

Journal of the Senate

THURSDAY, MAY 7, 2009

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

Devotional Exercises

Devotional exercises were conducted by the Reverend Wendy Manley of Montpelier.

Message from the House No. 79

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

Mr. President:

I am directed to inform the Senate that:

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

H. 431. An act relating to miscellaneous adjustments to the public retirement systems.

H. 435. An act relating to palliative care.

And has severally concurred therein.

The House has adopted joint resolution of the following title:

J.R.H. 29. Joint resolution urging Congress to enact a new Homeowner and Bank Protection Act.

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

Joint Resolution Placed on Calendar

J.R.H. 29.

Joint resolution originating in the House of the following title was read the first time and is as follows:

Joint resolution urging Congress to enact a new Homeowner and Bank Protection Act.

Whereas, in 2008, the House of Representatives passed J.R.H. 49, expressing its concern over the likelihood of a coming financial crisis's impact on the state's economy and the livelihood of Vermonters, and

Whereas, J.R.H. 49 urged Congress “to enact emergency homeowners and bank protection legislation that protects families and state and federally chartered financial institutions from negative consequences of foreclosure actions,” and

Whereas, Vermonters continue to experience the negative effects of the global financial meltdown, and

Whereas, Vermont banks’ ability to extend credit for loans for basic necessities such as homes and vehicles, as well as support for struggling businesses of all sizes, has been hurt by financial conditions beyond Vermont’s borders despite the relative health of Vermont’s financial sector, and

Whereas, many Vermonters are concerned about the rising national debt and the consequences for future generations, and

Whereas, Congress has attempted to mitigate the crisis through bailouts, loans, the Troubled Assets Relief Program, and other legislative remedies with mixed results at best, and

Whereas, other solutions to the current financial crisis have been offered, such as the previously proposed Homeowners Bankruptcy Protection Act of 2007, and

Whereas, creative, timely, and vigilant bold action is necessary to stabilize financial markets and secure the financial well-being of Vermonters, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly urges Congress to examine all options to relieve the toxic mortgage crisis and stabilize the housing and credit markets and to act decisively to secure the promise of the American dream and specifically urges that Congress:

1. Declare an economic emergency equivalent to the one associated with emergency banking legislation in 1933 during the Great Depression.
2. Mandate federal bankruptcy reorganization of national and state-chartered banks that includes the writing down of debt securities.
3. Freeze all mortgages and delay any foreclosure actions, either in progress or pending, until the economy is revived.
4. Mandate the establishment of fair-market payments that are equivalent to rent to be paid to banks in lieu of mortgage payments in order that banks can be recapitalized and that these payments be subject to regulation by the states, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Vermont Congressional Delegation.

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

Senate Resolution Placed on Calendar

S.R. 14.

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

By Senators Cummings, Ayer, Carris, Hartwell, MacDonald, Maynard and McCormack,

S.R. 14. Senate resolution urging Congress to oppose federal regulation and/or federal chartering of insurance companies.

Whereas, since Congress enacted the McCarran-Ferguson Act in 1945, the exclusive jurisdiction for regulating the insurance industry has been reserved for the individual states, and

Whereas, the McCarran-Ferguson Act was enacted because Congress recognized that the states were ideally suited to oversee this sector of the financial industry, and

Whereas, for over 60 years, state legislatures and administrative officials have monitored and regulated the insurance industry with a sensitivity based on their knowledge of local and unique economic conditions, and

Whereas, diverse economic factors affecting the insurance industry in different states continue to reinforce the wisdom of Congress's decision to authorize state regulation, and

Whereas, notwithstanding the logic to retain this long-standing regulatory scheme, recent initiatives have been proposed in both Congress and the United States Department of the Treasury to introduce partial federal regulation of the insurance industry that the public at large has not been requesting, and

Whereas, during the last Congress, the Insurance Information Act, which would have established an Office of Insurance Information within the United States Department of the Treasury, was introduced, and

Whereas, this federal measure pre-empted state insurance laws that are inconsistent, marking a terrible reversal in a long-standing federal policy that the states represent the level of government best informed to regulate the insurance industry, and

Whereas, this legislation could have resulted in federal chartering of insurance companies and enabled insurance companies to evade state consumer protection laws, and

Whereas, a federal insurance office will not be in the same position as a state regulator to respond effectively to insurance industry problems that arise in individual states, and

Whereas, citing the collapse of the American International Group as the rationale for introducing federal insurance regulation is disingenuous, as the state-regulated insurance operations remain in good order, while federally regulated risky credit swaps were the cause of the company's severe financial problems, and

Whereas, the Council of State Governments at its fall 2008 meeting in Omaha, Nebraska, adopted a resolution expressing these sentiments, and the National Conference of Insurance Legislators subsequently endorsed that resolution, and

Whereas, the adoption of either federal insurance regulation or chartering or both would not serve the interest of Vermont's consumers, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont urges Congress not to adopt any measure that provides for federal regulation or chartering or both of the insurance industry, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to Deputy Commissioner of Insurance Michael Bertrand, to United States Secretary of the Treasury Timothy Geithner, and to the Vermont Congressional delegation.

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

House Proposals of Amendment Concurred In

S. 67.

House proposals of amendment to Senate bill entitled:

An act relating to motor vehicles.

Were taken up.

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

First: By inserting a new section to be numbered Sec. 14 to read as follows:

Sec. 14. 23 V.S.A. § 618a is added to read:

§ 618a. ANATOMICAL GIFT ACT; DONOR; FORM

The commissioner shall provide a form which, upon the licensee's execution, shall serve as a document of an anatomical gift under chapter 109 of Title 18. An indicator shall be placed on the license of any person who has executed an anatomical gift form in accordance with this section.

Second: By inserting a new section to be numbered Sec. 15 to read as follows:

Sec. 15. 23 V.S.A. § 4111(a) is amended to read:

(a) Contents of license. A commercial ~~driver~~ driver's license shall be marked "commercial driver license" or "CDL," and shall be, to the maximum extent practicable, tamper proof, and shall include, but not be limited to the following information:

* * *

(11) An indicator that a licensee has executed a document that serves as an anatomical gift pursuant to section 618a of this title.

Thereupon, the question, Shall the Senate concur in the House proposals of amendment?, was decided in the affirmative.

Joint Resolution Adopted in Concurrence

J.R.H. 27.

Joint House resolution entitled:

Joint resolution urging Congress to enact H.R. 676, the National Health Insurance Act (or the Expanded and Improved Medicare for All Act).

Having been placed on the Calendar for action, was taken up and adopted in concurrence on a roll call, Yeas 15, Nays 5.

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

Roll Call

Those Senators who voted in the affirmative were: Ashe, Bartlett, Campbell, Flanagan, Giard, Kitchel, Kittell, Lyons, MacDonald, Mazza, McCormack, Nitka, Racine, Sears, White.

Those Senators who voted in the negative were: Brock, Maynard, Miller, Mullin, Scott.

Those Senators absent or not voting were: Ayer, Carris, Choate, Cummings, Doyle, Hartwell, Illuzzi, Shumlin (presiding), Snelling, Starr.

Rules Suspended; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence

H. 75.

Appearing on the Calendar for notice, on motion of Senator Mazza, the rules were suspended and Senate bill entitled:

An act relating to interim budget and appropriation adjustments.

Was taken up for immediate consideration.

Senator Bartlett, for the Committee on Appropriations, to which the bill was referred, reported that the bill ought to pass in concurrence.

President Assumes the Chair

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

Thereupon, on motion of Senator Shumlin, the rules were suspended and the bill was placed on all remaining stages of its passage in concurrence.

Thereupon, the bill was read the third time and passed in concurrence.

Rules Suspended; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence

H. 443.

Appearing on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and Senate bill entitled:

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

Was taken up for immediate consideration.

Senator Flanagan, for the Committee on Government Operations, to which the bill was referred reported recommending that the bill ought to pass in concurrence.

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

Thereupon, on motion of Senator Shumlin, the rules were suspended and the bill was placed on all remaining stages of its passage in.

Thereupon, the bill was read the third time and passed in concurrence.

**Rules Suspended; Third Reading Ordered; Rules Suspended; Bill Passed
in Concurrence**

H. 452.

Appearing on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and Senate bill entitled:

An act relating to the approval of amendments to the charter of the village of Essex Junction.

Was taken up for immediate consideration.

Senator Flanagan, for the Committee on Government Operations, to which the bill was referred reported recommending that the bill ought to pass in concurrence.

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

Thereupon, on motion of Senator Shumlin, the rules were suspended and the bill was placed on all remaining stages of its passage in concurrence.

Thereupon, the bill was read the third time and passed in concurrence.

House Proposals of Amendment Concurred In

S. 51.

House proposals of amendment to Senate bill entitled:

An act relating to Vermont's motor vehicle franchise laws.

Were taken up.

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

First: In Sec. 1, § 4085(6)(A) and (B) by inserting the word new before the words "motor vehicle dealer"

Second: In Sec. 1, 9 V.S.A. § 4085, by adding a new subdivision (17) to read as follows:

(17) “Motor home” means a motor vehicle that is primarily designed to provide temporary living quarters, built into as an integral part of, or permanently attached to, a self-propelled motor vehicle chassis or van. The vehicle must contain at least four of the following facilities: cooking, refrigeration or ice box, self-contained toilet, heating or air conditioning or both, a potable water supply system, including a sink and faucet, separate 110-125 volt electrical power supply or an LP gas supply or both.

Third: In Sec. 1, 9 V.S.A. § 4089(e)(3), by striking out the words “make, line, or brand” where they twicely appear and inserting in lieu thereof the following: line-make and by striking out the words “make or line” and inserting in lieu thereof the following: line-make

Fourth: In Sec. 1, 9 V.S.A. § 4090(a)(4), after the figure “180” by inserting the word days

Fifth: in Sec. 1, 9 V.S.A. § 4091(a)after the following: “section 4089”, by inserting the following: or section 4090(a)(4)

Sixth: In Sec. 1, 9 V.S.A. § 4091(a)(1), after the words “500 miles or less on the odometer” by inserting the following: , or in the case of a motor home if the vehicle’s odometer has no more than 1,000 miles above the original factory to dealership delivery mileage.

Seventh: In Sec. 1, 9 V.S.A. § 4091(c), after the words “pays the” by inserting the word new

Eighth: In Sec. 1, 9 V.S.A. § 4091, by adding a new subdivision (e) to read as follows:

(e) This section shall not apply to a nonrenewal or termination that is implemented as a result of the sale of the assets or stock of the motor vehicle dealer, unless the franchisor and franchisee otherwise agree in writing.

Ninth: In Sec. 1, 9 V.S.A. § 4096(6),in the sentence beginning “For purposes of this act,” after the words “requirement that a” by inserting the word new

Tenth: In Sec. 1, 9 V.S.A. § 4096, by striking out subdivision (8) in its entirety and inserting in lieu thereof the following:

(8) to change the location of the dealership or to make any substantial alterations to the dealership premises or facilities when to do so would be unreasonable;

(9) to change the location of the dealership or to make any substantial alterations to the dealership premises or facilities in the absence of written

assurance from the manufacturer or distributor of a sufficient supply of new motor vehicles to justify the change in location or the alterations

Eleventh: In Sec. 1, 9 V.S.A. § 4097(13), after the words “with respect to a” by inserting the words new motor vehicle and after the words “situated” by inserting the words new motor vehicle

Twelfth: In Sec. 1, 9 V.S.A. § 4097, by striking out subdivision (17) in its entirety and inserting in lieu thereof a new subdivision (17) to read as follows:

(17) to fail or refuse to sell or offer to sell to all motor vehicle franchisees of a line-make, all models manufactured for that line-make, or to require a motor vehicle franchisee to do any of the following as a prerequisite to receiving a model or series of vehicles: requiring the dealer to pay any extra fee; requiring a dealer to execute a separate franchise agreement, purchase unreasonable advertising displays or other materials, or relocate, expand, improve, remodel, renovate, recondition, or alter the dealer’s existing facilities; or requiring the dealer to provide exclusive facilities. However, a manufacturer may require reasonable improvements to the existing facility that are necessary to accommodate special or unique features of a specific model or line. The failure to deliver any such motor vehicle, however, shall not be considered a violation of this section if the failure is due to a lack of manufacturing capacity or to a strike or labor difficulty, a shortage of materials, a freight embargo, or other cause over which the franchisor has no control. This subdivision shall not apply to a manufacturer of a motor home;

Thirteenth: In Sec. 1, 9 V.S.A. § 4097(18), after the words “prevent any” by inserting the word new and after the words “stockholder of any” by inserting the word new

Fourteenth: In Sec. 1, 9 V.S.A. § 4097, by striking out subdivision (21) in its entirety and inserting in lieu thereof a new subdivision (21) to read as follows:

(21)(A) to vary the price charged to any of its franchised new motor vehicle dealers located in this state for new motor vehicles based on:

(i) the dealer’s purchase of new facilities, supplies, tools, equipment, or other merchandise from the manufacturer;

(ii) the dealer’s relocation, remodeling, repair, or renovation of existing dealerships or construction of a new facility;

(iii) the dealer’s participation in training programs sponsored, endorsed, or recommended by the manufacturer;

(iv) whether or not the dealer offers for sale more than one line-make of new motor vehicle in the same dealership facility;

(v) the dealer's sales penetration, sales volume, or level of sales or customer service satisfaction;

(vi) the dealer's purchase of advertising materials, signage, nondiagnostic computer hardware or software, communications devices, or furnishings; or

(vii) the dealer's participation in used motor vehicle inspection or certification programs sponsored or endorsed by the manufacturer.

(B) The price of the vehicle, for purposes of this subdivision (21), shall include the manufacturer's use of rebates, credits, or other consideration that has the effect of causing a variance in the price of new motor vehicles offered to its franchised dealers located in the state;

Fifteenth: In Sec. 1, 9 V.S.A. § 4097(22), by substituting the words new motor vehicle dealer for the words "new vehicle dealer" where they twice appear in the first sentence and in subparagraphs (B), (C) and (F)

Sixteenth: In Sec. 1, 9 V.S.A. § 4100, by inserting the word new before the words "motor vehicle"

Seventeenth: In Sec. 1, 9 V.S.A. § 4100a, by inserting the word new before the words "motor vehicle" where they twice appear

Eighteenth: In Sec. 1, 9 V.S.A. § 4100e, in the first sentence, after the words "acquire the" by inserting the word new and in 9 V.S.A. §4100e(1), after the words "notify the" by inserting the word new and in 9 V.S.A. §4100e(3)(D)(i), after the word "new" by adding the word motor

Nineteenth: In Sec. 2, 19 V.S.A. § 3(2), by inserting the word new before the words "motor vehicle dealer" where they twice appear

Twentieth: By striking out Sec. 1a in its entirety.

