<u>109,767</u>
Total	6,530,486

Sec. B.329 Disabilities, aging, and independent living - administration & support

Personal services	31,147,704
Operating expenses	<u>5,194,746</u>
Total	36,342,450
Source of funds	
General fund	15,894,860
Special funds	1,390,457
Federal funds	17,990,849

Interdepartmental transfers	<u>1,066,284</u>
Total	36,342,450
Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants	
Grants	<u>21,162,885</u>
Total	21,162,885
Source of funds	
General fund	8,403,232
Federal funds	7,148,466
Global Commitment fund	<u>5,611,187</u>
Total	21,162,885
Sec. B.331 Disabilities, aging, and independent living - blind and visually impaired	
Grants	<u>1,451,457</u>
Total	1,451,457
Source of funds	
General fund	389,154
Special funds	223,450
Federal funds	593,853
Global Commitment fund	<u>245,000</u>
Total	1,451,457
Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation	
Grants	<u>8,972,255</u>
Total	8,972,255
Source of funds	
General fund	1,371,845
Special funds	70,000
Federal funds	4,552,523
Global Commitment fund	7,500
Interdepartmental transfers	<u>2,970,387</u>
Total	8,972,255
Sec. B.333 Disabilities, aging, and independent living - developmental services	
Grants	<u>208,837,426</u>
Total	208,837,426
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857

Global Commitment fund	<u>208,306,981</u>
Total	208,837,426
Sec. B.334 Disabilities, aging, and independent living - TBI home and community based waiver	
Grants	<u>5,647,336</u>
Total	5,647,336
Source of funds	
Global Commitment fund	<u>5,647,336</u>
Total	5,647,336
Sec. B.335 Corrections - administration	
Personal services	2,761,226
Operating expenses	<u>238,644</u>
Total	2,999,870
Source of funds	
General fund	<u>2,999,870</u>
Total	2,999,870
Sec. B.336 Corrections - parole board	
Personal services	259,000
Operating expenses	<u>81,081</u>
Total	340,081
Source of funds	
General fund	<u>340,081</u>
Total	340,081
Sec. B.337 Corrections - correctional education	
Personal services	2,827,819
Operating expenses	<u>510,128</u>
Total	3,337,947
Source of funds	
Education fund	3,189,163
Interdepartmental transfers	<u>148,784</u>
Total	3,337,947
Sec. B.338 Corrections - correctional services	
Personal services	108,272,207
Operating expenses	22,048,934
Grants	<u>9,426,638</u>
Total	139,747,779
Source of funds	
General fund	132,862,670

Special funds	629,963
Federal funds	470,962
Global Commitment fund	5,387,869
Interdepartmental transfers	<u>396,315</u>
Total	139,747,779
Sec. B.339 Corrections - Correctional services-out of state beds	
Personal services	<u>7,410,632</u>
Total	7,410,632
Source of funds	
General fund	<u>7,410,632</u>
Total	7,410,632
Sec. B.340 Corrections - correctional facilities - recreation	
Personal services	447,785
Operating expenses	<u>455,845</u>
Total	903,630
Source of funds	
Special funds	<u>903,630</u>
Total	903,630
Sec. B.341 Corrections - Vermont offender work program	
Personal services	1,375,777
Operating expenses	<u>565,784</u>
Total	1,941,561
Source of funds	
Internal service funds	<u>1,941,561</u>
Total	1,941,561
Sec. B.342 Vermont veterans' home - care and support services	
Personal services	18,740,073
Operating expenses	<u>4,687,334</u>
Total	23,427,407
Source of funds	
General fund	6,365,116
Special funds	8,474,443
Federal funds	8,176,862
Global Commitment fund	<u>410,986</u>
Total	23,427,407
Sec. B.343 Commission on women	
Personal services	300,078
Operating expenses	<u>70,983</u>

Total	371,061
Source of funds	
General fund	<u>371,061</u>
Total	371,061
Sec. B.344 Retired senior volunteer program	
Grants	<u>151,096</u>
Total	151,096
Source of funds	
General fund	<u>151,096</u>
Total	151,096
Sec. B.345 Green Mountain Care Board	
Personal services	7,312,099
Operating expenses	<u>1,407,428</u>
Total	8,719,527
Source of funds	
General fund	2,119,482
Special funds	3,587,883
Federal funds	226,574
Global Commitment fund	2,567,518
Interdepartmental transfers	<u>218,070</u>
Total	8,719,527
Sec. B.346 Total human services	
Source of funds	
General fund	690,747,501
Special funds	105,242,759
Tobacco fund	23,308,187
State health care resources fund	293,176,780
Education fund	3,189,163
Federal funds	1,408,931,087
Global Commitment fund	1,541,053,769
Internal service funds	1,941,561
Interdepartmental transfers	45,068,129
Permanent trust funds	<u>25,000</u>
Total	4,112,683,936
Sec. B.400 Labor - programs	
Personal services	30,803,543
Operating expenses	8,195,159
Grants	<u>1,500,000</u>
Total	40,498,702

Source of funds	
General fund	3,282,129
Special funds	3,616,477
Federal funds	31,891,593
Interdepartmental transfers	<u>1,708,503</u>
Total	40,498,702
Sec. B.401 Total labor	
Source of funds	
General fund	3,282,129
Special funds	3,616,477
Federal funds	31,891,593
Interdepartmental transfers	<u>1,708,503</u>
Total	40,498,702
Sec. B.500 Education - finance and administration	
Personal services	8,878,194
Operating expenses	2,475,753
Grants	<u>17,087,879</u>
Total	28,441,826
Source of funds	
General fund	3,475,789
Special funds	18,430,173
Education fund	1,015,606
Federal funds	2,714,811
Global Commitment fund	260,000
Interdepartmental transfers	<u>2,545,447</u>
Total	28,441,826
Sec. B.501 Education - education services	
Personal services	18,581,101
Operating expenses	1,604,659
Grants	<u>125,444,492</u>
Total	145,630,252
Source of funds	
General fund	5,530,968
Special funds	3,808,374
Tobacco fund	750,388
Federal funds	133,477,859
Interdepartmental transfers	<u>2,062,663</u>
Total	145,630,252
Sec. B.502 Education - special education: formula grants	

Grants	<u>180,749,796</u>
Total	180,749,796
Source of funds	
Education fund	<u>180,749,796</u>
Total	180,749,796
Sec. B.503 Education - state-placed students	
Grants	<u>16,700,000</u>
Total	16,700,000
Source of funds	
Education fund	<u>16,700,000</u>
Total	16,700,000
Sec. B.504 Education - adult education and literacy	
Grants	<u>4,254,045</u>
Total	4,254,045
Source of funds	
General fund	787,995
Education fund	2,700,000
Federal funds	<u>766,050</u>
Total	4,254,045
Sec. B.504.1 Education - Flexible Pathways	
Grants	<u>7,200,000</u>
Total	7,200,000
Source of funds	
Education fund	<u>7,200,000</u>
Total	7,200,000
Sec. B.505 Education - adjusted education payment	
Grants	<u>1,352,200,000</u>
Total	1,352,200,000
Source of funds	
Education fund	<u>1,352,200,000</u>
Total	1,352,200,000
Sec. B.506 Education - transportation	
Grants	<u>18,745,381</u>
Total	18,745,381
Source of funds	
Education fund	<u>18,745,381</u>
Total	18,745,381
Sec. B.507 Education - small school grants	

Grants	<u>7,600,000</u>
Total	7,600,000
Source of funds	
Education fund	<u>7,600,000</u>
Total	7,600,000
Sec. B.508 Education - capital debt service aid	
Grants	<u>25,000</u>
Total	25,000
Source of funds	
Education fund	<u>25,000</u>
Total	25,000
Sec. B.510 Education - essential early education grant	
Grants	<u>6,442,927</u>
Total	6,442,927
Source of funds	
Education fund	<u>6,442,927</u>
Total	6,442,927
Sec. B.511 Education - technical education	
Grants	<u>13,613,512</u>
Total	13,613,512
Source of funds	
Education fund	<u>13,613,512</u>
Total	13,613,512
Sec. B.513 Appropriation and transfer to education fund	
Grants	<u>314,695,753</u>
Total	314,695,753
Source of funds	
General fund	<u>314,695,753</u>
Total	314,695,753
Sec. B.514 State teachers' retirement system	
Grants	<u>83,809,437</u>
Total	83,809,437
Source of funds	
General fund	75,912,816
Education fund	<u>7,896,621</u>
Total	83,809,437
Sec. B.514.1 State teachers' retirement system	

Personal services	6,192,879
Operating expenses	<u>1,494,552</u>
Total	7,687,431
Source of funds	
Pension trust funds	<u>7,687,431</u>
Total	7,687,431
Sec. B.515 Retired teachers' health care and medical benefits	
Grants	<u>27,560,966</u>
Total	27,560,966
Source of funds	
General fund	27,560,966
Education fund	<u>0</u>
Total	27,560,966
Sec. B.516 Total general education	
Source of funds	
General fund	427,964,287
Special funds	22,238,547
Tobacco fund	750,388
Education fund	1,614,888,843
Federal funds	136,958,720
Global Commitment fund	260,000
Interdepartmental transfers	4,608,110
Pension trust funds	<u>7,687,431</u>
Total	2,215,356,326
Sec. B.600 University of Vermont	
Grants	<u>42,509,093</u>
Total	42,509,093
Source of funds	
General fund	38,462,876
Education fund	0
Global Commitment fund	<u>4,046,217</u>
Total	42,509,093
Sec. B.601 Vermont Public Television	
Grants	<u>1</u>
Total	1
Source of funds	
General fund	<u>1</u>
Total	1

Sec. B.602 Vermont state colleges

Grants	<u>27,300,464</u>
Total	27,300,464
Source of funds	
General fund	27,300,464
Education fund	<u>0</u>
Total	27,300,464

Sec. B.602.1 Vermont state colleges - Supplemental Aid

Grants	<u>700,000</u>
Total	700,000
Source of funds	
General fund	700,000
Education fund	<u>0</u>
Total	700,000

Sec. B.603 Vermont state colleges - allied health

Grants	<u>1,157,775</u>
Total	1,157,775
Source of funds	
General fund	748,314
Education fund	0
Global Commitment fund	<u>409,461</u>
Total	1,157,775

Sec. B.605 Vermont student assistance corporation

Grants	<u>19,414,588</u>
Total	19,414,588
Source of funds	
General fund	19,414,588
Education fund	<u>0</u>
Total	19,414,588

Sec. B.606 New England higher education compact

Grants	<u>84,000</u>
Total	84,000
Source of funds	
General fund	84,000
Education fund	<u>0</u>
Total	84,000

Sec. B.607 University of Vermont - Morgan Horse Farm

Grants	<u>1</u>
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Total	1
Source of funds	
General fund	<u>1</u>
Total	1
Sec. B.608 Total higher education	
Source of funds	
General fund	86,710,244
Education fund	0
Global Commitment fund	<u>4,455,678</u>
Total	91,165,922
Sec. B.700 Natural resources - agency of natural resources - administration	
Personal services	3,930,773
Operating expenses	1,090,586
Grants	<u>34,960</u>
Total	5,056,319
Source of funds	
General fund	4,231,479
Special funds	554,112
Federal funds	15,000
Interdepartmental transfers	<u>255,728</u>
Total	5,056,319
Sec. B.701 Natural resources - state land local property tax assessment	
Operating expenses	<u>2,493,229</u>
Total	2,493,229
Source of funds	
General fund	2,071,729
Interdepartmental transfers	<u>421,500</u>
Total	2,493,229
Sec. B.702 Fish and wildlife - support and field services	
Personal services	16,627,558
Operating expenses	5,223,271
Grants	<u>860,000</u>
Total	22,710,829
Source of funds	
General fund	5,120,337
Special funds	266,350
Fish and wildlife fund	9,329,826
Federal funds	7,865,515
Interdepartmental transfers	127,801

Permanent trust funds	<u>1,000</u>
Total	22,710,829
Sec. B.703 Forests, parks and recreation - administration	
Personal services	1,353,932
Operating expenses	785,612
Grants	<u>2,061,750</u>
Total	4,201,294
Source of funds	
General fund	1,480,709
Special funds	1,447,050
Federal funds	1,263,535
Interdepartmental transfers	<u>10,000</u>
Total	4,201,294
Sec. B.704 Forests, parks and recreation - forestry	
Personal services	5,345,642
Operating expenses	772,756
Grants	<u>500,000</u>
Total	6,618,398
Source of funds	
General fund	4,638,604
Special funds	347,174
Federal funds	1,362,000
Interdepartmental transfers	195,999
Permanent trust funds	<u>74,621</u>
Total	6,618,398
Sec. B.705 Forests, parks and recreation - state parks	
Personal services	7,999,465
Operating expenses	<u>2,603,498</u>
Total	10,602,963
Source of funds	
General fund	555,654
Special funds	<u>10,047,309</u>
Total	10,602,963
Sec. B.706 Forests, parks and recreation - lands administration	
Personal services	536,620
Operating expenses	<u>1,201,508</u>
Total	1,738,128
Source of funds	
General fund	501,609

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Special funds	144,769
Federal funds	1,073,000
Interdepartmental transfers	<u>18,750</u>
Total	1,738,128
 Sec. B.707 Forests, parks and recreation - youth conservation corps	
Grants	<u>326,689</u>
Total	326,689
Source of funds	
General fund	48,307
Special funds	188,382
Interdepartmental transfers	<u>90,000</u>
Total	326,689
 Sec. B.708 Forests, parks and recreation - forest highway maintenance	
Personal services	94,000
Operating expenses	<u>85,925</u>
Total	179,925
Source of funds	
General fund	<u>179,925</u>
Total	179,925
 Sec. B.709 Environmental conservation - management and support services	
Personal services	5,671,296
Operating expenses	1,510,008
Grants	<u>187,442</u>
Total	7,368,746
Source of funds	
General fund	931,187
Special funds	351,935
Federal funds	702,230
Interdepartmental transfers	<u>5,383,394</u>
Total	7,368,746
 Sec. B.710 Environmental conservation - air and waste management	
Personal services	12,163,522
Operating expenses	8,258,175
Grants	<u>2,061,047</u>
Total	22,482,744
Source of funds	
General fund	95,050
Special funds	18,252,862
Federal funds	3,944,591

Interdepartmental transfers	<u>190,241</u>
Total	22,482,744
Sec. B.711 Environmental conservation - office of water programs	
Personal services	18,132,902
Operating expenses	5,531,907
Grants	<u>24,284,028</u>
Total	47,948,837
Source of funds	
General fund	7,564,123
Special funds	10,876,060
Federal funds	28,447,666
Interdepartmental transfers	<u>1,060,988</u>
Total	47,948,837
Sec. B.713 Natural resources board	
Personal services	2,556,391
Operating expenses	410,259
Grants	<u>100,000</u>
Total	3,066,650
Source of funds	
General fund	607,606
Special funds	<u>2,459,044</u>
Total	3,066,650
Sec. B.714 Total natural resources	
Source of funds	
General fund	28,026,319
Special funds	44,935,047
Fish and wildlife fund	9,329,826
Federal funds	44,673,537
Interdepartmental transfers	7,754,401
Permanent trust funds	<u>75,621</u>
Total	134,794,751
Sec. B.800 Commerce and community development - agency of commerce and community development - administration	
Personal services	3,175,456
Operating expenses	1,206,988
Grants	<u>3,537,627</u>
Total	7,920,071
Source of funds	
General fund	3,707,045

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Special funds	4,059,800
Interdepartmental transfers	<u>153,226</u>
Total	7,920,071
Sec. B.801 Economic development	
Personal services	2,295,552
Operating expenses	820,188
Grants	<u>3,679,403</u>
Total	6,795,143
Source of funds	
General fund	4,602,224
Special funds	610,350
Federal funds	<u>1,582,569</u>
Total	6,795,143
Sec. B.802 Housing & community development	
Personal services	3,643,631
Operating expenses	786,231
Grants	<u>4,258,021</u>
Total	8,687,883
Source of funds	
General fund	2,627,105
Special funds	4,490,916
Federal funds	1,468,739
Interdepartmental transfers	<u>101,123</u>
Total	8,687,883
Sec. B.804 Community development block grants	
Grants	<u>6,326,320</u>
Total	6,326,320
Source of funds	
Federal funds	<u>6,326,320</u>
Total	6,326,320
Sec. B.805 Downtown transportation and capital improvement fund	
Personal services	98,581
Grants	<u>335,151</u>
Total	433,732
Source of funds	
Special funds	<u>433,732</u>
Total	433,732
Sec. B.806 Tourism and marketing	

Personal services	1,191,303
Operating expenses	1,792,070
Grants	<u>121,880</u>
Total	3,105,253
Source of funds	
General fund	3,075,253
Interdepartmental transfers	<u>30,000</u>
Total	3,105,253
Sec. B.807 Vermont life	
Personal services	715,174
Operating expenses	<u>47,849</u>
Total	763,023
Source of funds	
Enterprise funds	<u>763,023</u>
Total	763,023
Sec. B.808 Vermont council on the arts	
Grants	<u>675,307</u>
Total	675,307
Source of funds	
General fund	<u>675,307</u>
Total	675,307
Sec. B.809 Vermont symphony orchestra	
Grants	<u>141,214</u>
Total	141,214
Source of funds	
General fund	<u>141,214</u>
Total	141,214
Sec. B.810 Vermont historical society	
Grants	<u>996,945</u>
Total	996,945
Source of funds	
General fund	<u>996,945</u>
Total	996,945
Sec. B.811 Vermont housing and conservation board	
Grants	<u>30,839,032</u>
Total	30,839,032
Source of funds	
Special funds	12,150,447

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Federal funds	<u>18,688,585</u>
Total	30,839,032
Sec. B.812 Vermont humanities council	
Grants	<u>217,959</u>
Total	217,959
Source of funds	
General fund	<u>217,959</u>
Total	217,959
Sec. B.813 Total commerce and community development	
Source of funds	
General fund	16,043,052
Special funds	21,745,245
Federal funds	28,066,213
Interdepartmental transfers	284,349
Enterprise funds	<u>763,023</u>
Total	66,901,882
Sec. B.900 Transportation - finance and administration	
Personal services	11,835,039
Operating expenses	2,732,631
Grants	<u>55,000</u>
Total	14,622,670
Source of funds	
Transportation fund	13,520,910
Federal funds	<u>1,101,760</u>
Total	14,622,670
Sec. B.901 Transportation - aviation	
Personal services	3,502,776
Operating expenses	14,029,319
Grants	<u>204,000</u>
Total	17,736,095
Source of funds	
Transportation fund	4,929,552
Federal funds	<u>12,806,543</u>
Total	17,736,095
Sec. B.902 Transportation - buildings	
Operating expenses	<u>1,900,000</u>
Total	1,900,000
Source of funds	

Transportation fund	<u>1,900,000</u>
Total	1,900,000
Sec. B.903 Transportation - program development	
Personal services	53,313,749
Operating expenses	193,926,320
Grants	<u>40,242,156</u>
Total	287,482,225
Source of funds	
Transportation fund	39,895,056
TIB fund	8,198,136
Federal funds	238,291,275
Interdepartmental transfers	239,345
Local match	<u>858,413</u>
Total	287,482,225
Sec. B.904 Transportation - rest areas construction	
Personal services	42,274
Operating expenses	<u>620,726</u>
Total	663,000
Source of funds	
Transportation fund	79,774
Federal funds	<u>583,226</u>
Total	663,000
Sec. B.905 Transportation - maintenance state system	
Personal services	43,638,652
Operating expenses	45,265,393
Grants	<u>421,780</u>
Total	89,325,825
Source of funds	
Transportation fund	87,376,083
Federal funds	1,849,742
Interdepartmental transfers	<u>100,000</u>
Total	89,325,825
Sec. B.906 Transportation - policy and planning	
Personal services	3,804,950
Operating expenses	707,135
Grants	<u>6,084,347</u>
Total	10,596,432
Source of funds	
Transportation fund	2,706,491

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Federal funds	7,755,912
Interdepartmental transfers	<u>134,029</u>
Total	10,596,432
Sec. B.907 Transportation - rail	
Personal services	6,410,380
Operating expenses	<u>30,670,870</u>
Total	37,081,250
Source of funds	
Transportation fund	18,935,869
TIB fund	2,840,249
Federal funds	15,269,507
Interdepartmental transfers	<u>35,625</u>
Total	37,081,250
Sec. B.908 Transportation - public transit	
Personal services	1,137,749
Operating expenses	120,263
Grants	<u>30,874,145</u>
Total	32,132,157
Source of funds	
Transportation fund	7,955,199
Federal funds	<u>24,176,958</u>
Total	32,132,157
Sec. B.909 Transportation - central garage	
Personal services	4,459,194
Operating expenses	<u>15,595,717</u>
Total	20,054,911
Source of funds	
Internal service funds	<u>20,054,911</u>
Total	20,054,911
Sec. B.910 Department of motor vehicles	
Personal services	18,395,579
Operating expenses	<u>10,906,337</u>
Total	29,301,916
Source of funds	
Transportation fund	27,773,478
Federal funds	1,423,438
Interdepartmental transfers	<u>105,000</u>
Total	29,301,916

Sec. B.911 Transportation - town highway structures

Grants	<u>6,333,500</u>
Total	6,333,500
Source of funds	
Transportation fund	<u>6,333,500</u>
Total	6,333,500

Sec. B.912 Transportation - town highway local technical assistance program

Operating expenses	71,627
Grants	<u>329,066</u>
Total	400,693
Source of funds	
Transportation fund	100,693
Federal funds	<u>300,000</u>
Total	400,693

Sec. B.913 Transportation - town highway class 2 roadway

Grants	<u>7,848,750</u>
Total	7,848,750
Source of funds	
Transportation fund	<u>7,848,750</u>
Total	7,848,750

Sec. B.914 Transportation - town highway bridges

Personal services	3,349,613
Operating expenses	13,074,396
Grants	<u>100,000</u>
Total	16,524,009
Source of funds	
Transportation fund	1,111,449
TIB fund	1,156,927
Federal funds	13,488,269
Local match	<u>767,364</u>
Total	16,524,009

Sec. B.915 Transportation - town highway aid program

Grants	<u>25,982,744</u>
Total	25,982,744
Source of funds	
Transportation fund	<u>25,982,744</u>
Total	25,982,744

Sec. B.916 Transportation - town highway class 1 supplemental grants

Grants	<u>128,750</u>
Total	128,750
Source of funds	
Transportation fund	<u>128,750</u>
Total	128,750
Sec. B.917 Transportation - town highway: state aid for nonfederal disasters	
Grants	<u>1,150,000</u>
Total	1,150,000
Source of funds	
Transportation fund	<u>1,150,000</u>
Total	1,150,000
Sec. B.918 Transportation - town highway: state aid for federal disasters	
Grants	<u>180,000</u>
Total	180,000
Source of funds	
Transportation fund	20,000
Federal funds	<u>160,000</u>
Total	180,000
Sec. B.919 Transportation - municipal mitigation assistance program	
Operating expenses	150,000
Grants	<u>7,632,342</u>
Total	7,782,342
Source of funds	
Transportation fund	1,240,000
Special funds	1,100,000
Federal funds	<u>5,442,342</u>
Total	7,782,342
Sec. B.920 Transportation - public assistance grant program	
Operating expenses	640,000
Grants	<u>5,000,000</u>
Total	5,640,000
Source of funds	
Transportation fund	160,000
Special funds	2,000,000
Federal funds	3,000,000
Interdepartmental transfers	<u>480,000</u>
Total	5,640,000
Sec. B.921 Transportation board	

Personal services	205,657
Operating expenses	<u>28,093</u>
Total	233,750
Source of funds	
Transportation fund	<u>233,750</u>
Total	233,750
Sec. B.922 Total transportation	
Source of funds	
Transportation fund	249,382,048
TIB fund	12,195,312
Special funds	3,100,000
Federal funds	325,648,972
Internal service funds	20,054,911
Interdepartmental transfers	1,093,999
Local match	<u>1,625,777</u>
Total	613,101,019
Sec. B.1000 Debt service	
Operating expenses	<u>79,333,039</u>
Total	79,333,039
Source of funds	
General fund	73,989,703
Transportation fund	1,709,452
ARRA funds	1,130,146
TIB debt service fund	<u>2,503,738</u>
Total	79,333,039
Sec. B.1001 Total debt service	
Source of funds	
General fund	73,989,703
Transportation fund	1,709,452
ARRA funds	1,130,146
TIB debt service fund	<u>2,503,738</u>
Total	79,333,039

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2018, \$2,909,900 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of \$1,605,400 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of \$1,045,400 is transferred to the Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, \$350,000 shall be allocated for competitive grants for internships through the Vermont Strong Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Career Technical Education Programs. The amount of \$360,000 is appropriated to the Department of Labor in consultation with the State Workforce Development Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and high schools to provide adult career technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of \$200,000 is appropriated to the Agency of Commerce and Community Development to issue performance grants to the University of Vermont and the Vermont Center for Emerging Technologies for patent development and commercialization of technology and to enhance the development of high technology businesses and Next Generation employment opportunities throughout Vermont.

(2) Loan repayment. The amount of \$30,000 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 repayment program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(3) Scholarships and grants. The amount of \$1,274,500 as follows:

(A) Nondegree VSAC grants. The amount of \$494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of \$150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs and need-based stipend. The amount of \$600,000 is appropriated to the Agency of Education for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and \$30,000 is appropriated to the Agency of Education to be transferred to the Vermont Student Assistance Corporation for need-based stipends pursuant to Sec. E.605.1 of this act.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR
FISCAL YEAR 2019 NEXT GENERATION FUND
DISTRIBUTION

(a) The Department of Labor, in coordination with the Agencies of Commerce and Community Development, of Human Services, and of Education, and in consultation with the State Workforce Development Board, shall recommend to the Governor on or before December 1, 2017 how \$2,909,900 from the Next Generation Initiative Fund should be allocated or appropriated in fiscal year 2019 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 FISCAL YEAR 2018 ONE-TIME GENERAL FUND
APPROPRIATIONS

(a) Department for Children and Families: The sum of \$600,000 in general funds is appropriated to the Department for Children and Families to be used to facilitate the development of two seasonal warming shelters, one in the Rutland district office service area and one in the Barre district office service area to be in place for the 2017-2018 heating season. The Department for Children and Families and the local continuums of care in the Rutland and Barre districts shall report on or before September 15 and November 15, 2017 to the Legislative Joint Fiscal Committee on the progress of the siting and development of seasonal warming shelters in these two areas of the State. The Secretary of Human Services and the Commissioner for Children and Families shall work with hospitals and community organizations to access additional funding, matching funds, and in-kind contributions, and to facilitate siting to expand shelter availability throughout other regions of the State. A report on projected shelter availability for the 2017-2018 heating season shall be submitted to the Legislative Joint Fiscal Committee on or before November 15, 2017.

(b) Agency of Agriculture, Food and Markets: The sum of \$25,000 in general funds is appropriated to the Agency of Agriculture, Food and Markets to support the Farms 2+2 Program.

(c) Agency of Agriculture, Food and Markets: The sum of \$75,000 in

general funds is appropriated to the Agency of Agriculture, Food and Markets for a grant to the Vermont Housing and Conservation Board for federal rural development grant writing assistance.

Sec. B.1102 FISCAL YEAR 2018 MANAGEMENT SAVINGS

(a) The Secretary of Administration shall reduce fiscal year 2018 appropriations and make transfers to the General Fund for a total of \$5,000,000. The Administration is not limited to the following proposals to achieve this target, but shall analyze the following for fiscal year 2018 budgetary savings:

(1) the elimination of exempt positions;

(2) savings identified through improved business processes and administrative efficiencies;

(3) administrative or contractual reductions, including savings from improved systems of procurement;

(4) savings in State employee health care costs through increased price awareness;

(5) the Agency of Human Services shall review and quantify savings from improved oversight and fiscal controls in order to prevent fraud and overpayment related to personal care services reimbursed by the departments of the Agency;

(6) review of statewide operating expenses that include:

(A) physical space needs statewide for potential reduction of leased space or divestment of owned real estate where appropriate;

(B) examination of the alignment of the cost control incentives or disincentives in the State's largest internal service fund programs, including fee for space, and innovation and information charges; and

(C) telecommunication services, postage equipment, and other equipment rentals.

