

Journal of the Senate

WEDNESDAY, APRIL 26, 2017

The Senate was called to order by the President *pro tempore*.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 52

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

Mr. President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

H. 526. An act relating to regulating notaries public.

H. 536. An act relating to approval of amendments to the charter of the Town of Colchester.

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

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

H. 265. An act relating to the State Long-Term Care Ombudsman.

And has severally concurred therein.

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

S. 20. An act relating to permanent licenses for persons 66 years of age or older.

S. 72. An act relating to requiring telemarketers to provide accurate caller identification information.

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

Message from the House No. 53

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

Mr. President:

I am directed to inform the Senate that:

The House has passed a House bill of the following title:

H. 333. An act relating to identification of gender-free restrooms in public buildings and places of public accommodation.

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

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

S. 127. An act relating to miscellaneous changes to laws related to vehicles and vessels.

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

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

J.R.S. 25. Joint resolution authorizing the Commissioner of Forests, Parks and Recreation to amend conservation easements related to the former Hancock Lands and adjacent Averill Inholdings in Essex County and to sell the Bertha Tract in Mendon and the Burch Tract in Killington to the Trust for Public Land.

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

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

H. 3. An act relating to burial depth in cemeteries.

H. 136. An act relating to accommodations for pregnant employees.

H. 462. An act relating to social media privacy for employees.

H. 502. An act relating to modernizing Vermont's parentage laws.

H. 507. An act relating to Next Generation Medicaid ACO pilot project reporting requirements.

And has severally concurred therein.

Bill Referred to Committee on Finance**H. 312.**

House bill of the following title, appearing on the Calendar for notice, and affecting the revenue of the state, under the rule was referred to the Committee on Finance:

An act relating to retirement and pensions.

**Message from the Governor
Appointment Referred**

A message was received from the Governor, by Brittney L. Wilson, Secretary of Civil and Military Affairs, submitting the following appointment, which was referred to committees as indicated:

Quinn, John of Northfield - Secretary of the Agency of Digital Services - from April 24, 2017, to February 28, 2019.

To the Committee on Government Operations.

Bills Referred

House bills of the following titles were severally read the first time and referred:

H. 333.

An act relating to identification of gender-free restrooms in public buildings and places of public accommodation.

To the Committee on Rules.

H. 526.

An act relating to regulating notaries public.

To the Committee on Rules.

H. 536.

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

To the Committee on Rules.

Senate Resolution Placed on Calendar**S.R. 9.**

Senate resolution of the following title was offered, read the first time and is as follows:

By All Members of the Senate,

S.R. 9. Senate resolution relating to the appointment of Robin Lunge to the Green Mountain Care Board.

Whereas, Dr. Allan Ramsay's term as a member of the Green Mountain Care Board expired on September 30, 2016, and

Whereas, on or about November 16, when the General Assembly was not in session, Governor Peter Shumlin appointed Robin Lunge to a six-year term as a member of the Green Mountain Care Board to begin on November 28, 2016, and

Whereas, for reasons unknown, the customary paperwork for this gubernatorial appointment was not received by the Office of the Secretary of the Senate, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont deems the interim appointment of Robin Lunge to a six-year term as a member of the Green Mountain Care Board to have been submitted to the Senate as required by Chapter II, § 33 of the Vermont Constitution, *and be it further*

Resolved: That the Senate of the State of Vermont consents to the appointment of Robin Lunge to a six-year term as a member of the Green Mountain Care Board.

Thereupon, in the discretion of the President, under Rule 51, the resolution was placed on the Calendar for action the next legislative day.

Recess

The Chair declared a recess until the fall of the gavel.

Called to Order

The Senate was called to order by the President.

Proposals of Amendment; Bill Amended; Consideration Interrupted by Adjournment

H. 515.

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

An act relating to Executive Branch and Judiciary fees.

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: Before Sec. 1, by adding a reader assistance to read as follows:

* * * Executive Branch and Judiciary Fees * * *

Second: In Sec. 5, by striking out Sec. 5 in its entirety and inserting in lieu thereof three new sections and their reader assistances to read as follows:

* * * Food and Lodging Establishments * * *

Sec. 5. 18 V.S.A. chapter 85 is amended to read:

CHAPTER 85. FOOD AND LODGING ESTABLISHMENTS

Subchapter 1. Food and Lodging Establishments

§ 4301. FOOD ESTABLISHMENTS; DEFINITIONS

(a) As used in this subchapter:

(1) “Food” shall include all articles used for food, drink, confectionery, or condiment, by man, whether simple, mixed, or compound, and all substances and ingredients used in the preparation thereof. “Bakery” means all buildings, rooms, basements, cellars, lofts, or other premises or part thereof, used, occupied, or maintained for the purpose of producing for sale bread, cakes, pies, or other food products made either wholly or partially with flour.

(2) “Children’s camp” means any residential camp for children that:

(A) offers a combination of programs and facilities established for the primary purpose of providing an experience to children;

(B) is operated for five or more consecutive days during one or more seasons of the year; and

(C) provides 24-hours-a-day supervision of children.

(3) “Commissioner” means the Commissioner of Health.

(4) “Department” means the Department of Health.

(5) “Establishment” shall include all buildings, rooms, basements, cellars, lofts, or other premises or part thereof, used, occupied, or maintained for the purpose of manufacturing, preparing, packing, canning, bottling, keeping, storing, handling, serving, or distributing in any manner, food for sale means food manufacturing establishments, food service establishments, lodging establishments, children’s camps, seafood vending facilities, and shellfish reshippers and repackers.

(6) “Food” means articles of food, drink, confectionery, or condiment for human consumption, whether simple, mixed, or compound, and all substances and ingredients used in the preparation thereof.

(7) “Food manufacturing establishment” or “food processor” means all buildings, rooms, basements, cellars, lofts, or other premises or part thereof, used, occupied, or maintained for the purpose of manufacturing, preparing, packing, canning, bottling, keeping, storing, handling, serving, or distributing food for sale. A food manufacturing establishment shall include food processors, bakeries, distributors, and warehouses. A food manufacturing establishment shall not include a place where only maple syrup or maple products, as defined in 6 V.S.A. § 481, are prepared for human consumption.

(8) “Food service establishment” means entities that prepare, serve, and sell food to the public, including restaurants, temporary food vendors, caterers, mobile food units, and limited operations as defined in rule.

(9) “Lodging establishment” means a place where overnight accommodations are regularly provided to the transient, traveling, or vacationing public, including hotels, motels, inns, and bed and breakfasts. “Lodging establishment” shall not include short-term rentals.

(10) “Salvage food” means any food product from which the label on the packaging has been lost or destroyed or which has been subjected to possible damage as the result of an accident, fire, flood, or other cause that prevents the product from meeting the specifications of the manufacturer or the packer, but is otherwise suitable for human consumption.

(11) “Salvage food facility” means any food vendor for which salvage food comprises 50 percent or more of gross sales.

(12) “Seafood vending facility” means a store, motor vehicle, retail stand, or similar place from which a person sells seafood for human consumption.

(13) “Shellfish reshipper and repacker” means an establishment engaging in interstate commerce of molluskan shellfish.

(14) “Short-term rental” means a furnished home, condominium, or other dwelling rented to the transient, traveling, or vacationing public for a period of fewer than 30 consecutive days and for more than 14 days per calendar year.

(b) Nothing in this ~~subchapter~~ chapter shall be construed to modify or affect laws or ~~regulations~~ rules of the ~~agency of agriculture, food and markets~~ Agency of Agriculture, Food and Markets.

§ 4302. GENERAL REQUIREMENTS

(a) A person shall not manufacture, prepare, pack, can, bottle, keep, store, handle, serve, or distribute in any manner food for the purpose of sale, in an unclean, unsanitary, or unhealthful establishment or under unclean, unsanitary, or unhealthful conditions.

(b) A person shall not engage in the business of conducting a lodging establishment or children's camp under unclean, unsanitary, or unhealthful conditions.