Twenty-first: In Sec. 1, by striking out § 4100c in its entirety and inserting in lieu thereof a new § 4100c to read as follows:

§ 4100c. FINANCING; VERMONT TRANSPORTATION BOARD

(a) On July 1, 2009, and every year thereafter, there is imposed an annual fee upon each new motor vehicle dealer of \$60.00 for each dealer license held by that dealer, and there is imposed upon each manufacturer an annual fee of \$600.00 for each line-make of new motor vehicle that the manufacturer sells or distributes within this state.

(b) Upon the filing of a protest under this chapter, the protesting party shall pay to the board a filing fee of \$1,500.00.

(c) The transportation board shall administer the fees imposed under this section, and the fees shall be deposited into the transportation fund.

(d) The amount of the fee imposed by this section is intended to correlate to the amount of funding required by the transportation board to administer its duties under 9 V.S.A. chapter 108.

Twenty-second: In Sec. 3 19 V.S.A. § 5(d) by adding a new subdivision (12) to read as follows:

(12) maintain the accounting functions for the duties imposed by 9 V.S.A. chapter 108 separately from the accounting functions relating to its other duties.

Twenty-third: By adding new three new sections to be numbered Secs. 4, 5 and 6 to read as follows:

Sec. 4. ALLOCATION TO TRANSPORTATION BOARD FOR DUTIES UNDER 9 V.S.A. CHAPTER 108

The sum of \$50,000.00 is appropriated from the transportation fund to the transportation board for the purpose of implementing the provisions of 9 V.S.A. chapter 108.

Sec. 5. REPORT

By January 15, 2011, the transportation board shall report to the house and senate committees on transportation regarding the cost of administering the provisions of 9 V.S.A. chapter 108, and based on that cost shall make recommendations regarding the amount of the fees imposed under 9 V.S.A. § 4100c. After the initial report is presented by January 15, 2011, the transportation board shall ensure that the ongoing cost of administering 9 V.S.A. chapter 108 and associated fee recommendations are presented to the house and senate committees on transportation under the customary periodic motor vehicle fee review.

Sec. 6. TRANSPORTATION BOARD; ANNUAL BUDGET FOR DUTIES UNDER 9 V.S.A. CHAPTER 108

Each year, the transportation board shall request a line item appropriation for its duties under 9 V.S.A. chapter 108 separate and apart from its budget for its other functions. This request shall be based upon its expenditures for those duties in the prior fiscal year.

Thereupon, the question, Shall the Senate concur in the House proposals of amendment?, was decided in the affirmative.

Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence

H. 222.

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

An act relating to senior protection and financial services.

Reported that the bill ought to pass in concurrence.

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

Thereupon, on motion of Senator Shumlin, the rules were suspended and the bill was placed on all remaining stages of its passage in concurrence.

Thereupon, the bill was read the third time and passed in concurrence.

Rules Suspended; Third Reading Ordered; Rules Suspended; Joint House Resolution Adopted in Concurrence

J.R.H. 11.

Appearing on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and joint House resolution entitled:

Joint resolution urging Vermonters and public and private organizations in the state to institute a voluntary 20 percent reduction in energy use.

Was taken up for immediate consideration.

Senator Hartwell, for the Committee on Natural Resources and Energy, to which the joint resolution was referred, reported that the bill ought to pass in concurrence.

Thereupon, the joint resolution was read the second time by title only pursuant to Rule 43, and third reading of the joint resolution was ordered.

Thereupon, on motion of Senator Shumlin, the rules were suspended and the joint resolution was placed on all remaining stages of its adoption in concurrence.

Thereupon, the resolution was read the third time and adopted in concurrence.

Rules Suspended; Bills Messaged

On motion of Senator Shumlin, the rules were suspended, and the following bills and resolution were severally ordered messaged to the House forthwith:

H. 75, H. 222, H. 443, H. 452, J.R.H. 11.

Rules Suspended; Bills Delivered

On motion of Senator Shumlin, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 51, S. 67.

Recess

On motion of Senator Shumlin the Senate recessed until four o'clock in the afternoon.

Called to Order

At four o'clock and ten minutes the Senate was called to order by the President *pro tempore*.

Message from the House No. 80

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

Mr. President:

I am directed to inform the Senate that:

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

H. 434. An act relating to agency of agriculture, food and markets revenues.

In the passage 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. 129. An act relating to containing health care costs by decreasing variability in health care spending and utilization.

And has concurred therein.

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

S. 125. An act relating to expanding the sex offender registry.

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

Rep. Lippert of Hinesburg
Rep. Jewett of Ripton
Rep. Flory of Pittsford.

Message from the House No. 81

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

Mr. President:

I am directed to inform the Senate that:

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

S. 25. An act relating to the repeal or revision of certain state agency reporting requirements.

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 adopted joint resolution of the following title:

J.R.H. 10. Joint resolution recognizing the commitment to quality service of Vermont's locally owned banks.

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. 32. Joint resolution authorizing the commissioner of forests, parks and recreation to enter into land exchanges and to sell a portion of Camel's Hump State Park.

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 the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 7. An act to prohibit the use of lighted tobacco products in the workplace.

And has adopted the same on its part.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 26. An act relating to recovery of profits from crime.

And has adopted the same on its part.

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

S. 47. An act relating to salvage yards.

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. 83. An act relating to underground storage tanks and the petroleum cleanup fund.

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. Fagan of Rutland City
Rep. Spengler of Colchester
Rep. Sharpe of Bristol

Bill Referred

House bill of the following title was read the first time and referred:

H. 434.

An act relating to agency of agriculture, food and markets revenues.

To the Committee on Rules.

Joint Resolution Placed on Calendar

J.R.H. 10.

Joint resolution originating in the House of the following title was read the first time and is as follows:

Joint resolution recognizing the commitment to quality service of Vermont's locally owned banks.

Whereas, the nation's banking system has weathered much criticism and scorn in recent months, and

Whereas, many of the largest financial institutions in the United States have sustained major losses that are being compared to the setbacks that the banking industry suffered during the Great Depression, and

Whereas, a large percentage of the difficulties that the large interstate banks are encountering can be traced to extremely hasty business decisions that were based on quick profits and not on prudent decision-making focused on long-term institutional growth and stability, and

Whereas, the map of America's banks may well be altered before the current crisis is over, and

Whereas, despite the problems facing the banking industry, the locally owned banks in Vermont have continued to be a bright spot in an otherwise gloomy financial picture, and

Whereas, Vermont's locally owned banks reacted cautiously to proposed new credit and lending policies that larger banks were implementing, but instead relied on sound business judgment, and

Whereas, had the nation's major lenders followed the fiscal sensibility of Vermont's locally owned banks, the United States might not have reached the economic level of distress in which it is presently entangled, and

Whereas, each of Vermont's locally owned banks deserves commendation for its prudent business practices despite the enticements through the banking industry to eschew fundamental common sense, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly recognizes the commitment to quality service of Vermont's locally owned banks, including Brattleboro Savings and Loan Association, Community National Bank, First National Bank of Orwell, Merchants Bank, National Bank of Middlebury, Northfield Savings Bank, Passumpsic Savings Bank, People's Trust Company, Randolph National Bank, The Bank of Bennington, Union Bank, and Wells River Savings Bank, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to each of the banks listed in this resolution.

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

President Assumes the Chair

**Rules Suspended; Report of Committee of Conference Accepted and
Adopted on the Part of the Senate**

H. 445.

Pending entry on the Calendar for notice, on motion of Senator Mazza, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to capital construction and state bonding.

Was taken up for immediate consideration.

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

To the Senate and House of Representatives:

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

H. 445. An act relating to capital construction and state bonding.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following

* * * Capital Appropriations * * *

Sec. 1. STATE BUILDINGS

The following sums are appropriated in total 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 the house committee on corrections and institutions are notified before that action is taken. The individual allocations in this section are estimates only.

<u>(1) Statewide, Americans with Disabilities Act (ADA) - for upgrades at the State Office Buildings in Newport:</u>	<u>100,000</u>
<u>(2) Statewide, building reuse and planning:</u>	<u>125,000</u>
<u>(3) Statewide, contingency:</u>	<u>500,000</u>
<u>(4) Statewide, major maintenance:</u>	<u>8,181,508</u>
<u>(5) Statewide, asbestos and lead abatement:</u>	<u>300,000</u>
<u>(6) Statewide, elevator repairs and upgrades:</u>	<u>150,000</u>

<u>(7) Statewide, physical security enhancements:</u>	<u>250,000</u>
<u>(8) BGS engineering and architectural project costs. It is the intent of the general assembly that labor and operating costs, such as engineering and architectural costs, shall not be paid for from bonded funds in the future:</u>	<u>1,950,000</u>
<u>(9) Springfield, state office building retaining wall, phase 3:</u>	<u>150,000</u>
<u>(10) Middlesex, to complete the secretary of state and state archives vault addition:</u>	<u>6,800,000</u>
<u>(11) Bennington, 200 Veterans Drive. Demolish and design the rebuilding of the older section of the state office building, excluding the courthouse space; renovate the newer section of the building to house programs and services previously located in the building; and build four holding cells, a sally port, and two additional courtrooms without jury facilities for a total of four courtrooms:</u>	<u>8,000,000</u>
<u>(12) Newport, correctional facility roof replacement:</u>	<u>300,000</u>
<u>(13) Burlington, 32 Cherry St., HVAC Upgrades, phase 1:</u>	<u>500,000</u>
<u>(14) Burlington, 32 Cherry St., water intrusion repairs, phase 1:</u>	<u>825,000</u>
<u>(15) Sharon, welcome center, sidewalk repairs. Upon tearing up the sidewalk, the commissioner of buildings and general services shall determine if it was constructed according to design specifications and, if appropriate, shall ensure that the contractors fulfill any obligations to reconstruct or repair it:</u>	<u>250,000</u>
<u>(16) Rutland, multimodal garage trench drains</u>	<u>125,000</u>
<u>(17) Statewide, major maintenance at information centers</u>	<u>150,000</u>
<u>(18) Repair and replacement of slate roofs on historic state buildings in the Waterbury complex. The commissioner shall strive to employ as many tradespeople as possible:</u>	<u>250,000</u>
<u>Total Appropriation – Section 1</u>	<u>\$28,906,508</u>

Sec. 2. ADMINISTRATION

The following sums are appropriated to the agency of administration for the projects described in this section:

<u>(1) for the department of taxes for the Vermont Center for Geographic Information for an ongoing project to update statewide quadrangle maps through digital orthophotographic quadrangle mapping. The project shall be carried out pursuant to Sec. H.21 of H.441 of 2009:</u>	<u>100,000</u>
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(2) for the department of information and innovation as a match for federal funds for phase I of installation of a Medicaid and health care data system to replace the access system that was installed in the 1980s: 1,720,000

Total Appropriation – Section 2 \$1,820,000

Sec. 3. HUMAN SERVICES

The following sums are appropriated in total to the department of buildings and general services for the agency of human services for the projects described in this section.

(1) Vermont state hospital, ongoing safety renovations. The commissioner of the department of buildings and general services shall work with the secretary of the agency of human services to utilize the existing space without costly renovations: 200,000

(2) Vermont state hospital, planning, design, and permitting for a 15-bed secure residential recovery facility in Waterbury: 500,000

(3) Vermont state hospital, to consider how to replace acute intensive psychiatric inpatient services provided by the current Vermont state hospital by building capacity to provide those functions at the Rutland Regional Medical Center (RRMC). The funds allocated under this subdivision shall not be used for the financial analysis obtained pursuant to Sec. 32(c) of this act. The funds may be encumbered upon completion of the financial analysis, provided that planning is not discontinued pursuant to Sec. 32(c)(4) of this act. Funds encumbered under this subdivision shall be used to match funds provided by the Rutland Regional Medical Center to continue planning for providing acute intensive inpatient services at the RRMC on a one-to-one basis: 250,000

(4) Health lab, for analysis, feasibility studies, adaptation of past plans, and development of conceptual designs to provide the basis for an agreement with the University of Vermont to co-locate the department of health laboratory with its Colchester research facility. However, no expenditures shall be made under this subdivision until the University of Vermont has signed a letter stating its intent to work with the state to co-locate a health laboratory at the Colchester facility: 350,000

(5) Corrections, continuation of suicide abatement project: 200,000

(6) Corrections, security upgrades: 180,000

Total Appropriation – Section 3 \$1,680,000

Sec. 4. COMMERCE AND COMMUNITY DEVELOPMENT

(a) The following sums are appropriated to the department of buildings and general services for the agency of commerce and community development for the following projects:

(1) Major maintenance at historic sites statewide; provided such maintenance shall be under the supervision of the department of buildings and general services: 250,000

(2) Final state contribution to expand the visitors' center at the Calvin Coolidge state historic site in Plymouth Notch. The expansion is a joint project between the agency of commerce and community development and the Calvin Coolidge Memorial foundation, which has been awarded National Endowment for the Humanities Challenge Grant #CH5016, and the funds may be used as a match for that grant. The commissioner of finance and management may approve a request from the commissioner of buildings and general services for funds in anticipation of receipts of private donations for the Plymouth visitors' center project: 1,500,000

(b) The following sums are appropriated to the agency of commerce and community development for the following projects:

(1) Underwater preserves: 50,000

(2) Placement and replacement of roadside historic site markers: 15,000

Total Appropriation – Section 4 \$1,815,000

Sec. 5. EDUCATION

(a) The following is appropriated in total to the department of education for the purposes described in this section:

(1) To pay the balance owed for the following addition and renovation projects, up to:

(A) Brattleboro Union High and Area Middle schools;

(B) Hanover High School and Frances C. Richmond School in Hanover, N.H.;

(C) Williamstown Middle/High School;

(D) Saxtons River Elementary School in Rockingham;

(E) Central Elementary School in Rockingham; and

(F) Thatcher Brook Primary School in Waterbury: 2,426,916

(2) To pay one-third of the balance owed for the following addition, renovation, and consolidation projects, up to:

(A) Elm Hill School in Springfield;

(B) Union Street School in Springfield;

(C) Weathersfield Elementary and Middle Schools;

(D) Newport Town School; and

(E) Robinson Elementary School in Starksboro: 4,205,996

(3) To pay the balance owed for the following energy performance contracts, up to:

(A) Montpelier elementary, middle, and high schools;

(B) Milton elementary, junior, and senior high schools;

(C) Brattleboro elementary schools; and

(D) Neshobe School in Brandon: 390,480

(4) To pay the balance owed for the following biomass projects, up to:

(A) Camels Hump Middle School in Richmond; and

(B) Williamstown Middle/High School: 71,264

(5) To pay state aid for emergency school construction projects pursuant to subdivision 3448(a)(3)(A) of Title 16 which may arise during FY10, up to:
300,000

(6) To be divided evenly, along with any funds remaining after the projects listed in subdivisions (1)–(5) of this subsection have received funds, among the following for addition and renovation projects:

(A) Green Mountain Technology and Career Center in Hyde Park;

(B) Center for Technology in Essex Town; and

(C) North Country Career Center in Newport: 2,905,344

(b) The following is appropriated to the department of education for emergency shelters in schools paid pursuant to 16 V.S.A. § 3453a: 43,555

Total Appropriation – Section 5 \$10,343,555

Sec. 6. AUSTINE SCHOOL

The sum of \$227,937 is appropriated to the department of buildings and general services for the renovation of Holton Hall at the Austine School.