(b) The Department of Corrections shall be held harmless from the savings target in subsection (a) of this section due to Corrections-specific existing savings targets contained elsewhere in this act.

(c) Savings identified by the Administration to meet the target in subsection (a) of this section shall be multiyear in nature to the greatest extent possible. The Administration shall provide in the report required in subsection (d) of this section the fully annualized savings for any reductions and transfers that require more time to be fully implemented.

(d) The Secretary shall submit a written report of the appropriations reductions and transfers to the Joint Fiscal Committee in November 2017. The report shall include:

(1) the budgetary changes by agency and department and funding source;

(2) the short- and long-term implications to individuals, organizations, or State systems of each change;

(3) if any identified savings are only one-time in nature, the associated longer term actions that the Secretary recommends to make the savings continue into future years or become permanent; and

(4) if any reductions or transfers require specific statutory changes, these shall be summarized in the report and presented in full to the House and Senate Committees on Appropriations and other relevant standing committees during the 2018 legislative session.

Sec. B.1103 [DELETED]

Sec. B.1104 [DELETED]

Sec. B.1105 [DELETED]

Sec. B.1106 [DELETED]

Sec. B.1107 [DELETED]

Sec. C.100 FISCAL YEAR 2017 ONE-TIME APPROPRIATIONS

(a) In fiscal year 2017, the sum of \$1,930,000 in general funds is appropriated to the Secretary of Administration to be carried forward into fiscal year 2018 for distribution to departments to provide funding for changes in employee classification occurring in fiscal year 2017 that are approved in accordance with the collective bargaining agreements.

(b) In fiscal year 2017, the sum of \$323,826 in general funds is appropriated to the Judiciary for retroactive docket clerk reclassification.

(c) In fiscal year 2017, the sum of \$245,246 in general funds is appropriated to the Attorney General to be carried forward into fiscal year 2018 for tobacco master settlement arbitration or litigation.

(d) In fiscal year 2017, the sum of \$100,000 in general funds is appropriated to the Agency of Agriculture, Food and Markets to be carried forward for fiscal year 2018 one-time expenditure by the Vermont Working Lands Enterprise Board established in 6 V.S.A. § 4606 for investments in food and forest system businesses and service providers pursuant to 6 V.S.A. § 4607

and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

(e) In fiscal year 2017, the sum of \$1,250,000 in general funds is appropriated to the Department of Public Safety to purchase police cruiser and body cameras, including equipment, maintenance, and warranty costs. The first priority for the use of these funds shall be for the State match in fiscal years 2018 and 2019 for federal NHTSA/GHSP funds for cruiser cameras pending a waiver to meet “buy American” federal requirements. Second priority is for cruiser cameras if a waiver is denied. Body cameras may be purchased with any remaining funds.

(f) In fiscal year 2017, the sum of \$200,000 in general funds is appropriated to the Department of Buildings and General Services to be used in combination with available capital appropriations for activities to reuse the Southeast State Correctional Facility located in Windsor, Vermont subsequent to a plan specified in Sec. E.335.1 of this act.

(g) In fiscal year 2017, the sum of \$250,000 in general funds is appropriated to the Agency of Administration for a one-time grant to the Vermont Law School. This grant will provide a State match toward the \$5,000,000 hybrid residential and online program designed to attract new groups of national and international students to enroll in Vermont-based programs at the law school.

(h) In fiscal year 2017, the sum of \$260,000 in general funds is appropriated to the Office of the Attorney General to pay costs or liabilities incurred by the Attorney General representing Vermont consumers in pending matters relating to VW and the efficacy of a dietary supplement.

(i) In fiscal year 2017, the sum of \$880,000 in general funds is appropriated to the Vermont State Colleges to pay the second of three installments to support the unification of Johnson and Lyndon State Colleges into the new Northern Vermont University.

(j) In fiscal year 2017, the sum of \$27,000 in general funds is appropriated to the Department of Buildings and General Services to support the operating expenses of the Bennington Welcome Center. For subsequent fiscal years, operating expenses of the Bennington Welcome Center shall not be supported with supplemental appropriations in addition to the amounts requested by the Department of Buildings and General Services and approved by the General Assembly in the annual appropriations bill.

(k) In fiscal year 2017, the sum of \$150,000 in general funds is appropriated to the Agency of Commerce and Community Development for the Vermont Small Business Development Center for the purpose of increasing

the number of business advisors in the State, with priority for underserved regions.

(1) In fiscal year 2017, the sum of \$100,000 in general funds is appropriated to the Office of Economic Opportunity in the Department for Children and Families for pass-through grants to the Community Action Agencies to provide funding for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

Sec. C.100.1 ECONOMIC DEVELOPMENT MARKETING

(a) In fiscal year 2017, the Agency of Commerce and Community Development is authorized to transfer and carry forward \$250,000 of general funds appropriated for the Vermont Training Program to:

(1) implement the Department of Economic Development's economic development marketing plan to attract and retain residents and businesses to Vermont, highlighting the many positive features that make Vermont a great place to live, work, and do business; and

(2) prioritize marketing tactics with the potential to shift most efficiently and effectively perceptions about Vermont as a place to live and work, and that will form a set of marketing assets and strategic framework to sustain Department of Economic Development activities beyond initial implementation.

(b) Funds available to implement this section may be matched with federal funds, special funds, grants, donations, and private funds. To increase the amount and effectiveness of marketing activities conducted, the Agency shall collaborate with 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.

(c) Prior to taking any action pursuant to subsection (a) of this section, including issuing any requests for proposals for contracts or grants to partner with the Department in implementing this section, the Secretary of Commerce and Community Development shall adopt relevant outcomes, performance measures, and indicators in order to:

(1) clearly articulate the goals and expectations for the State's economic development marketing plan and its implementation, any contracts or grants with the Department, and for the activities of the Department and its partners; and

(2) enable the General Assembly to evaluate the performance and effectiveness of the plan and its implementation, and of the activities of the Department and its partners undertaken pursuant to this section.

 Sec. C.100.2 MEDICAID CARRY FORWARD REQUIREMENT

(a) In fiscal year 2017, the Agency of Human Services shall reserve and carry forward to fiscal year 2018 \$1,250,000 of the general funds appropriated in 2016 Acts and Resolves No. 172, Sec. B.301 as amended by 2017 Acts and Resolves No. 3, Sec. 18. The Commissioner of Finance and Management is authorized to adjust fiscal year 2017 Federal Fund and Global Commitment Fund appropriations in the Agency of Human Services and Department of Vermont Health Access to comport with this requirement.

Sec. C.101 2017 Acts and Resolves No. 3, Sec. 60 is amended to read

Sec. 60. FUND TRANSFERS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2017:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

21054	Misc. Fines & Penalties	442,849.77
21065	Financial Institute Supervision	728,499.86
21405	Bond Investment Earnings Fund	161,100.90
21550	Land & Facilities Trust Fund	450,000.00
21641	AG – Administrative Special Fund	30,848.02
21638	AG – Fees & Reimbursements -Court Order	<u>(est.)</u> 2,400,000.00
22005	AHS Central Office earned federal receipts	28,040,542.00
50300	Liquor Control Fund	955,000.00
	Caledonia Fair	5,000.00
	North Country Hospital Loan	24,250.00

(2) All or a portion of the unencumbered balances in the Insurance Regulatory and Supervision Fund (Fund Number 21075), the Captive Insurance Regulatory and Supervision Fund (Fund Number 21085), and the Securities Regulatory and Supervision Fund (Fund Number 21080) expected to be approximately ~~\$22,452,018~~ \$22,732,018 shall be transferred to the General Fund, provided that on or before July 1, 2017, the Commissioner of Financial Regulation certifies to the Joint Fiscal Committee that the transfer of such balances, or any smaller portion deemed proper by the Commissioner, will not impair the ability of the Department in fiscal year 2018 to provide thorough, competent, fair, and effective regulatory services, or maintain accreditation by the National Association of Insurance Commissioners; and that the Joint Fiscal Committee does not reject such certification.

(3) The following amounts shall be transferred from the General Fund to the funds indicated:

21275	Environmental Contingency Fund		500,000.00
21555	Emergency Relief and Assistance Fund	1,176,226.00	<u>2,632,014.00</u>
59500	Single Audit Revolving Fund		196,169.00

* * *

Sec. C.102 VOLKSWAGEN SETTLEMENT

(a) The estimated \$4,242,401 multistate settlement from Volkswagen to be received by the State of Vermont in fiscal year 2017 or fiscal year 2018 shall be deposited into the Environmental Contingency Fund (fund 21275). In fiscal year 2018, \$1,000,000 shall be transferred to the General Fund, and the balance shall remain in the Environmental Contingency Fund (fund 21275).

Sec. C.103 2017 Acts and Resolves No. 3, Sec. 62 is amended to read:

Sec. 62. EXPENDITURE OF HUMAN SERVICES CASELOAD
MANAGEMENT RESERVE

~~(a) In fiscal year 2017, \$3,738,117 from the General Fund is appropriated to the Commissioner of Finance and Management for transfer to the Agency of Human Services — Global Commitment to ensure sufficient funding for Global Commitment during fiscal year 2017. Prior to the close of fiscal year 2017, the Commissioner shall determine the amount needed for transfer, and shall provide a written report to the Joint Fiscal Committee of the determination and the amount transferred. Any funds remaining in this appropriation and not transferred shall revert to the General Fund in fiscal year 2017.~~

~~(b) The amount of funds appropriated in subsection (a) of this section shall be unreserved from the Human Services Caseload Reserve established in 32 V.S.A. § 308b. The funds reverted in subsection (a) of this section shall be reserved in the Human Services Caseload Reserve.~~

(a) The amount of \$3,738,117 in general funds shall be unreserved from the Human Services Caseload Management Reserve established in 32 V.S.A. § 308b.

(b) At the close of fiscal year 2017 and after meeting the requirements of Sec. C.100.2 of H.518 of the 2017 session, an amount up to \$3,738,117 of any unencumbered General Fund appropriation in 2016 Acts and Resolves No. 172, Sec. B.301 as amended by 2017 Acts and Resolves No. 3, Sec. 18, and as further amended by Sec. C.107 of H.518 of the 2017 session, that would otherwise be authorized to carry forward shall revert to the General Fund and be reserved in the Human Services Caseload Management Reserve established in 32 V.S.A. § 308b.

Sec. C.104 FISCAL YEAR 2017 27/53 RESERVE FUNDING SOURCE
TRANSFER

(a) Notwithstanding 2016 Acts and Resolves No. 172, Sec. B.1104 or any other provision of law to the contrary, any General Fund amount reserved in fiscal year 2017 in the 27/53 Reserve created in 32 V.S.A. § 308e shall be unreserved.

(b) In fiscal year 2017, \$5,287,591 shall be transferred from the Global Commitment Fund to the General Fund to be reserved in the 27/53 Reserve created in 32 V.S.A. § 308e.

Sec. C.105 2016 Acts and Resolves No. 172, Sec. B.200 as amended by 2017 Acts and Resolves No. 3, Sec. 9 is further amended to read:

Sec. B.200 Attorney general

Personal services	9,160,530	8,900,530
Operating expenses	1,386,540	1,386,540
Grants	<u>26,894</u>	<u>26,894</u>
Total	10,573,964	10,313,964
Source of funds		
General fund	4,598,420	4,338,420
Special funds	2,150,198	2,150,198
Tobacco fund	348,000	348,000
Federal funds	1,067,909	1,067,909
Interdepartmental transfers	<u>2,409,437</u>	<u>2,409,437</u>
Total	10,573,964	10,313,964

Sec. C.106 2016 Acts and Resolves No. 172, Sec. B.240 as amended by 2017 Acts and Resolves No. 3, Sec. 16 is further amended to read:

Sec. B.240 Total protection to persons and property

Source of funds		
General fund	140,870,696	140,610,696
Transportation fund	21,150,000	21,150,000
Special funds	83,106,552	83,106,552
Tobacco fund	600,874	600,874
Federal funds	64,642,371	64,642,371
ARRA funds	650,000	650,000
Global Commitment fund	90,278	90,278
Interdepartmental transfers	12,737,631	12,737,631
Enterprise funds	<u>8,032,560</u>	<u>8,032,560</u>
Total	331,880,962	331,620,962

Sec. C.107 2016 Acts and Resolves No. 172, Sec. B.301 as amended by 2017 Acts and Resolves No. 3, Sec. 18 is further amended to read:

Sec. B.301 Secretary's office - global commitment

Operating expenses	5,529,495	5,529,495
Grants	<u>1,596,194,550</u>	<u>1,599,932,667</u>
Total		<u>1,601,724,045</u>
1,605,462,162		
Source of funds		
General fund	284,257,664	287,995,781
Special funds	28,263,866	28,263,866
Tobacco fund	29,716,875	29,716,875
State health care resources fund	297,599,293	297,599,293
Federal funds	961,846,347	961,846,347
Interdepartmental transfers	<u>40,000</u>	<u>40,000</u>
Total		<u>1,601,724,045</u>
1,605,462,162		

Sec. C.108 2016 Acts and Resolves No. 172, Sec. B.345 as amended by 2017 Acts and Resolves No. 3, Sec. 45 is further amended to read:

Sec. B.345 Green Mountain Care Board

Personal services	8,736,409	9,131,409
Operating expenses	<u>1,230,995</u>	<u>835,995</u>
Total		9,967,404
9,967,404		
Source of funds		
General fund	1,401,276	1,401,276
Special funds	2,342,927	2,342,927
Federal funds	448,808	448,808
Global Commitment fund	4,281,832	4,281,832
Interdepartmental transfers	<u>1,492,561</u>	<u>1,492,561</u>
Total		9,967,404
9,967,404		

Sec. C.109 2016 Acts and Resolves No. 172, Sec. B.346 as amended by 2017 Acts and Resolves No. 3, Sec. 46 is further amended to read:

Sec. B.346 Total human services

Source of funds		
General fund	693,886,463	697,624,580
Special funds	99,545,755	99,545,755
Tobacco fund	33,550,914	33,550,914
State health care resources fund	297,599,293	297,599,293
Education fund	3,109,463	3,109,463
Federal funds	1,391,826,777	1,391,826,777
Global Commitment fund	1,540,769,628	1,540,769,628
Internal service funds	1,908,035	1,908,035

Interdepartmental transfers	24,664,768	24,664,768
Permanent trust funds	<u>25,000</u>	<u>25,000</u>
Total		<u>4,086,886,096</u>
4,090,624,213		

Sec. C.110 2016 Acts and Resolves No. 172, Sec. B.1000 as amended by 2017 Acts and Resolves No. 3, Sec. 58 is further amended to read:

Sec. B.1000 Debt service

Operating expenses	<u>76,991,491</u>	<u>76,991,491</u>
Total		76,991,491
76,991,491		
Source of funds		
General fund	71,120,080	71,120,080
Transportation fund	1,884,089	1,884,089
Special funds	336,000	336,000
ARRA funds	1,149,919	1,149,909
TIB debt service fund	<u>2,501,413</u>	<u>2,501,413</u>
Total		76,991,491
76,991,491		

Sec. C.111 2016 Acts and Resolves No. 172, Sec. B.1001 as amended by 2017 Acts and Resolves No. 3, Sec. 59 is further amended to read:

Sec. B.1001 Total debt service

Source of funds		
General fund	71,120,080	71,120,080
Transportation fund	1,884,089	1,884,089
Special funds	336,000	336,000
ARRA funds	1,149,919	1,149,909
TIB debt service fund	<u>2,501,413</u>	<u>2,501,413</u>
Total	76,991,491	76,991,491

Sec. C.112 2016 Acts and Resolves No. 172, Sec. B.514 is amended to read:

Sec. B.514 State teachers' retirement system

Grants	<u>78,959,576</u>	<u>78,659,576</u>
Total	<u>78,959,576</u>	78,659,576
Source of funds		
General fund	<u>78,959,576</u>	<u>78,659,576</u>
Total	<u>78,959,576</u>	78,659,576

Sec. C.113 2016 Acts and Resolves No. 172, Sec. B.515 is amended to read:

Sec. B.515 Retired teachers' health care and medical benefits

Grants	<u>22,022,584</u>	<u>22,322,584</u>
Total	<u>22,022,584</u>	<u>22,322,584</u>
Source of funds		
General fund	<u>22,022,584</u>	<u>22,322,584</u>
Total	<u>22,022,584</u>	<u>22,322,584</u>

Sec. C.114 2016 Acts and Resolves No. 172, Sec. E.514 is amended to read:

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be \$82,659,576, of which ~~\$78,959,576~~ \$78,659,576 shall be the State's contribution and ~~\$3,700,000~~ \$4,000,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

Sec. C.115 2016 Acts and Resolves No. 172, Sec. E.515 is amended to read:

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), ~~\$22,022,584~~ \$22,322,584 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

Sec. C.116 32 V.S.A. § 131 is amended to read:

§ 131. COMPOSITION

There shall be an Emergency Board to consist of the Governor, the Chair of the Senate Committee on Finance, the Chair of the Senate Committee on Appropriations, the Chair of the House Committee on Ways and Means, and the Chair of the House Committee on Appropriations; but the Chair of any one of such committees may designate a member of his or her committee who shall be a member of such Board in lieu of the Chair. The Board shall meet at the call of the Governor or a majority of the legislative members of the Board.

Sec. C.117 32 V.S.A. § 306 is amended to read:

§ 306. BUDGET REPORT

(a) The Governor shall submit to the General Assembly, not later than the third Tuesday of every annual session, a budget which shall embody his or her estimates, requests, and recommendations for appropriations or other authorizations for expenditures from the State Treasury. In the first year of the biennium, the budget shall relate to the two succeeding fiscal years. In the second year of the biennium, it shall relate to the succeeding fiscal year. The budget shall be based upon the official State revenue estimates, including the Medicaid estimated caseloads and per-member per-month expenditures, adopted by the Emergency Board pursuant to section 305a of this title.

Sec. C.118 2017 Acts and Resolves No. 3, Sec. 68(a) is amended to read:

(a) Notwithstanding any other provisions of law and subject to the approval of the Secretary of Administration, General, Transportation, Transportation Infrastructure Bond, ~~and~~ Education Fund, Clean Water Fund (Fund 21932), and Agricultural Water Quality Fund (Fund 21933) appropriations remaining unexpended on June 30, 2017 in the Executive Branch of State government shall be carried forward and shall be designated for expenditure.

Sec. C.119 2016 Acts and Resolves No. 172, Sec. B.1106(b) as amended by 2017 Acts and Resolves No. 3, Sec. 70 is further amended to read:

(b) The Secretary of Administration shall reduce fiscal year 2017 appropriations and make transfers to the General Fund for a total of \$343,369. Savings in the amount of \$206,631 are included in the fiscal year 2017 budget adjustment for a total savings of \$550,000. The remaining appropriations and transfers for savings ~~associated with positions abolished in subsection (a) of this section~~ shall be made prior to close out of fiscal year 2017 and be reported to the Joint Fiscal Committee at the July 2017 meeting.

Sec. C.120 GENERAL FUND YEAR END CLOSE OUT

(a) In fiscal years 2017 and 2018, after satisfying the requirements of 32 V.S.A. § 308, and after other reserve requirements have been met, the provisions of 32 V.S.A. § 308c(a)(1)-(3) shall not be applied, and any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve established in 32 V.S.A. § 308c.

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of \$518,000 is appropriated from the Current Use Administration Special Fund to the Department of Taxes for administration of the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$518,000 from the property transfer tax that are deposited into the Current Use Administration Special Fund shall be transferred into the General Fund.

(2) The sum of \$11,304,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above \$11,304,840 from the property transfer tax that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(3) The sum of \$3,760,599 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,760,599 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The \$3,760,599 shall be allocated as follows:

(A) \$2,924,417 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$457,482 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$378,700 to the Agency of Commerce and Community Development for the Vermont Center for Geographic Information, established in 10 V.S.A. § 122.

Sec. D.100.1 REPEAL

(a) 2011 Acts and Resolves No. 45, Secs. 35 (repeal of change in allocation of property transfer tax revenue) and 37(10), as amended by 2016 Acts and Resolves No. 172, Sec. D.100.1 (effective date of change in allocation of property transfer tax revenue) are repealed.

Sec. D.100.2 [DELETED]

Sec. D.101 FISCAL YEAR 2018 FUND TRANSFERS, REVERSIONS, AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$2,909,900.

(2) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. § 4803: \$1,225,000.

(3) From the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: \$423,966.

(4) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. § 951a for the purpose of funding fiscal year 2019 transportation infrastructure bonds debt service: \$2,504,688.

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2018:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

<u>21550</u>	<u>Land & Facilities Trust Fund</u>	<u>429,000.00</u>
<u>21638</u>	<u>AG-Fees & Reimbursements-Court Order</u>	<u>2,000,000.00</u>
<u>21909</u>	<u>Tax Computer System Modernization</u>	<u>798,808.00</u>
<u>21937</u>	<u>GMCB Regulatory and Admin Fund</u>	<u>850,000.00</u>
<u>22005</u>	<u>AHS Central Office earned federal receipts</u>	<u>32,971,342.00</u>
<u>50300</u>	<u>Liquor Control Fund</u>	<u>1,055,000.00</u>
	<u>Caledonia Fair</u>	<u>5,000.00</u>
	<u>North Country Hospital Loan</u>	<u>24,250.00</u>

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2018:

(1) The following amounts shall revert to the General Fund from the accounts indicated:

<u>1210001000</u>	<u>Legislative Council</u>	<u>150,000.00</u>
<u>1210002000</u>	<u>Legislature</u>	<u>385,000.00</u>
<u>1230001000</u>	<u>Sergeant at Arms</u>	<u>19,000.00</u>
<u>7120890704</u>	<u>International Trade Commission</u>	<u>7,711.88</u>

Sec. D.101.1 ONE-TIME FISCAL YEAR 2018 FUND TRANSFER TO EDUCATION FUND

(a) In fiscal year 2018, the sum of \$3,270,000 is transferred from the General Fund to the Education Fund.

Sec. D.101.2 ONE YEAR RESCISSION ELIGIBILITY FOR GENERAL FUND TO EDUCATION FUND TRANSFER

(a) For fiscal year 2018 only and notwithstanding 32 V.S.A. § 704(g)(2), the transfer and appropriation in Sec. B.513 of this act is subject to General Fund rescissions not to exceed one percent of the transfer or the percent that the rescission amount as specified in Sec. D.105(b) of this act is of the total General Fund budget, whichever is less.

(b) Any rescission made to the transfer in subsection (a) of this section shall be subtracted from the base amount used to calculate the General Fund transfer under 16 V.S.A. § 4025(a)(2) for the next fiscal year.

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 2017 in the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a shall remain for appropriation in fiscal year 2018.

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 2018 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2018 is not negative shall be transferred in fiscal year 2018 from the Tobacco Trust Fund established by 18 V.S.A. § 9502(a) to the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a.

Sec. D.104 HUMAN SERVICES CASELOAD MANAGEMENT RESERVE

(a) The sum of \$12,000,000 shall be reserved from the General Fund in the Human Services Caseload Management Reserve established in 32 V.S.A. § 308b.

Sec. D.105 FISCAL YEAR 2018 ONE-TIME CORPORATE TAX REFUND OFFSET

(a) The Administration and Legislative economists have indicated that one-time corporate tax refunds may result in a revenue downgrade for fiscal year 2018. To address the one-time fiscal impacts of this in fiscal year 2018, the following actions are authorized:

(1) As part of the official revenue forecast for fiscal year 2018 under 32 V.S.A § 305a, the Emergency Board at its July 2017 meeting shall hear testimony from the Administration and Legislative economists and adopt a fiscal year 2018 estimate for expected corporate tax refunds above historical trend.

(2) Based on the adopted amount of corporate income tax refunds under subdivision (1) of this subsection, to the extent necessary the following offsets will be made in the order below:

(A) The Commissioner of Finance and Management may review fund balances in State special funds and end of fiscal year 2017 carry forward appropriation balances throughout the Executive Branch. Up to \$5,000,000 may be identified for transfer or reversion to the General Fund. To the extent necessary, the Emergency Board will review any proposed fund transfers and under its authority pursuant to 32 V.S.A. § 133(b) make fund transfers at a meeting scheduled on or before September 15, 2017.

(B) Up to \$10,000,000 of the Global Commitment Fund balance may be transferred to the General Fund.

(b) Any other revenue adjustments shall be made in accordance with end of the year revenue offsets and the statutory rescission process under 32 V.S.A. § 704.

Sec. D.106 USE OF HEALTH IT-FUND BALANCE

(a) Notwithstanding 32 V.S.A. § 10301(a), the Agency of Human Services may expend \$2,000,000 of the Health IT-Fund as State match for Global Commitment program expenditures in fiscal year 2018 and the sum of \$500,000 is transferred from the Health IT-Fund to the General Fund and reserved in the Rainy Day Reserve established in 32 V.S.A. § 308c. It is the intent of the General Assembly to expend an additional \$2,000,000 from the Health IT-Fund as State match for Global Commitment program expenditures in fiscal year 2019.

Sec. D.107 FISCAL YEAR 2018 TRANSFER TO THE 27/53 RESERVE

(a) In fiscal year 2018, notwithstanding any other provision of law to the contrary, in order to meet the Medicaid 53rd week reserve requirement of the 27/53 Reserve, the sum of \$1,700,000 shall be transferred from the Global Commitment Fund to the General Fund to be reserved in the 27/53 Reserve created in 32 V.S.A. § 308e.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions is authorized in fiscal year 2018:

(1) In the Agency of Agriculture, Food and Markets – one (1) Microbiologist.

(2) In the Department of Taxes – two (2) Tax Examiner.

(b) The establishment of the following new permanent exempt position is authorized in fiscal year 2017 as follows:

(1) In the Department of State's Attorneys – one (1) Labor Relations Manager. This position shall be transferred and converted from existing vacant position number 267186 within the Department of State's Attorneys.

(c) The establishment of the following new classified limited services positions is authorized in fiscal year 2017:

(1) In the Department of Military – three (3) Security Guard.

(d) 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 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, and 2016 Acts and Resolves No.172, Sec. E.100.2, is further amended to read:

(d) Position Pilot Program. A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(1) Notwithstanding Sec. A.107 of this act, the Agency of Transportation, the Department for Children and Families, the Agency of Natural Resources, the Department of Buildings and General Services, the Department of Labor, ~~and~~ the Department of Corrections, and the Department of Public Safety shall not be subject to the cap on positions for the duration of the Pilot. The Department of Corrections is authorized to add only Correctional Officer I and II positions.

(7) This Pilot shall sunset on July 1, ~~2017~~ 2018, unless extended or modified by the General Assembly.

(8) On or before January 15, 2018 the Commissioner of Human Resources shall provide a report by department on the total number of positions created under the authority of this section to the House and Senate Committees on Appropriations. The Commissioner shall include in the report a recommendation on whether this program should be expanded and continue and, if so, should it be extended but remain in session law or be made permanent by codification in statute.

Sec. E.100.2 REPEAL

(a) 3 V.S.A. § 2222a is repealed.

Sec. E.108 [DELETED]

Sec. E.108.1 CLASSIFICATION SYSTEM PLANNING

(a) As a continuation of classification system analysis begun pursuant to 2015 Acts and Resolves No. 58, Sec. E.100.1, the Department of Human Resources shall issue an RFI for consultant services to assist the Department with needs assessment, expertise, and project planning necessary to procure a new Classification and Compensation system.

(b) A new Classification and Compensation system shall allow the State to:

(1) develop a broader classification system, utilizing fewer job classifications;

(2) utilize a more modern, flexible, transparent system for managing job evaluation and placement within the classified system; and

(3) provide a contemporary, flexible, easy to understand system for managing pay that effectively combines recognition of competencies, experience or longevity, or both, market parity, and excellence in performance.