§ 4303. SPECIAL PROVISIONS RULEMAKING

Subject to the provisions of this subchapter, The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 to establish minimum standards for the safe and sanitary operation of food or lodging establishments or children's camps or any combination thereof and their administration and enforcement. The rules shall require that an establishment shall be constructed, maintained, and operated with strict regard for the health of the employees and for the purity and wholesomeness of the food therein produced, kept, stored, handled, served, or distributed, so far as may be reasonable and necessary in the public interest and consistent with the character of the establishment, the public pursuant to the following general requirements:

(1) The entire establishment and its immediate appertaining premises, including the fixtures and furnishings, the machinery, apparatus, implements, utensils, receptacles, vehicles, and other devices used in the production, keeping, storing, handling, serving, or distributing of the food, or the materials used in the food, shall be constructed, maintained, and operated in a clean, sanitary, and healthful manner;

(2) The food and the materials used in the food shall be protected from any foreign or injurious contamination ~~which~~ that may render them unfit for human consumption;

(3) The clothing, habits, and conduct of the employees shall be conducive to and promote cleanliness, sanitation, and healthfulness;

(4) There shall be proper, suitable, and adequate toilets and lavatories, constructed, maintained, and operated in a clean, sanitary, and healthful manner;

(5) There shall be proper, suitable, and adequate light water supply, heating, lighting, ventilation, drainage, sewage disposal, and plumbing.

(6) There shall be proper operation and maintenance of pools, recreation water facilities, spas, and related facilities within lodging establishments.

(7) The Commissioner may adopt any other minimum conditions deemed necessary for the operation and maintenance of a food or lodging establishment in a safe and sanitary manner.

§ 4304. EMPLOYEES

(a) An employer shall not ~~require, permit, or suffer any~~ allow a person affected with any contagious, infectious, or other disease or physical ailment ~~which that~~ that may render such employment detrimental to the public health to work in ~~such an~~ an establishment, and a person so affected shall not work in ~~any such an~~ an establishment subject to the provisions of this ~~subchapter~~ chapter.

(b) The Commissioner may require a person employed in an establishment subject to the provisions of this chapter to undergo medical testing or an examination necessary for the purpose of determining whether the person is affected by a contagious, infectious, or other disease or physical ailment that may render his or her employment detrimental to public health. The Commissioner may prohibit a person from working in an establishment pursuant to an emergency health order described in section 127 of this title if the person refuses to submit to medical testing or an examination.

§ 4305. ~~POWERS AND DUTIES OF STATE BOARD OF HEALTH~~

~~The board may require a person proposing to work or working in an establishment subject to the provisions of this subchapter, to undergo a physical examination for the purpose of ascertaining whether such person is affected with any contagious, infectious, or other disease or physical ailment, which may render his or her employment detrimental to the public health. The examination shall be made at the time and pursuant to conditions which shall be prescribed by the board. A person who refuses to submit to such examination shall not work or be required, permitted, or suffered to work in any such establishment. [Repealed.]~~

§ 4306. INSPECTION

(a) It shall be the duty of the ~~board~~ Commissioner to enforce the provisions of this ~~subchapter~~ chapter and of 6 V.S.A. § 3312(d), and ~~it he or she~~ he or she shall be permitted to inspect through ~~its~~ his or her duly authorized officers, inspectors, agents, or assistants, at all reasonable times, an establishment, an establishment's records, and a salvage food facility subject to the provisions of this ~~subchapter~~ chapter.

(b) Whenever an inspection demonstrates that the establishment or salvage food facility is not operated in accordance with the provision of this chapter, the officer, inspector, agent, or assistant shall notify the licensee of the conditions found and direct necessary changes.

§ 4307. HEARING; ORDERS

~~When it appears upon such an~~ an inspection demonstrates that any establishment is being maintained or operated in violation of the provisions of

~~this subchapter chapter or any related rules, the board Commissioner shall cause provide~~ written notice thereof, together with an order commanding an ~~both~~ abatement of such ~~the~~ violation and a compliance with this ~~subchapter chapter~~ within a reasonable period of time to be fixed in the order, ~~to be served by a proper officer upon the person violating such provisions.~~ Under such ~~any related rules and regulations as may be prescribed~~ adopted by the ~~board Commissioner,~~ a person upon whom such ~~the~~ notice and order are served shall be given an opportunity to be heard and to show cause ~~as to why such the~~ order should be vacated or amended. When, upon such a hearing, it appears that the provisions of this ~~subchapter chapter~~ have not been violated, the ~~board Commissioner~~ shall immediately vacate such ~~the~~ order, but without prejudice. When, however, it appears that such ~~the~~ provisions have been violated and such ~~the~~ person fails to comply with an order issued by the ~~board Commissioner~~ under the provisions of this section, the ~~board Commissioner~~ shall, ~~forthwith, certify the facts to the proper prosecuting officer~~ revoke, modify, or suspend the person's license or enforce a civil penalty.

§ 4308. REGULATIONS

~~The board shall make uniform and necessary rules and regulations for carrying out the provisions of this subchapter.~~ [Repealed.]

§ 4309. PENALTY

~~A person who violates a provision of this subchapter chapter or 6 V.S.A. § 3312(d), for which no other penalty is provided, shall be fined not more than \$300.00 for the first offense and, for each subsequent offense, not more than \$500.00 shall be fined a civil penalty not to exceed \$10,000.00 for each violation. In the case of a continuing violation, each subsequent day in violation may be deemed a separate violation.~~

Subchapter 2. Licensing Food and Lodging Establishments

§ 4351. LICENSE FROM DEPARTMENT OF HEALTH

(a) ~~A person shall not operate or maintain a hotel, inn, restaurant, tourist camp food manufacturing facility, retail food establishment, lodging establishment, children's camp, seafood vending facility, or any other place in which food is prepared and served, or lodgings provided or furnished to the transient traveling or vacationing public, or a seafood vending facility, unless he or she shall have first obtained and holds obtains and holds from the department Commissioner a license authorizing such operation. The secretary may prescribe rules or conditions within which he or she may issue a temporary license for a period not to exceed 60 days. The license shall state the rules or conditions under which it is issued. However, nothing herein shall apply to any person who occasionally prepares and serves meals or provides~~

occasional lodgings. The license shall be displayed in such a way as to be easily viewed by the patrons. All licenses shall be displayed in a manner as to be easily viewed by the public.

(b) For purposes of this section, “seafood vending facility” includes a store, motor vehicle, stand, or similar place from which a person sells seafood for consumption at another location.

(1) A person shall not knowingly and willingly sell or offer for sale a bulk product manufactured by a bakery, regardless of whether the bakery is located inside or outside the State, unless the operator of the bakery holds a valid license from the Commissioner.

(2) The Commissioner shall not grant a license to a bakery located outside the State unless:

(A) the person operating the bakery:

(i) has consented in writing to the Department’s inspection and paid the required fee; or

(ii) has presented to the Department satisfactory evidence of inspection and approval from the proper authority in his or her state and paid the required fee; and

(B) inspection of the bakery confirms that it meets the laws and rules of this State.

(c) The Commissioner may issue a temporary license for no more than 90 days. The temporary license shall state the conditions under which it is issued.

(d) If the Commissioner does not renew a license, he or she shall provide written notice to the licensee. The notice shall specify any changes necessary to conform with State rules and shall state that if compliance is achieved within the time designated in the notice, the license shall be renewed. If the licensee fails to achieve compliance within the prescribed time, the licensee shall have an opportunity for a hearing.

(e) Any licensee or applicant aggrieved by a decision or order of the Commissioner may appeal to the Board of Health within 30 days of that decision. Hearings by the Board under this section shall be subject to the provisions of 3 V.S.A. chapter 25 relating to contested cases. The Board shall consider the matter de novo and all persons, parties, and interests may appear and be heard. The Board shall issue an order within 30 days following the conclusion of the hearing.

(f) If a licensee fails to renew his or her license within 60 days of its expiration date, a licensee shall apply for a new license and meet all licensure requirements anew.