Total Appropriation – Section 6 \$227,937

Sec. 7. UNIVERSITY OF VERMONT

The sum of \$2,000,000 is appropriated to the University of Vermont for construction, renovation, or maintenance projects.

Total Appropriation – Section 7 \$2,000,000

Sec. 8. VERMONT STATE COLLEGES

The sum of \$2,000,000 is appropriated to the Vermont State Colleges for major facility maintenance.

Total Appropriation – Section 8 \$2,000,000

Sec. 9. NATURAL RESOURCES

(a) The following sums are appropriated in total to the agency of natural resources for water pollution control projects:

(1) For existing projects, the Springfield loan conversion, chapter 120 administrative support, and feasibility study planning advances necessary to operate the ongoing program for grants to municipalities pursuant to chapter 55 of Title 10 (aid to municipalities for water supply, pollution abatement, and sewer separations) and chapter 120 of Title 24 (special environmental revolving fund): 475,000

(2) Municipal pollution control projects:

(A) Proctor for combined sewer overflow abatement: 160,000

(B) Enosburg Falls for combined sewer overflow abatement: 250,000

(C) St. Johnsbury for combined sewer overflow abatement: 240,000

(3) Interest on short-term borrowing associated with delayed grant funding for the Pownal project: 140,000

(4) For the Vermont environmental protection agency pollution control revolving fund: 19,433,000

(b) The following sums are appropriated in total to the agency of natural resources for the drinking water state revolving fund:

(1) for engineering, oversight, and program management: 275,000

(2) for the Vermont environmental protection agency drinking water

revolving fund in fiscal year 2010: 19,500,000

(c) The following sums are appropriated in total to the agency of natural resources for the clean and clear program to accelerate the reduction of phosphorus discharges into Lake Champlain and other waters of the state:

(1) Ecosystem restoration and protection: 1,500,000

(2) Unregulated stormwater management: 200,000

(3) Phosphorus treatment at the Proctor aerated lagoon facility: 510,000

(d) The following sum is appropriated to the agency of natural resources for the state's year-two share of the federal match to conduct a three-year study of flood-control measures in the city of Montpelier. However, the state shall not enter into any commitment to pay for construction of flood control improvements without legislative approval: 142,000

(e) The following is appropriated to the Green Mountain Club, Inc. for the procurement in fee simple or by easement of properties along the Long Trail: 25,000

(f) The following sums are appropriated to the agency of natural resources for department of fish and wildlife projects described in this subsection. If possible, the secretary shall apply for ARRA funds for energy upgrades such as window replacement at the fish hatcheries, and shall report on any receipt of such funds to the senate committee on institutions and the house committee on corrections and institutions:

(1) Backup generators for the Bald Hill or the Bennington Filter Building, or both: 125,000

(2) Buck Lake Camp facilities improvement: 84,000

(3) For the Lake Champlain Walleye Association, Inc. to upgrade and repair the walleye rearing, restoration, and stocking infrastructure: 25,000

(4) Immediate biosecurity at several of the fish hatcheries: 83,000

(5) Fish production improvements at the Grand Isle and Bennington hatcheries: 181,000

(6) Long-term biosecurity at the Grand Isle fish hatchery: 269,000

(g) If more ARRA funds become available for pollution control, drinking water projects, or other natural-resource-related projects during fiscal year 2010, the secretary shall apply for them.

Total Appropriation – Section 9 \$43,617,000

Sec. 10. MILITARY

The following sums are appropriated in total to the department of the military for:

(1) Site acquisition for the combined northern field maintenance shop and Morrisville armory: 100,000

(2) Maintenance and renovations at state armories, including increased locker space at 12 armories, designs for latrines and ADA projects, ADA and sanitary facilities upgrades, and low roof design and construction at the Waterbury Armory 300,000

Total Appropriation – Section 10 \$400,000

Sec. 11. PUBLIC SAFETY

The following sums are appropriated in total to the department of buildings and general services for the department of public safety for:

(1) Complete construction of a new forensics lab in Waterbury: 2,057,821

(2) Design and construction of a new emergency operations center in Waterbury. This amount shall be used to match \$1,000,000 in federal funds for the project: 375,000

(3) Purchase of property, obtaining of permits, and design for the Brattleboro/Rockingham state police office: 650,000

Total Appropriation – Section 11 \$3,082,821

Sec. 12. FIRE SERVICE TRAINING

The following sums are appropriated for fire service training:

(1) To the department of public safety for the Vermont fire service training council for equipment for the VTC fire science degree program:

100,000

(2) To Vermont State Colleges as the state's financial contribution to the construction of a steel burn building at the Vermont Technical College campus in Randolph: 200,000

Total Appropriation – Section 12 \$300,000

Sec. 13. CRIMINAL JUSTICE TRAINING COUNCIL; PHASE I, PROFESSIONAL RANGE DESIGN

(a) The sum of \$800,000 is appropriated to the department of buildings and general services for the Vermont Criminal Justice Training Council to:

(1) design and construct a new firing range; and

(2) purchase and locate a three-lane modular firing unit in Pittsford. The project shall be phased.

(b) Before finalizing design of the range, the commissioner shall consult with an experienced range consultant professional to ensure the project is optimally designed.

Total Appropriation – Section 13 \$800,000

Sec. 14. AGRICULTURE, FOOD AND MARKETS

The following sums are appropriated in total to the agency of agriculture, food and markets for the purposes described in this section:

(1) For the best management practice implementation cost share program, to continue to develop best management practices on Vermont farms. Farmers participating in this program are eligible for cost share funds not to exceed \$75,000 or 80 percent of a project, whichever is less. For projects completed in calendar year 2009, cost share funds may be increased to 90 percent of a project. Projects completed after December 31, 2009 shall revert to cost share funding not to exceed \$75,000 or 80 percent of a project, whichever is less: 1,600,000

(2) For the agricultural buffer program, to install water quality conservation buffers 175,000

(3) For the agricultural fair capital projects competitive grants program. No single entity shall be awarded more than ten percent of this appropriation: 200,000

Total Appropriation – Section 14 \$1,975,000

Sec. 15. VERMONT PUBLIC TELEVISION

The sum of \$500,000 is appropriated to Vermont Public Television as the state match for the federally mandated legally required conversion of Vermont Public Television's facilities to digital format.

Total Appropriation – Section 15 \$500,000

Sec. 16. VERMONT INTERACTIVE TELEVISION

The sum of \$308,000 is appropriated to Vermont Interactive Television for video upgrades, monitor replacement, or any combination thereof, at Vermont Interactive Television sites.

Total Appropriation – Section 16 \$308,000

Sec. 17. VERMONT RURAL FIRE PROTECTION

The sum of \$100,000 is appropriated to the department of public safety, division of fire safety for the Vermont rural fire protection task force to continue the dry hydrant program.

Total Appropriation – Section 17 \$100,000

Sec. 18. VERMONT VETERANS' HOME

The following sums are appropriated to the department of buildings and general services for the Vermont Veterans' Home for the purposes described in this section:

(1) Cost increase for Phase II of geothermal HVAC renovations: 600,000

(2) North wing roof replacement: 200,000

Total Appropriation – Section 18 \$800,000

Sec. 19. VERMONT CENTER FOR CRIME VICTIM SERVICES

The sum of \$50,000 is appropriated to the Vermont Center for Crime Victim Services for Americans with Disabilities Act improvements at domestic violence shelters. The Vermont Center for Crime Victim Services shall file with the commissioner of buildings and general services an annual report, on or before December 1, 2009, which details the status of the improvements funded in whole or in part by state capital appropriations.

Total Appropriation – Section 19 \$50,000

Sec. 20. VERMONT INVESTMENT PROGRAM

(a) It is the intent of the general assembly to invest fiscal year 2010 funds to increase work opportunities and improve infrastructure. Therefore, the purpose of the Vermont investment program established in this section is to:

- (1) Employ Vermont tradespeople and artisans;
- (2) Help young Vermonters acquire marketable skills;
- (3) Improve Vermont state infrastructure; and
- (4) Improve local infrastructure and cultural facilities.

(b) The following sums are appropriated to the agency of natural resources for the department of forests, parks and recreation. To the extent possible, the commissioner of forests, parks and recreation shall involve the Vermont Youth Conservation Corps in the following initiatives. Funds shall be used for:

(1) A parks conservation corps program to stimulate economic activity, create employment opportunities, and improve trails, buildings, and other state park infrastructure through geographically dispersed construction and renovation projects in Vermont state parks. To the extent feasible, these funds shall be used to support small-scale projects being funded by resources made available through the American Recovery and Reinvestment Act of 2009 (ARRA), including a summer youth employment program in partnership with the department of labor. Projects may include construction of rustic cabins:

400,000

(2) Statewide, small-scale rehabilitation: 400,000

(3) Wastewater repairs and preventive improvements: 250,000

(4) Infrastructure improvements: 1,000,000

(5) Energy conservation and alternative energy projects in state parks: 700,000

(6) Rehabilitation of CCC structures in state parks: 1,000,000

(7) Upgrade of restrooms and bathhouses in state parks: 1,000,000

(8) Upgrade of the ranger residence and headquarters at Woodford State Park: 250,000

(9) Upgrade and maintenance of Maidstone Road, and other forest highways with any funds remaining after the upgrade of Maidstone Road: 600,000

(c) The following is appropriated to the Vermont housing and conservation board to support building of transitional housing for various populations such as victims of violence, people recently released from incarceration, and homeless people; for housing for people with particular needs such as housing with services for people with disabilities, those requiring treatment for substance abuse, or the elderly; and for improving downtown areas: 1,000,000

(d) The following is appropriated for the Vermont telecommunications authority to provide financial assistance for the purpose of expanding Vermont's mobile telecommunications and broadband infrastructure pursuant to Sec. 29 of this act. Of this amount, the authority shall use \$300,000 to provide a grant to two contiguous electric utilities in Orleans County which serve a combined total of less than 3,500 customers in Vermont, for a

reliability project which includes 144 strands of middle mile fiber over subtransmission lines between substations where at least one substation is in an unserved area as defined in 30 V.S.A. § 8078(a)(1). The Vermont telecommunications authority shall own the completed fiber and be responsible for maintenance. The utilities shall provide pole attachment rights to the state for the fiber for 20 years and shall be entitled to use two strands of the fiber or the equivalent for utility communications purposes. 1,000,000

(e) The following sums are appropriated 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

(2) To the agency of commerce and community development, division for historic preservation, for the historic barns preservation grant program: 200,000

(3) To the Vermont council on the arts for the cultural facilities grant program: 200,000

(4) To the department of buildings and general services for the recreational facilities grant program: 200,000

(5) To the department of buildings and general services for the human services and educational facilities competitive grant program: 200,000

Total Appropriation – Section 20 \$8,600,000

* * * Financing this Act * * *

Sec. 21. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

The following sums are reallocated to the department of buildings and general services to defray expenditures authorized in Sec. 1 of this act:

(1) of the amount appropriated in Sec. 253(4) of No. 152 of the Acts of the 1999 Adj. Sess. (2000) (Springfield Correctional Facility): 461.14

(2) of the amount appropriated in Sec. 14 of No. 61 of the Acts of 2001 (Pittsford Wastewater System): 216,933.98

(3) of the amount appropriated by Sec. 12(b) of No. 43 of the Acts of 2005 (Public Safety): 2,105.00

(4) of the amount appropriated by Sec. 13(c) of No. 52 of the Acts of 2007 (Public Safety and Fire Service Training Council): 14,520.70

(5) of the amount appropriated by Sec. 26 of No. 52 of the Acts of 2007 (Sale of condo unit, Newport State Office Building): 163,800.00

Total Reallocations and Transfers – Section 21 \$397,820.82

Sec. 22. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

(a) The state treasurer is authorized to issue general obligation bonds in the amount of \$69,995,000 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.
69,995,000

(b) The following amount from ARRA clean water state revolving fund grants is hereby appropriated for use in FY10 and FY11 for projects funded through the Vermont environmental protection agency pollution control revolving fund. Specific project spending shall be approved by a committee made up of the joint fiscal committee and the chairs of the senate committee on institutions and the house committee on corrections and institutions.
19,433,000

(c) The following amount from ARRA state drinking water capitalization grants is hereby appropriated for use in FY10 and FY11 for projects funded through the drinking water state revolving fund. Specific project spending shall be approved by a committee made up of the joint fiscal committee and the chairs of the senate committee on institutions and the house committee on corrections and institutions.
19,500,000

Total Revenues – Section 22 \$108,928,000

* * * General Authority * * *

Sec. 23. FEDERAL STIMULUS FUNDS; GENERAL AUTHORITY

(a) The head of any state agency or public body that receives funds under this act shall apply for ARRA funds if any are available for capital expenses. Any ARRA funds received for capital expenses shall be reported to the chair of the senate committee on institutions and the chair of the house committee on corrections and institutions pursuant to Sec. E.129 of the appropriations bill of 2009.

(b) The head of any state agency or public body that receives funds under this act is authorized to use funds appropriated under this act to apply for and match funds which may be available for capital construction under the ARRA.

* * * Buildings and General Services * * *

Sec. 24. DEPARTMENT OF BUILDINGS AND GENERAL SERVICES;
AUTHORITY TO FUND PROJECTS AUTHORIZED IN PRIOR YEARS

(a) The commissioner of buildings and general services is authorized to use funds appropriated under this act for capital projects requiring additional support that were funded with capital or general appropriations made in prior years.

(b) In Sec. 14 of No. 61 of the Acts of 2001, the commissioner of buildings and general services received funds to build a sewer line to connect the Vermont criminal justice and Vermont fire service training council buildings to the Pittsford wastewater treatment system. At present, the state has determined that it is not prepared to make a decision on the sewer installation. Therefore, in Sec. 21(2) of this act, the general assembly has authorized reallocation of \$216,933.98 from the 2001 appropriation to the commissioner for other building projects. The town enlarged the capacity of its plant to be able to accommodate the anticipated needs of the state. Therefore, it is the intent of the general assembly that the commissioner of buildings and general services shall negotiate a new agreement with the town of Pittsford regarding the sewer allocation and the state's obligation to the town of Pittsford.

Sec. 25. PROPERTY TRANSACTIONS; MISCELLANEOUS

(a) Notwithstanding 29 V.S.A. § 166(b), the commissioner of buildings and general services is authorized to negotiate the sale of all or a portion of the state's property that adjoins the Hebard state office building in Newport City for the purposes of transferring ownership and operation of the bike path, walking path, and boardwalk. Upon approval of the chairs and vice chairs of the senate committee on institutions and the house committee on corrections and institutions, the commissioner may sell the property for the negotiated price. The commissioner shall strive to sell the property at fair market value. However, due to the unique nature of the transaction, the commissioner may use the following factors to justify selling the property at less than fair market value:

(1) Ongoing maintenance and operation costs associated with the property.