(c) The Department shall submit a status report to the General Assembly on or before January 31, 2018 that identifies progress in planning for the development and implementation of a new Classification and Compensation system.

Sec. E.108.2 3 V.S.A. § 310(a) is amended to read:

(a) The Department of Human Resources shall adopt a uniform and equitable plan of classification for each position within State service, now or hereafter created, including positions within the Department of Public Safety, except those positions expressly excluded by section 311 of this title or by other provisions of law. For purposes of internal position alignment and assignment of positions to salary ranges, the plan shall be based upon a ~~point factor~~ job content comparison method of job evaluation. As used in this section, "~~point factor~~ job content comparison method" means a system under which positions are assigned to salary ranges based on a scale of values against which job evaluations of individual positions are compared.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, \$15,000 is from the Current Use Administration Special Fund established by 32 V.S.A. § 9610(c) and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

Sec. E.111.1 [DELETED]

Sec. E.113 Buildings and general services – engineering

(a) The \$3,537,525 interdepartmental transfer in this appropriation shall be from the General Bond Fund appropriation in the Capital Bill of the 2017 legislative session.

Sec. E.126 2 V.S.A. § 691 is amended to read:

§ 691. COMMITTEE CREATION

There is created a legislative Health Reform Oversight Committee. The Committee shall be composed of the following ~~six~~ eight members:

- (1) the Chair of the House Committee on Appropriations;
- (2) the Chair of the Senate Committee on Appropriations;
- (3) the Chair of the House Committee on Ways and Means;
- (4) the Chair of the Senate Committee on Finance;

- (5) the Chair of the House Committee on Health Care; ~~and~~
(6) the Chair of the Senate Committee on Health and Welfare;
(7) the Chair of the House Committee on Human Services; and
(8) the Chair of the Senate Committee on Economic Development, Housing and General Affairs.

Sec. E.126.1 [DELETED]

Sec. E.127 [DELETED]

Sec. E.127.1 [DELETED]

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2018, 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, \$9,000 shall be transferred to the Attorney General and \$26,000 shall be transferred to the Department of Taxes, Division of Property Valuation and Review and reserved and used with any remaining funds from the amount previously transferred for final 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.142 Payments in lieu of taxes

(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

(b) Total payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, in fiscal year 2018 to be paid from the PILOT Special Fund under 32 V.S.A. § 3709 include the appropriation of \$7,600,000 in Sec. B.142 of this act, the appropriation of \$184,000 for the City of Montpelier in Sec. B.143 of this act, the appropriation of \$40,000 for correctional facilities in Sec. B.144 of this act, and the appropriation of \$146,000 for the supplemental facility payments from the Department of Corrections to the City of Newport and the Town of Springfield in Sec. B.338 of this act.

Sec. E.143 Payments in lieu of taxes – Montpelier

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.144 Payments in lieu of taxes – correctional facilities

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$1,115,500 is appropriated in Sec. B.200 of this act.

Sec. E.204 REPEAL; EXTENSION

(a) 2016 Acts and Resolves No.167, Sec. 2 is amended to read:

Sec. 2. REPEAL

4 V.S.A. § 38 (Judicial Masters) shall be repealed on July 1, ~~2019~~ 2020.

Sec. E.204.1 Vermont Rule of Criminal Procedure 43(a) is amended to read:

(a) Presence Required.

(1) The defendant shall be present at the arraignment, at any subsequent time at which a plea is offered, at every stage of the trial including the impaneling of the jury and the return of the verdict, and at the imposition of sentence, except as otherwise provided by this rule.

(2) Arraignments shall be in person and shall be on the record and shall not be performed by video conferencing or other electronic means unless the defendant consents. Notwithstanding this subdivision, video conferencing may be used to effect the appearance of the defendant at status conferences, calendar calls, and other proceedings where the presence of the defendant is not required by this rule.

Sec. E.204.2 [DELETED]

Sec. E.207 SHERIFFS' HOURLY PAYMENT PILOT

(a)(1) Notwithstanding any provision of 32 V.S.A. § 1591(2)(A) to the contrary, during fiscal years 2018 and 2019 the Executive Director of the Department of State's Attorneys and Sheriffs shall set rates not to exceed \$22 per hour for deputy sheriffs that provide necessary assistance in arresting or transporting prisoners, juveniles, or persons with mental illness. In addition to the rate established in this subdivision, a sheriff's department shall be reimbursed for the actual costs for Social Security and Medicare taxes, workers' compensation premiums, unemployment contributions, and other reasonable expenses, provided the costs are attributable to the services provided, documented in a manner required by the Executive Director, and approved by the Executive Director.

(2) A law enforcement officer shall not receive compensation pursuant to this subsection if otherwise compensated for the hours during which transportation services are performed.

(3) The amounts paid pursuant to this subsection shall not exceed \$441,688 in fiscal year 2018 or 2019.

(b) On or before January 15, 2019, the Executive Director of the Department of State's Attorneys and Sheriffs shall submit a written report to the House and Senate Committees on Judiciary and on Appropriations as to the actual monies spent pursuant to this section, the impact on prison transport and the Departmental budget, and any specific recommendations for statutory changes and budget expenditures for the following fiscal years.

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.209 Public safety – state police

(a) Of this appropriation, \$35,000 in special funds shall be available for snowmobile law enforcement activities and \$35,000 in general funds shall be available to the Southern Vermont Wilderness Search and Rescue Team, which comprises State Police, the Department of Fish and Wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of this appropriation, \$405,000 is allocated for grants in support of the Drug Task Force and the Gang Task Force. Of this amount, \$190,000 shall be used by the Vermont Drug Task Force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the

diversion of legal prescription drugs. Any unobligated funds may be allocated by the Commissioner to fund the work of the Drug Task Force and to support the efforts of the Mobile Enforcement Team (Gang Task Force), or carried forward.

Sec. E.212 Public safety – fire safety

(a) Of this General Fund appropriation, \$55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

Sec. E.215 Military – administration

(a) The amount of \$250,000 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856. Of this amount, \$100,000 shall be general funds from this appropriation, and \$150,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

Sec. E.219 Military – veterans’ affairs

(a) Of this appropriation, \$1,000 shall be used for continuation of the Vermont Medal Program; \$4,800 shall be used for the expenses of the Governor’s Veterans’ Advisory Council; \$7,500 shall be used for the Veterans Day parade; \$5,000 shall be 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 victim services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victim Services shall transfer \$39,895 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 of 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.224 Agriculture, food and markets – agricultural development

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of \$805,352 in general funds is appropriated for expenditure by the Vermont Working Lands Enterprise Board established in 6 V.S.A. § 4606 for administrative expenses, and investments in food and forest system businesses and service providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

Sec. E.233 ENERGY PLANNING SUPPORT; ALLOCATION OF COSTS

(a) During fiscal year 2018, the Commissioner of Public Service, in consultation with the Commissioner of Housing and Community Development, shall award the amount of \$300,000 to regional planning commissions established under 24 V.S.A. chapter 117 and to municipalities for the purpose of providing training under 2016 Acts and Resolves No. 174.

(b) In awarding funds under this section, the Commissioners shall consider the need and size of a municipality or region and the availability, if any, of other assistance, expertise, or funds to a municipality or region to implement 2016 Acts and Resolves No. 174.

(c) The Commissioner of Public Service shall allocate costs under subsection (a) of this section to the electric distribution utilities subject to its supervision under Title 30 of the Vermont Statutes Annotated based on their pro rata share of total Vermont retail kilowatt-hour sales for the previous fiscal year. Each of these utilities shall pay its allocation into the State Treasury at such time and in such manner as the Commissioner may direct.

Sec. E.234 [DELETED]

Sec. E.237 LIQUOR CONTROL WAREHOUSE; PRIVATIZATION;
MORATORIUM

(a) Notwithstanding any provision of law to the contrary, the Liquor Control Board and the Commissioner of Liquor Control shall not, prior to fiscal year 2019, enter into a privatization contract, as defined in 3 V.S.A. § 341, for the operation of the Liquor Control warehouse.

Sec. E.237.1 LOCAL AGENCY STORES; REQUIREMENTS

(a) Between July 1, 2017 and December 31, 2018, the Liquor Control Board and the Department of Liquor Control shall not spend more for the purchase of new or replacement signs and displays for local agency stores than the amount of any increase in the budgeted revenues from sales of spirits and fortified wines from fiscal year 2016 to fiscal year 2017.

(b) On or before January 15, 2019, the Commissioner of Liquor Control shall submit to the House Committees on Appropriations and on General, Housing and Military Affairs and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs a written report that specifies the amount by which revenues from sales of spirits and fortified wines increased from fiscal year 2016 to fiscal year 2017, and any expenditures made by the Board or the Department for the purchase of new or replacement signs and displays for local agency stores.

(c) The Board and the Department shall not require any local agency store to purchase or otherwise pay for any new or replacement signs and displays between July 1, 2017 and December 31, 2018.

* * * 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 2018 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

Sec. E.300.1 POSITION TRANSFER

(a) The Director of Health Care Reform established in 2011 Acts and Resolves No. 48, Sec. 3b(e) is transferred from the Agency of Administration to the Agency of Human Services.

Sec. E.300.2 3 V.S.A. § 3027 is added to read:

§ 3027. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY AND AFFORDABILITY

The Director of Health Care Reform in the Agency of Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

Sec. E.300.3 18 V.S.A. § 9491(a) is amended to read:

(a) ~~The director of health care reform~~ Director of Health Care Reform in the ~~agency of administration~~ Agency of Human Services shall oversee the development of a current health care workforce development strategic plan that continues efforts to ensure that Vermont has the health care workforce necessary to provide care to all Vermont residents. ~~The director of health care reform~~ Director of Health Care Reform may designate an entity responsible for convening meetings and for preparing the draft strategic plan. The Green Mountain Care ~~board~~ Board established in chapter 220 of this title shall review the draft strategic plan and shall approve the final plan and any subsequent modifications.

Sec. E.300.4 18 V.S.A. § 9602(a) is amended to read:

(a) The Agency of ~~Administration~~ Human Services shall ~~establish~~ maintain the Office of the Health Care Advocate by contract with any nonprofit organization.

Sec. E. 300.5 18 V.S.A. § 9607(b)(3) is amended to read:

(3) The Green Mountain Care Board shall administer the bill back authority created in this subsection on behalf of the Agency of ~~Administration~~ Human Services in support of the Agency's contract with the Office of the Health Care Advocate pursuant to section 9602 of this title to carry out the duties set forth in this chapter.

Sec. E.300.6 18 V.S.A. § 9603(c) is amended to read:

(c) The Office of the Health Care Advocate shall be able to speak on behalf of the interests of health care and health insurance consumers and to carry out all duties prescribed in this chapter without being subject to any retaliatory action; provided, however, that nothing in this subsection shall limit the authority of the Agency of ~~Administration~~ Human Services to enforce the terms of the contract.

Sec. E.300.7 18 V.S.A. § 9604 is amended to read:

§ 9604. DUTIES OF STATE AGENCIES

All State agencies shall comply with reasonable requests from the Office of the Health Care Advocate for information and assistance. The Agency of ~~Administration~~ Human Services may adopt rules necessary to ensure the cooperation of State agencies under this section.

Sec. E.300.8 FUNDING FOR THE OFFICE OF THE HEALTH CARE
ADVOCATE

(a) Of the funds appropriated in Sec. B.300 of this act, \$1,457,406 shall be used for the contract with the Office of the Health Care Advocate.

Sec. E.300.9 [DELETED]

Sec. E.300.10 [DELETED]

Sec. E.300.11 [DELETED]

Sec. E.300.12 [DELETED]

Sec. E.300.13 [DELETED]

Sec. E.300.14 REPEALS

(a) 2014 Acts and Resolves No. 158, Secs. 1–12 (relating to commitment of criminal defendant who is incompetent to stand trial because of traumatic brain injury), and Sec. 16(a) as amended by 2016 Acts and Resolves No. 172, Sec. E.300.3.1 (effective date of Secs. 1–12), are repealed on June 30, 2017.

Sec. E.300.15 COMMISSION ON OFFENDERS WITH MENTAL
ILLNESS; REPORT

(a) On or before September 15, 2018, the Commission on Offenders with Mental Illness shall report to the Joint Legislative Justice Oversight Committee recommendations regarding how to define traumatic brain injury for purposes of determining whether as the result of such an injury a criminal defendant was insane at the time of the offense or is incompetent to stand trial. The Commission's report shall identify appropriate treatment options and venues for criminal defendants with traumatic brain injury and shall include the amount of funding required to implement the Commission's recommendations.

Sec. E.300.16 AGENCY OF HUMAN SERVICES; ALIGNMENT OF CARE COORDINATION EFFORTS

(a) The Secretary of Human Services shall conduct a comprehensive review of the Agency's care coordination efforts, including the Vermont Chronic Care Initiative, the Blueprint for Health, the pediatric High Tech Home Care program, and Community Rehabilitation and Treatment, in order to align care coordination services across the Agency's programs and initiatives, reduce duplication of efforts, and ensure that care coordination services are delivered in a consistent manner in order to achieve the best results for Vermonters and to use resources efficiently.

Sec. E.300.17 COMMUNITY GRANT INVENTORY AND PRIORITIZATION

(a) On or before January 1, 2018, the Secretary of Human Services shall submit a report to the House and Senate Committees on Appropriations identifying grants to community partners funded by the General Fund, special funds, or Global Commitment. The report shall prioritize the grants and specify whether the grant provides a match required for federal funding other than Medicaid. The report shall also provide the impact of reducing the funding level of any grants in terms of:

(1) impacts on the safety and welfare of vulnerable Vermont residents;

(2) impacts on the Agency's other community partners;

(3) how a reduction fits within existing statutory guidelines; and

(4) minimizing or avoiding any shift in cost to another department or program of the Agency of Human Services, to another agency or program of State government, or to local government or public schools caused by a grant reduction.

Sec. E.301 Secretary's office – Global Commitment

(a) The Agency of Human Services shall use the funds appropriated in Sec. B.301 of this act 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 \$26,452,991 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$23,371,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$27,128,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$50,500,000. 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) \$3,081,591 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 FISCAL YEAR 2018 UNENCUMBERED GENERAL FUND APPROPRIATION

(a) At the close of fiscal year 2018, an amount up to \$10,000,000 of any unencumbered General Fund appropriation in Sec. B.301 of this act that would otherwise be authorized to carry forward shall revert to the General Fund and be reserved in the Human Services Caseload Management Reserve established in 32 V.S.A. § 308b.

Sec. E.306 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding health care eligibility and enrollment and the operation of the Vermont Health Benefit Exchange to federal guidance and regulations. The Agency may use the emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2018, but only in the event that new federal guidance or regulations require Vermont to amend or adopt its rules in a time frame that cannot be accomplished under the traditional rule-making process. An emergency rule adopted under these exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

Sec. E.306.1 33 V.S.A. § 1998(f)(3) is amended to read:

(3) To the extent feasible, the Board shall review all drug classes included in the preferred drug list at least every ~~12~~ 24 months and may recommend that the Commissioner make additions to or deletions from the preferred drug list.

Sec. E.306.2 MEDICAID PAYMENT ALIGNMENT

(a) It is the intent of the General Assembly that alignment of the various Medicaid provider payments, as funded in this act, support access to primary care, including access to independent primary care practices and mental health services statewide.

(b) In order to accomplish this, the Department of Vermont Health Access is authorized to make adjustments and transfers within the related appropriated amounts of fiscal year 2018 general funds for these line items in the aggregate as follows:

(1) Adjust the total DSH amount to a level no lower than \$27,488,781.

(2) Set a specific limit for annual DSH payments to an in-state academic postgraduate teaching facility within the DSH formula.

(3) Review and adjust current facility-based payments, and specifically evaluate any Medicaid payments that are above the payment from Medicare for the same service in order to further enhance primary care payments in fiscal year 2018.

(c) The Department of Vermont Health Access shall report to the Joint Fiscal Committee in September and November 2017 on any adjustments and transfers made under this authority.

Sec. E.306.3 33 V.S.A. § 1811(d) is amended to read:

(d) A registered carrier shall guarantee acceptance of all individuals, small employers, and employees of small employers, and each dependent of such individuals and employees, for any health benefit plan offered by the carrier, regardless of any outstanding premium amount a subscriber may owe to the carrier for coverage provided during the previous plan year.

Sec. E.307 2013 Acts and Resolves No. 79, Sec. 53(d), as amended by 2014 Acts and Resolves No. 179, Sec. E.307, as amended by 2015 Acts and Resolves No. 58, Sec. E.307, as amended by 2016 Acts and Resolves No. 172, Sec. E.307.3, is further amended to read:

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the Agency of Human Services may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for

the Healthy Vermonters and VPharm programs is not operational by that date, but ~~no~~ not later than December 31, ~~2017~~ 2018.

Sec. E.308 NURSING HOME MEDICAID RATES; CASE-MIX SCORES

(a) In order to ensure that eligible Vermont Medicaid beneficiaries have access to high-quality care nursing home services, the Commissioner of Disabilities, Aging, and Independent Living and the Director of the Division of Rate Setting in the Agency of Human Services shall review the Medicaid case-mix scores of nursing homes in Vermont in order to:

(1) determine their overall effectiveness in allocating Medicaid funds to nursing homes fairly; and

(2) assess the extent to which the case-mix scores adequately and appropriately reimburse nursing homes for caring for patients who exhibit challenging behaviors but who have little or no need for assistance with activities of daily living.

(b) The Commissioner and Director shall provide the findings from their assessment and any recommended changes to nursing home rate calculations to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare as part of the Agency of Human Services' fiscal year 2019 budget.

Sec. E.308.1 CHOICES FOR CARE

(a) In the Choices for Care program, "savings" means the difference remaining at the conclusion of fiscal year 2017 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 2017 total Choices for Care expenditure. The one percent shall function as a reserve to be used in the event of a fiscal need to freeze Moderate Needs Group enrollment. Savings shall be calculated by the Department of Disabilities, Aging, and Independent Living and reported to the Joint Fiscal Office.

(1) It is the intent of the General Assembly that the Department of Disabilities, Aging, and Independent Living only obligate funds for expenditures approved under current law.

(b)(1) Any funds appropriated for long-term care under the Choices for Care program shall be used for long-term services and supports to recipients. In using these funds, the Department of Disabilities, Aging, and Independent Living shall give priority for services to individuals assessed as having high and highest needs and meeting the terms and conditions of the Choices for Care program within the Global Commitment waiver.

(2)(A) First priority for the use of any savings from the long-term care appropriation after the needs of all individuals meeting the terms and conditions of the waiver have been met shall be given to home- and community-based services.

(B) Savings either shall be one-time investments or shall be used in ways that are sustainable into the future.

(C) The Department may allocate savings between home- and community-based provider rates, base funding to expand capacity to accommodate additional enrollees in home- and community-based services, and equitable funding of adult day providers, including whether some amount, up to 20 percent of the total savings, should be used to increase provider rates. The Department shall provide a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare on the use of savings.

(D) Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

(E) The Department of Disabilities, Aging, and Independent Living shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

(c) The Department, in collaboration with Choices for Care participants, participants' families, and long-term care providers, shall conduct an assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1, 2017, 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) The Commissioner shall determine how to allocate any Choices for Care program savings available at the end of fiscal year 2017 and shall report to the Joint Fiscal Committee at the regularly scheduled September 2017 meeting on these allocations.

(e) Concurrent with the procedures set forth in 32 V.S.A. § 305a, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board their respective estimates of caseloads and expenditures for programs under the Choices for Care program.

Sec. E.308.2 CODIFICATION OF CHOICES FOR CARE ANNUAL SAVINGS

(a) The Department of Disabilities, Aging, and Independent Living shall make a recommendation to codify the process of determining, allocating, and dispersing any Choices for Care annual savings with its fiscal year 2019 budget presentation.

Sec. E.310 [DELETED]

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2018 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

(3)(A) The Secretary of Human Services shall immediately notify the Joint Fiscal Committee if at any time there are insufficient funds in VMAP to assist all eligible individuals. The Secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to VMAP medications until such time as the General Assembly can take action.

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the VMAP Advisory Committee, which shall be composed of not 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 2018, the Department of Health shall provide grants in the amount of \$100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including syringe exchange programs; improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. Not 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 is distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 2018, the Department of Health shall provide grants in the amount of \$150,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds is distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2018. Grant reporting shall include outcomes and results.

(b) Improving outcomes for pregnant women:

(1) Statistics from the Department of Health indicate that rates of women who smoke during pregnancy in Vermont are approximately twice the national average. Although the rates of pregnant women who smoke in Vermont decreased slightly between 2009 and 2014, there is an opportunity to make additional progress on this very important health indicator. The Commissioner shall prioritize funding for tobacco cessation to address the rates of smoking among pregnant women by utilizing evidence-based best practices. Not less than \$50,000 of the funding for tobacco cessation and prevention activities in fiscal year 2018 shall be used to implement or expand evidence-based interventions intended to reduce tobacco use among pregnant women. The Commissioner shall report on the specific expenditure of this allocation by functional activity as part of the fiscal year 2019 budget presentation to the General Assembly.

(2) In consultation with Hunger Free Vermont and representatives from community food shelf or nutrition focused organizations, prenatal and postnatal health care providers, and child care providers, the Commissioner of Health shall develop and implement an outreach plan to Vermonters who are eligible but not enrolled in the Women, Infants and Children (WIC) program.

(3) The Commissioner shall report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare during fiscal year 2019 budget testimony on the progress made toward reducing the rates of pregnant women who smoke during pregnancy and improving the number of eligible WIC clients who enroll for services.

Sec. E.314 TRANSPORTING PATIENTS

(a) Beginning on July 1, 2017, any new or renewed contracts entered into by the Agency of Human Services with designated professionals or law enforcement officers for transport of persons pursuant to 18 V.S.A. § 7511 or the transport of children pursuant to 33 V.S.A. § 5123 shall include the requirement to comply with the Agency's policies on the use of restraints.

Sec. E.314.1 DESIGNATED AND SPECIALIZED SERVICE AGENCY
EMPLOYEE WAGES

(a) A total of \$8,370,000 appropriated in Secs. B.314 (Mental Health) and B.333 (Developmental Services) shall be used to increase payments to the designated and specialized service agencies in fiscal year 2018.

(b) It is the intent of the General Assembly that funds allocated in subsection (a) of this section for increased payments to the designated and specialized service agencies in fiscal year 2018 be used to fund or offset the costs of increasing the hourly wages of workers to \$14 and to increase the salaries for crisis response and crisis bed personnel in a manner that advances the goal of achieving competitive compensation to regionally equivalent State, health care, or school-based positions of equal skills, credentials, and lengths of employment. It is the sole responsibility of each individual designated and specialized service agency to use the revenue from increased Medicaid payments allocated in subsection (a) of this section to fund increases to worker salaries.

(c) To the extent that sufficient funds are unavailable to further the purposes of this section, the designated and specialized service agencies, in consultation with the Departments of Mental Health and of Disabilities, Aging, and Independent Living, shall reduce services or other operations in proportion to the amount necessary to achieve increased hourly wages. The funding of crisis services shall remain a priority and shall not be compromised as a result of other necessary reductions in services.

Sec. E.314.2 FISCAL YEAR 2019 BUDGETING FOR DESIGNATED AND
SPECIALIZED SERVICE AGENCIES

(a) The Secretary of Human Services, in consultation with the Departments of Mental Health and of Disabilities, Aging, and Independent Living, shall estimate the levels of funding necessary to sustain the designated and specialized service agencies' workforce, including increases in the hourly wages of workers to \$15, and to increase the salaries for clinical employees and other personnel in a manner that advances the goal of achieving competitive compensation to regionally equivalent State, health care, or school-based positions of equal skills, credentials, and lengths of employment; enable the designated and specialized service agencies to meet their statutorily mandated responsibilities and required outcomes; identify the required

outcomes; and establish recommended levels of increased funding for inclusion in the fiscal year 2019 budget.

(b) The Commissioner shall submit the estimates calculated pursuant to subsection (a) of this section on or before December 15, 2017 to the House Committees on Appropriations and on Health Care and to the Senate Committees on Appropriations and on Health and Welfare.

Sec. E.314.3 [DELETED]

Sec. E.314.4 [DELETED]

Sec. E.316 ECONOMIC SERVICES DIVISION; INNOVATION IN
DELIVERY OF SERVICES

(a) For the purpose of exploring innovative approaches to the administration of programs within the Department for Children and Families' Economic Services Division, the Commissioner may authorize pilot programs within specific regions of the State that waive Division rules adopted pursuant to 3 V.S.A. chapter 25 in a manner that does not impact program eligibility or benefits. Temporarily waiving some existing rules for a prescribed period of time shall enable the Division to test innovative ideas for improving the delivery of services with the specific goal of achieving more responsive client services and operational efficiencies.

(b) During fiscal year 2018, the Division may propose pilot programs in accordance with the goals described in subsection (a) of this section to the Commissioner for approval. Each proposal shall outline the targeted service area, efficiencies sought, rules to be waived, duration of the program, and evaluation criteria. Notice shall be given to clients affected by a pilot program and to the chairs of the House Committee on Human Services and Senate Committee on Health and Welfare prior to the commencement of the pilot program, including a description of how benefit delivery will be affected, length of the program, and right to a fair hearing.

(c) On or before January 15, 2019, the Commissioner shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare summarizing the pilot programs implemented pursuant to this section and any findings and recommendations. In the event a particular pilot program is successful at improving the delivery of services to clients, the Commissioner may seek to amend the Division's rules in conformity with the approach used by the pilot program pursuant to 3 V.S.A. chapter 25.

Sec. E.317 USE OF RESIDENTIAL CARE FACILITIES

(a) At a November 2017 meeting of the Joint Legislative Justice Oversight Committee and Joint Legislative Child Protection Oversight Committee, the

Commissioner for Children and Families with the assistance of the Departments of Mental Health and of Disabilities, Aging, and Independent Living and the Agency of Education shall present a report on the use of out-of-state and in-state residential placements, including Woodside. The report shall include the following:

(1) utilization for fiscal years 2015, 2016, and 2017, including the number and age of children placed by facility and the total bed days utilized.

(2) for each facility, the average daily costs for specific levels of service or treatment acuity in fiscal years 2015, 2016, and 2017 and the total amount paid to each facility by department and by funding source in fiscal years 2015, 2016, and 2017.

(3) measures used by the Department to determine outcomes for the children placed in these facilities and the cost effectiveness of these facilities, including length of stay, intensity of services provided, reunification of children with their family or home community, or both, relapse or readmittance rates or subsequent involvement with the criminal justice system, or both; and

(4) the specific steps taken over the past three years by the Departments and the Agency to increase community-based supports for youths in custody while reducing use of residential care.

(b) The report shall also be provided to the House Committees on Appropriations, on Judiciary, on Human Services, and on Corrections and Institutions and to the Senate Committees on Appropriations, on Judiciary, on Health and Welfare, and on Institutions.

Sec. E.318 EARLY CARE AND DEVELOPMENT PROGRAM FUNDING

(a) Of the additional \$2,500,000 in general funds appropriated in Sec. B.318 of this act:

(1) an amount shall be allocated as needed to bring the baseline year used to determine eligibility for the Child Care Financial Assistance Program from the Federal Poverty Level (FPL) that was in place in 2016 to the 2017 FPL, which is the most current FPL for State fiscal year 2018; and

(2) the remaining amount shall be used for the Early Care and Development program as specified in Sec. E.318.1 of this act.

Sec. E.318.1 EARLY CARE AND DEVELOPMENT PROGRAM GRANT

(a) In fiscal year 2018 and thereafter, the Department for Children and Families shall award 70 percent of funds designated for the Early Care and Development Program Grants to center-based child care and preschool programs participating in the Step Ahead Recognition System (STARS) and 30 percent of the designated funds to family child care homes participating in

STARS in accordance with the formula described in subsection (b) of this section.