§ 4352. APPLICATION

~~A person desiring to operate a place~~ Prior to operating an establishment in which food is prepared and served or in which three or more lodging is units are offered to the public, a person shall apply to the board Commissioner upon forms supplied by the board Department and shall pay a license fee as provided by section 4353 of this title. An application for licensure shall be submitted no fewer than 30 days prior to the opening of a food or lodging establishment. Upon receipt of such license fee and when satisfied that the premises are sanitary and healthful in accordance with the provisions of this chapter and related rules, the board Commissioner shall issue a license to the applicant with respect to the premises described therein in the application.

§ 4353. FEES

(a) The Commissioner may establish by rule any requirement the Department needs to determine the applicable categories or exemptions for licenses. The following license fees shall be paid annually to the Board Department at the time of making the application according to the following schedules:

(1) ~~Restaurant~~ Restaurants

- I — Seating capacity of 0 to 25; \$105.00
- II — Seating capacity of 26 to 50; \$180.00
- III — Seating capacity of 51 to 100; \$300.00
- IV — Seating capacity of 101 to 200; \$385.00
- V — Seating capacity of 201 to 599; \$450.00
- VI — Seating capacity 600 or over; \$1,000.00
- VII — Home Caterer; \$155.00
- VIII — Commercial Caterer; \$260.00
- IX — Limited Operations; \$140.00
- X — Fair Stand; \$125.00; if operating for four or more days per year; \$230.00

(2) Lodging establishments

- I — Lodging capacity of 1 to 10; \$130.00

II — Lodging capacity of 11 to 20; \$185.00

III — Lodging capacity of 21 to 50; \$250.00

IV — Lodging capacity of 51 to 200; \$390.00

V — Lodging capacity of over 200; \$1,000.00

(3) Food processor manufacturing establishment — a fee for any person or persons that process food for resale to restaurants, stores, or individuals according to the following schedule:

(A) Food manufacturing establishments; nonbakeries

I — Gross receipts of \$10,001.00 to \$50,000.00;
\$175.00

~~(B)~~II — Gross receipts of over \$50,000.00; \$275.00

III — Gross receipts of \$10,000.00 or less are exempt pursuant to section 4358 of this title

(B) Food manufacturing establishment; bakeries

I — Home bakery; \$100.00

II — Small commercial; \$200.00

III — Large commercial; \$350.00

(4) Seafood vending facility — \$200.00, unless operating pursuant to another license issued by the Department of Health and generating less than \$40,000.00 or less in seafood gross receipts annually. If generating more than \$40,000.00 in seafood gross receipts annually, the fee is to be paid regardless of whether the facility is operating pursuant to another license issued by the Department of Health.

(5) Shellfish reshippers and repackers — \$375.00.

(6) Children's camps — \$150.00.

(b) The Commissioner of Health ~~will~~ shall be the final authority on definition of categories contained ~~herein~~ in this section.

(c) All fees received by the ~~Board~~ Department under this section shall be credited to a special fund and shall be available to the Department to offset the cost of providing the services.

§ 4354. TERM OF LICENSE

Licenses A license shall expire annually on a date established by the ~~department~~ Department and ~~shall be renewable~~ may be renewed upon the payment of a new license fee if the licensee is in good standing with the Department.

§ 4355. REGULATIONS; REPORTS

(a) ~~The board may prescribe such rules and regulations as may be necessary to ensure the operation in a sanitary and healthful manner of places in which food is prepared and served to the public or in which lodgings are provided. All reports which such board may require shall be on forms prescribed by it.~~

(b) ~~The board shall not adopt any rule requiring food establishments that operate less than six months of the year and provide outdoor seating for no more than 16 people to provide toilet facilities to patrons, and any such rule or portion thereof now in effect is repealed. [Repealed.]~~

§ 4356. INSPECTION, REVOCATION

~~The members of the board and any person in its employ and by its direction, at reasonable times, may enter any place operated under the provisions of sections 4351-4355 of this title, so far as may be necessary in the discharge of its duties. Whenever upon such inspection it is found that the premises are not being conducted in accordance with the provisions of the above named sections or the regulations adopted in accordance therewith, such board shall notify the licensee of the conditions found and direct such changes as are necessary. If such licensee shall fail within a reasonable time to comply with such orders, rules, or regulations adopted under the provisions of such sections, the board shall revoke the license. [Repealed.]~~

§ 4357. PENALTY

~~A person who violates any provision of this subchapter shall be fined not more than \$500.00. [Repealed.]~~

§ 4358. EXEMPTIONS

(a) ~~The provisions of this subchapter shall apply only to such those hotels, inns, restaurants, tourist camps, and other places as that solicit the patronage of the public by advertising by means of signs, notices, placards, radio, electronic communications, or printed announcements.~~

(b) ~~The provisions of this subchapter shall not apply to an individual manufacturing and selling bakery products from his or her own home kitchen whose average gross retail sales do not exceed \$125.00 per week.~~

(c) ~~Any food manufacturing establishment claiming a licensing exemption shall provide documentation as required by rule.~~

(d) ~~The Commissioner shall not adopt a rule requiring food establishments that operate less than six months of the year and provide outdoor seating for fewer than 16 people at one time to provide toilet and hand washing facilities for patrons.~~

* * *

Subchapter 4. Bakeries

§ 4441. BAKERY PRODUCTS; DEFINITION

For the purposes of this subchapter,

(1) ~~The word “bakery” is defined as a building or part of a building wherein is carried on as a principal occupation the production of bread, cakes, pies, or other food products made either wholly or in part of flour and intended for sale.~~

(2) ~~The word “person” shall extend and be applied to bodies corporate, and to partnerships and unincorporated associations. [Repealed.]~~

§ 4442. RULES AND INSPECTION BY STATE BOARD OF HEALTH

~~The Board shall adopt and enforce rules as the public health may require in respect to the sanitary conditions of bakeries as defined herein. The Board is hereby authorized to inspect any such bakery at all reasonable times through its duly appointed officers, inspectors, agents, or assistants. [Repealed.]~~

§ 4443. SLEEPING ROOMS SEPARATE

~~The sleeping rooms for persons employed in a bakery shall be separated from the rooms where food products or any ingredient thereof are manufactured or stored. [Repealed.]~~

§ 4444. LICENSE

(a) ~~No person shall operate a bakery in this state without having obtained from the department a license describing the building used as a bakery, including the post office address of the same, which license shall be posted by the owner or operator of such bakery in a conspicuous place in the shop described in such license or in the sales room connected therewith.~~

(b) ~~No person shall knowingly and willfully sell or offer for sale in this state any bulk product manufactured by a bakery, whether such a bakery is located within or without the state, unless the operator of such bakery shall hold a valid license, as prescribed, from the department, which license shall in no case be granted covering a bakery located outside the state unless the person operating such bakery shall have consented in writing to its inspection and paid the fee as herein provided, or shall have paid the fee and received a license after presenting to the department satisfactory evidence of inspection and approval from the proper authority of his or her own state, and such bakery shall have been found by the inspection to meet the requirements of the laws of this state and rules and regulations of the secretary relating thereto. [Repealed.]~~

§ 4445. RENEWAL OF LICENSE

~~The holder of such a license who desires to continue to operate a bakery shall annually, commencing on or before January 31, 1974, and thereafter on or before January 31, renew his or her license, pay the renewal fee, and receive a new license provided the licensee is entitled thereto. [Repealed.]~~

§ 4446. FEE

~~(a) A person owning or conducting a bakery as specified in sections 4441 and 4444 of this title shall pay to the Board a fee for each certificate and renewal thereof in accordance with the following schedule:~~

~~Bakery I - Home Bakery; \$100.00~~

~~II - Small Commercial; \$200.00~~

~~III - Large Commercial; \$350.00~~

~~IV - Camps; \$150.00~~

~~(b) The Commissioner of Health will be the final authority on definition of categories contained herein.~~

~~(c) All fees received by the Board under this section shall be credited to a special fund and shall be available to the Department to offset the cost of providing the services. [Repealed.]~~

§ 4447. REVOCATION

~~Such license may be suspended or revoked by the board for cause after hearing. [Repealed.]~~