(2) Risk potential to the state.

(3) The local economic situation.

(b) The commissioner of buildings and general services is authorized to purchase property in the Westminster vicinity for the purpose of locating the southeastern Vermont public safety facility.

(c) Notwithstanding Sec. 32(c) of No. 200 of the Acts of the 2007 Adj. Sess. (2008), and 29 V.S.A. § 166(b), the commissioner of buildings and general services is authorized to sell the real property commonly referred to as the "Former Tree Farm Property" and associated buildings located in the town and village of Essex in one or two parcels as follows: the commissioner may sell the portion which is in the town of Essex to the town of Essex and the portion which is in the village of Essex to the village of Essex or may sell the entire parcel to either the village or the town of Essex. Upon approval of the chairs and vice chairs of the senate committee on institutions and the house committee on corrections and institutions, the commissioner may sell the property for the negotiated price. The commissioner shall strive to sell the property at fair market value. However, due to the unique nature of the transaction, the commissioner may use the following factors to justify selling the property at less than fair market value:

(1) Ongoing maintenance and operation costs associated with the property.

(2) Risk potential to the state.

(3) The need to recover costs incurred by the state related to site development.

(d) The commissioner is authorized either to convert to other state use or to sell the building in Middlesex formerly leased to North American Playcare, Inc. if the commissioner is unable to enter into a lease with the Montessori school for a child care facility. If the commissioner sells the building, he or she shall follow the process of 29 V.S.A. § 166.

(e) Pursuant to 29 V.S.A. § 166(b), the commissioner of buildings and general services is authorized to subdivide land at the former Weeks school in Vergennes in order to sell the Arsenal and Fairbanks buildings. The commissioner may use proceeds from the sale to enhance the value of the remaining former Weeks school property.

(f) Notwithstanding 29 V.S.A. § 166(b), the commissioner of buildings and general services is authorized to sell the Dummerston library building. Upon approval of the chairs and vice chairs of the senate committee on institutions and the house committee on corrections and institutions, the commissioner may sell the property for the negotiated price. The commissioner shall strive to obtain fair market value. However, due to the unique nature of the transaction, the commissioner may use the following factors to justify selling

the property at less than fair market value:

(1) Ongoing maintenance and operation costs associated with the property.

(2) Risk potential to the state.

(g) The commissioner of buildings and general services is authorized to sell the following properties pursuant to 29 V.S.A. § 166:

(1) Building 617 in Essex. The commissioner shall consult with the chair of the senate committee on institutions and the chair of the house committee on corrections and institutions prior to finalizing any sale.

(2) The Redstone building at 26 Terrace Street in Montpelier after the secretary of state has moved to another location.

(h) The commissioner of buildings and general services shall consider options for use and disposal of the following properties and shall present his or her analysis and recommendations to the senate committee on institutions and the house committee on corrections and institutions on or before January 15, 2010:

(1) Father Logue's camp in Duxbury.

(2) 62 Pierpoint Avenue in Rutland.

(3) The house, barn, and land at the Northwest State Correctional Facility in St. Albans. At a minimum, the commissioner of buildings and general services shall consult with the commissioner of corrections to consider use of the buildings and property as transitional housing, a work farm associated with the correctional facility, or transitional housing, and to consider sale of the property for use as a working farm.

(i) In Sec. 32(d) of No. 200 of the Acts of the 2007 Adj. Sess. (2008), the general assembly authorized the commissioner of buildings and general services to sell, lease, subdivide, convert into condominiums, or any combination thereof the Thayer school building located at 1193 North Avenue in Burlington. The commissioner is hereby further authorized to transfer title by warranty deed for sale of the building and to convey the Thayer school property by warranty deed.

Sec. 26. CAPITAL CONSTRUCTION; WINDHAM COUNTY; AUTHORITY TO BORROW

(a) Notwithstanding the provisions of 24 V.S.A. § 82, based on assertions by the Windham County assistant judges that the Windham County sheriff's office is in an unsafe condition and in immediate need of renovation and repair, the general assembly hereby authorizes the Windham County assistant judges to borrow up to \$200,000 for the purpose of renovating and restoring the Windham County sheriff's office pursuant to the budget adopted by the judges on January 16, 2009, without a further vote of the county electorate. However, at least 30 days prior to making a request for borrowing, the assistant judges shall notify the legislative bodies of the municipalities in the county that they intend to borrow. The judges may mortgage county property or obtain an unsecured loan for this purpose. Any project constructed pursuant to this section shall be completed within two years of passage of this act.

(b) It is the intent of the general assembly that the assistant judges shall not incur debt in future without following procedures of 24 V.S.A. § 82.

Sec. 27. 29 V.S.A. § 152(a)(33) is added to read:

(33) Accept grants of funds, equipment, and services from any source, including federal appropriations, for the installation, operation, implementation, or maintenance of energy conservation measures or improvements at state buildings, provided that the commissioner shall report receipt of a grant under this subdivision to the chairs of the senate committee on institutions, the house committee on corrections and institutions, and the joint fiscal committee.

Sec. 28. 29 V.S.A. § 152(b) is amended to read:

(b) The commissioner of buildings and general services shall:

(1) Prior to transfer of unexpended balances between projects under the provisions of this section or another provision of law, ~~the commissioner shall~~ consult with the state treasurer and the commissioner of finance and management to determine that such transfer does not adversely affect the exclusion from gross income of the interest on the bonds from which such unexpended proceeds are derived, pursuant to Section 103 of the Internal Revenue Code of 1986 or any corresponding Internal Revenue Code section of the United States, as from time to time amended. The commissioner shall notify the state treasurer within 30 days of the postponement of any authorized projects for which bonds have been issued.

(2) Consult with the state treasurer regarding implementation of projects in each capital appropriations act, including the disposition of assets purchased with capital appropriations, with regard to satisfactory resolution of issues

associated with legal and tax-exempt status of outstanding state bonds.

* * * Commerce and Community Development * * *

Sec. 29. VERMONT TELECOMMUNICATIONS AUTHORITY; MOBILE TELECOMMUNICATIONS AND BROADBAND SERVICES

(a) The Vermont telecommunications authority shall use funds appropriated in Sec. 20(d) of this act as described in this section:

(1) To provide financial assistance for building infrastructure capable of delivering mobile telecommunications and broadband services pursuant to the authority granted in 30 V.S.A. § 8062(b)(2), and in accordance with the priorities established under 30 V.S.A. § 8077;

(2) To leverage funding from other sources, including funds available under the American Recovery and Reinvestment Act of 2009 (ARRA); and

(3) To use up to \$200,000 to fund the broadband development grant program created in Sec. 3 of No. 79 of the Acts of 2007.

(b) If the authority has an opportunity to use the appropriation to leverage funds, and if the funding source requires that the leveraged funds be used in a way that conflicts with subdivision (a)(1) of this section, the authority may accept and expend the funds upon approval of the joint fiscal committee, the chairs of the senate committees on institutions and on finance, and the chairs of the house committees on corrections and institutions and on commerce and economic development.

(c) The authority shall consult with the state treasurer and the commissioner of finance and management regarding grants, loans, or any other disposition of these bonding-derived funds with regard to satisfactory resolution of issues associated with legal and tax-exempt status of outstanding state bonds.

* * * Human Services * * *

Sec. 30. VERMONT STATE HOSPITAL; REPLACEMENT

(a) It is the intent of the general assembly that expenditures for planning for replacement of the functions of the Vermont state hospital shall be directed toward meeting the conditions and requirements of the conceptual certificate of need issued by the department of banking, insurance, securities, and health care administration on April 12, 2007, and extended for 12 months, to expire on April 12, 2010.

(b) Prior to the submission of an application for a phase II certificate of need for construction of a facility to house a secure residential recovery program provided for in Sec. 31 of this act, the department of mental health shall develop a master plan to replace the functions now provided in the Vermont state hospital and to close the Vermont state hospital. The master plan shall include an adequate long-range perspective of the funding needs and sources such that the phase II review process for a secure residential recovery program will be able to:

(1) consider whether there will be an appropriate balance between the fiscal and other needs of current and future inpatient facilities and the fiscal and other needs of the community mental health system; and

(2) consider the state's financial ability to complete the master plan.

(c) While pursuing the secure residential facility as described in Sec. 31 of this act and the planning for acute mental health care in several hospitals geographically distributed throughout the state as provided for in Sec. 32 of this act, the department of mental health shall enter into discussions with general and specialty hospitals to explore options for hospital-level care for the remaining placements needed to close the Vermont state hospital.

(d) As part of its master plan to replace the Vermont state hospital, the department of mental health shall conduct a financial analysis and an analysis of the impact on care of the temporary return to inpatient care at staff-secure facilities.

Sec. 31. VERMONT STATE HOSPITAL; SECURE RESIDENTIAL RECOVERY PROGRAM

(a) It is the intent of the general assembly that the commissioner of mental health shall provide for a secure residential recovery program for individuals who are in the care and custody of the commissioner of mental health with a mental health disability for whom inpatient hospital treatment would be inappropriate and for whom other appropriate less-restrictive alternatives are not available. It is further the intent of the general assembly that the facility housing the program shall be designed to afford the greatest future flexibility for any potential residential health care program and shall be consistent with the goal of creating a facility with a residential character. In addition, both the site and design shall foster the ability to provide outdoor recreation, safety of residents and program participants, and appropriate programming to meet the needs of each of the several diagnostic groups to be served.

(b) Prior to further design development, the commissioner of mental health and the commissioner of buildings and general services shall fully investigate and analyze site options for locating the secure residential facility on the

Waterbury campus and, in the discretion of the commissioner of buildings and general services, at other sites in Waterbury. The facility shall not be located next to the A-building. The facility design shall incorporate the necessary components to function as a freestanding program that does not rely on support space currently serving patient needs in the existing Vermont state hospital.

(c) It is the intent of the general assembly that the secure residential recovery program shall have a governance structure which is as separate and independent from the governance structure of the Vermont state hospital as is legally feasible and would be operated under a license to be issued by the department of disabilities, aging, and independent living (DAIL).

(d) DAIL shall amend by rule pursuant to chapter 25 of Title 3 the licensing requirements for therapeutic community residences to provide for the operation of secure residential recovery programs.

(e) At the time of filing a certificate of need (CON) letter of intent with the department of banking, insurance, securities, and health care administration, the agency of human services shall notify the Centers for Medicare and Medicaid Services (CMS) in writing that it is planning and developing a 15-bed residential program, with a description of its size, program, intended patient population, physical location relative to the existing state hospital, anticipated licensing, and anticipated governance structure. In addition, the agency shall request CMS to review the final plan to determine if federal financial participation under Titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act would be available for the facility.

(f)(1) The agency of human services shall submit the response of CMS, if any, or the fact that CMS has not responded to the request, to the senate committee on institutions and the house committee on corrections and institutions, the senate and house committees on appropriations, the senate committee on health and welfare, the house committee on human services, the joint fiscal committee, and the mental health oversight committee.

(2) During the legislative session, the department of mental health shall provide quarterly updates to the senate committee on institutions, the house committee on corrections and institutions, the senate committee on health and welfare, and the house committee on human services on the progress toward completing the facility and developing the residential recovery program.

(3) Outside the legislative session, the department of mental health shall provide quarterly updates to the joint fiscal committee and the mental health oversight committee on the progress toward completing the facility and developing the residential recovery program.

(g) Within 30 days of beginning to accept patients in the secure residential

recovery program, the department of health shall reduce the licensed bed capacity at the Vermont state hospital by 15.

Sec. 32. VERMONT STATE HOSPITAL; REPLACEMENT OF ACUTE CARE FUNCTIONS

(a) The general assembly recognizes that the Vermont state hospital provides both specialized and intensive acute inpatient mental health care. It is the intent of the general assembly that the plan for replacement of the functions of the Vermont state hospital shall provide geographic access such that patients requiring specialized acute mental health care or intensive acute mental health care or both can be appropriately treated as near to their respective homes as possible by providing replacement specialized and intensive inpatient levels of care in more than one hospital staffed with appropriately trained and experienced staff. Therefore, the commissioner of mental health shall work with general and specialty hospitals to explore options for replacement of these functions. Acute care facilities may be operated under one or more licenses issued to the department or to the hospitals, as appropriate.

(b) The commissioner of mental health shall design a special designation program for hospitals that operate an intensive acute or specialized acute inpatient program or both which will serve as a successor program to the Vermont state hospital and submit proposed enabling legislation for consideration in the 2010 legislative session. A special designation will be similar to the designation of community agencies to provide mental health and developmental disability services provided for in 18 V.S.A. chapter 207. The designation process shall, at a minimum:

(1) Provide for an ongoing, consistent, and predictable relationship between the specially designated hospital and the state.

(2) Allow the commissioner to establish a reasonable schedule of cost per service unit and a uniform and reasonable schedule of fees for services provided by the specially designated hospitals. Any grant of funds to any specially designated hospital shall be based on a program plan and program budget and a balanced plan of anticipated fees and receipts developed by the hospital and submitted to and approved by the commissioner.

(3) Establish minimum program standards and other regulations as may be necessary to ensure a quality program and care that is consumer-directed, trauma-informed, and recovery-oriented.

(c)(1) The department of mental health, in collaboration with the joint fiscal office, the treasurer's office, and the Vermont educational and health buildings finance agency, shall obtain an accounting and financial analysis of any proposed bonding structure, including costs of capitalization, to determine

whether a financing arrangement that places no debt capacity burden on either the state or on Rutland Regional Medical Center (RRMC) is reasonably feasible for a new psychiatric wing at RRMC to replace and expand the existing psychiatric unit.

(2) The joint fiscal office may contract with an independent consultant to provide additional analysis, if needed, for the analysis required under subdivision (1) of this subsection. Upon request of the joint fiscal office, the commissioner of the department of buildings and general services shall transfer up to \$25,000 of unexpended funds appropriated to the department of buildings and general services in prior capital construction acts for Vermont state hospital planning to the joint fiscal office for this purpose.

(3) No later than October 1, 2009, the treasurer's office and the joint fiscal office shall provide a report to the mental health oversight committee and the joint fiscal committee describing the financing arrangement for a new psychiatric wing at RRMC and the results of the accounting and financial analysis, including their conclusions as to whether the financing arrangement is reasonably feasible.

(4) After receipt of the report and no later than November 1, 2009, the mental health oversight committee and the joint fiscal committee may object at a joint meeting of the two committees to the financing arrangement proposed by the department for a new psychiatric wing at RRMC. A quorum shall be a majority of the combined membership of the committees and, for voting purposes, a majority of those present shall be authorized to act. If the committees object, the department shall discontinue planning for a new psychiatric wing at RRMC.