(b) The Department's Child Development Division shall calculate eligibility for Early Care and Development Program Grants on a quarterly basis. In determining eligibility, the Division shall consider:

(1) the percent of enrollees receiving a Child Care Financial Assistance Program (CCFAP) subsidy as compared to a center-based child care and preschool program of a family child care home's licensed capacity at a weight of 70 percent;

(2) the average number of enrollees at a center-based child care and preschool program or family child care home receiving a CCFAP subsidy at a weight of 15 percent; and

(3) the average number of infants and toddlers enrolled in a center-based child care and preschool program or family child care home at a weight of 15 percent.

(c) The Division shall provide Early Care and Development Program Grants to eligible child care and preschool programs or family child care homes as funds allow. Center-based child care and preschool programs or family child care homes receiving Early Care and Development Program Grants shall remain in compliance with the Department's rules, continue participation in STARS, and maintain high enrollment of children receiving a CCFAP subsidy.

Sec. E.321 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY
PROGRAM; COMMUNITY BASED ALTERNATIVES TO
GENERAL ASSISTANCE TEMPORARY HOUSING

(a) For fiscal year 2018, the Agency of Human Services may continue to fund housing assistance programs within the General Assistance program to create flexibility to provide General Assistance benefits, as well as grants to support the establishment of community-based alternatives for temporary housing as part of the effort to reduce the number of individuals temporarily housed by the General Assistance program. The purpose of these housing assistance programs and community-based alternatives is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. Eligible activities shall include, among other things, 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. Where

such housing assistance programs and grants are provided and community-based programs are established, the General Assistance rules will not apply. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The housing assistance and community-based programs 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 housing assistance programs and community-based alternatives to General Assistance temporary housing.

Sec. E.321.1 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2018 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The Commissioner for Children and Families may, by policy, provide temporary housing for a limited duration in adverse weather conditions when appropriate shelter space is not available.

Sec. E.321.2 33 V.S.A. § 2115 is amended to read:

§ 2115. GENERAL ASSISTANCE PROGRAM REPORT

On or before ~~January 15~~ September 1 of each year, the Commissioner for Children and Families shall submit a written report to the Joint Fiscal Committee; the House Committees on Appropriations, on General, Housing and Military Affairs, and on Human Services; and the Senate Committees on Appropriations and on Health and Welfare ~~containing~~. The report shall contain the following:

- (1) an evaluation of the General Assistance program during the previous fiscal year;
- (2) any recommendations for changes to the program; ~~and~~
- (3) a plan for continued implementation of the program;
- (4) statewide statistics using deidentified data related to the use of emergency housing vouchers during the preceding State fiscal year, including demographic information, 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

(5) other information the Commissioner deems appropriate.

Sec. E.324 LIHEAP AND WEATHERIZATION

(a) Notwithstanding 33 V.S.A. § 2501, in fiscal year 2018, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer up to 15 percent of the federal fiscal year 2018 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 2018. 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 2018. 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.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.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.327 WOODSIDE GLOBAL COMMITMENT FUNDING

(a) Upon any notification by the Centers for Medicare and Medicaid Services or upon determination by the Agency of Human Services that Medicaid funding will not be available to the State for the operation of Woodside Juvenile Rehabilitation Center in fiscal year 2018, the Secretary of Human Services and the Commissioner for Children and Families shall:

(1) immediately inform the Joint Fiscal Committee, the House and Senate Committees on Judiciary, the House Committee on Corrections and Institutions, and the Senate Committee on Institutions of such notification or determination; and

(2) within 30 days of such notification or determination, develop and submit a proposal to the Committees named in subdivision (1) of this subsection that includes:

(A) a plan to suspend operations at the Woodside facility while ensuring alternative placements are made that meet the service needs for the delinquent youths currently placed there; and

(B) a fiscal impact analysis that includes fiscal year 2018 and long term fiscal cost estimates.

Sec. E.335 ELECTRONIC MONITORING

(a) The Commissioner of Corrections shall implement an active electronic monitoring program with real-time enforcement. The Commissioner of Corrections, in consultation with the Department of State's Attorneys and Sheriffs, may contract with a third party to electronically monitor offender positioning.

(b) The Electronic Monitoring Program described in subsection (a) of this section may be used to monitor, in lieu of incarcerating in a facility, the following populations:

(1) offenders in the custody of the Commissioner who are eligible for the Home Detention Program described in 13 V.S.A. § 7554b; and

(2) offenders in the custody of the Commissioner, including the following target populations:

(A) offenders who are eligible for home confinement furlough, as described in 28 V.S.A. § 808b;

(B) offenders who are past their minimum sentence and are deemed appropriate for the Program by the Commissioner of Corrections; or

(C) offenders who are eligible for reintegration furlough, as described in 28 V.S.A. § 808c.

(c) An offender shall only be eligible for the Electronic Monitoring Program described in subsection (a) of this section if electronic monitoring equipment is fully functional in the geographic area where the offender will be located.

Sec. E.335.1 SOUTHEAST STATE CORRECTIONAL FACILITY

(a) Plan. Funding for the Department of Corrections reflects the cessation of operation of the Southeast State Correctional Facility. It is the intent of the General Assembly that the Department develop a plan to provide secure transitional housing for inmates preparing to reenter the community, including the reuse of the Southeast State Correctional Facility for this purpose.

(b) Population. It is the intent of the General Assembly that a reentry facility be available for the following populations:

(1) inmates on the Lack of Housing (B1) list;

(2) moderate- to high-risk inmates who are either past their minimum release date or within 90 days of their release date;

(3) inmates who are eligible for reintegration furlough; and

(4) inmates who have served a significant sentence and are within six months of their release date.

(c) Services. It is the intent of the General Assembly that a reentry facility provides the following prerelease services:

(1) acquisition of identification;

(2) housing identification;

(3) employment readiness and retention;

(4) planning to address transportation barriers;

(5) money management;

(6) transition and reentry case planning;

(7) substance abuse treatment;

(8) work release; and

(9) information technology skills development.

(d) Coordination of services. The Department of Corrections shall coordinate with the community justice centers statewide and the Department of Labor to ensure inmates successfully transition back to society.

(e) Report. The Department of Corrections shall provide a report on the plan to the Joint Legislative Justice Oversight Committee on or before November 1, 2017.

Sec. E.335.2 REDUCTION IN FORCE OF SOUTHEAST STATE
CORRECTIONAL FACILITY EMPLOYEES

(a) Permanent status classified State employees who are subject to a reduction in force from their positions at the Southeast State Correctional Facility on or after November 1, 2017, whose reemployment rights have not otherwise terminated, and who have not been reemployed with the State during the two-year reduction in force reemployment rights period, shall be granted a continuation of their reduction in force reemployment rights, in accordance with the provisions of the applicable collective bargaining agreement, but solely to vacant classified bargaining unit positions at any State correctional facility that management intends to fill. All other contractual reduction in force reemployment terms and conditions shall apply.

(b) Permanent status classified State employees employed by the Southeast State Correctional Facility as of November 1, 2017 shall, in accordance with the provisions of the applicable collective bargaining agreement, be eligible to receive one mandatory offer of reemployment to the Southeast State Correctional Facility when it is reused to provide secure transitional housing for inmates preparing to reenter the community. An employee who accepts the mandatory offer of reemployment shall be appointed in accordance with the provisions of the applicable collective bargaining agreement. If an employee who accepts a mandatory offer of reemployment fails the associated working test period, he or she shall be separated from employment and granted full reduction in force reemployment rights in accordance with the applicable collective bargaining agreement.

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of \$146,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.338.1 2008 Acts and Resolves No. 179, Sec. 22(a), as amended by 2010 Acts and Resolves No. 157, Sec. 14, by 2012 Acts and Resolves No. 104, Sec. 38, by 2013 Acts and Resolves No. 41, Sec. 1a, and by 2014 Acts and Resolves No. 194, Sec. 15, is further amended to read:

(a) Secs. 11 and 12 shall take effect on July 1, ~~2017~~ 2021.

Sec. E.338.2 2014 Acts and Resolves No. 131, Sec. 135, as amended by 2015 Acts and Resolves No. 4, Sec. 71, is further amended to read:

Sec. 135. ~~EFFECTIVE DATES~~

~~This act shall take effect on passage, except that Secs. 118a and 118b (amending 18 V.S.A. § 4808 and adding 18 V.S.A. § 4809) shall take effect on July 1, 2017. [Repealed.]~~

Sec. E.342 Vermont veterans' home – care and support services

(a) The Vermont Veterans' Home shall 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 [DELETED]

Sec. E.345 Green mountain care board

(a) The Green Mountain Care Board shall use the Global Commitment Funds appropriated in Sec. B.345 of this act to encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system.

Sec. E.345.1 FAIR REIMBURSEMENT REPORT

(a) Utilizing funds appropriated in Section B.345 of this act, the Green Mountain Care Board shall report to the Health Reform Oversight Committee by October 1, 2017 describing what substantial changes have been put into effect to achieve the site-neutral, fair reimbursements for medical services as envisioned in 2014 Acts and Resolves No. 144, Sec. 19, 2015 Acts and Resolves No. 54, Sec. 23, and 2016 Acts and Resolves No. 143, Sec. 5.

Sec. E.345.2 HEALTH INSURANCE REGULATION; MARKET STABILITY

(a) The Green Mountain Care Board, the Departments of Financial Regulation and of Vermont Health Access, and other State agencies and departments with responsibility for the regulation of health insurers and health insurance plans shall, to the maximum extent permitted under federal law, take such actions as are necessary to maintain the existing health care regulatory framework and a stable health insurance market for major medical health insurance in 2017 while the General Assembly is not in session.

* * * LABOR * * *

Sec. E.400 DEPARTMENT OF LABOR; RESTRICTION ON TRANSFER OF AUTHORIZED POSITIONS

(a) Notwithstanding any other provision of law to the contrary, no authorized positions in the Department of Labor or appropriations for authorized positions in the Department of Labor shall be transferred to the

Agency of Commerce and Community Development without the approval of the General Assembly or, if the General Assembly is not in session, of the Joint Fiscal Committee.

Sec. E.400.1 APPRENTICESHIP AND YOUTH MENTORING PROGRAM

(a) On or before October 1, 2017, the Department of Labor shall design and begin implementation of the Apprenticeship and Youth Mentoring Program, the purpose of which shall be to provide paid work experiences and paid or unpaid internships for Vermont youths, working with mentoring professionals, that have academic and occupational education as a component, including:

(1) a summer youth employment program for high school juniors and seniors; and

(2) nonseasonal employment, preapprenticeship programs, and on-the-job training, for an at-risk youth employment program targeted for at-risk individuals 18 to 24 years of age.

(b) The Department shall implement the Program using funds from the State's Workforce Innovation and Opportunity Act grant from the U.S. Department of Labor, and other State and federal sources, to the extent allowed under applicable law.

(c) The Department shall design the Program to serve 150 individual Vermonters.

* * * K-12 EDUCATION * * *

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section will be used for physician claims for determining medical necessity of Individualized Education Program (IEPs). It is the goal of these services to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 [DELETED]

Sec. E.500.2 16 V.S.A. § 4025(b)(4) is added to read:

(4) To make payments to the Vermont Teachers' Retirement Fund for the normal contribution in accordance with subsection 1944(c) of this title.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,566,029 shall be used by the Agency of Education in fiscal year 2018 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to

funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$192,805 may be used by the Agency of Education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students

(a) The Independence Place Program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504.1 Education – flexible pathways

(a) Of this appropriation, \$4,120,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$600,000 is available for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and the amount of \$30,000 is available for use pursuant to Sec. E.605.1(a)(2) of this act;

(2) \$100,000 is available to support the Vermont Virtual Learning Cooperative at the River Valley Technical Center School District;

(3) \$200,000 is available for secondary school reform grants; and

(4) \$450,000 is available for the Vermont Academy of Science and Technology and \$1,700,000 for Early College pursuant to 16 V.S.A. § 4011(e).

E.504.2 ADULT DIPLOMA FUNDING

(a) Payment amounts made in section B.504 for the adult diploma program are made notwithstanding 16 V.S.A. § 4011(f).

Sec. E.505 [DELETED]

Sec. E.513 Appropriation and transfer to education

(a) Pursuant to Sec. B.513 of this act and 16 V.S.A. § 4025(a)(2), there is appropriated in fiscal year 2018 from the General Fund for transfer to the Education Fund the amount of \$314,695,753.

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 \$88,409,437 of which \$83,809,437 shall be the State's contribution and \$4,600,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$8,346,261 is the “normal contribution,” and \$80,063,176 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), \$27,560,966 will be contributed to the Retired Teachers’ Health and Medical Benefits plan.

Sec. E.515.1 16 V.S.A. § 1944b is amended to read:

§ 1944b. RETIRED TEACHERS’ HEALTH AND MEDICAL BENEFITS
FUND

(a) There is established a Retired Teachers’ Health and Medical Benefits Fund (Benefits Fund) to pay retired teacher health and medical benefits, including prescription drug benefits, when due in accordance with the terms established by the Board of Trustees of the State Teachers’ Retirement System of Vermont pursuant to subsection 1942(p) and subdivision 1944(c)(12) of this title. The Benefits Fund shall be administered by the Treasurer.

(b) The Benefits Fund shall consist of:

(1) all monies remitted to the State on behalf of the members of the State Teachers’ Retirement System of Vermont for prescription drug plans pursuant to the Employer Group Waiver Plan with Wrap pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003;

(2) any monies appropriated by the General Assembly for the purpose of paying the health and medical benefits for retired members and their dependents provided by subsection 1942(p) and subdivision 1944(c)(12) of this title;

(3) any monies pursuant to subsection (e) of this section;

(4) ~~any monies the General Assembly transfers from the Supplemental Property Tax Relief Fund pursuant to 32 V.S.A. § 6075; and [Repealed.]~~

(5) any monies pursuant to section 1944d of this title.

(c) No employee contributions shall be deposited in the Benefits Fund.

(d) Interest earned shall remain in the Benefits Fund, and all balances remaining at the end of a fiscal year shall be carried over to the following year; provided, however, that any amounts received in repayment of interfund loans established under subsection (e) of this section may be reinvested by the State Treasurer.

(e)(1) Notwithstanding any provision to the contrary, the State Treasurer is authorized to use interfund loans from the General Fund for payment into the

Benefits Fund, which monies shall be identified exclusively for the purposes of payments of retired teacher health and medical benefits pursuant to this section. Any monies borrowed through an interfund loan pursuant to this section shall be paid from monies in the Benefits Fund or from other funds legally available for this purpose. It is the intent of the General Assembly to appropriate sufficient General Fund revenue, after consideration of all other revenue and disbursements, such that the interfund loan shall be paid in full on or before June 30, 2023. The Governor shall include in the annual budget request an amount sufficient to repay any interfund borrowing according to a schedule developed by the State Treasurer. The State Treasurer shall pay the interest and principal as due in accordance with authority granted under 32 V.S.A. § 902(b). The State Treasurer shall assess a rate of interest on the outstanding balance of the interfund loan comparable to the rate paid by private depositories of the State's monies, or to the yield available on investments made pursuant to 32 V.S.A. § 433. No interfund loans made under this authority shall, in the aggregate, exceed ~~\$30,000,000.00~~ \$28,500,000.00.

(2) For the purposes of this chapter, calculation of the interfund loan limit shall include long-term receivables and payables but shall not include accruals for federal reimbursement of employer group waiver plan receivables pursuant to 16 V.S.A. § 1944b(b)(1), receivables due from local school systems pursuant to 16 V.S.A. § 1944d, or any short-term accruals.

(f) It is the intent of the General Assembly to appropriate the required contributions necessary to pay retired teacher health and medical benefits by combining annual increases in base appropriations, but not from the Education Fund, and surplus revenues as they become available, so that the full cost of retired teacher health and medical benefits payments shall be met in base appropriations by fiscal year ~~2024~~ 2023. To the extent that other revenue sources are identified, the General Fund obligation shall not be reduced, until all annual disbursements to repay the interfund loan in subsection (e) of this section are satisfied. Contributions to the Benefits Fund shall be irrevocable and it shall be impossible at any time prior to the satisfaction of all liabilities, with respect to employees and their beneficiaries, for any part of the corpus or income of the Benefits Fund to be used for, or diverted to, purposes other than the payment of retiree postemployment benefits to members and their beneficiaries and reasonable expenses of administering the Benefits Fund and related benefit plans.

(g) The Treasurer shall report on the status of the interfund loan balance allowed under this section as part of the annual budget presentation to the General Assembly.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(c) If Global Commitment Fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the General Fund or other State funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high-quality health care services to Medicaid beneficiaries and to uninsured or underinsured persons, or both, in Vermont and across the nation.

Sec. E.600.1 INCREASING VERMONT'S PRIMARY CARE
WORKFORCE

(a) Of the Global Commitment funds allocated to the University of Vermont College of Medicine pursuant to this act, at least \$750,000 shall be used to support the College of Medicine's new rural medicine health track, which embeds medical students in a rural community for a year-long longitudinal integrated clerkship during which they will be trained in clinical care while engaging with the local community and conducting population health studies. The goal of the rural medicine health track is to encourage more students to choose careers in primary care in underserved areas of Vermont.

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.

(c) Vermont State Colleges report. On or before January 15, 2018, the Vermont State Colleges shall submit a report to the House and Senate Committees on Appropriations on the use and effect of State funding appropriated to the Vermont State Colleges. This report shall include the following:

(1) Financial statements for the Vermont State Colleges' prior two fiscal years, including balance sheets and profit and loss statements. The financial statements shall identify separately the use of State funding appropriated to the Vermont State Colleges.

(2) For the immediately preceding five school years:

(A) the number of resident and nonresident students who were enrolled, on both a full-time and a part-time basis;

(B) the number of graduate and undergraduate degrees awarded to resident and nonresident students;

(C) student retention rates and the average amount of time to graduation;

(D) the cost of attendance, including:

(i) the average amount of nonloan financial aid awarded;

(ii) the average student debt upon graduation; and

(iii) in- and out-of-state tuition rates and how these compare with regional peer institutions; and

(E) for students that are first in their families to attend college, the information under subdivisions (A) through (D) of this subdivision (2) broken out for this student population.

(3) A description of the Vermont State Colleges' strategic priorities and a status report on the achievement of these priorities, including a description of actions necessary to ensure a healthy and viable Vermont State Colleges system that enables the Colleges to achieve their mission.

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 Education Fund to the Vermont Student Assistance Corporation to be deposited into the Trust Fund established in 16 V.S.A. § 2845.

(b) Of this appropriation, not more than \$200,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve one or more high schools.

(c) Of the appropriated amount remaining after accounting for subsections (a) and (b) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(d) 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.

Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) The sum of \$60,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) \$30,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need-based stipend purposes).

(2) \$30,000 pursuant to Sec. E.504.1(a)(1) (flexible pathways funds appropriated for dual enrollment and need-based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 4011(e) to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(c) VSAC shall report on the program to the House Committees on Appropriations and on Commerce and Economic Development and to the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs on or before January 15, 2018.

Sec. E.608 [DELETED]

Sec. E.608.1 [DELETED]

* * * NATURAL RESOURCES * * *

Sec. E.700 32 V.S.A. § 5(a)(3)(A) is amended to read:

(3)(A) This section shall not apply to the following items, if the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities:

(i) the acceptance of grants, gifts, donations, loans, or other things of value with a value of \$5,000.00 or less;

(ii) the acceptance by the Department of Forests, Parks and Recreation and the Department of Fish and Wildlife of grants, gifts, donations, loans, or other things of value with a value of \$15,000.00 or less; or

(iii) the acceptance by the Vermont Veterans' Home of grants, gifts, donations, loans, or other things of value with a value of \$10,000.00 or less.

Sec. E.700.1 10 V.S.A. § 1389a is amended to read:

§ 1389a. CLEAN WATER INVESTMENT REPORT

(a) Beginning on January 15, 2017, and annually thereafter, the ~~Clean Water Fund Board~~ Secretary of Administration shall publish a Clean Water Investment Report. The Report shall summarize all investments, including their cost-effectiveness, made by the Clean Water Fund Board and other State agencies for clean water restoration over the ~~past~~ prior calendar year. The Report shall include expenditures from the Clean Water Fund, the General Fund, the Transportation Fund, and any other State expenditures for clean water restoration, regardless of funding source.

~~(b) The Report shall document progress or shortcomings in meeting established indicators for clean water restoration. The Report shall include:~~

(1) Documentation of progress or shortcomings in meeting established indicators for clean water restoration.

(2) a summary of additional funding sources pursued by the Board, including whether those funding sources were attained; if it was not attained, why it was not attained; and where the money was allocated from the Fund.

(3) A summary of water quality problems or concerns in each watershed basin of the State, a list of water quality projects identified as necessary in each basin of the State, and how identified projects have been prioritized for implementation. The water quality problems and projects identified under this subdivision shall include programs or projects identified across State government and shall not be limited to projects listed by the Agency of Natural Resources in its watershed projects database.

(4) A summary of any changes to applicable federal law or policy related to the State's water quality improvement efforts, including any changes to requirements to implement total maximum daily load plans in the State.

(5) A summary of available federal funding related to or for water quality improvement efforts in the State.

(c) The Report may also provide an overview of additional funding necessary to meet objectives established for clean water restoration and recommendations for additional revenue to meet those restoration objectives. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report required by this section.

~~(b)~~(d)(1) ~~The Board~~ Secretary of Administration shall develop and use a results-based accountability process in publishing the annual report required by subsection (a) of this section.

(2) The Secretary of Administration shall develop user-friendly issue briefs, tables, or executive summaries that make the information required under subdivision (b)(3) available to the public separately from the report required by this section.

(3) On or before September 1 of each year, the Secretary of Administration shall submit to the Joint Fiscal Committee an interim report regarding the information required under subdivision (b)(5) of this section relating to available federal funding.

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.800 VERMONT LIFE MAGAZINE

(a) The Secretary of Administration with the assistance of the Secretary of Commerce and Community Development shall issue an RFP by September 1, 2017 that seeks bids from interested media parties by December 1, 2017 to maximize the State benefit of Vermont Life magazine by:

(1) sale of Vermont Life magazine as an operating enterprise, or sale of any identifiable Vermont Life assets after the suspension of publication by the State to offset in whole or in part the magazine's existing debt; or

(2) licensing arrangements with entities that would result in payments to the State that reduce over time the magazine's existing debt; or

(3) partnership or operating proposals that continue publication without additional State support and have a high likelihood of eventual positive revenue streams to the State that reduce over time the magazine's existing debt or would result in a future sale of the enterprise sufficient to offset the debt, or both; or

(4) other media and publishing proposals that offset in whole or in part the magazine's existing debt.

(b) Departments of the State are not precluded from submitting bids, but the primary criterion in selecting a proposal will be the financial benefit to the State.

(c) The Secretary of Administration, in consultation with the Secretary of Commerce and Community Development, will analyze the bids received and make a determination of acceptance. The Secretary of Administration, with the approval of the Emergency Board, is authorized to execute a contract regarding the sale, licensing, partnership, or other proposal for Vermont Life to maximize the State benefit.

(d) If the determination is made for the State to continue publication, the full cost of Vermont Life operations shall be covered within the funds appropriated to the Agency in fiscal year 2019 and beyond.

Sec. E.800.1 VERMONT EB-5 REGIONAL CENTER; PLAN FOR REORGANIZATION; REPORT; BUDGET PROPOSAL

(a) On or before December 15, 2017, the Agency of Commerce and Community Development shall consider and adopt and plan for the reorganization and operation of the Vermont EB-5 Regional Center.

(b) The plan shall address specific steps the Agency will take to ensure the Center successfully connects Vermont businesses with investors and effectively markets and promotes economic development opportunities in Vermont.

(c) The Agency shall include in the Governor's budget proposal for fiscal year 2019 a detailed assessment and request for the funding necessary to implement the plan of reorganization required by this section.

Sec. E.804 Community development block grants

(a) Community Development Block Grants shall carry forward until expended.

* * * TRANSPORTATION * * *

Sec. E.904 [DELETED]

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$7,904,353 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).

* * * MISCELLANEOUS TECHNICAL CORRECTIONS * * *

Sec. F.1 33 V.S.A. § 2604(b) is amended to read:

(b) Fuel cost requirements. The Secretary of Human Services or designee shall by procedure establish a table that contains amounts that will function as a proxy for applicant households' annual heating fuel cost for the previous year. The seasonal fuel expenditure estimates contained within the table shall closely approximate the actual home heating costs experienced by participants in the Home Heating Fuel Assistance Program. ~~Data on actual heating costs collected pursuant to subsection 2602(d) of this title shall be used in lieu of the proxy table when available.~~ The table shall be revised no less frequently than every three years based on data supplied by certified fuel suppliers, the Department of Public Service, and other industry sources to the Office of Home Heating Fuel Assistance. The Secretary or designee shall provide a draft of the table to the Home Energy Assistance Task Force established pursuant to subsection 2602a(c) of this title and solicit input from the Task Force prior to finalizing the table.

Sec. F.2 33 V.S.A. § 2605(a) is amended to read:

(a) The Secretary of Human Services or designee shall by rule establish a table that specifies maximum percentages of applicant households' annual heating fuel costs, based on the proxy table established pursuant to subsection 2604(b) of this title ~~and, when available, the data collected pursuant to subsection 2602(d) of this title~~, that can be authorized for payment as annual home heating fuel assistance benefits for the following year. The maximum percentages contained within this table shall vary by household size and annual household income. In no instance shall the percentage exceed 90 percent.

Sec. F.3 33 V.S.A. § 2608 is amended to read:

§ 2608. WEATHERIZATION PROGRAM AGREEMENTS

The Director of the Home Energy Assistance Program shall inform the Administrator of the Home Weatherization Assistance Program, established under chapter 25 of this title, of all participants in the Home Heating Fuel Assistance Program ~~and of the information required by subsection 2602(d) of this title~~. The Agency of Human Services shall provide all participants in the Home Heating Fuel Assistance Program with information regarding the efficiency utility established under 30 V.S.A. § 209. All participants in the Home Heating Fuel Assistance Program shall be deemed to comply with any income requirements of the Home Weatherization Program, but to receive weatherization services, recipients shall be required to meet any other eligibility requirements of the Home Weatherization Program. As a condition

of receipt of benefits under the Home Heating Fuel Assistance Program, a recipient shall consent to receive services of the Home Weatherization Assistance Program. ~~The Home Weatherization Assistance Program shall use the information required by subsection 2602(d) of this title to determine the number of British thermal units (Btus) needed to heat a square foot of space for each participant in the Home Energy Assistance Program.~~ The Home Weatherization Assistance Program shall give the highest priority to providing services to participants within the Home Heating Fuel Assistance Program and, among those participants, to those who require the ~~most BTUs to heat a square foot of space~~ highest energy usage.

Sec. F.4 33 V.S.A. § 2502(b)(3)(C) is amended to read:

(C) Establishing Program eligibility levels at 80 percent of the area median income, or 80 percent of the State median income, whichever is higher. Subject to the priority under section 2608 of this title given to participants in the Home Heating Fuel Assistance Program, the State program shall, when weighing factors to assign priority to buildings or units eligible for weatherization assistance, assign the greatest weight to those buildings and units that require the ~~most Btus to heat a square foot of space~~ highest energy usage.

Sec. F.5 33 V.S.A. § 2609(a) is amended to read:

(a) Annually, the Secretary of Human Services or designee shall determine an appropriate amount of funds ~~in the Home Heating Fuel Assistance fund~~ to be set aside for expenditure for the crisis fuel assistance component of the Home Heating Fuel Program. The Secretary or designee shall also adopt rules to define crisis situations for the expenditure of the home heating fuel crisis funds, and to establish the income ~~and asset~~ eligibility requirements of households for receipt of crisis Home Heating Fuel Assistance, provided that no household shall be eligible whose gross household income is greater than 200 percent of the federal poverty level ~~or is in excess of income maximums established by LIHEAP~~ based on the income of all persons residing in the household. To the extent allowed by federal law, the Secretary or designee shall establish by rule a calculation of gross income based on the same rules used in 3SquaresVT, except that the Secretary or designee shall include additional deductions or exclusions from income required by LIHEAP.