§ 4448. NEW BAKERY

~~No person shall open a new bakery in this state without having given at least 15 days' notice to the department of intention to open such bakery which notice shall contain a description and location of the building proposed to be used as such bakery. Upon receipt of such notice, the department shall cause such premises to be examined and, if found to comply with the provisions and statutes relating to bakeries and the rules and regulations prescribed by the secretary, a license shall be issued upon payment of the fee as herein provided. [Repealed.]~~

§ 4449. LOCAL REGULATIONS

~~The provisions of this subchapter shall not prevent local health authorities from making and enforcing orders or regulations concerning the sanitary condition of bakeries and the sale of bakery products, except that such orders and regulations shall be suspended to the extent necessary to give effect to the provisions of this subchapter and the rules and regulations prescribed pursuant thereto. [Repealed.]~~

§ 4450. PENALTY

~~A person who violates any provisions of this subchapter shall be fined not more than \$500.00. [Repealed.]~~

§ 4451. EXCEPTIONS

~~The provisions of this subchapter shall not apply to individuals manufacturing in and selling from their own private home kitchens bread, cakes, pies, or other food products made either wholly or in part from flour whose average gross retail sales of such products do not exceed \$125.00 a week, nor to restaurants, inns, or hotels subject to the provisions of subchapter 2 of this chapter, nor to church, fraternal, or charitable food sales. [Repealed.]~~

~~Subchapter 5. Salvage Food Facilities~~

§ 4461. DEFINITIONS

~~For the purposes of this subchapter:~~

~~(1) “Salvage food” means any food product from which the label on the packaging has been lost or destroyed or which has been subjected to possible damage as the result of accident, fire, flood, or other cause which may prevent the product from meeting the specifications of the manufacturer or the packer, but is otherwise suitable for human consumption.~~

~~(2) “Salvage food facility” means a food vendor for which salvage foods comprise 50 percent or more of gross sales. [Repealed.]~~

§ 4462. REGULATIONS AND INSPECTION

~~The state board of health is authorized to inspect any salvage food facility at all reasonable times through its officers, inspectors, agents, or assistants. [Repealed.]~~

~~Subchapter 6. Temporary Outdoor Seating~~

§ 4465. LIMITED FOOD ESTABLISHMENTS; TEMPORARY OUTDOOR SEATING

~~A food establishment that prepares and serves food for off premises uses may provide temporary outdoor seating for up to 16 persons from May 1 to October 31 without providing patron toilet or handwashing facilities. [Repealed.]~~

~~Subchapter 7. Short-Term Rentals~~

§ 4466. REGISTRATION OF SHORT-TERM RENTALS

(a) A person shall not operate or maintain a short-term rental unless he or she registers with the Department and obtains and holds a valid certificate of compliance.

(b) Prior to offering for rent a short-term rental, a person shall register with the Commissioner by completing forms published by the Department and paying a registration fee as provided in 4468 of this title.

(c) A person registering shall certify on the registration forms published by the Department that the short-term rental is in compliance with the following provisions:

(1) All available units shall comply with any relevant State and local fire and life safety laws and regulations.

(2) Each guest room shall be free of any evidence of insects, rodents, and other pests.

(3) All water from a nonpublic water supply system shall meet Vermont's water supply rules.

(4) All sewage shall be disposed of through an approved facility, including either:

(A) a public sewage treatment plant; or

(B) an individual sewage disposal system that is constructed, maintained, and operated according to the Department of Environmental Conservation's regulations, and otherwise meets all applicable sanitation requirements.

(5) All occupancy taxes on the short-term rental unit required pursuant to 32 V.S.A. chapter 225 shall be paid in a timely manner.

(d)(1) A registration application shall be submitted no fewer than 14 calendar days prior to opening a short-term rental.

(2) The Department shall award an initial certificate of compliance upon receipt of the applicant's completed registration application and registration fee. The certification of compliance shall state that the holder has self-certified compliance with health and safety laws and regulations and that the Department has not licensed or inspected the property.

(e) All certificates of compliance shall be displayed in a manner so as to be easily viewed by the public.

(f) Any perspective certificate holder aggrieved by a decision of the Department may appeal to the Board of Health pursuant to subsection 4351(e) of this title.

§ 4467. TERM; CERTIFICATE OF COMPLIANCE

A certificate of compliance shall expire annually after its date of issuance and may be renewed upon the payment of a new registration fee if the certificate holder is in good standing with the Department.

§ 4468. FEES; REGISTRATION

The following fee shall be paid to the Department at the time of registration or registration renewal:

Short-term rental — \$130.00.

§ 4469. ENFORCEMENT

(a) If a person is found to be in violation of this subchapter, the Commissioner shall issue a written notice and an order requiring both abatement of the violation and compliance with this subchapter within a reasonable period of time.

(b) A person upon whom the notice and order are served shall have an opportunity for a hearing at which he or she may show cause for vacating or amending the order. If it appears that the provisions of this chapter have not been violated, the Commissioner shall immediately vacate the order without prejudice. Conversely, if it appears that the provisions of this chapter have been violated and the person fails to comply with the order issued by the Commissioner, the Commissioner shall revoke, modify, or suspend the person's certificate of compliance or enforce a civil penalty pursuant to section 4309 of this title, or both.

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 developing a proposal for the regulation of short-term rentals in Vermont that:

(1) levels the playing field between short-term rentals and other lodging establishments; and

(2) protects the health and safety of the transient, traveling, or vacationing public.

(b)(1) Membership. The Working Group shall be composed of the following members:

(A) the Commissioner of Health or designee;

(B) the Commissioner of Taxes or designee; and

(C) 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) a representative of the Vermont Chamber of Commerce;

(B) a representative of Vermont's short-term rental industry; and

(C) a representative of the Vermont Lodging Association.

(c) Assistance. The Working Group shall have the administrative, technical, and legal assistance of 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).

* * * Effective Dates * * *

Sec. 7. EFFECTIVE DATES

This act shall take effect on July 1, 2017, except 18 V.S.A. chapter 85, subchapter 7 (short-term rentals) shall take effect on January 1, 2019.

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

An act relating to Executive Branch and Judiciary fees and food and lodging establishments.

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

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance?, Senator Lyons moved to amend the proposal of amendment of the Committee on Finance, in Sec. 6 (short-term rental working group; report), in subparagraph (b)(2)(B) by striking out after the semicolon the word "and" and by inserting a new subparagraph (C) to read as follows:

(C) a representative of local government; and

And by relettering the remaining subparagraph to be alphabetically correct.

Which was agreed to.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of proposal of amendment of the Committee on Finance was amended as recommended by Senator Lyons.

Thereupon, Senator Ashe moved that the Senate adjourn until one o'clock in the afternoon.

Afternoon

The Senate was called to order by the President.

Consideration Resumed; Consideration Postponed

H. 515.

Consideration was resumed on House bill entitled:

An act relating to Executive Branch and Judiciary fees.

Thereupon, pending the question, Shall the motion of Senator Cummings be amended as moved by Senator Rodgers?, Senator Ashe, moved that action on the bill be postponed.

Proposal of Amendment; Third Reading Ordered

H. 519.

Senator Flory, for the Committee on Institutions, to which was referred House bill entitled:

An act relating to capital construction and State bonding.