(d) Simultaneously with any planning for expansion of psychiatric services at RRMC, including conducting the financial analysis under subdivision (c)(1) of this section and whether or not planning for the RRMC option is discontinued as provided for in subdivision (c)(4) of this section, the department shall continue to assess the feasibility, including the cost, of providing acute care services at general or appropriate specialized hospitals in other locations. As part of the planning process described in this subsection, the department shall obtain an independent labor analysis as necessary to demonstrate that a sufficient number of professional staff and other trained staff will be available to support adequately and appropriately any Vermont state hospital successor program at RRMC and at general or appropriate specialized hospitals in other locations being considered for provision of specialized acute or intensive acute care functions, or both, with respect to recruiting and maintaining staffing for any staff-intensive specialized psychiatric services required. The department of labor may provide the labor

analysis provided in this subsection. The commissioner of the department of buildings and general services shall transfer funds necessary for this study from unexpended funds appropriated to the department of buildings and general services in prior capital construction acts for Vermont state hospital planning to the department of mental health for this purpose.

(e) By January 15, 2010, the department shall propose any statutory changes it believes may be necessary for implementation of its master plan.

Sec. 33. Sec. 124d(e) of No. 65 of the Acts of 2007 is amended to read:

(e) For purposes of this section, the council shall cease to exist ~~on~~ when the development of the alternatives to the Vermont state hospital is completed, but no later than July 1, ~~2009~~ 2012.

* * * Corrections * * *

Sec. 34. 28 V.S.A. § 102(b)(16) is added to read:

(16) With the approval of the secretary of human services, to accept federal grants made available through federal crime bill legislation, provided that the commissioner shall report the receipt of a grant under this subdivision to the chairs of the senate committee on institutions, the house committee on corrections and institutions, and the joint fiscal committee.

Sec. 35. CORRECTIONS; HOUSING FOR INMATES AND DETAINEES; COLLABORATION AMONG FEDERAL AND STATE OFFICIALS; USE OF NORTHWEST STATE CORRECTIONAL FACILITY

(a) The commissioner of corrections shall consult with the U.S. marshal to identify opportunities to collaborate to provide secure facilities that meet the needs of federal, state, county, and municipal law enforcement officials regarding space for housing of inmates and detainees. The commissioner shall consider building a new facility with ARRA funds as well as the potential for reconfiguring the e-wing of the Northwest Regional Correctional Facility to house federal, state, county, and municipal inmates and detainees. The commissioner shall report to the corrections oversight committee by October 15, 2009.

(b) The commissioner of buildings and general services and the commissioner of corrections shall explore how to meet the need for a medium security and detainee facility in the northwest area of Vermont and report their findings to the corrections oversight committee on or before November 1, 2009.

* * * Vermont Telecommunications Authority * * *

Sec. 36. Sec. 42 of No. 200 of the Acts of the 2007 Adj. Sess. (2008) is amended to read:

Sec. 42. REPEAL

Sec. 3 of No. 79 of the Acts of 2007, relating to a broadband development grant program, is repealed on ~~June 30, 2009~~ June 20, 2011.

* * * Natural Resources * * *

Sec. 37. 3 V.S.A. § 2822(e) is added to read:

(e) The secretary, with the approval of the secretary of administration, may transfer any unexpended funds appropriated in a capital construction act to other projects authorized in the same section of that act.

Sec. 38. 24 V.S.A. § 4753b is added to read:

§ 4753b. ACCEPTANCE OF FUNDS

(a) The commissioner of environmental conservation, with the approval of the secretary of natural resources, may accept federal grants made available through the federal Clean Water Act and the federal Drinking Water Act in accordance with this chapter. Acceptance of this grant money is hereby approved, provided all notifications are made under subsection 4760(a) of this title.

(b) The commissioner shall report receipt of a grant under this section to the chairs of the senate committee on institutions and the house committee on corrections and institutions and the joint fiscal committee.

Sec. 39. Sec. 8(a)(2) of No. 52 of the Acts of 1989, as amended by Sec. 18 of No. 276 of the Acts of the 1989 Adj. Sess. (1990) and Sec. 32 of No. 29 of the Acts of 1999, is amended to read:

(2) That this conveyance shall be completed within ~~20~~ 30 years of the effective date of this act.

Sec. 40. POLLUTION CONTROL REVOLVING LOAN FUND;
DRINKING WATER REVOLVING FUND; LOAN FORGIVENESS

(a) Upon awarding a loan to a municipality from the Vermont environmental protection agency pollution control revolving fund or the Vermont environmental protection agency drinking water state revolving fund, the secretary of the agency of natural resources may forgive up to 100 percent of the loan if the award is made from funds appropriated from the American Recovery and Reinvestment Act of 2009 (ARRA).

(b) Notwithstanding 10 V.S.A. § 1624a(b), the assistance provided by a loan from the Vermont environmental protection agency pollution control revolving fund made from ARRA funds may be for up to 100 percent of the eligible project cost.

(c) The secretary shall establish standards, policies, and procedures as necessary for implementing the provisions of this section and for revising standard priority lists in order to comply with regulations associated with the ARRA.

* * * Military * * *

Sec. 41. AUTHORITY TO TRANSFER FUNDS

The military department in the office of the adjutant general may transfer funds appropriated to it in this act to other projects authorized in the same section of the act.

Sec. 42. SALE OF NATIONAL GUARD PROPERTY IN LUDLOW

Notwithstanding 20 V.S.A. § 542, if the board of armory commissioners sells the armory and associated land in Ludlow to the town of Ludlow, it shall sell the property at the fair market value amount reduced by an amount equal to the current fair market value of any and all lands transferred or deeded to the state of Vermont by the town of Ludlow or the town school district of the Town of Ludlow for the establishment of the armory. The fair market value of the property shall be determined by a property appraisal conducted by a certified general appraiser retained by the town of Ludlow.

* * * Judiciary * * *

Sec. 43. JUDICIARY; CAPITAL FUNDING

In 2008, the general assembly and supreme court established the Vermont commission on judicial operation and charged the commission with evaluating the allocation and management of fiscal resources, including state capital appropriations, for judicial operations. Therefore, due to the possibility that significant changes may occur in the planning, location, and physical plants of

the judiciary, the general assembly will not appropriate capital funds for judiciary expenses until it receives the recommendations of the commission.

* * * Administration * * *

Sec. 44. 3 V.S.A. § 2291(c) is amended to read:

(c) The secretary of administration with the cooperation of the commissioners of public service and of buildings and general services shall develop and oversee the implementation of a state agency energy plan for state government. The plan shall be adopted by June 30, 2005, modified as necessary, and readopted by the secretary on or before ~~January 15 of each fifth~~ January 15, 2010 and each sixth year subsequent to ~~2005~~ 2010. The plan shall accomplish the following objectives and requirements:

* * *

Sec. 45. 3 V.S.A. § 2291b is amended to read:

§ 2291b. ADOPTION OF STATE AGENCY ENERGY IMPLEMENTATION PLANS

After review by the commissioner of buildings and general services and approval by the secretary of administration, each state agency shall adopt an implementation plan on or before ~~August 31, 2005~~ August 31, 2010 to ensure compliance with the state agency energy plan. Each agency shall readopt and file its implementation plan biennially with the commissioner to ensure that the implementation plan remains compatible with the state agency energy plan.

* * * Property Transactions * * *

Sec. 46. Sec. 26 of No. 52 of the Acts of 2007 is amended to read:

Sec. 26. PROPERTY TRANSACTIONS; MISCELLANEOUS

The commissioner of buildings and general services is authorized, with the approval of the secretary of administration, to sell the properties listed in this section pursuant to 29 V.S.A. § 166. Of proceeds from the sales, \$50,000 is appropriated to the Friends of the State House for renovations to the state house. ~~The remainder is appropriated to the department of buildings and general services for construction and renovation of building 617 in Essex to house the department of health and department of public safety forensics laboratories~~ shall be paid into a capital fund account pursuant to 29 V.S.A. § 166(d).

* * *

Sec. 47. 16 V.S.A. § 3453a is amended to read:

§ 3453a. EMERGENCY OPERATION CENTERS AND SHELTERS

Any school building ~~for which state construction aid is provided under this chapter for the purpose of its construction, reconstruction or expansion, and which is or~~ may be designated as a local, regional, or state emergency operation center or shelter; shall be designed for use as an emergency operations center or shelter. For this purpose, the proposed project shall include the installation of a wiring harness capable of being connected to emergency electric power generation to provide for emergency heating, lighting, and communications. The wiring installation cost to upgrade emergency facilities shall be included in the budgets submitted to the legislature for capital funding pursuant to section 309 of Title 32. The state shall pay 100 percent of such costs, which shall at the department level be itemized and accounted for separately from those costs in which the state only shares in the project cost. The state shall not pay for the costs of purchasing the generator.

Sec. 48. Sec. 32(e)(2) of Act No. 200 of the Acts of the 2007 Adj. Sess. (2008) is amended to read:

(2) the transaction is limited to no more than ~~three~~ ten acres of land or mineral rights;

Sec. 49. CLOSING OF CORRECTIONAL FACILITIES; APPROVAL

The secretary of administration shall not plan to close or significantly reduce operations at any correctional facility unless approval to proceed with such closing or reduction plans is granted by both the joint committee on corrections oversight and the joint fiscal committee. Any plan submitted to the committees shall include an analysis of the regional impact, including how the increased transportation costs will be funded.

* * * Effective Date * * *

Sec. 50. EFFECTIVE DATE

This act shall take effect on passage.

PHILIP B. SCOTT
RICHARD T. MAZZA
JOHN F. CAMPBELL

Committee on the part of the Senate

ALICE M. EMMONS
LINDA K. MYERS
JOHN S. RODGERS

Committee on the part of the House

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

Rules Suspended; Bills on Notice Calendar for Immediate Consideration

On motion of Senator Shumlin, the rules were suspended, and the following bills and Joint resolution, pending entry on the Calendar for notice, were ordered to be brought up for immediate consideration:

S. 7, S. 25, S. 26, J.R.S. 32

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

S. 7.

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

To the Senate and House of Representatives:

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

An act to prohibit the use of lighted tobacco products in the workplace.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment and that the bill be further amended in Sec. 1, 18 V.S.A. § 1421, in subsection (c), by striking out the following: “until June 30, 2014” and by striking out the second sentence of the subsection in its entirety.

KEVIN J. MULLIN
MATTHEW A. CHOATE
DOUGLAS A. RACINE

Committee on the part of the Senate

PATSY FRENCH
ANN D. PUGH
MICHAEL MROWICKI

Committee on the part of the House

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

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

S. 26.

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

To the Senate and House of Representatives:

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

An act relating to recovery of profits from crime.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment, and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 5351(8) is added to read:

(8) “Profits from crimes” means:

(A) any property obtained through or income generated from the commission of a crime in which the defendant was convicted;

(B) any property obtained by or income generated from the sale, conversion, or exchange of proceeds of a crime, including any gain realized by such sale, conversion, or exchange;

(C) any property that the defendant obtained or any income generated as a result of having committed the crime, including any assets obtained through the use of unique knowledge acquired during the commission of or in preparation for the commission of the crime, as well as any property obtained or income generated from the sale, conversion, or exchange of such property and any gain realized by such sale, conversion, or exchange; and

(D) any property defendant obtained or any income generated from the sale of tangible property the value of which is increased by the notoriety gained from the conviction of an offense by the person accused or convicted of the crime.

Sec. 2. 13 V.S.A. chapter 167, subchapter 4 is added to read:

Subchapter 4. Profits from Crime

§ 5421. NOTICE OF PROFITS FROM A CRIME

(a) Every person, firm, corporation, partnership, association, or other legal entity which knowingly contracts for, pays, or agrees to pay any profits from a crime, as defined in subdivision 5351(8) of this title, to a person charged with or convicted of that crime shall give written notice to the attorney general of the payment or obligation to pay as soon as is practicable after discovering that the payment is or will be a profit from a crime.

(b) The attorney general, upon receipt of notice of a contract, agreement to pay, or payment of profits of the crime shall send written notice of the existence of such profits to all known victims of the crime at their last known addresses.

§ 5422. ACTIONS TO RECOVER PROFITS FROM A CRIME

(a) Notwithstanding any other provision of law, including any statute of limitations, any crime victim shall have the right to bring a civil action in a court of competent jurisdiction to recover money damages from a person convicted of that crime, or the legal representative of that convicted person, within three years of the discovery of any profits from the crime. Any damages awarded in such action shall be recoverable only up to the value of the profits of the crime. This section shall not limit the right of a victim to proceed or recover under another cause of action.

(b) The attorney general may, within three years of the discovery of any profits from the crime, bring a civil action on behalf of the state to enforce the subrogation rights described in section 5357 of this title.

(c) If the full value of any profits from the crime has not yet been claimed by either the victim of the crime or the victim's representative, the attorney general, or both, within three years of the discovery of such profits, then the state may bring a civil action in a court of competent jurisdiction to recover the costs incurred by providing the defendant with counsel, if any, and other costs reasonably incurred or to be incurred in the incarceration of the defendant.

(d) Upon the filing of an action pursuant to subsection (a) of this section, the victim shall deliver a copy of the summons and complaint to the attorney general. Upon receipt of a copy of the summons and complaint, the attorney general shall send written notice of the alleged existence of profits from the crime to all other known victims at their last known addresses.

(e) To avoid the wasting of assets identified in the complaint as newly discovered profits of the crime, the attorney general, acting on behalf of the plaintiff and all other victims, shall have the right to apply for all remedies that are also otherwise available to the victim.

Sec. 3. 14 V.S.A. chapter 85 is added to Part 3 to read:

CHAPTER 85. GENERAL PRINCIPLES

§ 1971. INTENTIONAL KILLING; OFFENDER NOT TO BENEFIT

(a) The acquisition of any property, interest, power, or benefit by a person as the result of the person's commission of an intentional and unlawful killing shall be treated in accordance with the principle that a killer cannot profit from his or her wrong, and a court shall have the power to distribute, reform, revoke, or otherwise dispose of such property, interest, power, or benefit in accord with the principles of this section.

(b) The distribution, reformation, revocation, or disposition of any property, interest, power, or benefit subject to subsection (a) of this section shall not affect any valid liens or mortgages on such property, interest, power, or benefit.

Sec. 4. REPEAL

Chapters 41, 43, and 45 of Title 14 are repealed.

Sec. 5. 14 V.S.A. chapter 42 is added to Part 2 to read:

CHAPTER 42. DESCENT AND SURVIVORS' RIGHTS

Subchapter 1. General Provisions

§ 301. INTESTATE ESTATE

(a) Any part of a decedent's estate not effectively disposed of by will passes by intestate succession to the decedent's heirs, except as modified by the decedent's will.

(b) A decedent's will may expressly exclude or limit the right of an individual or a class to inherit property. If such an individual or member of such a class survives the decedent, the share of the decedent's intestate estate which would have passed to that individual or member of such a class passes subject to any such limitation or exclusion set forth in the will.