Sec. F.6 33 V.S.A. § 2502(d) is amended to read:

(d) Subject to budgetary approval by the General Assembly, or approval by the Emergency Board, amounts in the Home Weatherization Assistance Fund created by section 2501 of this title may be transferred to the Home Heating Fuel Assistance ~~Fund created by section 2603 of this title~~ program, and used for energy assistance to low income persons, provided that such transfer does

not reduce the fiscal capacity of the State Office of Economic Opportunity to meet the budgetary obligations of the Weatherization Program as set forth in this chapter, and that in the event of approval by the Emergency Board, the Emergency Board so certifies.

Sec. F.7 33 V.S.A. § 2502(c) is amended to read:

(c) The Secretary of Human Services shall by rule establish rent stabilization agreements and provisions to recapture amounts expended for weatherization of a rental unit which exceed the amount of energy cost reductions projected to be obtained by eligible tenants of the unit. The time periods established for rent stabilization and recapture shall be set taking into account the size of benefits received by tenants and landlords as well as the effect on program participation. Funds recaptured under this section shall be deposited into the Home Weatherization Assistance ~~Trust~~ Fund established under section 2501 of this title.

Sec. F.8 18 V.S.A. § 7254(a) is amended to read:

(a) The ~~director of health care reform~~ Director of Health Care Reform and the ~~commissioners of mental health, of health, and of Vermont health access~~ Commissioners of Mental Health, of Health, and of Vermont Health Access and the Green Mountain Care ~~board~~ Board or designees shall ensure that the redesign of the mental health delivery system established in this chapter is an integral component of the health care reform efforts ~~established in~~ coordinated pursuant to 3 V.S.A. § 2222a § 3027. Specifically, the ~~director, commissioners, and board~~ Director, Commissioners, and Board shall confer on planning efforts necessary to ensure that the following initiatives are coordinated and advanced:

* * *

Sec. F.9 18 V.S.A. § 9351(b) is amended to read:

(b) The Health Information Technology Plan shall:

* * *

(7) integrate the information technology components of the Blueprint for Health established in chapter 13 of this title, the Agency of Human Services' Enterprise Master Patient Index, and all other Medicaid management information systems being developed by the Department of Vermont Health Access, information technology components of the quality assurance system, the program to capitalize with loans and grants electronic medical record systems in primary care practices, and any other information technology initiatives coordinated ~~by the Secretary of Administration~~ pursuant to 3 V.S.A. ~~§ 2222a~~ § 3027; and

* * *

Sec. F.10 18 V.S.A. § 9416(a) is amended to read:

(a) ~~The commissioner of health~~ Commissioner of Health shall contract with the Vermont Program for Quality in Health Care, Inc. to implement and maintain a statewide quality assurance system to evaluate and improve the quality of health care services rendered by health care providers of health care facilities, including managed care organizations, to determine that health care services rendered were professionally indicated or were performed in compliance with the applicable standard of care, and that the cost of health care rendered was considered reasonable by the providers of professional health services in that area. ~~The commissioner of health~~ Commissioner of Health shall ensure that the information technology components of the quality assurance system comply with, and ~~the commissioner of Vermont health access~~ Commissioner of Vermont Health Access shall ensure such components are incorporated into, the statewide health information technology plan developed under section 9351 of this title and any other information technology initiatives coordinated ~~by the secretary of administration~~ pursuant to 3 V.S.A. ~~§ 2222a~~ § 3027.

*** Effective Dates for Secs. A.100–G.100 ***

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (fiscal year 2017 one-time appropriations), C.100.1 (Economic Development marketing), C.100.2 (fiscal year Medicaid carry forward requirement), C.101 (fiscal year 2017 fund transfers), C.102 (Volkswagen settlement), C.103 (expenditure of Human Services Caseload Management Reserve), C.104 (fiscal year 2017 27/53 Reserve, transfer), C.105 (fiscal year 2017 Attorney General adjustment), C.106 (fiscal year 2017 Protection function total adjustment), C.107 (fiscal year 2017 Secretary' office, Global Commitment adjustment), C.108 (fiscal year 2017 Green Mountain Care Board adjustment), C.109 (fiscal year 2017 Human Services function total adjustment), C.110–C.111 (fiscal year 2017 debt service adjustments), C.112–C.115 (fiscal year 2017 teachers' retirement system and health care and medical benefits adjustments) C.116 (Emergency Board composition), C.117 (budget report), C.118 (fiscal year 2017 carry forward authority), C.119 (fiscal year 2017 cost savings), C.120 (General Fund year end close out), D.102 (Tobacco Litigation Settlement Fund balance), E.100(b) (Labor Relations Manager position), E.100(c) (Security Guard positions), E.100(d) (transfer of vacant positions), E.100.1(d)(7) (position pilot program), E.100.2 (repeal), E.300.1–E.300.7 (transfer Director of Health Care Reform to the Agency of Human Services), E.308.1 (Choices for Care), E.300.14 (repeals), E.327 (Woodside Global Commitment funding), and F.1-F.10 (miscellaneous technical statute corrections), shall take effect on passage.

(b) All remaining sections shall take effect on July 1, 2017.

* * *

Sec. H.1 [RESERVED]

* * *

* * * Vermont Housing and Conservation Board;
Housing Bond Proceeds for Affordable Housing * * *

Sec. I.1 FINDINGS AND PURPOSE; AFFORDABLE HOUSING BOND

(a) Findings.

(1) The General Assembly finds that investments are needed to help house the most vulnerable Vermonters as well as creating more homes for workers.

(2) The shortage of affordable and available homes has been highlighted recently by:

(A) the Vermont Futures Project of the Vermont Chamber of Commerce, which set a growth target of 5,000 new and improved housing units annually;

(B) a national consultant's recommendations for a Roadmap to End Homelessness, which calls for, over the next five years, 368 new units for permanent supportive housing and 1,251 new homes affordable to families with income that is not more than 30 percent of the median; and

(C) the 2015 statewide housing needs assessment by Bowen National Research, which found the largest gaps in housing affordable to households with income below 30 percent of median and households with income between 85 percent and 120 percent of median, and found a lack of housing availability across the income spectrum.

(b) Purpose and intent.

(1) The purpose of Secs. I.1–I.12 of this act is to promote the development and improvement of housing for Vermonters.

(2) It is the intent of the General Assembly:

(A) to extend the clean water surcharge to provide an interim source of revenue for addressing water quality issues throughout the State;

(B) to continue its work on identifying a long-term funding source or sources that are sufficient in scope and targeted in design to address these water quality issues; and

(C) once one or more long-term funding sources are identified and enacted, but not later than July 1, 2027, to reduce the amount of the clean water surcharge to 0.04 percent.

Sec. I.2 10 V.S.A. § 314 is added to read:

§ 314. AFFORDABLE HOUSING BOND; INVESTMENT

The Vermont Housing and Conservation Board shall use the proceeds of bonds, notes, and other obligations issued by the Vermont Housing Finance Agency pursuant to subdivision 621(22) of this title and transferred to the Vermont Housing and Conservation Trust Fund to fund the creation and improvement of owner-occupied and rental housing for Vermonters with very low to middle income, in areas targeted for growth and reinvestment, as follows:

(1) not less than 25 percent of the housing shall be targeted to Vermonters with very low income, meaning households with income below 50 percent of area median income;

(2) not less than 25 percent of the housing shall be targeted to Vermonters with moderate income, meaning households with income between 80 and 120 percent of area median income; and

(3) the remaining housing shall be targeted to Vermonters with income that is less than or equal to 120 percent of area median income, consistent with the provisions of this chapter.

Sec. I.3 10 V.S.A. § 323 is amended to read:

§ 323. ANNUAL REPORT

Prior to January 31 of each year, the ~~board~~ Board shall submit a report concerning its activities to the ~~governor~~ Governor and ~~legislative committees on agriculture, natural resources and energy, appropriations, ways and means, finance, and institutions~~ to the House Committees on Agriculture and Forestry, on Appropriations, on Corrections and Institutions, on Natural Resources, Fish and Wildlife, and on Ways and Means and the Senate Committees on Agriculture, on Appropriations, on Finance, on Institutions, and on Natural Resources and Energy. The report shall include, ~~but not be limited to~~, the following:

(1) a list and description of activities funded by the ~~board~~ Board during the preceding year, including commitments made to fund projects through housing bond proceeds pursuant to section 314 of this title, and project descriptions, levels of affordability, and geographic location;

* * *

* * * Allocation of Property Transfer Tax Revenues * * *

Sec. I.4 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF RETURNS

(a) Not later than 30 days after the receipt of any property transfer return, a town clerk shall file the return in the office of the town clerk and electronically forward a copy of the acknowledged return to the Commissioner; provided, however, that with respect to a return filed in paper format with the town, the Commissioner shall have the discretion to allow the town to forward a paper copy of that return to the ~~department~~ Department.

(b) The copies of property transfer returns in the custody of the town clerk may be inspected by any member of the public.

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and ~~32 V.S.A. § subdivision~~ subdivision 435(b)(10) of this title, one two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least \$12,000,000.00.

* * * Vermont Housing Finance Agency; Authority to Issue Bonds for
Affordable Housing * * *

Sec. I.5 10 V.S.A. § 621 is amended to read:

§ 621. GENERAL POWERS AND DUTIES

The Agency shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided a business corporation by 11A V.S.A. § 3.02 and those general powers provided a nonprofit corporation by 11B V.S.A. § 3.02 and including, without limiting the generality of the foregoing, the power to:

* * *

(21) use funds received from real estate trust and escrow accounts established under 26 V.S.A. § 2214(c), IORTA funds, for down payment and

closing cost assistance with priority given to persons and families at or below 90 percent of median income and to persons and families purchasing perpetually affordable housing;

(22) issue bonds, notes, and other obligations secured by the property transfer tax revenues transferred to the Agency pursuant to 32 V.S.A. § 9610(d).

Sec. I.6 10 V.S.A. § 631(l) is added to read:

(1)(1) The bonds, notes, and other obligations authorized to be issued pursuant to subdivision 621(22) of this title shall be secured by a pledge of the property transfer tax revenues to be transferred to the Agency pursuant to 32 V.S.A. § 9610(d) and shall mature on or before June 30, 2039.

(2) The Agency may issue the bonds, notes, and other obligations in one or more series at one time or from time to time, provided that the aggregate annual debt service on the bonds, notes, and other obligations shall not exceed \$2,500,000.00 at any time.

(3) The Agency shall transfer the proceeds of the bonds, notes, and other obligations, less issuance fees and costs and required reserves, to the Vermont Housing and Conservation Trust Fund established pursuant to section 312 of this title for use by the Vermont Housing and Conservation Board as provided in section 314 of this title.

(4) The Agency, the Vermont Housing and Conservation Board, and the State Treasurer may execute one or more agreements governing the terms and conditions under which the property transfer tax revenues that secure the bonds, notes, and obligations shall be transferred to the Agency, and any other issues they determine appropriate.

* * * Funding for Affordable Housing Bond Program; Allocation
of Revenues; Intent * * *

Sec. I.7 INTENT; FUNDING FOR AFFORDABLE HOUSING BOND
PROGRAM; ALLOCATION OF PROPERTY TRANSFER
TAX REVENUES

(a) Revenues from the property transfer tax, before the passage of this act, were allocated pursuant to statute as follows:

(1) The first two percent was deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs pursuant to 32 V.S.A. § 9610(c).

(2) Of the remaining 98 percent of the revenues:

(A) 17 percent was deposited in the Municipal and Regional Planning Fund created in 24 V.S.A. § 4306.

(B) 50 percent was deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

(C) 33 percent was deposited in the General Fund created in 32 V.S.A. § 435.

(b) Pursuant to Sec. I.4 of this act, in 32 V.S.A. § 9610(d), the first \$2,500,000.00 of revenue generated from the property transfer tax is transferred to the Vermont Housing Finance Agency to service the bonds, notes, and other obligations incurred by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(c) Transferring the first \$2,500,000.00 of property transfer tax revenues to the Vermont Housing Finance Agency for debt service reduces the amount of revenues available for allocation to the respective statutory recipients identified in subsection (a) of this section.

(d) To compensate for this reduction of available property transfer tax revenue, it is the intent of the General Assembly through this act to provide for the transfer of \$2,500,000.00 to the Vermont Housing and Conservation Trust Fund, as follows:

(1) Sec. D.100 of this act appropriates \$11,304,840.00 in fiscal year 2018 from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Upon the effective date of this act, the Board shall transfer the amount of \$1,500,000.00 back to the Vermont Housing and Conservation Trust Fund, resulting in a fiscal year 2018 total appropriation to the Board of \$9,804,840.00. In fiscal year 2018 only, the Commissioner of Taxes shall transfer the amount of \$1,500,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

(2) As provided in Sec. I.9 of this act, from July 1, 2017 until July 1, 2027, pursuant to 32 V.S.A. § 9602a, the Commissioner of Taxes shall annually transfer the first \$1,000,000.00 in revenue generated by the clean water surcharge of 0.2 percent to the Vermont Housing and Conservation Trust Fund. In fiscal year 2018 only, the Commissioner shall transfer the amount of \$1,000,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

(3) After July 1, 2027, pursuant to 32 V.S.A. § 9602a as amended in Sec. I.10 of this act, the Commissioner of Taxes shall annually transfer the \$1,000,000.00 in total revenue generated by the clean water surcharge of 0.04 percent to the Vermont Housing and Conservation Trust Fund.

(4) As provided in Sec. I.11 of this act, the clean water surcharge will be repealed in its entirety on July 1, 2039.

* * * Clean Water Surcharge; Repeal of 2018 Sunset * * *

Sec. I.8 REPEAL; SUNSET OF CLEAN WATER SURCHARGE

(a) 2015 Acts and Resolves No. 64, Sec. 39 (sunset of clean water surcharge in 2018) is repealed.

* * * Clean Water Surcharge; Allocation of First \$1 Million in Revenue until 2027 * * *

Sec. I.9 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee 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. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

* * * Clean Water Surcharge; Allocation of Revenue to Vermont Housing and Conservation Trust Fund in 2027 * * *

Sec. I.10 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of ~~0.2~~ 0.04 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee 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. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section ~~in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited~~ in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

* * * Repeal of Affordable Housing Bond Provisions After Life of Bond * * *

Sec. I.11 REPEAL

(a) The following shall be repealed on July 1, 2039:

(1) 10 V.S.A. § 314 (Vermont Housing and Conservation Board; affordable housing bond and investments).

(2) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA) authority to issue debt obligations secured by property transfer tax).

(3) 10 V.S.A. § 631(l) (debt obligations issued by VHFA).

(4) 32 V.S.A. § 9610(d) (property transfer tax priority for affordable housing debt repayment).

(5) 32 V.S.A. § 9602a (clean water surcharge).

* * * Effective Dates for Secs. I.1–I.12 * * *

Sec. I.12 EFFECTIVE DATES

(a) Secs. I.1–I.12 of this act shall take effect on July 1, 2017, except that Sec. I.10 (allocating clean water surcharge revenue to Vermont Housing and Conservation Trust Fund) shall take effect on July 1, 2027.

And by renumbering all of the sections of the bill to be numerically correct (including internal references) and adjusting all of the totals to be arithmetically correct.

*M. JANE KITCHEL
RICHARD W. SEARS
RICHARD A. WESTMAN*

Committee on the part of the Senate

*CATHERINE B. TOLL
PETER J. FAGAN
MARY S. HOOPER*

Committee on the part of the House

Which was considered.

Pending the question, Shall the House adopt the report of the committee of conference? **Rep. Krowinski of Burlington** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House adopt the report of the committee of conference? was decided in the affirmative. Yeas, 97. Nays, 41.

Those who voted in the affirmative are:

Ancel of Calais	Fagan of Rutland City	Morris of Bennington
Bartholomew of Hartland	Feltus of Lyndon	Mrowicki of Putney *
Baser of Bristol	Fields of Bennington	Murphy of Fairfax
Belaski of Windsor	Forguites of Springfield	Noyes of Wolcott
Beyor of Highgate	Gannon of Wilmington	Ode of Burlington
Bissonnette of Winooski	Giambatista of Essex	O'Sullivan of Burlington
Bock of Chester	Gonzalez of Winooski	Partridge of Windham
Botzow of Pownal *	Grad of Moretown	Pearce of Richford
Brennan of Colchester	Haas of Rochester	Potter of Clarendon
Briglin of Thetford	Head of South Burlington	Pugh of South Burlington
Browning of Arlington	Helm of Fair Haven	Rachelson of Burlington
Brumsted of Shelburne	Hill of Wolcott	Scheu of Middlebury
Buckholz of Hartford	Hooper of Montpelier	Sheldon of Middlebury
Burditt of West Rutland	Hooper of Brookfield	Squirrell of Underhill
Burke of Brattleboro	Houghton of Essex	Stevens of Waterbury *
Carr of Brandon	Howard of Rutland City	Stuart of Brattleboro
Chesnut-Tangerman of Middletown Springs	Jickling of Brookfield	Sullivan of Dorset
Christensen of Weathersfield	Joseph of North Hero	Sullivan of Burlington
Christie of Hartford	Juskiewicz of Cambridge	Taylor of Colchester
Cina of Burlington	Keenan of St. Albans City	Till of Jericho
Colburn of Burlington	Kimbell of Woodstock	Toleno of Brattleboro
Condon of Colchester	Kitzmiller of Montpelier	Toll of Danville *
Conlon of Cornwall	Krowinski of Burlington	Townsend of South Burlington
Connor of Fairfield	Lalonde of South Burlington	Trieber of Rockingham
Conquest of Newbury	Lanpher of Vergennes	Troiano of Stannard
Copeland-Hanzas of Bradford *	Lawrence of Lyndon	Walz of Barre City
Corcoran of Bennington	Lippert of Hinesburg *	Weed of Enosburgh
Dakin of Colchester	Long of Newfane	Wood of Waterbury
Deen of Westminister	Lucke of Hartford	Yacovone of Morristown
Donovan of Burlington	Macaig of Williston	Yantachka of Charlotte
Dunn of Essex	Masland of Thetford	Young of Glover
Emmons of Springfield	McCormack of Burlington	
	McCullough of Williston	
	Miller of Shaftsbury	

Those who voted in the negative are:

Bancroft of Westford	Higley of Lowell	Quimby of Concord
Batchelor of Derby	Keefe of Manchester	Rosenquist of Georgia
Beck of St. Johnsbury	LaClair of Barre Town	Savage of Swanton

Canfield of Fair Haven	Lefebvre of Newark	Scheuermann of Stowe
Cupoli of Rutland City	Lewis of Berlin	Shaw of Pittsford
Devereux of Mount Holly	Marcotte of Coventry	Sibilia of Dover
Dickinson of St. Albans Town	Martel of Waterford	Smith of Derby
Donahue of Northfield	McCoy of Poultney	Smith of New Haven
Frenier of Chelsea	McFaun of Barre Town	Strong of Albany
Gage of Rutland City	Morrissey of Bennington	Turner of Milton *
Gamache of Swanton	Myers of Essex	Van Wyck of Ferrisburgh
Graham of Williamstown	Nolan of Morristown	Viens of Newport City
Harrison of Chittenden	Norris of Shoreham	Willhoit of St. Johnsbury
	Parent of St. Albans Town	Wright of Burlington

Those members absent with leave of the House and not voting are:

Ainsworth of Royalton	Hubert of Milton	Sharpe of Bristol
Gardner of Richmond	Jessup of Middlesex	Terenzini of Rutland Town
Greshin of Warren	Olsen of Londonderry	Webb of Shelburne
Hebert of Vernon	Poirier of Barre City	

Rep. Botzow of Pownal explained his vote as follows:

“Madam Speaker:

The budget’s support for economic development will make a difference for Vermonters. While living within our means, focused investments in career pathways, economic development marketing, micro businesses and small business development create opportunities across our state. Thank you!”

Rep. Copeland-Hanzas of Bradford explained her voter as follows:

“Madam Speaker:

The body supported this budget a few short weeks ago. We stood together 143-1 to put in place a careful, austere budget that will protect Vermonters in the event that the administration in D.C. accomplishes the devastating cuts to human services, health care and the environment they aspire to. We stood in near unanimity a few short weeks ago to protect this state from a devastating vision from D.C. The question today is – what has changed?”

Rep. Lippert of Hinesburg explained his vote as follows:

“Madam Speaker:

I vote yes to provide critical funds to support Vermonters with mental health needs. This budget prioritizes essential crisis support services, while directing much needed increased compensation to fund services to Vermonters with employees providing direct mental health and disability service needs.”

Rep. Mrowicki of Putney explained his vote as follows:

“Madam Speaker:

I whole heartedly support the hard work of you Appropriations Committee. In the best of circumstances, budgets are difficult. I especially applaud that our young children, the future of Vermont, will see a small increase of 25 million for early care and education. Given the daily chaos in Washington, I hope that chaos doesn't spread to Vermont and that the hard work on this budget doesn't get trumped by politics."

Rep. Stevens of Waterbury explained his vote as follows:

"Madam Speaker:

Congratulations to the Appropriations Committee for creating a better budget than was passed nearly unanimously in April. Included in this budget is a 35 million dollar bond that will help commercial and nonprofit housing developers create hundreds of new housing units for low and middle income Vermonters. This budget also invests in programs that will help us shelter the homeless, keep them off the streets during extreme weather and allows communities to focus on building housing with reduced permitting and costs. This bill will go a long way to adding energy to our sluggish building economy. Thanks go to our Appropriations Committee, and to the committees of jurisdiction who contributed to this well thought out budget. I'll be voting yes."

Rep. Toll of Danville explained her vote as follows:

"Madam Speaker:

The budget before the body this evening includes no new taxes and no new fees and makes critical investments in Vermonters that have had the support of this chamber, the Senate and the Governor. This is a responsible budget. Growth rates are far below the forecasted revenue growth rate. All state funds grew from FY 17 to 18 at 0.7%. This is a budget that has been widely embraced and it should be supported on its merits."

Rep. Turner of Milton explained his vote as follows:

"Madam Speaker:

This is a good budget, unfortunately it does not capture their nearly 75 million in savings achieved from new teacher health care policies mandated by the affordable care act. Thank you."

Rules Suspended; Resolutions Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the following resolutions were ordered messaged to the Senate forthwith.

J.R.S. 33

Joint resolution, entitled

Joint resolution relating to compensation of Members of the General Assembly during the remainder of the 2017 Session

J.R.S. 34

Joint resolution, entitled

Joint resolution relating to final adjournment of the General Assembly 2017

H.C.R. 191

House concurrent resolution, entitled

House concurrent resolution honoring former Representative and Deputy Secretary of Education William B. Talbott for his dedicated public service

**Rules Suspended; Action Ordered Messaged to Senate Forthwith
and Bills Delivered to the Governor Forthwith**

On motion of **Rep. Turner of Milton**, the rules were suspended and action on the bills were ordered messaged to the Senate forthwith and the bills delivered to the Governor forthwith.

H. 509

House bill, entitled

An act relating to calculating statewide education tax rates

H. 518

House bill, entitled

An act relating to making appropriations for the support of government

Bill Ordered to Lie**H. 167**

House bill, entitled

An act relating to alternative approaches to addressing low-level illicit drug use

Having appeared on the Calendar one day for notice, was taken up and pending the question Will the House concur in the Senate proposal of amendment? on motion of **Rep. Turner of Milton**, the bill was ordered to lie.

Senate Notified of Completion of House Business

Rep. Krowinski of Burlington moved that the House direct the Clerk to inform the Senate that the House has completed the business of the first half of the Biennial session and is ready to adjourn pursuant to the provisions of J.R.S. 34.

Governor Notified of Completion of House Business

Rep. Krowinski of Burlington moved that the Speaker appoint a committee of six to inform the Governor that the House has completed the business of the first half of the of the Biennial session and is ready to adjourn pursuant to the provisions of J.R.S.34, which was agreed to.

Rep. Krowinski of Burlington

Rep. Turner of Milton

Rep. Chesnut-Tangerman of Middletown Springs

Rep. Murphy of Fairfax

Rep. Toleno of Brattleboro

Rep. Savage of Swanton

Governor Presented at the Bar of the House

The committee appointed to wait upon the Governor retired to the Executive Chamber and returned with His Excellency, The Governor Phillip B. Scott, and presented him at the bar of the House. The Governor addressed the House and, having completed his remarks, was escorted from the Hall by the committee.

Adjournment

At twelve o'clock and twenty-two minutes in the forenoon, on motion of **Rep. Krowinski of Burlington**, the House adjourned pursuant to the provisions of J.R.S. 34.

FINAL MESSAGES AND COMMUNICATIONS**Message from Governor**

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the twenty-second day of May, 2017, he signed bills originating in the House of the following titles:

- H. 111 An act relating to vital records**
- H. 130 An act relating to approval of amendments to the charter of the Town of Hartford**
- H. 154 An act relating to approval of amendments to the charter of the City of Burlington and to charter amendment procedure**
- H. 347 An act relating to the State Telecommunications Plan**

H. 356 An act relating to approval of amendments to the charter of the Town of Berlin

H. 411 An act relating to miscellaneous energy issues

H. 508 An act relating to building resilience for individuals experiencing adverse childhood experiences

H. 522 An act relating to approval of amendments to the charter of the City of Burlington

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the twenty-third day of May, 2017, he signed bills originating in the House of the following titles:

H. 74 An act relating to domestic and sexual violence

H. 145 An act relating to establishing the Mental Health Crisis Response Commission

H. 424 An act relating to the Commission on Act 250: the Next 50 Years

H. 506 An act relating to professions and occupations regulated by the Office of Professional Regulation

H. 513 An act relating to making miscellaneous changes to education law

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the thirtieth day of May, 2017, he signed bills originating in the House of the following titles:

H. 512 An act relating to miscellaneous changes to election law

H. 529 An act relating to approval of amendments to the charter of the City of Barre

H. 534 An act relating to approval of the adoption and codification of the charter of the Town of Calais

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the thirty-first day of May, 2017, he signed a bill originating in the House of the following title:

H. 308 An act relating to the Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the fifth day of June, 2017, he signed bills originating in the House of the following titles:

H. 22 An act relating to the professional regulation of law enforcement officers by the Vermont Criminal Justice Training Council

H. 171 An act relating to expungement

H. 218 An act relating to the adequate shelter of dogs and cats

H. 527 An act relating to approval of amendments to the charter of the Town of East Montpelier and to the merger of the Town and the East Montpelier Fire District No. 1

Message from the Governor

The Governor has informed the House of Representatives that on the sixth day of June, 2017, he returned without signature and vetoed a bill originating in the House of the following title:

H. 509 An act relating to calculating statewide education tax rates

The Governor provided the following explanation:

“Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.509, *An Act Relating to Calculating Statewide Education Tax Rates* without my signature because of my objections described herein.

Please note, the following also addresses objections to H.518, *An Act Relating to Making Appropriations for the Support of Government*, as the two bills are inextricably linked and their relationship factors heavily into my decision to return both bills. H.518 will be returned to you in a separate message containing the same objections.

At the beginning of the session, I challenged the Legislature to give residents and businesses a break from new or higher taxes and fees in all bills passed this year. I also urged the Legislature to join me in the work of making Vermont more affordable in every way we can. H.509 and H.518 fail to achieve these goals and, as a result, I cannot support them as written. We must not be afraid to think, and legislate, differently in order to reverse our challenging demographic trends, grow the economy, and make Vermont more affordable. I have made a number of proposals to generate savings in the Education Fund, beginning with my first budget presentation. To date, the Legislature has rejected all such proposals and instead has passed H.509, which, together with and intrinsically linked to H.518, only worsens the unsustainable trajectory towards higher property taxes to support an education system with declining enrollment and extremely high per pupil costs. Instead, we have an opportunity to moderate those rates by rebasing school budgets through the transition to new plans in the Vermont Education Health Initiative (VEHI); and without asking school employees to pay more for healthcare.