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

Sec. 1. LEGISLATIVE 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 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>

(c) The following sums are appropriated in FY 2019:

<u>(1) Statewide, planning, use, and contingency:</u>	<u>\$500,000.00</u>
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<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>
<u>(11) Burlington, 108 Cherry Street, parking garage, repairs:</u>	<u>\$5,000,000.00</u>
<u>(12) Montpelier, 133 State Street, renovations of mainframe workspace to Office Space (Agency of Digital Services):</u>	<u>\$700,000.00</u>
<u>(d) Waterbury State Office Complex.</u>	
<u>(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.</u>	
<u>(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>	
<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>
<u>(3) VT Center for Geographic Information, digital orthophotographic quadrangle mapping:</u>	<u>\$125,000.00</u>

(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>
<u>(3) VT Center for Geographic Information, digital orthophotographic quadrangle mapping:</u>	<u>\$125,000.00</u>
<u>Appropriation – FY 2018</u>	<u>\$450,000.00</u>
<u>Appropriation – FY 2019</u>	<u>\$370,000.00</u>
<u>Total Appropriation – Section 5</u>	<u>\$820,000.00</u>

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 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

Appropriation – FY 2018 \$1,475,000.00

Appropriation – FY 2019 \$1,400,000.00

Total Appropriation – Section 6 \$2,875,000.00

 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>
<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:

<u>(1) Drinking Water Supply, Drinking Water State Revolving Fund:</u>	<u>\$2,300,000.00</u>
<u>(2) Dam safety and hydrology projects:</u>	<u>\$200,000.00</u>
<u>(3) State's share of the Federal Superfund and State Lead Hazardous Waste Program (Elizabeth Mine, Ely Mine, and Williston (Commerce Street))</u>	<u>\$1,719,000.00</u>

(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

<u>Appropriation – FY 2019</u>	<u>\$8,210,000.00</u>
<u>Total Appropriation – Section 10</u>	<u>\$19,129,000.00</u>

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.

Appropriation – FY 2018

\$1,927,000.00

Appropriation – FY 2019

\$5,573,000.00

Total Appropriation – Section 13

\$7,500,000.00

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

<u>(8) of the amount appropriated in 2013 Acts and Resolves No. 51, Sec. 6 (Battle of Cedar Creek, roadside markers):</u>	<u>\$28,253.60</u>
<u>(9) of the amount appropriated in 2013 Acts and Resolves No. 51, Sec. 5 (Judiciary, Lamoille County Courthouse):</u>	<u>\$1,064.79</u>
<u>(10) of the amount appropriated in 2013 Acts and Resolves No. 15, Sec. 17 (Veterans' Home, mold remediation):</u>	<u>\$858,000.00</u>
<u>(11) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 1 (project management system):</u>	<u>\$250,000.00</u>
<u>(12) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 1 (statewide, major maintenance):</u>	<u>\$1,271,619.46</u>
<u>(13) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 1 (Vergennes, Weeks School Master Plan):</u>	<u>\$5.00</u>
<u>(14) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 2 (Corrections, NSCF kitchen/serving line reconstruction):</u>	<u>\$60,000.00</u>
<u>(15) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 3 (Caledonia County Courthouse, wall stabilization):</u>	<u>\$12,867.40</u>
<u>(16) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 8 (Public Safety, Robert H. Wood):</u>	<u>\$1,937.00</u>
<u>(17) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2 (statewide, engineering and architectural costs):</u>	<u>\$6,912.30</u>
<u>(18) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2 (Burlington, 32 Cherry Street, HVAC controls upgrade):</u>	<u>\$550.38</u>
<u>(19) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2 (Caledonia County Courthouse, foundation):</u>	<u>\$384,000.00</u>
<u>(20) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2 (statewide, major maintenance):</u>	<u>\$7,187,408.54</u>
<u>(21) of the amount appropriated in 2016 Acts and Resolves No. 160, Sec. 1 (statewide, major maintenance):</u>	<u>\$3,740,972.00</u>
<u>(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:</u>	
<u>(1) of the amount appropriated in 2014 Acts and Resolves No. 178, Sec. 3 (school construction):</u>	<u>\$155,398.62</u>

(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. 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 the future use or sale of that facility;

(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; and

(5) a recommendation on options for the Southeast State Correctional Facility, including whether to use, sell, or repurpose the Facility.

(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) collaborate with State information technology staff to better utilize technology skills and resources and create efficiencies across all State agencies and departments; and

(3) 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.

* * * 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.

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

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

First: In Sec. 31, Agency of Human Services; Facilities, in subsection (b), after “Sec. 30”, by inserting the following: , 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), in subdivision (b)(1), by striking out “the future use or sale of that facility”, and inserting in lieu thereof the following: its future use and by striking out subdivision (b)(5) in its entirety.

Second: In Sec. 33, Agency of Digital Services; Organization, in subsection (a), by inserting a new subdivision (2) that reads as follows:

(2) evaluate the use of this organizational model in other states, including the successes and failures in implementing the model, and any lessons learned;

And by renumbering the remaining subdivisions to be numerically correct.

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

Senator Ashe Assumes the Chair

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of proposal of amendment of the Committee on Institutions was amended as recommended by the Committee on Appropriations.

President Resumes the Chair

Thereupon, the proposal of amendment recommended by the Committee on Institutions, as amended, was agreed to and third reading of the bill was ordered on a roll call Yeas 30, Nays 0.

Senator Sears having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pearson, Pollina, Rodgers, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Proposal of Amendment; Third Reading Ordered

H. 518.

Senator Kitchel, for the Committee on Appropriations, to which was referred House bill entitled:

An act relating to making appropriations for the support of government.

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

Sec. 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, further amended 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:

B.100–B.199 and E.100–E.199

General Government

<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, and the F sections contain miscellaneous technical statute corrections.

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	
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	9,315,374
Operating expenses	1,382,078
Grants	<u>26,894</u>
Total	10,724,346
Source of funds	
General fund	4,931,409

Special funds	1,774,350
Tobacco fund	348,000
Federal funds	1,113,091
Interdepartmental transfers	<u>2,557,496</u>
Total	10,724,346
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	3,820,533
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	38,415,672
Operating expenses	9,358,344
Grants	<u>76,030</u>
Total	47,850,046
Source of funds	
General fund	42,300,859
Special funds	2,667,460
Federal funds	556,455

Interdepartmental transfers	<u>2,325,272</u>
Total	47,850,046
Sec. B.205 State's attorneys	
Personal services	12,520,142
Operating expenses	<u>2,158,949</u>
Total	14,679,091
Source of funds	
General fund	11,813,829
Special funds	123,480
Federal funds	31,000
Interdepartmental transfers	<u>2,710,782</u>
Total	14,679,091
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>307,972</u>
Total	2,251,480
Source of funds	
General fund	1,133,695
Special funds	630,066
Federal funds	<u>487,719</u>
Total	2,251,480

 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	1,590,008
Operating expenses	1,016,357
Grants	<u>1,170,875</u>
Total	3,777,240
Source of funds	
General fund	1,878,127
Special funds	625,830
Federal funds	1,233,783
Interdepartmental transfers	<u>39,500</u>
Total	3,777,240

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>522,578</u>
Total	1,513,202
Source of funds	
Enterprise funds	<u>1,513,202</u>
Total	1,513,202

Sec. B.240 Total protection to persons and property

Source of funds	
General fund	147,805,612
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>8,669,271</u>
Total	329,055,739

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>1,582,593,210</u>
Total	1,583,439,267
Source of funds	
General fund	263,072,810
Special funds	31,496,422
Tobacco fund	21,269,352

State health care resources fund	293,176,780
Federal funds	956,383,903
Interdepartmental transfers	<u>18,040,000</u>
Total	1,583,439,267
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>752,555,668</u>
Total	752,555,668
Source of funds	
Global Commitment fund	<u>752,555,668</u>
Total	752,555,668

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>199,368,140</u>
Total	232,872,783
Source of funds	
General fund	4,864,021
Special funds	434,904
Federal funds	6,691,092
Global Commitment fund	220,862,766
Interdepartmental transfers	<u>20,000</u>
Total	232,872,783
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>77,455,662</u>
Total	84,663,108
Source of funds	
General fund	35,216,782
Special funds	1,820,000
Federal funds	36,142,431
Global Commitment fund	<u>11,483,895</u>
Total	84,663,108
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>6,977,360</u>
Total	6,977,360
Source of funds	

General fund	5,580,025
Federal funds	1,111,320
Global Commitment fund	<u>286,015</u>
Total	6,977,360
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>209,279,068</u>
Total	209,279,068
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857