(c) Nothing in this section shall preclude the surviving spouse of the decedent from making the election and receiving the benefits provided by section 319 of this title.

§ 302. DOWER AND CURTESY ABOLISHED

The estates of dower and curtesy are abolished.

§ 303. AFTERBORN HEIRS

For purposes of this chapter and chapter 1 of this title relating to wills, an individual in gestation at a particular time is treated as living at that time if the individual lives 120 hours or more after birth.

Subchapter 2. Survivors' Rights and Allowances§ 311. SHARE OF SURVIVING SPOUSE

After payment of the debts, funeral charges, and expenses of administration, the intestate share of the decedent's surviving spouse is as follows:

(1) The surviving spouse shall receive the entire intestate estate if no descendant of the decedent survives the decedent or if all of the decedent's surviving descendants are also descendants of the surviving spouse.

(2) In the event there shall survive the decedent one or more descendants of the decedent who are not descendants of the surviving spouse and are not excluded by the decedent's will from inheriting from the decedent, the surviving spouse shall receive one-half of the intestate estate.

§ 312. SURVIVING SPOUSE TO RECEIVE HOUSEHOLD GOODS

Upon motion, the surviving spouse of a decedent may receive out of the decedent's estate all furnishings and furniture in the decedent's household when the decedent leaves no descendants who object. If any objection is made by any of the descendants, the court shall decide what, if any, of such personalty shall pass under this section. Goods and effects so assigned shall be in addition to the distributive share of the estate to which the surviving spouse is entitled under other provisions of law. In making a determination pursuant to this section, the court may consider the length of the decedent's marriage, or civil union, the sentimental and monetary value of the property, and the source of the decedent's interest in the property.

§ 313. SURVIVING SPOUSE; VESSEL, SNOWMOBILE, OR ALL-TERRAIN VEHICLE

Whenever the estate of a decedent who dies intestate consists principally of a vessel, snowmobile, or all-terrain vehicle, the surviving spouse shall be deemed to be the owner of the vessel, snowmobile, or all-terrain vehicle, and title to the vessel, snowmobile, or all-terrain vehicle shall automatically pass to the surviving spouse. The surviving spouse may register the vessel, snowmobile, or all-terrain vehicle pursuant to section 3816 of Title 23.

§ 314. SHARE OF HEIRS OTHER THAN SURVIVING SPOUSE

(a) The balance of the intestate estate not passing to the decedent's surviving spouse under section 311 of this title passes to the decedent's descendants by right of representation.

(b) If there is no taker under subsection (a) of this section, the intestate estate passes in the following order:

(1) to the decedent's parents equally if both survive or to the surviving parent;

(2) to the decedent's siblings and the descendants of any deceased siblings by right of representation;

(3) one-half of the intestate estate to the decedent's paternal grandparents equally if they both survive or to the surviving paternal grandparent and one-half of the intestate estate to the decedent's maternal grandparents equally if they both survive or to the surviving maternal grandparent and if decedent is survived by a grandparent, or grandparents on only one side, to that grandparent or those grandparents;

(4) in equal shares to the next of kin in equal degree.

(c) If property passes under this section by right of representation, the property shall be divided into as many equal shares as there are children or siblings of the decedent, as the case may be, who either survive the decedent or who predecease the decedent leaving surviving descendants.

§ 315. PARENT AND CHILD RELATIONSHIP

For the purpose of intestate succession, an individual is the child of his or her parents, regardless of their marital status, but a parent shall not inherit from a child unless the parent has openly acknowledged the child and not refused to support the child. The parent and child relationship may be established in parentage proceedings under subchapter 3A of chapter 5 of Title 15.

§ 316. SUPPORT OF SURVIVING SPOUSE AND FAMILY DURING SETTLEMENT

The probate court may make reasonable allowance for the expenses of maintenance of the surviving spouse and minor children or either, constituting the family of a decedent, out of the personal estate or the income of real or personal estate from date of death until settlement of the estate, but for no longer a period than until their shares in the estate are assigned to them or, in case of an insolvent estate, for not more than eight months after administration

is granted. This allowance may take priority, in the discretion of the court, over debts of the estate.

§ 317. ALLOWANCE TO CHILDREN BEFORE PAYMENT OF DEBTS

When a person dies leaving children under 18 years of age, an allowance may be made for the necessary maintenance of such children until they become 18 years of age. Such allowance shall be made before any distribution of the estate among creditors, heirs, or beneficiaries by will.

§ 318. ALLOWANCE TO CHILDREN AFTER PAYMENT OF DEBTS

Before any partition or division of an estate among the heirs or beneficiaries by will, an allowance may be made for the necessary expenses of the support of the children of the decedent under 18 years of age until they arrive at that age. The probate court may order the executor or administrator to retain sufficient estate assets for that purpose, except where some provision is made by will for their support.

§ 319. WAIVER OF WILL BY SURVIVING SPOUSE

(a) A surviving spouse may waive the provisions of the decedent's will and in lieu thereof elect to take one-half of the balance of the estate, after the payment of claims and expenses.

(b) The surviving spouse must be living at the time this election is made. If the surviving spouse is mentally disabled and cannot make the election personally, a guardian or attorney in fact under a valid durable power of attorney may do so.

§ 320. EFFECT OF DIVORCE ORDER

A final divorce order from any state shall have the effect of nullifying a gift by will or inheritance by operation of law to an individual who was the decedent's spouse at the time the will was executed if the decedent was no longer married to or in a civil union with that individual at the time of death, unless his or her will specifically states to the contrary.

§ 321. CONVEYANCES TO DEFEAT SPOUSE'S INTEREST

A voluntary transfer of any property by an individual during a marriage or civil union and not to take effect until after the individual's death, made without adequate consideration and for the primary purpose of defeating a surviving spouse in a claim to a share of the decedent's property so transferred, shall be void and inoperative to bar the claim. The decedent shall be deemed at the time of his or her death to be the owner and seised of an interest in such property sufficient for the purpose of assigning and setting out the surviving spouse's share.

§ 322. UNLAWFUL KILLING AFFECTING INHERITANCE

Notwithstanding sections 311 through 314 of this title or provisions otherwise made, in any case in which an individual is entitled to inherit or receive property under the last will of a decedent, or otherwise, such individual's share in the decedent's estate shall be forfeited and shall pass to the remaining heirs or beneficiaries of the decedent if the individual intentionally and unlawfully kills the decedent. In any proceedings to contest the right of an individual to inherit or receive property under a will or otherwise, the record of that individual's conviction of intentionally and unlawfully killing the decedent shall be admissible in evidence and shall conclusively establish that such individual did intentionally and unlawfully kill the decedent.

Subchapter 3. Descent, Omitted Issue, and Lapsed Legacies§ 331. DEGREES; HOW COMPUTED: KINDRED OF HALF-BLOOD

Kindred of the half-blood shall inherit the same share they would inherit if they were of the whole blood.

§ 332. SHARE OF AFTERBORN CHILD

When a child of a testator is born after the making of a will and provision is not therein made for that child, he or she shall have the same share in the estate of the testator as if the testator had died intestate unless it is apparent from the will that it was the intention of the testator that provision should not be made for the child.

§ 333. SHARE OF CHILD OR DESCENDANT OF CHILD OMITTED FROM WILL

When a testator omits to provide in his or her will for any of his or her children, or for the descendants of a deceased child, and it appears that the omission was made by mistake or accident, the child or descendants, as the case may be, shall have and be assigned the same share of the estate of the testator as if the testator had died intestate.

§ 334. AFTERBORN AND OMITTED CHILD; FROM WHAT PART OF ESTATE SHARE TAKEN

When a share of a testator's estate is assigned to a child born after the making of a will, or to a child or the descendant of a child omitted in the will, the share shall be taken first from the estate not disposed of by the will, if there is any. If that is not sufficient, so much as is necessary shall be taken from the devisees or legatees in proportion to the value of the estate they respectively receive under the will. If the obvious intention of the testator, as to some specific devise, legacy, or other provision in the will, would thereby be

defeated, the specific devise, legacy, or provision may be exempted from such apportionment and a different apportionment adopted in the discretion of the court.

§ 335. BENEFICIARY DYING BEFORE TESTATOR: DESCENDANTS TO TAKE

When a testamentary gift is made to a child or other kindred of the testator, and the designated beneficiary dies before the testator, leaving one or more descendants who survive the testator, such descendants shall take the gift that the designated beneficiary would have taken if he or she had survived the testator, unless a different disposition is required by the will.

§ 336. INDIVIDUAL ABSENT AND UNHEARD OF; SHARE OF ESTATE

If an individual entitled to a distributive share of the estate of a decedent is absent and unheard of for six years, two of which are after the death of the decedent, the probate court in which the decedent's estate is pending may order the share of the absent individual distributed in accordance with the terms of the decedent's will or the laws of intestacy as if such absent individual had not survived the decedent. If the absent individual proves to be alive, he or she shall be entitled to the share of the estate notwithstanding prior distribution, and may recover in an action on this statute any portion thereof which any other individual received under order. Before an order is made for the payment or distribution of any money or estate as authorized in this section, notice shall be given as provided by the Vermont Rules of Probate Procedure.

§ 337. REQUIREMENT THAT INDIVIDUAL SURVIVE DECEDENT FOR 120 HOURS

Except as provided in the decedent's will, an individual who fails to survive the decedent by 120 hours is deemed to have predeceased the decedent for purposes of homestead allowance, exempt property, intestate succession, and taking under decedent's will, and the decedent's heirs and beneficiaries shall be determined accordingly. If it is not established by clear and convincing evidence that an individual who would otherwise be an heir or beneficiary survived the decedent by 120 hours, it is deemed that the individual failed to survive for the required period. This section is not to be applied if its application would result in escheat.

§ 338. DISTRIBUTION; ORDER IN WHICH ASSETS APPROPRIATED; ABATEMENT

(a)(1) Except as provided in subsection (b) of this section, shares of distributees given under a will abate, without any preference or priority as between real and personal property, in the following order:

(A) property not disposed of by the will;

(B) residuary devises and bequests;

(C) general devises and bequests;

(D) specific devises and bequests.

(2) For purpose of abatement, a general devise or bequest charged on any specific property or fund is a specific devise or bequest to the extent of the value of the property on which it is charged, and upon the failure or insufficiency of the property on which it is charged, a general devise or bequest to the extent of the failure or insufficiency. Abatement within each classification is in proportion to the amounts of property each of the beneficiaries would have received if full distribution of the property had been made in accordance with the terms of the will.

(b) If the will expresses an order of abatement or if the testamentary plan or the express or implied purpose of a devise or bequest would be defeated by the order of abatement listed in subsection (a) of this section, the shares of the distributees shall abate as may be necessary to give effect to the intention of the testator.

(c) If the subject of a preferred devise or bequest is sold or used incident to administration, abatement shall be achieved by appropriate adjustments in, or contribution from, other interests in the remaining assets.

Sec. 6. 23 V.S.A. § 2023 is amended to read:

§ 2023. TRANSFER OF INTEREST IN VEHICLE

(a) If an owner transfers his or her interest in a vehicle, other than by the creation of a security interest, he or she shall, at the time of delivery of the vehicle, execute an assignment and warranty of title to the transferee in the space provided therefor on the certificate or as the commissioner prescribes, and of the odometer reading or hubometer reading or clock meter reading of the vehicle at the time of delivery in the space provided therefor on the certificate, and cause the certificate and assignment to be mailed or delivered to the transferee or to the commissioner. Where title to a vehicle is in the name

of more than one person, the nature of the ownership must be indicated by one of the following on the certificate of title:

- (1) TEN ENT (tenants by the entirety);
- (2) JTEN (joint tenants);
- (3) TEN COM (tenants in common); ~~or~~
- (4) PTNRS (partners); or
- (5) TOD (transfer on death).

(b) Upon request of the owner or transferee, a lienholder in possession of the certificate of title shall, unless the transfer was a breach of his or her security agreement, either deliver the certificate to the transferee for delivery to the commissioner or, upon receipt from the transferee of the owner's assignment, the transferee's application for a new certificate and the required fee, mail or deliver them to the commissioner. The delivery of the certificate does not affect the rights of the lienholder under his security agreement.

(c) If a security interest is reserved or created at the time of the transfer, the certificate of title shall be retained by or delivered to the person who becomes the lienholder, and the parties shall comply with the provisions of section 2043 of this title.

(d) Except as provided in section 2024 of this title and as between the parties, a transfer by an owner is not effective until the provisions of this section and section 2026 of this title have been complied with; however, an owner who has delivered possession of the vehicle to the transferee and has complied with the provisions of this section and section 2026 of this title requiring action by him or her is not liable as owner for any damages thereafter resulting from operation of the vehicle.

(e) Notwithstanding other provisions of the law, whenever the estate of an individual who dies intestate consists principally of an automobile, the surviving spouse shall be deemed to be the owner of the motor vehicle and title to the same shall automatically and by virtue hereof pass to said surviving spouse. Registration of the vehicle in the name of the surviving spouse shall be effected by payment of a transfer fee of \$7.00. This transaction is exempt from the provisions of the purchase and use tax on motor vehicles.

(1) Notwithstanding other provisions of the law, and except as provided in subdivision (2) of this subsection, whenever the estate of an individual consists in whole or in part of a motor vehicle, and the person's will or other testamentary document does not specifically address disposition of motor vehicles, the surviving spouse shall be deemed to be the owner of the motor vehicle and title to the motor vehicle shall automatically pass to the surviving

spouse. Registration and title of the motor vehicle in the name of the surviving spouse shall be effected by payment of a transfer fee of \$7.00. This transaction is exempt from the provisions of the purchase and use tax on motor vehicles.

(2) This subsection shall apply to no more than two motor vehicles, and shall not apply if the motor vehicle is titled in the name of one or more persons other than the decedent and the surviving spouse.

(f) Where the title identifies a person who will become the owner upon the death of the principal owner (transfer on death), the principal owner shall have all rights of ownership and rights of transfer until his or her death. The designated transferee shall have no rights of ownership until such time as the principal owner has died as established by a valid death certificate. At that time, the transferee shall become the owner of the vehicle subject to any existing security interests.

Sec. 7. 23 V.S.A. § 3816 is amended to read:

§ 3816. TRANSFER OF INTEREST IN VESSEL

* * *

(e) Pursuant to the provisions of 14 V.S.A. § ~~403a~~ 313, whenever the estate of an individual who dies intestate consists principally of a vessel, snowmobile, or all-terrain vehicle, the surviving spouse shall be deemed to be the owner of the vessel, snowmobile, or all-terrain vehicle and title to the vessel, snowmobile, or all-terrain vehicle shall automatically pass to the surviving spouse. The surviving spouse may register the vessel, snowmobile, or all-terrain vehicle by paying a transfer fee not to exceed \$2.00.