Although H.509 appears to provide property tax relief for residential tax payers, it does so through an unequal allocation of the tax burden to other Vermont property taxpayers and the unsustainable, irresponsible allocation of one-time revenue sources. More specifically, H.509 increases the nonresidential property tax rate from \$1.535 per \$100 of assessed value, to \$1.555. Property taxes are not only an impediment to living in Vermont, but also a barrier to creating jobs in our state. Most of the “nonresidential” tax actually falls on Vermonters, like employers, renters and camp owners. In fact, the Department of Taxes reports that about 60 percent of the property that is classified as “non-residential” has a Vermont owner. Small and medium sized businesses are the backbone of our economy, and we must make Vermont a more affordable and attractive place to do business to increase opportunities for all Vermonters. I remain determined to achieving level property tax rates for all payer groups.

Also concerning is that buying down the average residential rate from \$1.527 to \$1.505 in H.509 is achieved in H.518 through two sources of one-time money. First, H.509 reduced the Education Fund's stabilization reserves by \$9.2 million to the Fund's statutory minimum. Second, \$26.1 million in the unallocated and unreserved balance in the Education Fund was applied as it has been over the past few years.

Although the unallocated/unreserved balance in the Education Fund has been used in previous sessions to buy down tax rates, it has been done so under the assumption that the balance will not be guaranteed year after year. According to the Agency of Education, the majority of this surplus was generated as the result of the consolidation of special education administration to the supervisory district level, from the local level, in 2010 through Act 153. Overbudgeting for this expense created a surplus in the Education Fund over the past several years. However, in H.518, the anticipated special education expenditures were budgeted to more accurately reflect actual costs and it is unlikely the surplus, if any, will be realized to the extent it has in the past, for use in future fiscal years. Achieving savings through the transition to the new VEHI health insurance benefits is critically important to filling the gap that will inevitably occur in Fiscal Year 2019 when this surplus is no longer generated.

This anticipated shortfall coupled with the decision to use \$9.2 million of one-time money from the Education Fund stabilization reserves creates a steep cliff for taxpayers to make up in Fiscal Year 2019. These decisions, without a sustainable plan in place to fill the shortfall, expose taxpayers unnecessarily to the risk of an increase in property tax rates, could be of concern to the rating agencies, and are difficult to understand in a political climate where federal funding for school districts could be drastically reduced. This issue alone is sufficient to justify a veto. The use of the stabilization reserve coupled with the continued reliance on one-time funds predicated on prior year reversions that may not materialize in future fiscal years ensures the likelihood of future property tax increases. I cannot support a budget that makes expenditure choices that knowingly result in higher property tax rates in future years.

Moreover, the Legislature in H.509, Section 3, passed an additional one percent transfer of sales and use tax to the Education Fund which creates a General Fund shortfall in Fiscal Year 2019 and beyond. In H.518, Section D.101.1(a), the Legislature budgets a one-time Fiscal Year 2018 fund transfer of \$3.3 million. Year after year the Legislature must reconcile a growing gap between what we want to provide Vermonters and what we can afford based on our incoming revenues. Taking steps today that do not account for known future shortfalls puts the Legislature on a trajectory to increase the tax and fee burden on Vermonters. We should be taking steps to curb education spending instead of continuing to increase non-property tax sources in the Education Fund, which in Fiscal Year 2018 total \$525.1 million.

Section 5 of H.509 creates a Health Benefits Commission that I believe is set up to ensure impasse. Vermont's school boards have clearly articulated over the past several months their need for a simplified process for negotiating the increasingly complex health insurance system.

Additionally, thus far the VT-NEA has shown great resistance to any change in the bargaining dynamic and to sending savings back to taxpayers. I agree it would be advantageous for these groups to be able to work through this issue without legislative interference. However, by including five representatives from labor organizations and five representatives from school boards and superintendents' organizations, it is unlikely that these conversations will be fruitful. Additionally, the State will likely have a hand in administering a statewide health benefit if legislation is introduced, and has no representation on the Commission.

While I appreciate the Legislature's willingness in H.509 to revisit this issue in the future, such as receiving findings from the Health Benefits Commission this November, and reopening contracts in September 2019, Vermont faces an immediate and growing crisis of affordability, and recapturing the available savings – without asking school employees to pay more or cutting programs for kids – can only happen during the unique set of circumstances at this moment. The reopening of contracts in September 2019 will not allow the Legislature to revisit this issue comprehensively, as contracts that settle prior to July 1, 2017 will be exempt. As we have seen from settlements to date, there is a wide range of healthcare coverage, and contracts range in length from 1 to 3 years. Therefore, this is setting up an unfair scenario for those negotiating parties that are currently at impasse, and an incentive for those who are still at the table to settle quickly. Without more explicit expectations set by the State, many agreements will likely include premium cost-sharing and out of pocket costs that eat away the available savings and, therefore, our ability to lower property tax rates.

It is essential to remember the alternatives which I have proposed, and which could have been taken up by the Legislature, to put Vermont on a new and more sustainable economic footing. Beginning with my recommended budget in January, I encouraged legislators to look for savings in the Education Fund, specifically in health care costs for school employees, to keep property tax rates for all payer groups level. During the 2015-2016 Biennium, in the context of Act 46, we heard it was nearly impossible to control education spending, despite declining student enrollments, due to the uncontrollable rising cost of health care for educators. This resulted in legislative action to remove allowable spending growth thresholds originally applied in Act 46. Acknowledging healthcare costs are a driver in education spending, in my proposed budget I included an 80/20 premium split to achieve savings in school employees' healthcare costs and introduce equity among public sector employees. This is not only the same premium split that our State employees and eligible retired teachers pay, but would bring parity across the system for all active educators and other school employees.

My original mechanisms, level funding school budgets coupled with the premium split, to achieve savings in the Education Fund and level property tax rates, were met with much resistance, as well as opposition from stakeholder groups including the Vermont School Boards Association (VSBA) and the Vermont Superintendents Association (VSA). At the same time, my Administration began to learn more about a unique opportunity to save money in the Education

Fund through changes in the VEHI healthcare plans. It is important to note that VEHI is an intermunicipal trust made up of State municipalities, including school districts, and administers a standard offering of healthcare benefits to over 90 percent of Vermont schools. Vermont school employees constitute a single statewide risk pool insured through the VEHI offerings. VEHI healthcare plans offered to school employees for Fiscal Year 2018 have been restructured to cost substantially less than the old plans to avoid the Affordable Care Act's "Cadillac Tax." Discussions in the State House outlining plan changes, and the opportunity for savings, began in the 2015-2016 Biennium with representatives from VEHI testifying in the Senate Finance and House Education Committees.

After the introduction of my recommended budget, legislators began asking my Administration for an alternative, and I began pointing to the opportunity for savings from these VEHI plan changes. Unfortunately, it became clear that neither the House nor Senate Appropriations Committees were planning to take advantage of this once-in-a-lifetime opportunity to rebase school budgets and save Vermonters millions on an ongoing basis. Therefore, to propel this conversation forward, I introduced a policy proposal – through collaboration with the VSBA and the VSA – that ensures there is a mechanism to recapture up to \$75 million in available savings. In my proposal, I recommend reinvesting nearly \$50 million back into school employees to make sure they don't pay more for out of pocket expenses, and returning the remaining \$26 million to all classes of property taxpayers to keep all property tax rates the same as Fiscal Year 2017. I also suggested investing in other education priority areas, such as early care and learning, higher education, and shoring up the Vermont State Teachers Retirement Health Insurance Program.

My proposal calls for the State to negotiate with the school employees' unions for the VEHI health benefit. Other states, like Massachusetts which has an opt-in state health plan, have started moving in this direction. My proposal does three things: First, it maintains the right of school employees to bargain this valuable benefit through a joint body representing all school employees with a single voice and an opportunity to maximize benefits for all school employees equally. Second, my proposal assumes sharing the cost savings with school employees through the creation of a health savings or health retirement

accounts (HSA or HRA) funded with a majority of the VEHI plan savings. Third, it creates a mechanism for recapturing the VEHI cost savings built into the existing school budgets and returning those savings to Vermont property taxpayers. This makes particular sense because school employees participate in a statewide insurance risk pool now.

While my goal is not a statewide teachers' contract, elevating benefits to the State level has been floated numerous times in the Legislature, as recently as 2014, when it was included in a December 12, 2014, report from then-Speaker Shap Smith's Education Finance Working Group, which included current Speaker Mitzi Johnson and House Education Chair David Sharpe (see pg. 3, number 8: "*Have the Agency produce a model teachers' contract that districts could use during labor negotiations. Explore the idea that districts could opt-in to a statewide contract*").

Under my proposal, local school boards would still bargain with school employees over all other compensation and benefits. Healthcare benefits would be bargained one time, instead of more than 60 times, which would give the maximum potential to realize up to \$75 million in savings (noting that contracts which have been ratified to date will not be reopened).

Despite our differences, I remain fully committed to working with the Legislature on a solution in H.509 and H.518 that meets the following core principles:

1. *Maximize Savings* – Any alternative must maximize the savings opportunity of the transition to these new healthcare plans;
2. *Keep Teachers Whole & Provide Parity* – Any alternative must hold educators harmless and provide parity and uniformity across the system; and
3. *Simplify Negotiations for School Boards* – Any alternative must reduce the burden currently on school boards negotiating these new, more complex insurance plans.

I am encouraged there is agreement between the Administration and the Legislature that the transition to the new VEHI plans provides an opportunity to save millions of dollars. While I first and foremost prefer a negotiated statewide health benefit, I am willing to consider negotiations remaining at the local level. However, it will require a policy mechanism in H.509 that mandates the parameters of the benefit plan, or provides a strong and equitable financial incentive for both school boards and unions to reach settlements that are within the constructs of the Gold CDHP VEHI model. That model includes an 80/20 premium split with at least the first \$400 out of pocket cost borne by the employee through an HSA or HRA.

As noted earlier, I am also willing to return 100 percent of savings to all classes of property taxpayers to further bring down property tax rates, which is a primary advantage of seizing this opportunity, rather than reinvesting equal portions into early childhood and higher education and shoring up the Vermont State Teachers Retirement Health Insurance Program, in addition to tax relief, as was originally proposed. It is worth noting that at adjournment on May 18, 2017, an agreement with House and Senate leadership was within reach.

Again, H.509 and H.518 are fundamentally tied. The appropriations made from the Education Fund in H.518 are contingent upon the revenue provided by H.509. If the funding raised through H.509 changes, the allocation of funding in H.518 needs to be updated to reflect a change in the amount of available funds. For reference, the specific line item in H.518 is B.505, Education – adjusted education payment. It would also eliminate the need for the transfer from the Education Fund's stabilization reserves, as discussed above.

Given the opportunity I have outlined to save taxpayers millions of dollars through the new VEHI healthcare plans, the education payments in the budget should be adjusted by the amount of savings expected from transitioning to the new VEHI healthcare plans.

I promised Vermonters I would listen to any idea to make Vermont more affordable, and that is what I'm doing. We have been losing, on average, six workers from our workforce, and three students from our schools every day. We literally cannot pass up this opportunity to put a dent in property tax growth. My education savings proposal allows us to bring down property tax rates while not requiring education employees to pay more or cuts to programs for kids.

Under my proposal teachers will not be exposed to higher out of pocket costs and will still enjoy robust healthcare plans with higher than average actuarial values. Neither H.509 nor H.518, as presented for my approval, takes any steps to provide a mechanism to recapture the available savings for the Fiscal Year 2018 budget, which could be as much as \$13 million, or alleviate the property tax burden on all rate payer groups.

As noted, based on the outstanding objections outlined above I cannot support H.509 or H.518 and must return both bills without my signature pursuant to Chapter II, §11 of the Vermont Constitution. If the veto is sustained, I know we can come to an agreement, and when we do, H.509, H.518, and Vermonters will be better for it.”

Message from the Governor

The Governor has informed the House of Representatives that on the sixth day of June, he returned without signature and vetoed a bill originating in the House of the following title:

H. 518 An act relating to making appropriations for the support of government

The Governor provided the following explanation:

“Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.518, *An Act Relating to Making Appropriations for the Support of Government* without my signature because of my objections described herein.

Please note, the following also addresses objections to H.509, *An Act Relating to Calculating Statewide Education Tax Rates* as the two bills are inextricably linked and their relationship factors heavily into my decision to return both bills. H.509 will be returned to you in a separate message containing the same objections.

At the beginning of the session, I challenged the Legislature to give residents and businesses a break from new or higher taxes and fees in all bills passed this year. I also urged the Legislature to join me in the work of making Vermont more affordable in every way we can. H.509 and H.518 fail to achieve these goals and, as a result, I cannot support them as written. We must not be afraid to think, and legislate, differently in order to reverse our challenging demographic trends, grow the economy, and make Vermont more affordable. I have made a number of proposals to generate savings in the Education Fund, beginning with my first budget presentation. To date, the Legislature has rejected all such proposals and instead has passed H.509, which, together with and intrinsically linked to H.518, only worsens the unsustainable trajectory towards higher property taxes to support an education system with declining enrollment and extremely high per pupil costs. Instead, we have an opportunity to moderate those rates by rebasing school budgets through the transition to new plans in the Vermont Education Health Initiative (VEHI); and without asking school employees to pay more for healthcare.

Although H.509 appears to provide property tax relief for residential tax payers, it does so through an unequal allocation of the tax burden to other Vermont property taxpayers and the unsustainable, irresponsible allocation of one-time revenue sources. More specifically, H.509 increases the nonresidential property tax rate from \$1.535 per \$100 of assessed value, to \$1.555. Property taxes are not only an impediment to living in Vermont, but also a barrier to creating jobs in our state. Most of the “nonresidential” tax actually falls on Vermonters, like employers, renters and camp owners. In fact,

the Department of Taxes reports that about 60 percent of the property that is classified as “non-residential” has a Vermont owner. Small and medium sized businesses are the backbone of our economy, and we must make Vermont a more affordable and attractive place to do business to increase opportunities for all Vermonters. I remain determined to achieving level property tax rates for all payer groups.

Also concerning is that buying down the average residential rate from \$1.527 to \$1.505 in H.509 is achieved in H.518 through two sources of one-time money. First, H.509 reduced the Education Fund's stabilization reserves by \$9.2 million to the Fund's statutory minimum. Second, \$26.1 million in the unallocated and unreserved balance in the Education Fund was applied as it has been over the past few years.

Although the unallocated/unreserved balance in the Education Fund has been used in previous sessions to buy down tax rates, it has been done so under the assumption that the balance will not be guaranteed year after year. According to the Agency of Education, the majority of this surplus was generated as the result of the consolidation of special education administration to the supervisory district level, from the local level, in 2010 through Act 153. Overbudgeting for this expense created a surplus in the Education Fund over the past several years. However, in H.518, the anticipated special education expenditures were budgeted to more accurately reflect actual costs and it is unlikely the surplus, if any, will be realized to the extent it has in the past, for use in future fiscal years. Achieving savings through the transition to the new VEHI health insurance benefits is critically important to filling the gap that will inevitably occur in Fiscal Year 2019 when this surplus is no longer generated.

This anticipated shortfall coupled with the decision to use \$9.2 million of one-time money from the Education Fund stabilization reserves creates a steep cliff for taxpayers to make up in Fiscal Year 2019. These decisions, without a sustainable plan in place to fill the shortfall, expose taxpayers unnecessarily to the risk of an increase in property tax rates, could be of concern to the rating agencies, and are difficult to understand in a political climate where federal funding for school districts could be drastically reduced. This issue alone is sufficient to justify a veto. The use of the stabilization reserve coupled with the continued reliance on one-time funds predicated on prior year reversions that may not materialize in future fiscal years ensures the likelihood of future property tax increases. I cannot support a budget that makes expenditure choices that knowingly result in higher property tax rates in future years.

Moreover, the Legislature in H.509, Section 3, passed an additional one percent transfer of sales and use tax to the Education Fund which creates a General Fund shortfall in Fiscal Year 2019 and beyond. In H.518, Section

D.101.1(a), the Legislature budgets a one-time Fiscal Year 2018 fund transfer of \$3.3 million. Year after year the Legislature must reconcile a growing gap between what we want to provide Vermonters and what we can afford based on our incoming revenues. Taking steps today that do not account for known future shortfalls puts the Legislature on a trajectory to increase the tax and fee burden on Vermonters. We should be taking steps to curb education spending instead of continuing to increase non-property tax sources in the Education Fund, which in Fiscal Year 2018 total \$525.1 million.

Section 5 of H.509 creates a Health Benefits Commission that I believe is set up to ensure impasse. Vermont's school boards have clearly articulated over the past several months their need for a simplified process for negotiating the increasingly complex health insurance system.

Additionally, thus far the VT-NEA has shown great resistance to any change in the bargaining dynamic and to sending savings back to taxpayers. I agree it would be advantageous for these groups to be able to work through this issue without legislative interference. However, by including five representatives from labor organizations and five representatives from school boards and superintendents' organizations, it is unlikely that these conversations will be fruitful. Additionally, the State will likely have a hand in administering a statewide health benefit if legislation is introduced, and has no representation on the Commission.

While I appreciate the Legislature's willingness in H.509 to revisit this issue in the future, such as receiving findings from the Health Benefits Commission this November, and reopening contracts in September 2019, Vermont faces an immediate and growing crisis of affordability, and recapturing the available savings – without asking school employees to pay more or cutting programs for kids – can only happen during the unique set of circumstances at this moment. The reopening of contracts in September 2019 will not allow the Legislature to revisit this issue comprehensively, as contracts that settle prior to July 1, 2017 will be exempt. As we have seen from settlements to date, there is a wide range of healthcare coverage, and contracts range in length from 1 to 3 years. Therefore, this is setting up an unfair scenario for those negotiating parties that are currently at impasse, and an incentive for those who are still at the table to settle quickly. Without more explicit expectations set by the State, many agreements will likely include premium cost-sharing and out of pocket costs that eat away the available savings and, therefore, our ability to lower property tax rates.

It is essential to remember the alternatives which I have proposed, and which could have been taken up by the Legislature, to put Vermont on a new and more sustainable economic footing. Beginning with my recommended budget in January, I encouraged legislators to look for savings in the Education

Fund, specifically in health care costs for school employees, to keep property tax rates for all payer groups level. During the 2015-2016 Biennium, in the context of Act 46, we heard it was nearly impossible to control education spending, despite declining student enrollments, due to the uncontrollable rising cost of health care for educators. This resulted in legislative action to remove allowable spending growth thresholds originally applied in Act 46. Acknowledging healthcare costs are a driver in education spending, in my proposed budget I included an 80/20 premium split to achieve savings in school employees' healthcare costs and introduce equity among public sector employees. This is not only the same premium split that our State employees and eligible retired teachers pay, but would bring parity across the system for all active educators and other school employees.

My original mechanisms, level funding school budgets coupled with the premium split, to achieve savings in the Education Fund and level property tax rates, were met with much resistance, as well as opposition from stakeholder groups including the Vermont School Boards Association (VSBA) and the Vermont Superintendents Association (VSA). At the same time, my Administration began to learn more about a unique opportunity to save money in the Education

Fund through changes in the VEHI healthcare plans. It is important to note that VEHI is an intermunicipal trust made up of State municipalities, including school districts, and administers a standard offering of healthcare benefits to over 90 percent of Vermont schools. Vermont school employees constitute a single statewide risk pool insured through the VEHI offerings. VEHI healthcare plans offered to school employees for Fiscal Year 2018 have been restructured to cost substantially less than the old plans to avoid the Affordable Care Act's "Cadillac Tax." Discussions in the State House outlining plan changes, and the opportunity for savings, began in the 2015-2016 Biennium with representatives from VEHI testifying in the Senate Finance and House Education Committees.

After the introduction of my recommended budget, legislators began asking my Administration for an alternative, and I began pointing to the opportunity for savings from these VEHI plan changes. Unfortunately, it became clear that neither the House nor Senate Appropriations Committees were planning to take advantage of this once-in-a-lifetime opportunity to rebase school budgets and save Vermonters millions on an ongoing basis. Therefore, to propel this conversation forward, I introduced a policy proposal – through collaboration with the VSBA and the VSA – that ensures there is a mechanism to recapture up to \$75 million in available savings. In my proposal, I recommend reinvesting nearly \$50 million back into school employees to make sure they don't pay more for out of pocket expenses, and returning the remaining \$26

million to all classes of property taxpayers to keep all property tax rates the same as Fiscal Year 2017. I also suggested investing in other education priority areas, such as early care and learning, higher education, and shoring up the Vermont State Teachers Retirement Health Insurance Program.

My proposal calls for the State to negotiate with the school employees' unions for the VEHI health benefit. Other states, like Massachusetts which has an opt-in state health plan, have started moving in this direction. My proposal does three things: First, it maintains the right of school employees to bargain this valuable benefit through a joint body representing all school employees with a single voice and an opportunity to maximize benefits for all school employees equally. Second, my proposal assumes sharing the cost savings with school employees through the creation of a health savings or health retirement accounts (HSA or HRA) funded with a majority of the VEHI plan savings. Third, it creates a mechanism for recapturing the VEHI cost savings built into the existing school budgets and returning those savings to Vermont property taxpayers. This makes particular sense because school employees participate in a statewide insurance risk pool now.

While my goal is not a statewide teachers' contract, elevating benefits to the State level has been floated numerous times in the Legislature, as recently as 2014, when it was included in a December 12, 2014, report from then-Speaker Shap Smith's Education Finance Working Group, which included current Speaker Mitzi Johnson and House Education Chair David Sharpe (see pg. 3, number 8: "*Have the Agency produce a model teachers' contract that districts could use during labor negotiations. Explore the idea that districts could opt-in to a statewide contract*").

Under my proposal, local school boards would still bargain with school employees over all other compensation and benefits. Healthcare benefits would be bargained one time, instead of more than 60 times, which would give the maximum potential to realize up to \$75 million in savings (noting that contracts which have been ratified to date will not be reopened).

Despite our differences, I remain fully committed to working with the Legislature on a solution in H.509 and H.518 that meets the following core principles:

1. *Maximize Savings* – Any alternative must maximize the savings opportunity of the transition to these new healthcare plans;
2. *Keep Teachers Whole & Provide Parity* – Any alternative must hold educators harmless and provide parity and uniformity across the system; and
3. *Simplify Negotiations for School Boards* – Any alternative must reduce the burden currently on school boards negotiating these new, more complex insurance plans.

I am encouraged there is agreement between the Administration and the Legislature that the transition to the new VEHI plans provides an opportunity to save millions of dollars. While I first and foremost prefer a negotiated statewide health benefit, I am willing to consider negotiations remaining at the local level. However, it will require a policy mechanism in H.509 that mandates the parameters of the benefit plan, or provides a strong and equitable financial incentive for both school boards and unions to reach settlements that are within the constructs of the Gold CDHP VEHI model. That model includes an 80/20 premium split with at least the first \$400 out of pocket cost borne by the employee through an HSA or HRA.

As noted earlier, I am also willing to return 100 percent of savings to all classes of property taxpayers to further bring down property tax rates, which is a primary advantage of seizing this opportunity, rather than reinvesting equal portions into early childhood and higher education and shoring up the Vermont State Teachers Retirement Health Insurance Program, in addition to tax relief, as was originally proposed. It is worth noting that at adjournment on May 18, 2017, an agreement with House and Senate leadership was within reach.

Again, H.509 and H.518 are fundamentally tied. The appropriations made from the Education Fund in H.518 are contingent upon the revenue provided by H.509. If the funding raised through H.509 changes, the allocation of funding in H.518 needs to be updated to reflect a change in the amount of available funds. For reference, the specific line item in H.518 is B.505, Education – adjusted education payment. It would also eliminate the need for the transfer from the Education Fund's stabilization reserves, as discussed above.

Given the opportunity I have outlined to save taxpayers millions of dollars through the new VEHI healthcare plans, the education payments in the budget should be adjusted by the amount of savings expected from transitioning to the new VEHI healthcare plans.

I promised Vermonters I would listen to any idea to make Vermont more affordable, and that is what I'm doing. We have been losing, on average, six workers from our workforce, and three students from our schools every day. We literally cannot pass up this opportunity to put a dent in property tax growth. My education savings proposal allows us to bring down property tax rates while not requiring education employees to pay more or cuts to programs for kids.

Under my proposal teachers will not be exposed to higher out of pocket costs and will still enjoy robust healthcare plans with higher than average actuarial values. Neither H.509 nor H.518, as presented for my approval, takes any steps to provide a mechanism to recapture the available savings for the

Fiscal Year 2018 budget, which could be as much as \$13 million, or alleviate the property tax burden on all rate payer groups.

As noted, based on the outstanding objections outlined above I cannot support H.509 or H.518 and must return both bills without my signature pursuant to Chapter II, §11 of the Vermont Constitution. If the veto is sustained, I know we can come to an agreement, and when we do, H.509, H.518, and Vermonters will be better for it.”

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the seventh day of June, 2017, he signed a bill originating in the House of the following title:

H. 503 An act relating to criminal justice

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the twelfth day of June, 2017, he signed a bill originating in the House of the following title:

H. 495 An act relating to miscellaneous agriculture subjects

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the thirteenth day of June, 2017, he signed bills originating in the House of the following titles:

H. 59 An act relating to technical corrections

**H. 515 An act relating to executive branch and judiciary fees and
food and lodging establishments**

H. 516 An act relating to miscellaneous tax changes

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the sixteenth day of June, 2017, he signed bills originating in the House of the following titles:

H. 238 An act relating to modernizing and reorganizing Title 7

H. 519 An act relating to capital construction and State bonding

Message from the Senate No. 85

A message was received from the Senate by Mr. Bloomer, its Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Governor has informed the Senate that on May 22, 2017, he returned without signature and *vetoed* a bill originating in the Senate of the following title:

S. 22. An act relating to eliminating penalties for possession of limited amounts of marijuana by adults 21 years of age and older.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **Senate Bill No. 22** to the Senate is as follows:

Dear Mr. Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning S.22, *An Act Relating To Eliminating Penalties for Possession of Limited Amounts of Marijuana by Adults 21 Years of Age and Older*, without my signature because of my objections described herein:

With a libertarian streak in me, I believe that what adults do behind closed doors and on private property is their choice, so long as it does not negatively impact the health and safety of others, especially children. I also have compassion for those for whom marijuana alleviates the symptoms of debilitating diseases. That is why I have previously supported, and continue to support, medical marijuana laws and decriminalization.

We cannot ignore the fact that marijuana is a widely-consumed substance, and more states, as well as an entire nation to our north, are making marijuana legal and regulating it. I am not philosophically opposed to ending the prohibition on marijuana, and there is a clear societal shift in that direction. However, it is crucial that key questions and concerns involving public safety and health are addressed before moving forward.

We must get this right. That means letting the science inform any policy made around this issue, learning from the experience of other states, and taking whatever time is required to do so. Policymakers have an obligation to Vermonters to address health, safety, prevention and education questions before committing the State to moving forward.

More specifically, before we implement a commercial system we need to know how we will detect and measure impairment on our roadways, fund and implement additional substance abuse prevention education, keep our children safe and penalize those who do not, and measure how legalization impacts the mental health and substance abuse issues our communities are already facing.

This legislation does not yet adequately address these questions. However, there is a path forward to work collaboratively that will take a more thorough look at what public health, safety and education policies are needed before Vermont pursues a comprehensive regulatory system for an adult-use marijuana market.

I will provide the Legislature with recommended changes, and if we can work together, we *can* move forward on this issue.

Those recommendations include the following:

First, this legislation creates confusion around which penalties for the sale and dispensing of marijuana to minors should apply. This legislation opens the door for litigation over which are the appropriate penalties. I believe this legislation must be clear that penalties for the dispensing and sale of marijuana to minors and on school grounds remain severe. These changes must be made to ensure no leniency is intended for those who sell or dispense marijuana to our youth. Weakening these protections and penalties should be totally unacceptable to even the most ardent legalization advocates.

Second, we must aggressively penalize consumption while driving and usage in the presence of minors. For example, while this legislation states that one cannot use marijuana in a vehicle if an adult is smoking with a child in the car, there is *only* a small civil fine equal to the penalty for an adult having an open container of alcohol.