Global Commitment fund	<u>208,748,623</u>
Total	209,279,068
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	3,001,014
Operating expenses	<u>510,128</u>
Total	3,511,142
Source of funds	
Education fund	3,362,358
Interdepartmental transfers	<u>148,784</u>
Total	3,511,142
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	688,536,130
Special funds	107,242,759
Tobacco fund	23,308,187
State health care resources fund	293,176,780
Education fund	3,362,358
Federal funds	1,409,788,458
Global Commitment fund	1,542,649,771
Internal service funds	1,941,561
Interdepartmental transfers	45,068,129
Permanent trust funds	<u>25,000</u>
Total	4,115,099,133
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	8,778,194
Operating expenses	2,475,753
Grants	<u>17,087,879</u>
Total	28,341,826
Source of funds	
General fund	3,475,789
Special funds	18,330,173
Education fund	1,015,606
Federal funds	2,714,811
Global Commitment fund	260,000
Interdepartmental transfers	<u>2,545,447</u>
Total	28,341,826
Sec. B.501 Education - education services	
Personal services	18,581,101
Operating expenses	1,604,659
Grants	<u>125,519,492</u>
Total	145,705,252
Source of funds	
General fund	5,605,968
Special funds	3,808,374
Tobacco fund	750,388
Federal funds	133,477,859
Interdepartmental transfers	<u>2,062,663</u>
Total	145,705,252

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	<u>7,687,431</u>
Source of funds	
Pension trust funds	<u>7,687,431</u>
Total	<u>7,687,431</u>
Sec. B.515 Retired teachers' health care and medical benefits	
Grants	<u>27,560,966</u>
Total	<u>27,560,966</u>
Source of funds	
General fund	<u>27,560,966</u>
Total	<u>27,560,966</u>
Sec. B.516 Total general education	
Source of funds	
General fund	428,039,287
Special funds	22,138,547
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	2,215,331,326
Sec. B.600 University of Vermont	
Grants	<u>42,509,093</u>
Total	<u>42,509,093</u>
Source of funds	
General fund	38,462,876
Global Commitment fund	<u>4,046,217</u>
Total	<u>42,509,093</u>
Sec. B.601 Vermont Public Television	
Grants	<u>1</u>
Total	<u>1</u>
Source of funds	

General fund	<u>1</u>
Total	1
Sec. B.602 Vermont state colleges	
Grants	<u>28,300,464</u>
Total	28,300,464
Source of funds	
General fund	<u>28,300,464</u>
Total	28,300,464
Sec. B.602.1 Vermont state colleges - Supplemental Aid	
Grants	<u>700,000</u>
Total	700,000
Source of funds	
General fund	<u>700,000</u>
Total	700,000
Sec. B.603 Vermont state colleges - allied health	
Grants	<u>1,157,775</u>
Total	1,157,775
Source of funds	
General fund	748,314
Global Commitment fund	<u>409,461</u>
Total	1,157,775
Sec. B.605 Vermont student assistance corporation	
Grants	<u>19,414,588</u>
Total	19,414,588
Source of funds	
General fund	<u>19,414,588</u>
Total	19,414,588
Sec. B.606 New England higher education compact	
Grants	<u>84,000</u>
Total	84,000
Source of funds	
General fund	<u>84,000</u>
Total	84,000
Sec. B.607 University of Vermont - Morgan Horse Farm	
Grants	<u>1</u>
Total	1
Source of funds	

General fund	<u>1</u>
Total	1
Sec. B.608 Total higher education	
Source of funds	
General fund	87,710,244
Global Commitment fund	<u>4,455,678</u>
Total	92,165,922
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
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
Special funds	4,059,800

Interdepartmental transfers	<u>153,226</u>
Total	7,920,071
Sec. B.801 Economic development	
Personal services	2,054,952
Operating expenses	930,788
Grants	<u>3,729,403</u>
Total	6,715,143
Source of funds	
General fund	4,602,224
Special funds	555,350
Federal funds	<u>1,557,569</u>
Total	6,715,143
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	1,162,803
Operating expenses	1,792,070
Grants	<u>150,380</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>149,687</u>
Total	149,687
Source of funds	
General fund	<u>149,687</u>
Total	149,687
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
Federal funds	<u>18,688,585</u>
Total	30,839,032
Sec. B.812 Vermont humanities council	
Grants	<u>225,959</u>
Total	225,959
Source of funds	
General fund	<u>225,959</u>
Total	225,959
Sec. B.813 Total commerce and community development	
Source of funds	
General fund	16,059,525
Special funds	21,690,245
Federal funds	28,041,213
Interdepartmental transfers	284,349
Enterprise funds	<u>763,023</u>
Total	66,838,355
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
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>80,833,039</u>
Total	80,833,039

Source of funds

General fund	75,489,703
Transportation fund	1,709,452
ARRA funds	1,130,146
TIB debt service fund	<u>2,503,738</u>
Total	80,833,039

 Sec. B.1001 Total debt service

Source of funds	
General fund	75,489,703
Transportation fund	1,709,452
ARRA funds	1,130,146
TIB debt service fund	<u>2,503,738</u>
Total	80,833,039

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) Agency of Commerce and Community Development: The sum of \$500,000 is appropriated to the Secretary of Commerce and Community Development for economic development initiatives.

(1) The funds appropriated in this subsection shall be used as follows:

(A) The sum of \$150,000.00 to the Vermont Small Business Development Center for the purpose of increasing the number of business advisors in the State, with priority for underserved regions.

(B) The sum of \$100,000.00 shall be transferred to the Office of Economic Opportunity 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.

(C) The sum of \$250,000 to expand Vermont's coordinated marketing efforts to implement the Department of Economic Development's economic development marketing plan.

(b) Department for Children and Families: The sum of \$600,000 is appropriated to the Department for Children and Families to be used to facilitate the development of two seasonal warming shelters, one in Rutland and one in Barre to be in place for the 2017-2018 heating season. 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.

(c) Vermont State Colleges: The sum of \$880,000 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.

(d) Agency of Agriculture, Food and Markets: The sum of \$25,000 is appropriated to the Agency of Agriculture, Food and Markets to support the Farms 2+2 Program.

(e) Agency of Agriculture, Food and Markets: The sum of \$75,000 is appropriated to the Agency of Agriculture, Food and Markets for a grant to Rural Development.

(f) Department of Buildings and General Services: The sum of \$27,000 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.

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 as specified in the pilot project in Sec. E.108 of this act;

(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;

(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.

(C) telecommunication services, postage equipment, and other equipment rentals.

(b) The Department of Corrections shall be held harmless from the savings target above due to Corrections specific existing savings targets contained elsewhere in this act.

(c) Savings proposals identified by the Administration to meet the target in subsection (a) of this section shall be multi-year in nature to the greatest extent possible. The Administration shall provide the fully annualized savings for any proposals 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 proposed budgetary changes by agency and department and funding source,

(2) the short- and long-term implications to individuals, organizations, or State systems of each proposed 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 recommendations include 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 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 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 Health Access to comport with this requirement.

(f) In fiscal year 2017, the sum of \$1,800,000 in general funds is appropriated to the Department of Public Safety to provide upfront funding to purchase police cameras as part of the Vermont State Police Camera Project. The full project will include equipment, maintenance, and warranty costs.

(g) In fiscal year 2017, the sum of \$300,000 in general funds is appropriated to the Department of Buildings and General Services to provide funds for activities to repurpose the Southeast State Correctional Facility located in Windsor, Vermont as presented in Sec. E. 35.1 of this act.

(h) In fiscal year 2017, the sum of \$250,000 in general funds to the Secretary 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.

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	(est.) 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

* * *

C.101.1 VOLKSWAGEN SETTLEMENT

(a) The multi-state settlement from Volkswagen of \$4,200,000 received by the State of Vermont in fiscal year 2017, or in a subsequent year, shall be transferred to the Environmental Fund (account 21275).

Sec. C.102 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 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(e) of this act, an amount up to \$3,738,117 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. C.103 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 to be 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.103.1 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>1,592,456,433</u>
Total	<u>1,601,724,045</u>	<u>1,597,985,928</u>
Source of funds		
General fund	<u>284,257,664</u>	280,519,547
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>	<u>1,597,985,928</u>

Sec. C.104 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.104.1 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	4,086,886,096	4,090,624,213

Sec. C.105 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.106 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.107 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>	<u>78,659,576</u>
Source of funds		
General fund	<u>78,959,576</u>	<u>78,659,576</u>
Total	<u>78,959,576</u>	<u>78,659,576</u>

Sec. C.108 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.109 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.110 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.111 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.112 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.113 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.114 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 115 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.