Sec. 8. 27 V.S.A. §§ 101 and 102 are amended to read:

§ 101. DEFINITION; EXEMPTION FROM ATTACHMENT AND EXECUTION

The homestead of a natural person consisting of a dwelling house, outbuildings and the land used in connection therewith, not exceeding ~~\$75,000.00~~ \$125,000.00 in value, and owned and used or kept by such person as a homestead together with the rents, issues, profits, and products thereof, shall be exempt from attachment and execution except as hereinafter provided.

§ 102. DESIGNATING HOMESTEAD IN CASE OF LEVY

When an execution is levied upon real estate of the person of which a homestead is a part or upon that part of a homestead in excess of the limitation of ~~\$75,000.00~~ \$125,000.00 in value, that person may designate and choose the part thereof, not exceeding the limited value, to which the exemption created in section 101 of this title shall apply. Upon designation and choice or refusal to

designate or choose, the officer levying the execution, if the parties fail to agree upon appraisers, shall appoint three disinterested freeholders of the vicinity who shall be sworn by him or her and who shall fix the location and boundaries of the homestead to the amount of ~~\$75,000.00~~ \$125,000.00 in value. The officer shall then proceed with the sale of the residue of the real estate on the execution as in other cases, and the doings in respect to the homestead shall be stated in the return upon the execution.

Sec. 9. 14A V.S.A. § 418 is added to read:

§ 418. INTENTIONAL AND UNLAWFUL KILLING; TERMINATION OF INTEREST IN TRUST

(a) A person who commits an intentional and unlawful killing shall forfeit an interest in a trust:

(1) to the extent the trust was funded by the victim of the intentional and unlawful killing or would be funded by the victim's estate;

(2) to the extent the person's interest in the trust is augmented or advanced by the termination of the victim's interest in the trust as the result of the person's intentional and unlawful killing of the victim, and the interest is attributable to funding by someone other than the person or the victim of the intentional and unlawful killing;

(3) if the interest was created as the result of an exercise of a power of appointment held by the victim.

(b) An interest in a trust that is forfeited under subsection (a) of this section shall be administered and distributed in accordance with the terms of the trust as if the person whose interest is forfeited died on the date of the intentional and unlawful killing.

(c) A person who commits an intentional and unlawful killing shall be removed as trustee of a trust:

(1) that was funded by the victim of the intentional and unlawful killing or would be funded by the victim's estate;

(2) in which the person's interest in the trust is augmented or advanced by the termination of the victim's interest in the trust as the result of the person's intentional and unlawful killing of the victim, and the interest is attributable to funding by someone other than the person or the victim of the intentional and unlawful killing;

(d) For purposes of this section, the record of a conviction of a person for an intentional and unlawful killing of another shall be conclusive evidence that the person committed an intentional and unlawful killing of the other person.

(e) In the absence of a final judgment of conviction, a beneficiary or trustee of a trust may petition the probate court for a determination, or the court may on its own initiative determine, that the interest of a person who commits an intentional and unlawful killing has been forfeited under subsection (a) of this section, or that a person should be removed as trustee under subsection (c) of this section.

(f) This section shall apply to any interest in a trust that is or will be distributed on or after January 1, 2009.

Sec. 10. 27 V.S.A. § 1270 is amended to read:

§ 1270. DECEASED OWNERS; MULTIPLE CLAIMANTS

(a) If the treasurer holds unclaimed property in the name of a deceased owner, the treasurer may deliver the property as follows:

(1) In the case of an open estate, to the administrator or executor.

(2) In the case of a closed estate and the unclaimed property is valued at less than ~~\$2,500.00~~ \$5,000.00, in accordance with the probate court decree of distribution.

(3) In the absence of an open estate or probate court decree of distribution, and the unclaimed property is valued at less than ~~\$2,500.00~~ \$5,000.00 to the surviving spouse of the deceased owner, or, if there is no surviving spouse, then to the next of kin according to section 551 of Title 14.

(4) In all other cases where the treasurer holds property in the name of a deceased owner, a probate estate shall be opened by the claimant, or other interested party, in order to determine the appropriate distribution of the unclaimed property. Where an estate is opened solely to distribute unclaimed property under this section, the probate court may waive any filing fees.

(b) If the treasurer holds unclaimed property valued at ~~\$100.00~~ \$250.00 or less which more than one person owns, the treasurer may deliver the property as follows:

(1) If the property has been listed on the treasurer's website for less than one year, a proportionate share to each of the persons who owns the property and who files a claim.

(2) If the property has been listed on the treasurer's website for a year or more, to the first person who files a claim and who owns at least a share of the property.

Sec. 11. 8 V.S.A. § 14304 is added to read:

§ 14304. CARD HOLDER REPRESENTED BY LEGAL COUNSEL

(a) A credit card company or its creditor or collection agency shall not contact a card holder regarding a debt, late fee, or other charge once informed that the card holder is disputing the debt, late fee, or other charge; is represented by legal counsel in the dispute; and the card holder has provided the credit card company or its creditor or collection agency with the name, address, and telephone number of the legal counsel.

(b) A credit card company or its creditor or collection agency that violates subsection (a) of this section shall be fined not more than \$10,000.00.

(c) Each violation of subsection (a) of this section shall be considered a separate offense.

Sec. 12. 12 V.S.A. § 1612 is amended to read:

§ 1612. ~~PATIENTS'~~ PATIENT'S PRIVILEGE

(a) Confidential information privileged. Unless the patient waives the privilege or unless the privilege is waived by an express provision of law, a person authorized to practice medicine, chiropractic, or dentistry, a registered professional or licensed practical nurse, or a mental health professional as defined in 18 V.S.A. § 7101(13) shall not be allowed to disclose any information acquired in attending a patient in a professional capacity, including joint or group counseling sessions, and which was necessary to enable the provider to act in that capacity.

(b) Identification by dentist; crime committed against patient under ~~sixteen~~ 16. A dentist shall be required to disclose information necessary for identification of a patient. A physician, dentist, chiropractor, or nurse shall be required to disclose information indicating that a patient who is under the age of ~~sixteen~~ 16 years has been the victim of a crime.

(c) Mental or physical condition of deceased patient.

(1) A physician, chiropractor, or nurse shall be required to disclose any information as to the mental or physical condition of a deceased patient privileged under subsection (a) of this section, except information which would tend to disgrace the memory of the decedent, either in the absence of an objection by a party to the litigation or when the privilege has been waived:

~~(A)~~ (A) by the personal representative, or the surviving spouse, or the

next of kin of the decedent; or

~~(2)(B)~~ in any litigation where the interests of the personal representative are deemed by the trial judge to be adverse to those of the estate of the decedent, by any party in interest; or

~~(3)(C)~~ if the validity of the will of the decedent is in question, by the executor named in the will, or the surviving spouse or any heir-at-law or any of the next of kin or any other party in interest.

(2) A physician, dentist, chiropractor, mental health professional, or nurse shall be required to disclose any information as to the mental or physical condition of a deceased patient privileged under subsection (a) of this section upon request to the chief medical examiner.

Sec. 13. STUDY

The committee on judicial operation created by Sec. 5.101.1 of No. 192 of the Acts of the 2007 Adj. Sess. (2008) shall, in addition to its other duties, study the issue of allowing a single person to simultaneously hold the offices of assistant judge and probate judge. The study shall include an analysis of whether simultaneously holding both offices by a single person is constitutional as well as an analysis of its impact on the administration of justice.

Sec. 14. EFFECTIVE DATE

(a) Secs. 1, 2, 3, 4, 5, 7, 10, 14, and 15 of this act shall take effect on passage. Sec. 5 of this act shall apply only to the estates of persons dying on or after the effective date of Sec. 5 of this act.

(b) Secs. 6, 8, 9, 11, 12, and 13 of this act shall take effect July 1, 2009.

Sec. 15. REPEAL

Sec. 2a of No. 161 of the Acts of the 2005 legislative session (sunset of subsection regarding multiple claimants of unclaimed property valued at \$100.00 or less) is repealed so that 27 V.S.A. § 1270(b) shall not be repealed on July 1, 2009.

After passage, the title of the bill is to be amended to read:

AN ACT RELATING TO RECOVERY OF PROFITS FROM CRIME, THE DISPOSITION OF PROPERTY UPON DEATH, TRANSFER OF INTEREST IN VEHICLE UPON DEATH, HOMESTEAD EXEMPTION, UNCLAIMED PROPERTY, CREDIT CARD FEE DISPUTES, AND PATIENT'S PRIVILEGE.

KEVIN J. MULLIN
JOHN F. CAMPBELL

RICHARD W. SEARS

Committee on the part of the Senate

WILLEM JEWETT

MARGARET FLORY

ELDRED FRENCH

Committee on the part of the House

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

House Proposal of Amendment Concurred In

J.R.S. 32.

House proposal of amendment to joint Senate resolution entitled:

Joint resolution authorizing the commissioner of forests, parks and recreation to enter into land exchanges and to sell a portion of Camel's Hump State Park.

Was taken up.

The House proposes to the Senate to amend the bill in the first Resolved clause following the words "wind turbines on the leased premises" by inserting the following: in a manner consistent with the terms of the lease

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

House Proposals of Amendment Concurred In

S. 25.

House proposals of amendment to Senate bill entitled:

An act relating to the repeal or revision of certain state agency reporting requirements.

Were taken up.

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

First: By striking out Sec. 1 in its entirety and inserting in lieu thereof a new Sec. 1 to read to read as follows:

Sec. 1. 2 V.S.A. § 20 is amended to read:

§ 20. LIMITATION ON DISTRIBUTION AND DURATION OF AGENCY REPORTS

* * *

(d) Unless otherwise provided by law, whenever an agency is required by law to submit an annual, biennial, or other periodic report to the general assembly, that requirement shall no longer be required after five years or after five years from July 1, 2009, whichever date is later. The legislative council, pursuant to section 424 of Title 2, may revise the Vermont Statutes Annotated accordingly.

Second: By striking out Sec. 25 in its entirety and inserting in lieu thereof a new Sec. 25 to read as follows:

Sec. 25. 10 V.S.A. § 1253(d) is amended to read:

(d) The board shall determine what degree of water quality and classification should be obtained and maintained for those waters not classified by it before 1981 following the procedures in sections 1254 and 1258 of this title. Those waters shall be classified in the public interest. The secretary shall revise all 17 basin plans by January 1, 2006, and update them every five years thereafter. On or before January 1 of each year, the secretary shall report to the house committees on agriculture ~~and~~, natural resources and energy, and on fish, wildlife and water resources, and to the senate committees on agriculture and on natural resources and energy regarding the progress made and difficulties encountered in revising basin plans. By January 1, 1993, the secretary shall prepare an overall management plan to ensure that the water quality standards are met in all state waters.

Third: By striking out Secs. 26, 27, 28, 29, 30, 33, 39, 46, and 47 in their entirety.

Fourth: By striking out Sec. 48 in its entirety and inserting in lieu thereof a new Sec. 48 to read as follows:

Sec. 48. 28 V.S.A. § 102(c)(13) is amended to read:

(13) ~~To report biennially to the general assembly, submitting a summary of the operations of the department during the preceding two years. [Deleted]~~

Fifth: By striking out Sec. 49 in its entirety.

Sixth: By striking out Sec. 52 in its entirety and inserting in lieu thereof a new Sec. 52 to read as follows:

Sec. 52. 28 V.S.A. § 761 is amended to read:

§ 761. OFFENDER WORK PROGRAMS BOARD

(a) Offender work programs board established. An offender work programs board is established for the purpose of advising the commissioner on the use of offender labor for the public good. The board shall base its considerations and recommendations to the commissioner on a review of plans for offender work programs pursuant to subsection (b) of this section, and on other information as it deems appropriate.

* * *

(3) The board shall report on its activities at the request of the commissioner, and at least annually to the commissioner and to the joint fiscal office committee.

* * *

(b) Review of the annual report and two-year plan. In reviewing the annual report and two-year plan submitted by the director of offender work programs as required by subsection 751b(f) of this title, and forming its recommendations concerning them to the commissioner, the board shall:

* * *

(2) forward annually by January 1 to the joint fiscal office committee a maximum level of offender work program activity in each market segment during the term of the plan; and

* * *

Seventh: By deleting Secs. 53, 64, 66, 67, and 77 in their entirety

Eighth: In Sec. 83, by deleting subdivisions (b)(3), (e)(3), (e)(4), and (e)(13) in their entirety and by striking the semicolon at the end of (e)(12) and inserting in lieu thereof a period

Ninth: In Sec. 83, by striking out subdivision (l)(1) in its entirety and inserting in lieu thereof a new subdivision (l)(1) to read as follows:

(1) § 752(f) (reports of the joint fiscal office in years 2001, 2002, and 2003);

Tenth: In Sec. 83(l), by striking out the period at the end of (3) and inserting in lieu thereof a semicolon and by adding a new subdivision (4) to read as follows:

(4) chapter 15, subchapter 2 (Weeks School).

Eleventh: In Sec. 83, by deleting subdivisions (n)(3), (n)(4), (o)(2), (p)(2), and (w)(2) in their entirety.

Thereupon, the question, Shall the Senate concur in the House proposals of amendment?, was decided in the affirmative.

Bill Recommitted**S. 137.**

Senate bill entitled:

An act relating to the Vermont recovery and reinvestment act of 2009.

Was taken up.

Thereupon, pending the question, Shall the bill pass?, on motion of Senator Shumlin, the bill was recommitted to the Committee on Economic Development, Housing and General Affairs.

**Rules Suspended; Proposals of Amendment; Third Reading Ordered;
Rules Suspended; Bill Passed in Concurrence with Proposals of
Amendment**

H. 125.

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and House bill entitled:

An act relating to the sale of unpasteurized milk.

Was taken up for immediate consideration.

Senator Kittell, for the Committee on Agriculture, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill as follows:

First: In Sec. 2, 6 V.S.A. § 2777(d), by striking out subdivision (1) (registration) and renumbering the remaining subdivisions to be numerically correct.

Second: In Sec. 2, 6 V.S.A. § 2777(d), by striking out existing subdivision (2)(D) (annual reporting of total gallons sold)

Third: In Sec. 2, 6 V.S.A. § 2777(f), by adding two new subdivisions to be numbered subdivisions (4) and (5) to read as follows:

(4) Registration. Each producer operating under this subsection shall register with the agency.

(5) Reporting. On or before March 1 of each year, each producer shall submit to the agency a statement of the total gallons of unpasteurized milk sold in the previous 12 months.

And by renumbering the current subdivision (4) to be subdivision (6).

Fourth: In Sec. 2, 6 V.S.A. § 2777(f)(3), by striking out subdivisions (B) and (C) and inserting in lieu thereof new subdivisions (B) and (C) to read as follows:

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

(C) The producer shall keep test results on file for one year and shall post results on the farm in a prominent place that is easily visible to customers. The producer shall provide test results to the farm's customers if requested.

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, the proposals of amendment were collectively agreed to, and third reading of the bill was ordered on a roll call, Yeas 19, Nays 2.