How we protect children from the new classification of limited amounts of what is otherwise a controlled substance is incredibly important. This is not

just a concern about impaired driving. According to the best science available, and our own Department of Health, secondhand marijuana smoke can negatively impact a child's brain development. Therefore, if an adult is smoking marijuana in a car or a confined space with a child this should be severely penalized.

Third, we must be sure we are not impeding the ability of public safety officials to enforce remaining drug laws.

Finally, the Marijuana Regulatory Commission proposed in this legislation must have broader membership to include key stakeholder communities who will be faced with the everyday impacts of a fully regulated and taxed system, such as representatives from the Department of Public Safety, the Department of Health, the Department of Taxes, and substance abuse prevention professionals.

At a minimum, the Commission must determine an appropriate regulatory and taxation system; an impairment threshold for operating a motor vehicle; the options for an impairment testing mechanism; an education and prevention strategy for minors; and a plan for continued monitoring and reporting on impacts to public health. The Commission must also produce a detailed estimate of the revenue required for the adequate regulation, enforcement, administration, and education and prevention recommendations it shall make.

As S.22 currently stands, legislation for a regulated system will be introduced before the personal possession and cultivation laws have even changed. The Commission should have more time to thoughtfully complete its work on this complex issue. Given the gravity of this policy change, the Commission must have at least a year before making final recommendations.

We can all work together on this issue in a comprehensive and responsible way. I have already reached out to the Coalition of Northeastern Governors (CONEG) to engage our neighboring states in a discussion about creating a regional highway safety standard. Information gathered and progress made with CONEG will be shared with the Commission to support the goals detailed above.

If the Legislature agrees to make the changes I am seeking, we can move this discussion forward in a way that ensures that the public health and safety of our communities and our children continues to come first.

As noted, based on the outstanding objections outlined above I cannot support this legislation and must return it without my signature pursuant to Chapter II, §11 of the Vermont Constitution.

Sincerely,

/s/ Philip B. Scott

Philip B. Scott
Governor

Message from the Senate No. 86

A message was received from the Senate by Mr. Bloomer, its Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Governor has informed the Senate that on the thirteenth day of May, 2017, he approved and signed bill originating in the Senate of the following titles:

S. 3. An act relating to mental health professionals' duty to warn.

S. 9. An act relating to the preparation of poultry products.

S. 52. An act relating to the Public Service Board, energy, and telecommunications.

The Governor has informed the Senate that on the second, day of June, 2017, he approved and signed bill originating in the Senate of the following title:

S. 10. An act relating to liability for the contamination of potable water supplies.

The Governor has informed the Senate that on the fifth day of June, 2017, he approved and signed bills originating in the Senate of the following titles:

S. 4. An act relating to publicly accessible meetings of an accountable care organization's governing body.

S. 112. An act relating to creating the Spousal Support and Maintenance Task Force.

S. 134. An act relating to court diversion and pretrial services.

The Governor has informed the Senate that on the seventh day of June, 2017, he approved and signed bills originating in the Senate of the following titles:

S. 33. An act relating to the Rozo McLaughlin Farm-to-School Program.

S. 50. An act relating to insurance coverage for telemedicine services delivered in or outside a health care facility.

The Governor has informed the Senate that on the eighth day of June, 2017, he approved and signed bills originating in the Senate of the following titles:

S. 16. An act relating to expanding patient access to the Medical Marijuana Registry.

S. 72. An act relating to requiring telemarketers to provide accurate caller identification information.

S. 75. An act relating to aquatic nuisance species control.

S. 95. An act relating to sexual assault nurse examiners.

S. 127. An act relating to miscellaneous changes to laws related to vehicles and vessels.

S. 135. An act relating to promoting economic development.

S. 136. An act relating to miscellaneous consumer protection provisions.

The Governor has informed the Senate that on the twelfth day of June, 2017, he approved and signed bill originating in the Senate of the following title:

S. 34. An act relating to rural economic development.

The Governor has informed the Senate that on the thirteenth day of June, 2017, he approved and signed bills originating in the Senate of the following titles:

S. 23. An act relating to juvenile jurisdiction.

S. 61. An act relating to offenders with mental illness, inmate records, and inmate services.

The Governor has informed the Senate that on the fourteenth day of June, 2017, he approved and signed bill originating in the Senate of the following title:

S. 8. An act relating to establishing the State Ethics Commission and standards of governmental ethical conduct.

The Governor has informed the Senate that on the fifteenth day of June, 2017, he approved and signed bills originating in the Senate of the following titles:

S. 56. An act relating to insurance and securities.

S. 131. An act relating to State's Attorneys and sheriffs.

S. 133. An act relating to examining mental health care and care coordination.

Wednesday, June 21, 2017

VETO SESSION

At ten o'clock in the forenoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Speaker.

House Bills Introduced

House bills of the following titles were severally introduced, read the first time and referred to committee or placed on the Calendar as follows:

H. 541

By Rep. Sabilia of Dover,

House bill, entitled

An act relating to the creation of the Massachusetts–Vermont Interstate School Compact to facilitate the formation of interstate school districts between the Commonwealth of Massachusetts and the State of Vermont;

To the committee on Education.

H. 542

By the committee on Appropriations,

An act relating to making appropriations for the support of government;

Pursuant to House rule 48, bill placed on the Calendar for notice.

Rules Suspended; Governor's Veto Sustained

H. 509

On motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to calculating statewide education tax rates

Appearing on the notice calendar, was taken up for immediate consideration.

Pursuant to Chapter 2, Section 11, of the Vermont Constitution the Clerk proceeded to call the roll and the question, **Shall the bill pass, the failure of the Governor to approve notwithstanding?** was decided in the negative. Yeas, 83. Nays, 56. A two-thirds vote of 93 required.

Those who voted in the affirmative are:

Ancel of Calais

Bartholomew of Hartland

Belaski of Windsor

Fields of Bennington

Forguites of Springfield

Gannon of Wilmington

Noyes of Wolcott

Ode of Burlington

Olsen of Londonderry

Bissonnette of Winooski	Gardner of Richmond	O'Sullivan of Burlington
Bock of Chester	Giambatista of Essex	Partridge of Windham
Botzow of Pownal	Gonzalez of Winooski	Potter of Clarendon
Briglin of Thetford	Grad of Moretown	Rachelson of Burlington
Browning of Arlington	Haas of Rochester	Scheu of Middlebury
Brumsted of Shelburne	Head of South Burlington	Sharpe of Bristol
Burke of Brattleboro	Hill of Wolcott	Sheldon of Middlebury
Carr of Brandon	Hooper of Montpelier	Squirrel of Underhill
Chesnut-Tangerman of Middletown Springs	Hooper of Brookfield	Stevens of Waterbury
Christensen of Weathersfield	Houghton of Essex	Sullivan of Dorset
Christie of Hartford	Howard of Rutland City	Sullivan of Burlington
Cina of Burlington	Jessup of Middlesex	Taylor of Colchester
Colburn of Burlington	Johnson of South Hero	Till of Jericho
Condon of Colchester	Joseph of North Hero	Toleno of Brattleboro
Conlon of Cornwall	Keenan of St. Albans City	Toll of Danville
Connor of Fairfield	Kitzmiller of Montpelier	Trieber of Rockingham
Conquest of Newbury	Krowinski of Burlington	Troiano of Stannard
Copeland-Hanzas of Bradford	Lanpher of Vergennes	Walz of Barre City
Corcoran of Bennington	Lippert of Hinesburg	Webb of Shelburne
Dakin of Colchester	Long of Newfane	Weed of Enosburgh
Deen of Westminster	Lucke of Hartford	Wood of Waterbury
Donovan of Burlington	Masland of Thetford	Yacovone of Morristown
Dunn of Essex	McCormack of Burlington	Yantachka of Charlotte
Emmons of Springfield	McCullough of Williston	Young of Glover
	Miller of Shaftsbury	
	Morris of Bennington	

Those who voted in the negative are:

Ainsworth of Royalton	Graham of Williamstown	Norris of Shoreham
Bancroft of Westford	Greshin of Warren	Parent of St. Albans Town
Baser of Bristol	Harrison of Chittenden	Pearce of Richford
Batchelor of Derby	Hebert of Vernon	Poirier of Barre City
Beck of St. Johnsbury	Helm of Fair Haven	Quimby of Concord
Beyor of Highgate	Higley of Lowell	Rosenquist of Georgia
Brennan of Colchester	Hubert of Milton	Savage of Swanton
Burditt of West Rutland	Jickling of Brookfield	Scheuermann of Stowe
Canfield of Fair Haven	Juskiewicz of Cambridge	Shaw of Pittsford
Cupoli of Rutland City	Keefe of Manchester	Sibilia of Dover
Devereux of Mount Holly	Lawrence of Lyndon	Smith of Derby
Dickinson of St. Albans Town	Lefebvre of Newark	Smith of New Haven
Donahue of Northfield	Marcotte of Coventry	Strong of Albany
Fagan of Rutland City	McCoy of Poultney	Terenzini of Rutland Town
Feltus of Lyndon	McFaun of Barre Town	Turner of Milton
Frenier of Chelsea	Morrissey of Bennington	Van Wyck of Ferrisburgh
Gage of Rutland City	Murphy of Fairfax	Viens of Newport City
Gamache of Swanton	Myers of Essex	Willhoit of St. Johnsbury
	Nolan of Morristown	Wright of Burlington

Those members absent with leave of the House and not voting are:

Buckholz of Hartford	Lewis of Berlin	Pugh of South Burlington
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Kimbell of Woodstock	Macaig of Williston	Stuart of Brattleboro
LaClair of Barre Town	Martel of Waterford	Townsend of South
Lalonde of South Burlington	Mrowicki of Putney	Burlington

Rules Suspended; Governor's Veto Sustained

H. 518

On motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to making appropriations for the support of government

Appearing on the Calendar for notice, was taken up for immediate consideration.

Pursuant to Chapter 2, Section 11, of the Vermont Constitution the Clerk proceeded to call the roll and the question, **Shall the bill pass, the failure of the Governor to approve notwithstanding?** was decided in the negative. Yeas, 84. Nays, 55. A two-thirds vote of 93 required.

Those who voted in the affirmative are:

Ancel of Calais	Fields of Bennington	Morris of Bennington
Bartholomew of Hartland	Forguites of Springfield	Noyes of Wolcott
Belaski of Windsor	Gannon of Wilmington	Ode of Burlington
Bissonnette of Winooski	Gardner of Richmond	Olsen of Londonderry
Bock of Chester	Giambatista of Essex	O'Sullivan of Burlington
Botzow of Pownal	Gonzalez of Winooski	Partridge of Windham
Briglin of Thetford	Grad of Moretown	Potter of Clarendon
Browning of Arlington	Haas of Rochester	Rachelson of Burlington
Brumsted of Shelburne	Head of South Burlington	Scheu of Middlebury
Burke of Brattleboro	Hill of Wolcott	Sharpe of Bristol *
Carr of Brandon	Hooper of Montpelier	Sheldon of Middlebury
Chesnut-Tangerman of	Hooper of Brookfield	Squirrell of Underhill
Middletown Springs	Houghton of Essex	Stevens of Waterbury
Christensen of Weathersfield	Howard of Rutland City	Sullivan of Dorset
Christie of Hartford	Jessup of Middlesex	Sullivan of Burlington
Cina of Burlington	Jickling of Brookfield	Taylor of Colchester
Colburn of Burlington	Johnson of South Hero	Till of Jericho
Condon of Colchester	Joseph of North Hero	Toleno of Brattleboro
Conlon of Cornwall	Keenan of St. Albans City	Toll of Danville
Connor of Fairfield	Kitzmiller of Montpelier	Trieber of Rockingham
Conquest of Newbury	Krowinski of Burlington	Troiano of Stannard
Copeland-Hanzas of	Lanpher of Vergennes	Walz of Barre City
Bradford	Lippert of Hinesburg	Webb of Shelburne
Corcoran of Bennington	Long of Newfane	Weed of Enosburgh
Dakin of Colchester	Lucke of Hartford	Wood of Waterbury
Deen of Westminster	Masland of Thetford	Yacovone of Morristown
Donovan of Burlington	McCormack of Burlington	Yantachka of Charlotte
Dunn of Essex	McCullough of Williston	Young of Glover
Emmons of Springfield	Miller of Shaftsbury	

Those who voted in the negative are:

Ainsworth of Royalton	Graham of Williamstown	Parent of St. Albans Town
Bancroft of Westford	Greshin of Warren	Pearce of Richford
Baser of Bristol	Harrison of Chittenden	Poirier of Barre City
Batchelor of Derby	Hebert of Vernon	Quimby of Concord
Beck of St. Johnsbury	Helm of Fair Haven	Rosenquist of Georgia
Beyor of Highgate	Higley of Lowell	Savage of Swanton
Brennan of Colchester	Hubert of Milton	Scheuermann of Stowe
Burditt of West Rutland	Juskiewicz of Cambridge	Shaw of Pittsford
Canfield of Fair Haven	Keefe of Manchester	Sibilia of Dover
Cupoli of Rutland City	Lawrence of Lyndon	Smith of Derby
Devereux of Mount Holly	Lefebvre of Newark	Smith of New Haven
Dickinson of St. Albans Town	Marcotte of Coventry	Strong of Albany
Donahue of Northfield	McCoy of Poultney	Terenzini of Rutland Town
Fagan of Rutland City	McFaun of Barre Town	Turner of Milton *
Feltus of Lyndon	Morrissey of Bennington	Van Wyck of Ferrisburgh
Frenier of Chelsea	Murphy of Fairfax	Viens of Newport City
Gage of Rutland City	Myers of Essex	Willhoit of St. Johnsbury
Gamache of Swanton	Nolan of Morristown	Wright of Burlington
	Norris of Shoreham	

Those members absent with leave of the House and not voting are:

Buckholz of Hartford	Lewis of Berlin	Pugh of South Burlington
Kimbell of Woodstock	Macaig of Williston	Stuart of Brattleboro
LaClair of Barre Town	Martel of Waterford	Townsend of South Burlington
Lalonde of South Burlington	Mrowicki of Putney	

Rep. Sharpe of Bristol explained his vote as follows:

“Madam Speaker:

I voted yes to pass this budget. A vote to sustain this veto is a vote to shut down our state government D.C. style.”

Rep. Turner of Milton explained his vote as follows:

“Madam Speaker:

If the Governor had not vetoed this budget we would not be having this conversation or making these steps to take advantage of this monumental once in a lifetime opportunity for savings with the transition in VEHI healthcare plans. We would not be providing all property tax payer groups with decreased or level rates and we would not be pursuing further research into a statewide healthcare benefit. Cost containment and fiscal responsibility are our Republican core principles. We are proud to stand with the Governor. We are grateful for the Governor’s persistence and leadership on this issue. Thank you.”

Recess

At eleven o'clock and two minutes in the forenoon, the Speaker declared a recess until the fall of the gavel.

At two o'clock and thirty one minutes in the afternoon, the Speaker called the House to order.

Message from the Senate No. 87

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 511. An act relating to highway safety.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

**Rules Suspended; Second Reading;
Consideration Interrupted****H. 542**

On motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to making appropriations for the support of government

Pending entrance on the Calendar for notice, the bill was taken up for immediate consideration.

Rep. Toll of Danville spoke for the committee on Appropriations.

Thereupon, the bill was read a second time.

Pending the question, Shall the bill be read a third time? **Rep. Ancel of Calais, Baser of Bristol, Browning of Arlington, Canfield of Fair Haven, Condon of Colchester, Luke of Hartford, Masland of Thetford, Till of Jericho, and Young of Glover** moved to amend the bill as follows:

By striking out Sec. H.1 in its entirety and inserting in lieu thereof nine new sections to be Secs. H.1 – H.9 to read as follows:

* * * Yields and Nonresidential Tax Rate * * *

Sec. H.1. PROPERTY DOLLAR EQUIVALENT YIELD AND INCOME

DOLLAR EQUIVALENT YIELD FOR FISCAL YEAR 2018

(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2018 only:

(1) the property dollar equivalent yield is \$10,160.00; and

(2) the income dollar equivalent yield is \$11,990.00.

Sec. H.2. NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL YEAR 2018

(a) For fiscal year 2018 only, the nonresidential education property tax imposed under 32 V.S.A. § 5402(a)(1) shall be reduced from the rate of \$1.59 and instead be \$1.535 per \$100.00.

* * * Education Fund Allocation; Sales and Use Tax * * *

Sec. H.3. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(6) ~~Thirty five~~ Thirty-six percent of the revenues raised from the sales and use tax imposed by 32 V.S.A. chapter 233.

* * *

Sec. H.4. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(11) ~~65~~ 64 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

* * *

* * * Health Care Transition * * *

Sec. H.5. SAVINGS FROM HEALTH CARE TRANSITION

(a) As a result of the Affordable Care Act, as of January 1, 2018, all school employees will be on new health care plans. The new health plans cover similar health care services and networks, but they have lower premium costs. The new plans also create higher out-of-pocket exposure through deductibles and co-payment requirements. However, because the premiums for these plans are markedly lower, there are opportunities to keep employees' out-of-pocket costs at current levels while also realizing substantial savings, including savings for the second half of fiscal year 2018.

(b) All supervisory unions and school districts should be able to achieve savings to their budgets as a result of the transition to the new health care plans.

(c) This act establishes a mechanism to return savings to property taxpayers.

Sec. H.6. RECAPTURING SAVINGS FROM HEALTH CARE TRANSITION

(a)(1) On or before August 15, 2017, the Agency of Education, in consultation with the Department of Taxes and the Vermont Education Health Initiative (VEHI), shall determine the amount by which each supervisory union's or school district's education payment shall be reduced. These reductions shall be made during the second half of fiscal year 2018 and during fiscal year 2019 based on the difference between:

(A) the supervisory union's or school district's actual total fiscal year 2017 health care expenditure; and

(B) a calculation of the supervisory union's or school district's projected fiscal year 2018 health care expenditure for individual, two-person, and family plans for all covered school employees based on the assumptions described in subdivision (2) of this subsection (a) plus five percent.

(2) The calculation of a supervisory union's or school district's projected fiscal year 2018 health care expenditure shall be based on the supervisory union's or school district's 2017 plan tier distribution for all covered school employees as of April 1, 2017 and on the following assumptions for the second half of fiscal year 2018:

(A) a premium contribution by the supervisory union or school district in an amount equal to 80 percent of the premium for the VEHI Gold Consumer-Driven Health Plan (CDHP), with school employees responsible for the balance of the premium for the VEHI plan they select;

(B) contributions by the supervisory union or school district toward the school employees' out-of-pocket expenses in the amounts of \$2,100.00 per individual plan, \$4,200.00 per two-person or parent-child plan, and \$3,800.00 per family plan in a health reimbursement arrangement (HRA) or health savings account (HSA);

(C) approximately 75 percent of collective bargaining agreements using an HRA and 25 percent using an HSA; and

(D) if using an HRA, school employees bearing first-dollar responsibility for the full amount of the out-of-pocket expenses for which they are responsible.

(b)(1) Notwithstanding any other provision of law to the contrary, the State shall reduce the amount of the education payment authorized by 16 V.S.A. chapter 133 to each supervisory union and school district for the second half of fiscal year 2018 by subtracting from the final fiscal year 2018 payment due to each supervisory union or school district 65 percent of the amount attributed to that supervisory union or school district pursuant to subsection (a) of this section.

(2) Notwithstanding any other provision of law to the contrary, the State shall reduce the amount of education payments authorized by 16 V.S.A. chapter 133 to supervisory unions and school districts for fiscal year 2019 by subtracting from the total amount of the fiscal year 2019 payments due to each supervisory union or school district 35 percent of the amount attributed to that supervisory union or school district pursuant to subsection (a) of this section.

(c) The health care benefit and coverage provisions of a collective bargaining agreement between a supervisory union or school district and school employees shall expire between July 1, 2019 and September 1, 2019; provided, however, that this subsection (c) shall not apply to collective bargaining agreements that were, prior to the effective date of this section, either executed by a school board negotiations council and employee organization negotiations council or tentatively agreed to by these councils pending final ratification by the school board and by the bargaining unit or members of the employee organization.

(d) As used in this section:

(1) "School employees" means all employees of supervisory unions and school districts who are permitted to collectively bargain under 16 V.S.A. chapter 57 or 21 V.S.A. chapter 22.

(2) "Supervisory union" and "school district" shall have the same meanings as set forth in 16 V.S.A. § 11.

* * * Health Benefits Commission * * *

Sec. H.7. VERMONT EDUCATIONAL HEALTH BENEFITS COMMISSION

(a) The Vermont Educational Health Benefits Commission is created to determine whether and how to establish a single statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts.

(b) The Commission shall comprise the following nine members:

(1) the Commissioner of Financial Regulation or designee;

(2) the Commissioner of Taxes or designee;

(3) the Executive Director of the Vermont-NEA or designee;

(4) one representative of all other labor organizations representing school employees for purposes of collective bargaining pursuant to 16 V.S.A. chapter 57 or 21 V.S.A. chapter 22, or both, jointly appointed by their membership;

(5) the Executive Director of the Vermont School Boards Association or designee;

(6) the Executive Director of the Vermont Superintendents Association or designee;

(7) one non-legislator member appointed by the Speaker of the House of Representatives;

(8) one non-legislator member appointed by the Senate Committee on Committees; and

(9) one member appointed by the Governor, which member shall serve as the Commission's Chair.

(c) The Commission shall determine the advantages and disadvantages of establishing a single statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts, including considering:

(1) transition issues;

(2) potential savings from avoided negotiation expenses;

(3) whether to use income-sensitized premiums;

(4) ways to address benefit disparities among bargaining units;

(5) ways to address disparities among districts, including examining the role of and potential changes to fact finding standards;

(6) property tax implications;

(7) issues related to uninsured school employees; and

(8) the structure and composition of the Vermont Education Health Initiative's (VEHI) governing board.

(d)(1) The Commission shall consult with the Secretary of Education and VEHI as necessary.

(2) The Commission shall be attached to the Department of Financial Regulation for administrative support.

(e) On or before November 15, 2017, the Commission shall provide its findings and recommendations, along with any necessary proposed legislation

regarding the establishment of a statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts, to the House Committees on Education, on General, Housing and Military Affairs, and on Ways and Means and the Senate Committees on Education, on Economic Development, Housing and General Affairs, and on Finance.

(f) As used in this section, the terms “supervisory union” and “school district” shall have the same meanings as in 16 V.S.A. § 11.

* * * Collective Bargaining Negotiations * * *

Sec. H.8. REOPENING OF NEGOTIATIONS AT IMPASSE

(a)(1) For contract negotiations that are engaged in impasse resolution pursuant to 16 V.S.A. § 2006 or 2007 or 21 V.S.A. § 1731 or 1732 on the date of passage of this act, if employees’ health care benefits are an issue that remains in dispute between the parties, then either the negotiations council for the school board or for the school employees may, within 30 days of the date of passage of this act, request that the parties discontinue the impasse resolution process and reopen negotiations to permit the parties to engage in bargaining in light of the provisions of Sec. H.6 of this act. The parties shall reopen negotiations within 10 days of the request.

(2) If, following the reopened contract negotiations, the parties continue to be unable to reach agreement on specific negotiable items, the parties may engage in impasse resolution as provided pursuant to 16 V.S.A. chapter 57 or 21 V.S.A. chapter 22, as appropriate.

(b) Notwithstanding any provision of law to the contrary, it shall not constitute an unfair labor practice or a failure to bargain in good faith if, pursuant to this section, a party requests to discontinue the impasse resolution process or during reopened negotiations revises a prior bargaining position related to employees’ health care benefits in light of the provisions of Sec. H.6 of this act.

* * * Effective Dates for Secs. H.1 – H.9 * * *

Sec. H.9. EFFECTIVE DATES

(a) This section and Secs. H.5 – H.6 (health care transition) and H.8 (reopening negotiations) shall take effect on passage.

(b) Sec. H.7 (health benefits commission) shall take effect on July 1, 2017.

(c) Secs. H.1 (yields) and H.2 (nonresidential rate) shall take effect on July 1, 2017 and apply to fiscal year 2018.

(d) Secs. H.3 and H.4 (sales tax allocation) shall take effect on July 1, 2018 and apply to fiscal year 2019 and after.

Recess

At three o'clock and seven minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At four o'clock and forty-eight minutes in the afternoon, the Speaker called the House to order.

Consideration Resumed; Bill Amended; Third Reading Ordered; Rules Suspended and Bill Placed in All Remaining Stages of Passage; Third Reading; Bill Passed; Rules Suspended; Action on Bill Messaged to Senate Forthwith

H. 542

Pending the question, Shall the bill be amended as offered by Rep. Ancel of Calais and others? **Rep. Donahue of Northfield** moved to amend the amendment as follows:

First: By inserting a new Sec. H.9 to read as follows:

Sec. H.9. REQUIREMENTS FOR HEALTH BENEFITS AND COVERAGE DURING FISCAL YEARS 2018 AND 2019

(a)(1) On or before July 15, 2017 the Agency of Education, in collaboration with the Vermont Education Health Initiative (VEHI), shall provide to each supervisory union or school district:

(A) a calculation of the target total health care expenditure for the second half of fiscal year 2018 and for fiscal year 2019 for individual, two-person, parent-child, and family plans for school employees to establish a benchmark amount for each plan tier based on the following assumptions:

(i) a premium contribution by the supervisory union or school district in an amount equal to 80 percent of the premium for the VEHI Gold Consumer-Driven Health Plan (CDHP), with school employees responsible for the balance of the premium for the VEHI plan they select;

(ii) contributions by the supervisory union or school district toward school employees' out-of-pocket expenses in the amounts of \$2,100.00 per individual plan, \$4,200.00 per two-person or parent-child plan, and \$3,800.00 per family plan in a health reimbursement account (HRA) or health savings account (HSA); and

(iii) if using an HRA, first-dollar responsibility for the full amount of out-of-pocket expenses for which each school employee is responsible is borne by the school employee; and

(B) an adjustable calculator to enable the supervisory union or school district and the applicable labor organizations to modify the assumptions and to

identify the options available for negotiation for health care benefits and coverage for the second half of fiscal year 2018 and fiscal year 2019 without exceeding the benchmark amount by five percent or more across all plan tiers.

(2) Notwithstanding any provision of law to the contrary, the health care benefit and coverage provisions of a collective bargaining agreement between a supervisory union or school district and school employees for the second half of fiscal year 2018 and fiscal year 2019 shall not exceed the benchmark amount by five percent or more across all plan tiers.

(b) Within 30 calendar days following execution of a collective bargaining agreement that includes health care benefits and coverage for the second half of fiscal year 2018 or fiscal year 2019, or both, each supervisory union or school district shall submit to the Secretary of Education and the Commissioner of Finance and Management the health care benefit and coverage terms of each such agreement for the applicable fiscal period, including:

(1) the amount of the premium to be contributed by the supervisory union or school district and by school employees;

(2) the amount of the supervisory union's or school district's contribution to a school employee's HRA or HSA at each plan tier;

(3) if using an HRA, whether the school employee bears first-dollar responsibility for the full amount of out-of-pocket expenses for which each school employee is responsible; and

(4) the difference, if any, between the amount of the supervisory union's or school district's projected aggregate health care expenditures across all plan tiers under the collective bargaining agreement and the estimated amount of the supervisory union's or school district's aggregate health care expenditures using the benchmark amounts described in subdivision (a)(1) of this section, expressed as both a dollar figure and as a percentage of the aggregate benchmark amounts.

(c) The health care benefit and coverage provisions of a collective bargaining agreement between a supervisory union or school district and its school employees shall expire between July 1, 2019 and September 1, 2019; provided, however, that this section shall not apply to collective bargaining agreements that were, prior the effective date of this section, either executed by a school board negotiations council and employee organization negotiations council or tentatively agreed to by these councils pending final ratification by the school board and by the bargaining unit or members of the employee organization.

(d) As used in this section:

(1) "School employees" means all employees of supervisory unions and school districts who are permitted to collectively bargain under 16 V.S.A. chapter 57 or 21 V.S.A. chapter 22.