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.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>32,165,542.00</u>
<u>50300</u>	<u>Liquor Control Fund</u>	<u>955,000.00</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.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 [DELETED]**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 Health IT-Funds 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 Rainy Day Reserve. 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 PILOT PROGRAM FOR HIGH-QUALITY, LOWER-COST HEALTH CARE SERVICES; STATE EMPLOYEES' HEALTH BENEFIT PLAN

(a) The Department of Human Resources, in consultation with the Vermont State Employees' Association, shall establish a pilot program in calendar year 2018 to encourage State employees and their dependents who are enrolled in the State employees' health benefit plan to use high-quality, lower-cost health care providers. The pilot program shall:

(1) identify 10 nonemergency health care services for which members of the State employees' health benefit plan have high utilization rates and for which there are significant variations in prices among high-quality providers in Vermont and neighboring states;

(2) provide financial incentives to encourage State employees and their dependents to voluntarily select health care providers for the identified health care services that are located within a reasonable driving distance of the employee's or dependent's home or office and that offer high-quality services at a lower cost than other providers in the same geographic region; and

(3) use tools available through the administrator of the State employees' health benefit plan to assist employees and their dependents in selecting high-quality providers located within a reasonable driving distance that offer the relevant services at lower costs.

(b) On or before January 15, 2019, the Commissioner of Human Resources shall report the results of the pilot program and recommendations for further study or implementation to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

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 not later than 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 [DELETED]

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 \$7,211,000 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 JUDICIAL BRANCH POSITION AUTHORIZATIONS

(a) In the Judiciary, there is established the following new permanent classified positions:

(1) Two (2) Docket Clerk B.

(b) In the Judiciary there is established the following new permanent exempt position:

(1) One (1) Judicial Master pursuant to 4 V.S.A. § 38.

Sec. E.207 SHERIFFS' HOURLY PAYMENT PILOT

(a) Notwithstanding 32 V.S.A. § 1591(2)(A), during fiscal years 2018 and 2019 the Executive Director of the Department of State's Attorneys and Sheriffs may negotiate reimbursement rates for necessary assistance in arresting or transporting prisoners, juveniles, or persons with mental illness above \$18 per hour, but not to exceed \$22 per hour, provided that the fiscal year 2018 and 2019 budget amount for these expenses shall not exceed

\$441,688 each year. This shall include the full actual costs of per diem deputies, including the hourly rate, Social Security expense, FICA, worker compensation, retirement, related unemployment costs, and other indirect expenses.

(b) On or before January 12, 2019, the Executive Director of the Department of State's Attorneys and Sheriffs shall submit a report to the House and Senate Committees on Judiciary and on Appropriations as to the actual monies spent, the impact on prison transport and the Departmental budget, and specific recommendations for proposed statutory changes and budgeted 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.

* * * 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) are repealed on July 1, 2017.

(b) 2016 Acts and Resolves No. 172, Sec. E.300.3.1 (delaying effective date for 2014 Acts and Resolves No. 158, Secs. 1-12 until July 1, 2018) is repealed on July 1, 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 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.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 \$27,258,791 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) \$2,387,391 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

(3) \$1,500,000 certified State match available from local designated mental health and developmental services agencies for costs consistent with S.133 of 2017, An Act Relating to Examining Mental Health Care and Care Coordination.

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 carryforward 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 appropriate 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 Care Access shall report to the Joint Fiscal Committee in September and November 2017 on any adjustments and transfers made under this authority.

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. Any unexpended and unobligated State General Fund or Special Fund appropriation remaining at the close of a fiscal year shall be carried forward to the next fiscal year.

(C) As part of its fiscal year 2018 budget adjustment presentation, the Department shall make recommendations regarding the allocation of any savings between home- and community-based provider rates, base funding to expand capacity to accommodate additional enrollees in home- and community-based services, and equitable funding of adult day providers, including whether some amount, up to 20 percent of the total savings, should be used to increase provider rates.

(D) Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

(E) The Department of Disabilities, Aging, and Independent Living shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

(c) The Department, in collaboration with Choices for Care participants, participants' families, and long-term care providers, shall conduct an assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1, 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 [DELETED]

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 are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 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 are

distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 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 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, Infant 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 FISCAL YEAR 2018 INCREASED FUNDING
SPECIFICATION

(a) The addition of \$9,800,000 is made consistent with S.133 of 2017 and shall be allocated to the Designated and Specialized Service Agencies

(DA/SSA) to help stabilize the care delivery system and workforce employed by the DA/SSA. Funding shall be directed to the DA/SSA workforce, including those DAs that are preferred providers.

(b) The intent of the additional funding is to:

(1) improve access to services and utilization of programs when fully resourced;

(2) reduce reliance on emergency department use for nonemergent care;

(3) appropriately divert lower levels of care to community-based service programs that can effectively meet individual needs if fully resourced; and

(4) support improved outcomes for individuals and populations served.

(c) There is recognition that distinct populations served may present with co-occurring diagnoses and complex service needs that cross programs or departments within the Agency of Human Services. It is the expectation that the Departments of Mental Health (DMH); Disabilities, Aging, and Independent Living (DAIL); and Health - Division of Alcohol and Drug Abuse Programs (VDH/ADAP) will work, within a co-occurring treatment framework, to collaboratively coordinate the delivery of mental health, developmental, or substance abuse treatment services where and when appropriate.

Sec. E.314.2 DESIGNATED AND SPECIALIZED SERVICES AGENCY MASTER GRANTS FOR MENTAL HEALTH SERVICES

(a) The Department of Mental Health shall use a portion of the additional funds appropriated by this act to develop new funding agreements with the designated and specialized service agencies or to modify existing funding agreements with those agencies to establish the parties' expectations with respect to the delivery of high-quality mental health services to Vermont residents and to identify measurable outcomes that the agencies shall be expected to achieve. Master grant agreements with the designated and specialized service agencies and all additional funding directed toward mental health treatment shall address the following:

(1) improving individual and population outcomes based on the Centers of Excellence framework developed by the designated and specialized service agencies, pending approval of the framework by the Agency of Human Services;

(2) training in and delivery of high-quality evidence-based, evidence-informed, and best practice clinical services and practices known to enhance professional development and that are intended to reduce overreliance on service delivery systems and on a paraprofessional workforce;

(3) increasing the focus on rehabilitation, recovery, and resilience-building for individuals and families, including wellness activities proven to improve health outcomes;

(4) developing and promoting training and competency expectations for the paraprofessional workforce and clinical staff who provide direct care services, as well as establishing clinical supervision thresholds for supervisory staff that support those expectations;

(5) expanding the integration of funding and service delivery for children's mental health and developmental disabilities among the designated and specialized service agencies and between the Departments of Mental Health and of Disabilities, Aging, and Independent Living;

(6) reducing direct care staff turnover in order to enhance programmatic stability for individuals receiving services;

(7) tracking turnover rates for direct care, clinical, and administrative staff using benchmark data to the extent available and establishing reliable trend analyses to inform future workforce development; and

(8) establishing benchmarks measuring progress toward integrating the designated and specialized service agencies and their services into health care reform efforts.

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 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 the November 2017 scheduled meeting of the Joint Justice 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.

(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 \$3,000,000 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, 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 weigh 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 cold weather exception policy issued by the Department for Children and Families' Economic Services Division dated October 25, 2012, and any succeeding amendments to it, shall remain in effect.

Sec. E.321.2 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 will 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 [DELETED]

Sec. E.335.1 REPURPOSING OF SOUTHEAST STATE CORRECTIONAL FACILITY

(a) Plan. Funding for the Department of Corrections reflects the cessation of operation of the Southeast State Correctional Facility, and it is the intent of the General Assembly that, on or before January 2, 2018, the facility be repurposed to provide secure transitional housing for inmates preparing to reenter the community, and be at full capacity on or before July 1, 2018.