(2) "Supervisory union" and "school district" shall have the same meanings as set forth in 16 V.S.A. § 11.

and by renumbering the remaining section to be numerically correct

Second: In the reader's assistance before the new Sec. H.10, by striking "H.1–H.9" and inserting in lieu thereof H.1–H.10

Third: In the new Sec. H.10, in subsection (a), after "health care transition" by striking out "and" and adding a comma, and after "(reopening negotiations)" by inserting ", and H.9 (health care agreements for FY18 and FY19)"

Which was disagreed to.

Pending the question, Shall the bill be amended as offered by Rep. Ancel of Calais and others? **Rep. Poirier of Barre City** moved to amend the amendment as follows:

First: In Sec. H.1, Property Dollar Equivalent Yield and Income Dollar Equivalent Yield for Fiscal Year 2018, in subdivision (a)(1), by striking out "\$10,160.00" and inserting in lieu thereof "\$10,230.00" and in subdivision (a)(2), by striking out "\$11,990.00" and inserting in lieu thereof "\$12,070.00"

Second: In Sec. H.2, Nonresidential Property Tax Rate for Fiscal Year 2018, by striking out "\$1.535" and inserting in lieu thereof "\$1.545"

Pending the question, Shall the amendment offered by Rep. Ancel of Calais be amended as offered by Rep. Poirier of Barre City? **Rep. Poirier of Barre City** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the amendment offered by Rep. Ancel of Calais be amended as offered by Rep. Poirier of Barre City? was decided in the negative. Yeas, 14. Nays, 127.

Those who voted in the affirmative are:

Ainsworth of Royalton	Devereux of Mount Holly	Pearce of Richford
Beyor of Highgate	Donahue of Northfield	Poirier of Barre City
Chesnut-Tangerman of	Frenier of Chelsea	Turner of Milton
Middletown Springs	Jessup of Middlesex	Weed of Enosburgh
Cina of Burlington	O'Sullivan of Burlington	Wright of Burlington

Those who voted in the negative are:

Ancel of Calais	Gardner of Richmond	Nolan of Morristown
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Bancroft of Westford	Giambatista of Essex	Norris of Shoreham
Bartholomew of Hartland	Gonzalez of Winooski	Noyes of Wolcott
Baser of Bristol	Grad of Moretown	Ode of Burlington
Batchelor of Derby	Graham of Williamstown	Olsen of Londonderry
Beck of St. Johnsbury	Greshin of Warren	Parent of St. Albans Town
Belaski of Windsor	Haas of Rochester	Partridge of Windham
Bissonnette of Winooski	Harrison of Chittenden	Potter of Clarendon
Bock of Chester	Head of South Burlington	Pugh of South Burlington
Botzow of Pownal	Hebert of Vernon	Quimby of Concord
Brennan of Colchester	Helm of Fair Haven	Rachelson of Burlington
Briglin of Thetford	Higley of Lowell	Rosenquist of Georgia
Browning of Arlington	Hill of Wolcott	Savage of Swanton
Brumsted of Shelburne	Hooper of Montpelier	Scheu of Middlebury
Burditt of West Rutland	Hooper of Brookfield	Scheuermann of Stowe
Burke of Brattleboro	Houghton of Essex	Sharpe of Bristol
Canfield of Fair Haven	Howard of Rutland City	Shaw of Pittsford
Carr of Brandon	Hubert of Milton	Sheldon of Middlebury
Christensen of Weathersfield	Jickling of Brookfield	Sibilia of Dover
Christie of Hartford	Joseph of North Hero	Smith of Derby
Colburn of Burlington	Juskiewicz of Cambridge	Smith of New Haven
Condon of Colchester	Keefe of Manchester	Squirrel of Underhill
Conlon of Cornwall	Keenan of St. Albans City	Stevens of Waterbury
Connor of Fairfield	Kitzmiller of Montpelier	Strong of Albany
Conquest of Newbury	Krowinski of Burlington	Stuart of Brattleboro
Copeland-Hanzas of Bradford	Lanpher of Vergennes	Sullivan of Dorset
Corcoran of Bennington	Lawrence of Lyndon	Sullivan of Burlington
Cupoli of Rutland City	Lefebvre of Newark	Taylor of Colchester
Dakin of Colchester	Lippert of Hinesburg	Terenzini of Rutland Town
Deen of Westminster	Long of Newfane	Till of Jericho
Dickinson of St. Albans Town	Lucke of Hartford	Toleno of Brattleboro
Donovan of Burlington	Marcotte of Coventry	Toll of Danville
Dunn of Essex	Masland of Thetford	Trieber of Rockingham
Emmons of Springfield	McCormack of Burlington	Troiano of Stannard
Fagan of Rutland City	McCoy of Poultney	Van Wyck of Ferrisburgh
Feltus of Lyndon	McCullough of Williston	Viens of Newport City
Fields of Bennington	McFaun of Barre Town	Walz of Barre City
Forguites of Springfield	Miller of Shaftsbury	Webb of Shelburne
Gage of Rutland City	Morris of Bennington	Willhoit of St. Johnsbury
Gamache of Swanton	Morrissey of Bennington	Wood of Waterbury
Gannon of Wilmington	Mrowicki of Putney	Yacovone of Morristown
	Murphy of Fairfax	Yantachka of Charlotte
	Myers of Essex	Young of Glover

Those members absent with leave of the House and not voting are:

Buckholz of Hartford	Lalonde of South Burlington	Martel of Waterford
Kimbell of Woodstock	Lewis of Berlin	Townsend of South Burlington
LaClair of Barre Town	Macaig of Williston	

Thereupon the amendment as offered by **Rep. Ancel of Calais and others** was agreed to and third reading was ordered.

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed.

Thereupon, on motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Rules Suspended; Concurrent Resolutions Adopted

On motion of **Rep. Turner of Milton**, the rules were suspended and the following House and Senate concurrent resolutions were taken up and adopted on the part of the House.

H.C.R. 192

House concurrent resolution congratulating the Champlain Valley Union High School girls' tennis team on winning its third consecutive Division I championship;

H.C.R. 193

House concurrent resolution congratulating the Champlain Valley Union High School Redhawks five-time consecutive championship boys' lacrosse team;

H.C.R. 194

House concurrent resolution congratulating the Hartford Fire Department on being named Vermont's 2017 Ambulance Service of the Year;

H.C.R. 195

House concurrent resolution thanking the employees of the U.S. Environmental Protection Agency for their role in safeguarding our State's and nation's environmental quality;

H.C.R. 196

House concurrent resolution congratulating the 2017 St. Johnsbury Academy Hilltoppers three-time Division I championship girls' outdoor track and field team;

H.C.R. 197

House concurrent resolution congratulating the 2017 St. Johnsbury Academy Hilltoppers Division I championship boys' outdoor track and field team;

S.C.R. 18

Senate concurrent resolution congratulating Ken D. Squier of Stowe on his induction into the NASCAR Hall of Fame;

[The full text of the concurrent resolutions appeared in the House Calendar Addendum on the preceding legislative day and will appear in the Public Acts and Resolves of the 2017, seventy-fourth Biennial session.]

**Rules Not Suspended to Take up Bill
for Immediate Consideration**

H. 511

Pending entrance of the bill on the Calendar for notice, **Rep Krowinski of Burlington** moved that the rules be suspended and House bill, entitled

An act relating to highway safety

Be taken up for immediate consideration.

Pending the question, Shall the House suspend its rules to take the bill up for immediate consideration pending its entrance on the notice calendar? **Rep. Krowinski of Burlington** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House suspend its rules to take the bill up for immediate consideration pending its entrance on the notice calendar? was decided in the negative. Yeas, 78. Nays, 63. A three-fourths vote of 106 needed to suspend the rules.

Those who voted in the affirmative are:

Ancel of Calais	Gardner of Richmond	O'Sullivan of Burlington
Bartholomew of Hartland	Giambatista of Essex	Parent of St. Albans Town
Beck of St. Johnsbury	Gonzalez of Winooski	Partridge of Windham
Belaski of Windsor	Grad of Moretown	Pugh of South Burlington
Botzow of Pownal	Greshin of Warren	Rachelson of Burlington
Briglin of Thetford	Haas of Rochester	Scheu of Middlebury
Brumsted of Shelburne	Head of South Burlington	Scheuermann of Stowe
Burditt of West Rutland	Hill of Wolcott	Sharpe of Bristol
Burke of Brattleboro	Hooper of Montpelier	Sheldon of Middlebury
Carr of Brandon	Hooper of Brookfield	Sibilia of Dover
Chessnut-Tangerman of	Houghton of Essex	Squirrell of Underhill
Middletown Springs	Jessup of Middlesex	Stevens of Waterbury
Christensen of Weathersfield	Jickling of Brookfield	Stuart of Brattleboro
Cina of Burlington	Kitzmiller of Montpelier	Sullivan of Dorset
Colburn of Burlington	Krowinski of Burlington	Sullivan of Burlington
Conlon of Cornwall	Lanpher of Vergennes	Toleno of Brattleboro
Connor of Fairfield	Lippert of Hinesburg	Trieber of Rockingham
Conquest of Newbury	Long of Newfane	Troiano of Stannard
Copeland-Hanzas of	Lucke of Hartford	Walz of Barre City
Bradford	Masland of Thetford	Webb of Shelburne
Corcoran of Bennington	McCormack of Burlington	Weed of Enosburgh
Deen of Westminster	McCullough of Williston	Willhoit of St. Johnsbury
Donovan of Burlington	Miller of Shaftsbury	Wood of Waterbury
Dunn of Essex	Morris of Bennington	Yacovone of Morristown
Emmons of Springfield	Mrowicki of Putney	Yantachka of Charlotte
Fields of Bennington	Noyes of Wolcott	Young of Glover
Gannon of Wilmington	Olsen of Londonderry	

Those who voted in the negative are:

Ainsworth of Royalton	Gage of Rutland City	Norris of Shoreham
Bancroft of Westford	Gamache of Swanton	Ode of Burlington
Baser of Bristol	Graham of Williamstown	Pearce of Richford
Batchelor of Derby	Harrison of Chittenden	Poirier of Barre City
Beyor of Highgate	Hebert of Vernon	Potter of Clarendon
Bissonnette of Winooski	Helm of Fair Haven	Quimby of Concord
Bock of Chester	Higley of Lowell	Rosenquist of Georgia
Brennan of Colchester	Howard of Rutland City	Savage of Swanton
Browning of Arlington	Hubert of Milton	Shaw of Pittsford
Canfield of Fair Haven	Joseph of North Hero	Smith of Derby
Christie of Hartford	Juskiewicz of Cambridge	Smith of New Haven
Condon of Colchester	Keefe of Manchester	Strong of Albany
Cupoli of Rutland City	Keenan of St. Albans City	Taylor of Colchester
Dakin of Colchester	Lawrence of Lyndon	Terenzini of Rutland Town
Devereux of Mount Holly	Lefebvre of Newark	Till of Jericho
Dickinson of St. Albans Town	Marcotte of Coventry	Toll of Danville
Donahue of Northfield	McCoy of Poultney	Turner of Milton
Fagan of Rutland City	McFaun of Barre Town	Van Wyck of Ferrisburgh
Feltus of Lyndon	Morrissey of Bennington	Viens of Newport City
Forguites of Springfield	Murphy of Fairfax	Wright of Burlington
Frenier of Chelsea	Myers of Essex	
	Nolan of Morristown	

Those members absent with leave of the House and not voting are:

Buckholz of Hartford	Lalonde of South Burlington	Martel of Waterford
Kimbell of Woodstock	Lewis of Berlin	Townsend of South Burlington
LaClair of Barre Town	Macaig of Williston	

House Resolution Amended and Adopted H.R. 15

House resolution, entitled

House resolution strongly opposing the announced U.S. withdrawal from the Paris Climate Agreement of the United Nations Framework Convention on Climate Change and recognizing Governor Philip Scott's enrolling Vermont in the U.S. Climate Alliance

Offered by: Representatives Sullivan of Burlington, Deen of Westminster, Ancel of Calais, Bartholomew of Hartland, Botzow of Pownal, Briglin of Thetford, Browning of Arlington, Buckholz of Hartford, Burke of Brattleboro, Chesnut-Tangerman of Middletown Springs, Christensen of Weathersfield, Cina of Burlington, Colburn of Burlington, Conlon of Cornwall, Connor of Fairfield, Copeland-Hanzas of Bradford, Donahue of Northfield, Donovan of Burlington, Dunn of Essex, Emmons of Springfield, Feltus of Lyndon, Forguites of Springfield, Gannon of Wilmington, Gardner of Richmond, Giambatista of Essex, Gonzalez of Winooski, Grad of Moretown, Greshin of

Warren, Haas of Rochester, Head of South Burlington, Hill of Wolcott, Hooper of Montpelier, Hooper of Brookfield, Houghton of Essex, Jickling of Brookfield, Keenan of St. Albans City, Krowinski of Burlington, LaLonde of South Burlington, Lanpher of Vergennes, Long of Newfane, Lucke of Hartford, Masland of Thetford, McCormack of Burlington, McCullough of Williston, Miller of Shaftsbury, Mrowicki of Putney, Murphy of Fairfax, Ode of Burlington, Partridge of Windham, Pugh of South Burlington, Rachelson of Burlington, Scheu of Middlebury, Sharpe of Bristol, Sheldon of Middlebury, Squirrell of Underhill, Stevens of Waterbury, Stuart of Brattleboro, Sullivan of Dorset, Till of Jericho, Townsend of South Burlington, Trieber of Rockingham, Webb of Shelburne, Weed of Enosburgh, Wood of Waterbury, Yacovone of Morristown, Yantachka of Charlotte, and Young of Glover

Whereas, according to the National Aeronautics and Space Administration (NASA) and multiple research studies, “scientific evidence for warming of the climate system is unequivocal,” and that “ninety-seven percent of climate scientists agree that climate warming trends over the past century are very likely due to human activities,” and

Whereas, according to NASA and the National Oceanic and Atmospheric Administration (NOAA), 2016 was the warmest year since modern meteorological record keeping began in 1880, and that 16 of the 17 warmest years on record have occurred since 2001, and

Whereas, in December 2015, the United Nations Framework Convention on Climate Change established the Paris Climate Agreement (the Agreement) that was entered into force in October 2016 and that as of June 8, 2017 consists of 148 countries, including the United States, and

Whereas, the central purpose of the Agreement is to limit the 21st century air temperature increase to less than two degrees Celsius above preindustrial levels while working to keep the increase to less than 1.5 degrees Celsius, and

Whereas, as part of its participation in the Agreement, the United States pledged to reduce its greenhouse gas emissions 26–28 percent below 2005 levels by 2025 and to contribute \$3 billion to climate change assistance to poorer nations by 2020, and

Whereas, on June 1, 2017, President Trump announced that the United States would invoke the Agreement’s withdrawal process, and

Whereas, the withdrawal of the United States from the Agreement will create a serious impediment to the international effort to address the planet’s projected increase in temperature, and

Whereas, Governor Philip Scott, U.S. Senators Patrick Leahy and Bernard Sanders, and U.S. Representative Peter Welch each strongly criticized the withdrawal decision, and

Whereas, Attorney General Thomas J. Donovan is among the state attorneys general who have publicly committed to the implementation of the Agreement, and

Whereas, Governors Jay Inslee of Washington State, Edmund G. (Jerry) Brown of California, and Andrew M. Cuomo of New York organized a bipartisan group of governors, known as the U.S. Climate Alliance (the Alliance), committed to the implementation of the Agreement, and other governors, including Governor Philip Scott, have since joined, and

Whereas, in 1990, Vermont emitted a total of 8.11 million metric tons of greenhouse gases, and although this amount rose to 9.4 million metric tons in 2004, by 2012 it had dropped to 8.27 metric tons, and

Whereas, 10 V.S.A. § 578 establishes a goal for Vermont to reduce greenhouse gas emissions 50 percent below the 1990 level on or before January 1, 2028, and the Comprehensive Energy Plan, as required in accordance with 30 V.S.A. § 202b, establishes a further goal of an 80 to 95 percent reduction by 2050, now therefore be it

Resolved by the House of Representatives:

That this legislative body strongly opposes the announced withdrawal of the United States from the Paris Climate Agreement of the United Nations Framework Convention on Climate Change, and be it further

Resolved: That this legislative body recognizes Governor Philip Scott's enrolling Vermont in the Alliance and urges him to support State funding and policies to enable Vermont's commitment to the greenhouse gas emissions reduction provisions of the Agreement to be realized, and be it further

Resolved: That it is imperative that Vermont uphold its commitment to the newly formed Alliance by reducing the State's reliance on fossil fuels and by meeting the greenhouse gas reduction goals established in statute for 2028 and in the Comprehensive Energy Plan for 2050, and be it further

Resolved: That this legislative body is prepared to work with the Governor, diverse stakeholders, and all Vermonters to identify and implement the policies, programs, and approaches annually required to achieve the State's greenhouse gas reduction commitments, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to President Donald Trump, to U.S. Environmental Protection Agency Administrator Scott Pruitt, to Governor Jay Inslee of Washington

State, to Governor Jerry Brown of California, to Governor Andrew Cuomo of New York, to Governor Philip Scott, to Attorney General Thomas J. Donovan Jr., and to the Vermont Congressional Delegation

Pending the question, Shall the Resolution be adopted? **Rep. Scheuermann of Stowe** moved to amend the resolution by striking the words "funding and" in the first resolved clause.

Which was agreed to.

Pending the question, Shall the House adopt the resolution, as amended? **Rep. Sibilias of Dover** demanded the Yeas and Nays, which demand was sustained by the Constitutional number.

Pending the call of the roll, **Rep. Dickinson of St. Albans Town** moved to commit the resolution to the committee on Energy and Technology which disagreed to.

Thereupon, the Clerk proceeded to call the roll and the question, Shall the House adopt the resolution, as amended? was decided in the affirmative. Yeas, 105. Nays, 31.

Those who voted in the affirmative are:

Ainsworth of Royalton	Gannon of Wilmington	Noyes of Wolcott
Ancel of Calais	Gardner of Richmond	Ode of Burlington
Bancroft of Westford	Giambattista of Essex	Olsen of Londonderry
Bartholomew of Hartland	Gonzalez of Winooski	O'Sullivan of Burlington
Baser of Bristol	Grad of Moretown	Parent of St. Albans Town
Beck of St. Johnsbury	Greshin of Warren	Partridge of Windham
Belaski of Windsor	Haas of Rochester	Potter of Clarendon
Bissonnette of Winooski	Harrison of Chittenden	Pugh of South Burlington
Bock of Chester	Head of South Burlington	Rachelson of Burlington
Botzow of Pownal	Hill of Wolcott	Scheu of Middlebury
Briglin of Thetford	Hooper of Montpelier	Scheuermann of Stowe
Browning of Arlington	Hooper of Brookfield	Sharpe of Bristol
Brumsted of Shelburne	Houghton of Essex	Sheldon of Middlebury
Burke of Brattleboro	Howard of Rutland City	Sibilias of Dover
Carr of Brandon	Jessup of Middlesex	Smith of New Haven
Chesnut-Tangerman of Middletown Springs	Jickling of Brookfield	Squirrell of Underhill
Christensen of Weathersfield	Joseph of North Hero	Stevens of Waterbury
Christie of Hartford	Keenan of St. Albans City	Stuart of Brattleboro
Cina of Burlington	Kitzmiller of Montpelier	Sullivan of Dorset
Colburn of Burlington	Krowinski of Burlington	Sullivan of Burlington
Conlon of Cornwall	Lanpher of Vergennes	Taylor of Colchester
Connor of Fairfield	Lefebvre of Newark	Till of Jericho
Conquest of Newbury	Lippert of Hinesburg	Toleno of Brattleboro
Copeland-Hanzas of Bradford	Long of Newfane	Toll of Danville
Corcoran of Bennington	Lucke of Hartford	Trieber of Rockingham
	Marcotte of Coventry	Troiano of Stannard
	Masland of Thetford	Turner of Milton

Dakin of Colchester	McCormack of Burlington	Walz of Barre City
Deen of Westminster	McCoy of Poultney	Webb of Shelburne
Donahue of Northfield	McCullough of Williston	Weed of Enosburgh
Donovan of Burlington	McFaun of Barre Town	Willhoit of St. Johnsbury
Dunn of Essex	Miller of Shaftsbury	Wood of Waterbury
Emmons of Springfield	Morris of Bennington	Wright of Burlington
Feltus of Lyndon	Mrowicki of Putney	Yacovone of Morristown
Fields of Bennington	Murphy of Fairfax	Yantachka of Charlotte
Forguites of Springfield	Myers of Essex	

Those who voted in the negative are:

Batchelor of Derby	Graham of Williamstown	Pearce of Richford
Beyor of Highgate	Hebert of Vernon	Quimby of Concord
Brennan of Colchester	Helm of Fair Haven	Rosenquist of Georgia
Canfield of Fair Haven	Higley of Lowell	Savage of Swanton
Cupoli of Rutland City	Hubert of Milton	Shaw of Pittsford
Dickinson of St. Albans Town	Juskiewicz of Cambridge	Smith of Derby
Fagan of Rutland City	Keefe of Manchester *	Strong of Albany
Frenier of Chelsea	Lawrence of Lyndon	Terenzini of Rutland Town
Gage of Rutland City	Morrissey of Bennington	Van Wyck of Ferrisburgh
Gamache of Swanton	Nolan of Morristown	Viens of Newport City
	Norris of Shoreham	

Those members absent with leave of the House and not voting are:

Buckholz of Hartford	LaClair of Barre Town	Poirier of Barre City
Burditt of West Rutland	Lalonde of South Burlington	Townsend of South Burlington
Condon of Colchester	Lewis of Berlin	Young of Glover
Devereux of Mount Holly	Macaig of Williston	
Kimbell of Woodstock	Martel of Waterford	

Rep. Keefe of Manchester explained his vote as follows:

“Madam Speaker:

I support Governor Scott working with the other Governor’s within the U.S. Climate Alliance.

This resolution goes much further, declaring it imperative that we get 90% of our energy from renewables by date certain.

This is the first time this issue has come up this year. No committees. No discussion. No cost estimates.

We were just told we will need to stop using single occupancy vehicles powered by gasoline.

I suggest we ponder that as we drive ourselves home tonight.”

Message from the Senate No. 88

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part adopted Senate concurrent resolution of the following title:

S.C.R. 18. Senate concurrent resolution congratulating Ken D. Squier of Stowe on his induction into the NASCAR Hall of Fame.

The Senate has on its part adopted concurrent resolutions originating in the House of the following titles:

H.C.R. 191. House concurrent resolution honoring former Representative and Deputy Secretary of Education William B. Talbott for his dedicated public service.

H.C.R. 192. House concurrent resolution congratulating the Champlain Valley Union High School girls' tennis team on winning its third consecutive Division I championship.

H.C.R. 193. House concurrent resolution congratulating the Champlain Valley Union High School Redhawks five-time consecutive championship boys' lacrosse team.

H.C.R. 194. House concurrent resolution congratulating the Hartford Fire Department on being named Vermont's 2017 Ambulance Service of the Year.

H.C.R. 195. House concurrent resolution thanking the employees of the U.S. Environmental Protection Agency for their role in safeguarding our State's and nation's environmental quality.

H.C.R. 196. House concurrent resolution congratulating the 2017 St. Johnsbury Academy Hilltoppers three-time Division I championship girls' outdoor track and field team.

H.C.R. 197. House concurrent resolution congratulating the 2017 St. Johnsbury Academy Hilltoppers Division I championship boys' outdoor track and field team.

Message from the Senate No. 89

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part adopted joint resolution of the following title:

J.R.S. 35. Joint resolution relating to final adjournment of the General Assembly 2017.

In the adoption of which the concurrence of the House is requested.

Message from the Senate No. 90

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 542. An act relating to making appropriations for the support of government.

And has passed the same in concurrence.

Message from the Senate No. 91

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that the Senate has on its part completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 35.

Joint Resolution Adopted in Concurrence

J.R.S. 35

By Senator Ashe,

J.R.S. 35. Joint resolution relating to final adjournment of the General Assembly 2017.

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 twenty-first or twenty-second day of June, 2017 they shall do so to reconvene on the twenty-third day of October, 2017, 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 third day of January, 2018, at ten o'clock in the forenoon, if not so jointly called.

Was taken up, read and adopted in concurrence.

Adjournment

At seven o'clock and forty-eight minutes in the evening, on motion of **Rep. Turner of Milton**, the House adjourned pursuant to J.R.S. 35.

Messages from Governor and Members

After adjournment of the General Assembly to a date certain, the following messages were received from the Governor and from members of the Vermont House of Representatives.

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the twenty-eighth day of June, 2017, he signed a bill originating in the House of the following title:

H. 542 An act relating to making appropriations for the support of government

Communication from Rep. Ron Hubert

June 24, 2017

Clerk of the House
William MaGill

Dear William MaGill Clerk of the House

This letter is to inform the House of Representatives that as of July 1, 2017 I will be resigning as Milton's Representative in Chittenden 10.

It has been an honor and a privilege to have served the people of Milton for the past nine years.

Being a State Representative has been a great honor. The past nine years this job has changed my life and was one of the best experiences a person can have.

I feel it is time for me to return to my business and family.

Yours truly,

/s/ Ron Hubert

Communication from Rep. Adam Greshin

July 7, 2017

William MaGill
Clerk of the House
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Dear Bill:

Effective July 10, 2017, I resign my House seat. It has been a pleasure serving in the Vermont House and I have enjoyed working with you and your colleagues in the Clerk's Office.

I wish you a happy and healthy summer.

Sincerely,

/s/ Adam Greshin
State Representative
Washington-7

Communication from Rep. Oliver Olsen

October 17, 2017

Mr. William MaGill, Clerk
Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Re: Resignation

Dear Mr. MaGill:

I am writing to tender my resignation from the Vermont House of Representatives, effective November 1, 2017.

It has been an honor and a privilege to serve our great state. I consider myself fortunate to have had the experience of working with many talented and dedicated public servants over the years. Together – as independents, Democrats, Republicans, and Progressives – we have helped our state recover from the depths of the Great Recession and the ravages of Tropical Storm Irene. Year over year, we pass a balanced budget, and continue to prove that we can tackle some of the most challenging issues with robust, but constructive and respectful dialog. I hope this spirit of cooperation lives on.

Sincerely,

Rep. Oliver K. Olsen

Communication from the Governor

September 8, 2017

The Honorable Mitzi Johnson
Speaker of the House
115 State Street, Drawer 33
Montpelier, Vermont 05633-5301
Dear Speaker Johnson,

I have the great honor to inform you that I have appointed Chris Mattos of 37 Smith Road, Milton, to serve in the General Assembly representing House District Chittenden-10, formerly held by Representative Hubert.

Sincerely,
/s/Philip B. Scott
Governor

Communication from the Governor

September 8, 2017

The Honorable Mitzi Johnson
Speaker of the House
115 State Street, Drawer 33
Montpelier, Vermont 05633-5301

Dear Speaker Johnson,

I have the great honor to inform you that I have appointed Ed Reed of 92 Fire Pond lane, Fayston, to serve in the General Assembly representing House District Washington-7, formerly held by Representative Greshin.

Sincerely,
/s/Philip B. Scott
Governor

Communication from the Governor

November 30, 2017

The Honorable Mitzi Johnson
Speaker of the House
115 State Street, Drawer 33
Montpelier, Vermont 05633-5301
Dear Speaker Johnson,

I have the great honor to inform you that I have appointed Kelly MacLaury Pajala of P.O. Box 94, South Londonderry, to serve in the General Assembly representing House District Windham-Bennington-Windsor, formerly held by Representative Olsen.

Sincerely,
/s/Philip B. Scott
Governor

CERTIFICATE

I hereby certify that the foregoing is a true journal of the proceedings of the House of Representatives of the State of Vermont for the first part of the seventy-fourth session, beginning on the fourth day of January, A.D. 2017.

/s/ William M. MaGill
Clerk of the House