(b) Population. It is the intent of the General Assembly that the repurposed 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 the repurposed facility provide 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.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.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.

* * * 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 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) Payments amounts made in section B.504 for the adult diploma program are made notwithstanding 16 V.S.A. § 40119(f).

Sec. E.505 EXCESS SPENDING PENALTY WAIVER

(a) Notwithstanding any other provision of law, for fiscal year 2018 only, a qualifying school district shall not incur an excess spending penalty under 32 V.S.A. § 5401(12) and 16 V.S.A. § 4001(6).

(b) As used in this section, a “qualifying school district” means a school district that:

(1) has entered into a contract or contracts with another school district to jointly operate kindergarten through grade 12; and

(2) on or before July 1, 2017, received approval by its electorate to consolidate with another school district under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended.

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; and

~~(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 \$750,000.00 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) Of the appropriation in Sec. B.602 of this act, up to \$200,000 shall be used in partnership with the Vermont Student Assistance Corporation for the purpose of counseling and advising Vermont students in order to support retention and the graduation of students in the Vermont State College System.

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 the appropriated amount remaining after accounting for subsections (a) and (d) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(c) Funds available to the Vermont Student Assistance Corporation pursuant to Sec. E.215(a) of this act shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from this allocation shall carry forward for this purpose.

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 June 30, 2017 that seeks bids from interested media parties by September 30, 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 determination of the proposals 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 no acceptable bids are identified, the Secretary of Administration is authorized to specify a date certain for the orderly suspension of publishing operations, notwithstanding 3 V.S.A. § 2473a or any other provision of law to the contrary.

(e) Any remaining outstanding financial obligation after the actions taken in this section shall be presented to the General Assembly as part of the report required under 2016 Acts and Resolves No. 172, Sec. E.100.9.

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.

***** EFFECTIVE DATES *****

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (fiscal year 2017 carry forward appropriations), C.101 (fiscal year 2017 fund transfers), C.101.1 (Volkswagen settlement), C.102 (expenditure of Human Services Caseload Management Reserve), C.103 (fiscal year 2017 27/53 Reserve, transfer), C.103.1 (fiscal year 2017 Secretary' office, Global Commitment adjustment), C.104 (fiscal year 2017 Green Mountain Care Board adjustment), C.104.1 (fiscal year 2017 Human Services function total adjustment), C.105–C.106 (fiscal year 2017 Debt service adjustments), C.107–C.110 (fiscal year 2017 teachers' retirement system and health care and medical benefits adjustments) C.111 (Emergency Board composition) C.112 (budget report), C.113 (fiscal year 2017 carry forward authority), C.114 (fiscal year 2017 cost savings), C. 115 (General Fund year end close out), E.100(b)(1) (Labor Relations Manager position), E.100(c)(1) (Security Guard positions), E.100.1(d)(7) (position pilot program, extension), E.100.2, and E.300.1–E.300.8 (transfer Director of Health Care Reform and duties to the Agency of Human Services), E.327 (Woodside Global Commitment funding), and F.1-F.7 (miscellaneous technical statute corrections) shall take effect on passage.

(b) All remaining sections shall take effect on July 1, 2017.

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.

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

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposal of amendment was agreed to, and third reading of the bill was ordered on a roll call Yeas 30, Nays 0.

Senator Sears having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pearson, Pollina, Rodgers, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Bill Passed in Concurrence

H. 50.

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

An act relating to the telecommunications siting law.

Bill Passed in Concurrence with Proposal of Amendment

H. 219.

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

An act relating to the Vermont spaying and neutering program.

Proposals of Amendment; Third Reading Ordered

H. 516.

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

An act relating to miscellaneous tax changes.

Reported recommending that the Senate propose 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, 18a, 18b, 18c and 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 ~~19.30~~ 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:

(1)(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: By adding a new section to be numbered 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: By adding a new section to be numbered 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: By striking out Secs. 27 (repeals) and Sec. 28 (effective dates) in their entirety and inserting reader assistance headings and ten new sections to be numbered Secs. 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36 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.

* * * 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, ~~2011~~ 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.

* * * Tax Credit for Affordable Housing; Captive Insurance Companies * * *

Sec. 31. 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.

* * *

* * * Downtown Tax Credits * * *

Sec. 32. 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 Increment Financing * * *

Sec. 33. 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. 34. 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 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) 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.

* * *

* * * Repeals * * *

Sec. 35. 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. 36. 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), 30 (premium tax credit), 31 (affordable housing tax credit), and 32 (downtown tax credits) shall take effect on July 1, 2017.

(11) Secs. 33 and 34 (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.

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

Thereupon, the bill was read the second time by title only pursuant to Rule 43.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance?, Senator Cummings moved to amend the proposal of amendment of the Committee on Finance, as follows:

By inserting a new section to be numbered Sec. 29a to read as follows:

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.

Which was agreed to.

Thereupon, pending the question?, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance, as amended?, Senators Sirotkin, Campion, Cummings, Degree, Lyons, MacDonald, Mullin and Pollina moved to amend the proposal of amendment of the Committee on Finance, by striking out in their entirety Secs. 31–36 and inserting in lieu thereof the reader assistance and Secs. 31–53 to read:

* * * 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 ~~eonforms~~ 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 ~~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 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;₂

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000;₂

(ee) 25 or more, in a municipality with a population of less than 3,000; ~~and~~₂

(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 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.

Which was agreed to.

Thereupon, the proposals of amendment recommended by the Committee on Finance, as amended, were agreed to and third reading of the bill was ordered, on a roll call, Yeas 30, Nays 0.

Senator Campion having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pearson, Pollina, Rodgers, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Consideration Resumed; Bill Amended; Consideration Postponed

H. 515.

Consideration was resumed on Senate bill entitled:

An act relating to Executive Branch and Judiciary fees.

Thereupon, pending the question, Shall the bill be read the third time? Senator Lyons moved to amend the proposal of amendment of the Committee on Finance, as amended as follows:

In the *Second* proposal of amendment, in Sec. 5., 18 V.S.A., by amending §4309 to read as follows:

§ 4309. PENALTY

A person who violates a provision of this ~~subchapter~~ chapter or 6 V.S.A. § 3312(d), for which no other penalty is provided, shall be fined not more than \$300.00 for the first offense and, for each subsequent offense, not more than \$500.00.

Which was agreed to.

Thereupon, pending the question, Shall the proposal of amendment of the Committee Finance, as amended be adopted?, on motion of Senator Cummings, consideration of the bill was postponed until the next legislative day.

Committees of Conference Appointed

S. 50.

An act relating to insurance coverage for telemedicine services delivered in or outside a health care facility.

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

Senator Ayer
Senator Lyons
Senator Ingram

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

Committee of Conference Appointed

S. 75.

An act relating to aquatic nuisance species control.

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

Senator Rodgers
Senator Campion
Senator Bray

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

Message from the House No. 54

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

Mr. President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

H. 524. An act relating to approval of amendments to the charter of the Town of Hartford.

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.

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

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

S. 10. An act relating to liability for the contamination of potable water supplies.

S. 52. An act relating to the Public Service Board and its proceedings.

S. 130. An act relating to miscellaneous changes to education laws.

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

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

H. 145. An act relating to establishing the Mental Health Crisis Response Commission.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

S. 23. An act relating to juvenile jurisdiction.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

H. 74. An act relating to nonconsensual sexual conduct.

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

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

Rep. Grad of Moretown
Rep. Morris of Bennington
Rep. Dickinson of St. Albans Town.

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

H. 508. An act relating to building resilience for individuals experiencing adverse childhood experiences.

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

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

Rep. Pugh of South Burlington
Rep. Mrowicki of Putney
Rep. Rosenquist of Georgia.

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

J.R.S. 32. Joint resolution relating to weekend adjournment.

And has adopted the same in concurrence.

The Governor has informed the House that on the March 2, 2017, he approved and signed a bill originating in the House of the following title:

H. 125. An act relating to fiscal year 2017 budget adjustments.

Adjournment

On motion of Senator Ashe, the Senate adjourned until ten o'clock in the morning.