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, Bartlett, Carris, Choate, Cummings, Doyle, Flanagan, Giard, Kittell, MacDonald, Maynard, McCormack, Mullin, Nitka, Racine, Shumlin, Snelling, Starr, White.

Those Senators who voted in the negative were: Brock, Sears.

Those Senators absent and not voting were: Ayer, Campbell, Hartwell, Illuzzi, Kitchel, Lyons, Mazza, Miller, Scott.

Thereupon, on motion of Senator Shumlin, the rules were suspended and the bill was placed on all remaining stages of its passage in concurrence with proposals of amendment.

Thereupon, the bill was read the third time and passed in concurrence with proposals of amendment on a roll call, Yeas 22, Nays 3.

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

Roll Call

Those Senators who voted in the affirmative were: Ashe, Bartlett, Campbell, Carris, Choate, Cummings, Doyle, Flanagan, Giard, Hartwell, Kitchel, Kittell, MacDonald, Maynard, McCormack, Mullin, Nitka, Racine, Scott, Shumlin, Snelling, White.

Those Senators who voted in the negative were: Brock, Mazza, Sears.

Those Senators absent and not voting were: Ayer, Illuzzi, Lyons, Miller, Starr.

Message from the House No. 82

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

Mr. President:

I am directed to inform the Senate that:

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

H. 444. An act relating to health care reform.

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 Governor has informed the House that on the May 7, 2009, he approved and signed bills originating in the House of the following titles:

H. 64. An act relating to eligibility for the state youth hunting programs.

H. 204. An act relating to payment of diversion program fees.

Rules Suspended; House Proposal of Amendment Concurred In

H. 444.

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and House proposal of amendment to Senate bill entitled:

An act relating to health care reform.

Was taken up for immediate consideration.

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

First: In Sec. 21(a), by striking out the word “No” and inserting in lieu thereof the following: Upon determination by the secretary of human services, in consultation with the commission on health care reform, that the amendments to be requested pursuant to this subsection will not jeopardize the receipt of the enhanced federal medical assistance percentage funds pursuant to Sec. 5001(f)(1)(A) of Title V of Division B of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, no

Second: In Sec. 39, 26 V.S.A. § 1369(a), after the words “provision of law” by inserting the following: or rule

Third: In Sec. 46, 9 V.S.A. § 2971(b) after the words “or pentaBDE” by inserting the following: in a concentration greater than 0.1 percent by weight and in 9 V.S.A. § 2971(c), after the words “containing decaBDE” by inserting the following: in a concentration greater than 0.1 percent by weight and in 9 V.S.A. §2971(d), after the words “containing decaBDE” by inserting the following: in a concentration greater than 0.1 percent by weight and in 9 V.S.A. §2971(g)(2) by striking out the following: “Classified as a “human carcinogen” or “probable human carcinogen”” and inserting in lieu thereof the following: Classified as “carcinogenic to humans” or “likely to be carcinogenic to humans and in 9 V.S.A. §2971(i) by striking out the following: “10 days” and inserting in lieu thereof the following: 30 days

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

Message from the House No. 83

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

Mr. President:

I am directed to inform the Senate that:

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

S. 48. An act relating to marketing of prescription drugs.

S. 136. An act relating to reducing the drop-out rate in Vermont secondary schools to zero by the year 2020.

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 the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 89. An act relating to stabilization of prices paid to Vermont dairy farmers.

And has adopted the same on its part.

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

H. 136. An act relating to executive branch fees.

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 of the following title:

H. 436. An act relating to decommissioning and decommissioning funds of nuclear energy generation plants.

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

Rules Suspended; Bills Messaged

On motion of Senator Shumlin, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H.125, H. 444, H. 445.

Rules Suspended; Bills Delivered

On motion of Senator Shumlin, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S.7, S. 25, S. 26.

Committee of Conference Appointed

H. 83.

An act relating to underground storage tanks and the petroleum cleanup fund.

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

Senator MacDonald
Senator McCormack
Senator Snelling

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

Recess

On motion of Senator Shumlin the Senate recessed until seven o'clock and thirty minutes.

Called to Order

At seven o'clock and forty-five minutes the Senate was called to order by the President.

Rules Suspended; Report of Committee of Conference; Consideration Postponed

H. 442.

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to miscellaneous tax provisions.

Was taken up for immediate consideration.

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

To the Senate and House of Representatives:

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

H. 442. An act relating to miscellaneous tax provisions.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposals of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Proposed Miscellaneous Tax Amendments * * *

Sec. H.1. INCREASING THE NUMBER OF COMPLIANCE PERSONNEL IN THE DEPARTMENT OF TAXES

(a) In addition to any other funds appropriated to the department of taxes in fiscal year 2010, there is appropriated from the general fund to the department \$535,000.00 in fiscal year 2010 for the purpose of hiring nine full-time limited service employees to augment the department's compliance division. The department shall use the funds so appropriated to hire four tax field examiners, two desk audit examiners, one collector, one desk audit supervisor, and either one attorney or a second collector.

(b) In addition to any other funds appropriated to the department of taxes in fiscal year 2011, there is appropriated from the general fund to the department \$935,000.00 in fiscal year 2011 for the purpose of retaining the nine full-time limited service employees hired pursuant to subsection (a) of this section and hiring six additional full-time limited service employees to further augment the department's compliance division. The department shall use the additional

funds so appropriated to hire four tax field examiners and two desk audit examiners.

(c) It is the intent of the legislature to further augment the department's compliance efforts in fiscal year 2012 by appropriating additional funds for fiscal year 2012 for the purpose of retaining the 15 full-time limited service employees hired pursuant to subsections (a) and (b) of this section and hiring five additional limited service employees.

(d) The positions created pursuant to subsections (a) and (b) of this section shall not be new state employee positions but instead shall be transferred and converted from the vacant position pool as and only when such positions in the vacant position pool become available.

(e) Notwithstanding any other provision of law, the positions created by this section shall be created as limited service positions and shall not be funded for a period in excess of three years.

Sec. H.2. ADDING COMPLIANCE PERSONNEL TO THE DEPARTMENT OF LABOR

(a) In addition to any other funds appropriated to the department of labor in fiscal year 2010, there is appropriated from the general fund to the department \$308,212.00 in fiscal year 2010 for the purpose of hiring four full-time limited service employees as workers' compensation fraud staff who will investigate the classification of workers as either contractors or employees and enforce compliance of the proper classification by businesses.

(b) The positions created pursuant to subsection (a) of this section shall not be new state employee positions but instead shall be transferred and converted from the vacant position pool as and only when such positions in the vacant position pool become available.

(c) Notwithstanding any other provision of law, the positions created by this section shall be created as limited service positions and shall not be funded for a period in excess of three years.

* * * Tax Amnesty * * *

Sec. H.3. TAX AMNESTY

(a) Notwithstanding any law to the contrary, the commissioner of taxes shall establish a tax amnesty program during which all penalties that could be assessed by the commissioner may be waived without the need for any showing by the taxpayer of reasonable cause or the absence of willful neglect if the taxpayer, prior to the expiration of the amnesty period, files proper returns for any tax types and any period for which the taxpayer has or had a filing obligation and pays the full amount of tax shown on such return together

with all interest due thereon. The amnesty program shall be established for a period of six consecutive weeks to be determined by the commissioner, to expire not later than October 2, 2009.

(b) The amnesty program shall apply to a tax liability of any tax type for any periods for which the due date of the return was before January 26, 2009 but shall not apply to those penalties which the commissioner would not have the sole authority to waive, including fuel taxes administered under the International Fuel Tax Agreement or under the local option portions of taxes.

(c)(1) The commissioner shall maintain records of the amnesty provided under this section, including:

(A) the number of taxpayers provided with amnesty;

(B) the types of tax liability for which amnesty was provided and, for each type of liability:

(i) the amount of tax liability collected by the commissioner; and

(ii) the amount of penalties forgone by virtue of the amnesty; and

(iii) the total outstanding tax liability due to the state, for the period through June 30, 2009, after the collection of all funds under this section.

(2) The commissioner shall file a report detailing the information required by subdivision (1) of this subsection with the clerk of the house of representatives and the secretary of the senate, the joint fiscal committee, the house committee on ways and means, and the senate committee on finance not later than December 15, 2009; provided, however, that the report shall not contain information sufficient to identify an individual taxpayer or the amnesty an individual taxpayer was provided under this section.

Sec. H.4. APPROPRIATION

In addition to any other funds appropriated to the department of taxes in fiscal year 2010, there is appropriated from the general fund to the department \$132,000.00 in fiscal year 2010 for the purpose of marketing the tax amnesty program provided for in Sec. H.3 of this act. In order to help stimulate the local economy, the legislature asks in determining what resources or marketing firms to use, the department give priority to Vermont-based firms.

* * * Sale of State-Owned Personal Property * * *

Sec. H.5. SALE OF STATE-OWNED SURPLUS PERSONAL PROPERTY

In order to raise capital and to free space in buildings owned or leased by the state, the commissioner of buildings and general services is authorized and directed to conduct a "spring cleaning" to identify and sell surplus personal property of the state. Each department and agency of the state shall, in accordance with section 1556 of Title 29, transfer all surplus personal property to the commissioner, who is authorized to sell such surplus personal property pursuant to subdivision 1556(6). Notwithstanding section 1557 of Title 29, the proceeds of such sale, net of the commissioner's administrative costs, shall be deposited into the general fund.

* * * Department of Revenue * * *

Sec. H.6. DEPARTMENT OF TAXES; DEPARTMENT OF REVENUE; TRANSITION

(a) In accordance with the report of the commissioner of taxes dated January 22, 2007, the department of taxes shall be converted into a department of revenue no later than June 30, 2012.

(b) To accomplish the requirement set out in subsection (a) of this section, there is hereby established a revenue transition committee to review and approve the commissioner's plan to transition the department of taxes to a department of revenue, which shall be responsible for collecting taxes, fees, levies, and other assessments as determined pursuant to subsection (c) of this section. The revenue transition committee shall be composed of the following seven members:

(1) The commissioner of finance and management or designee;

(2) The state treasurer or designee;

(3) A member of the house committee on ways and means, appointed by the speaker of the house;

(4) A member of the house committee on government operations, appointed by the speaker of the house;

(5) A member of the senate committee on finance, appointed by the committee on committees;

(6) A member of the senate committee on government operations, appointed by the committee on committees;

(7) The court administrator or designee.

(c) The commissioner shall review each state revenue source and determine

whether the management of such revenue source should:

- (1) remain substantially as is;
- (2) be transferred to the treasurer's lockbox services contract;
- (3) be transferred to the department of taxes, which shall ultimately be redesignated the department of revenue; or
- (4) be transferred to another entity.

(d) The revenue transition committee shall meet as needed to review and approve the commissioner's implementation plan for the transition to a revenue department. The commissioner shall report to the revenue transition committee the findings and recommendations required pursuant to subsection (c) of this section, and the commissioner will implement any changes upon the approval of the revenue transition committee.

(e) No later than February 15 of each of the three years following the effective date of this act, the committee shall issue a report to the general assembly on its findings and containing specific recommendations concerning the implementation of the transition, efficiencies, technology, staffing issues, and recommendations with respect to subsection (c) of this section.

(f) The legislative members shall be entitled to per diem compensation and reimbursement of necessary expenses as provided to members of standing committees under 2 V.S.A. § 406 for attendance at a meeting when the general assembly is not in session.

Sec. H.7. STATUTORY REVISION

After June 30, 2012, the legislative council is directed to revise the Vermont Statutes Annotated to reflect the redesignation of the department of taxes as the department of revenue. When applicable, the term "commissioner of taxes" shall be substituted with the term "commissioner of revenue"; and when applicable, the term "department of taxes" shall be substituted with the term "department of revenue."

* * * Education Property Tax Rates * * *

Sec. H.8. FISCAL YEAR 2010 EDUCATION PROPERTY TAX RATE REDUCTION

(a) For fiscal year 2010 only, the education property tax imposed under subsection 5402(a) of Title 32 shall be reduced from the rate of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.35 per \$100.00; and

(2) the tax rate for homestead property shall be \$0.86 multiplied by the district spending adjustment for the municipality, per \$100.00 of equalized property value as most recently determined under section 5405 of Title 32.

(b) For claims filed in 2010 only, “applicable percentage” in subdivision 6066(a)(2) of Title 32 shall be reduced from 2.0 percent and instead shall be 1.80 percent multiplied by the fiscal year 2010 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.80 percent.

* * * Fiscal Year 2010 Education Base Payment Amount * * *

Sec. H.9. FISCAL YEAR 2010 EDUCATION BASE PAYMENT AMOUNT

Notwithstanding subsection 4011(b) of Title 16 or any other provision of law, the base education payment for fiscal year 2010 only shall be \$8,485.00.

* * * Electronic Filing of Property Transfer Tax * * *

Sec. H.10. DEVELOPMENT OF ELECTRONIC SYSTEM FOR FILING AND PAYING PROPERTY TRANSFER TAXES

No later than August 1, 2009, the department of taxes shall file with the joint fiscal committee an implementation plan for the electronic filing of property transfer tax returns and the electronic payment of property transfer taxes.

* * * VHFA: Moral Obligation for Pledged Equity Funds * * *

Sec. H.11. FINDINGS AND INTENT

Moral obligation of the state is used by municipal bond insurers, such as the Vermont Housing and Finance Agency (VHFA), as a discretionary capitalization obligation. By expanding VHFA’s ability to pledge the state’s existing commitment of moral obligation without increasing the amount of the state’s existing potential obligation, the general assembly can provide VHFA with another tool to increase confidence and attract new financial partners so that the agency can continue its housing programs for low- and moderate-income Vermonters, even in these challenging economic times.

Sec. H.12. 10 V.S.A. § 631(f) is amended to read:

(f) The agency, subject to such agreements with noteholders or bondholders as may then exist, shall have power out of any funds available therefor to purchase notes or bonds of the agency, ~~which shall thereupon be cancelled,~~ at a price ~~not exceeding:~~ as shall be determined in the economic best interests of the agency.

~~(1) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment thereon, or~~

~~(2) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date.~~

Sec. H.13. REPEAL

10 V.S.A. § 632 (authorizing the Vermont housing and finance agency to establish reserve funds) is repealed.

Sec. H.14. 10 V.S.A. § 632a is added to read:

§ 632a. RESERVE AND PLEDGED EQUITY FUNDS

(a) The agency may create and establish one or more special funds, herein referred to as “debt service reserve funds” or “pledged equity funds.”

(b) The agency shall pay into each debt service reserve fund:

(1) any moneys appropriated and made available by the state for the purpose of such fund;

(2) any proceeds of the sale of notes, bonds, or other debt instruments to the extent provided in the resolution or resolutions of the agency authorizing their issuance; and

(3) any other moneys or financial instruments such as surety bonds, letters of credit, or similar obligations which may be made available to the agency for the purpose of such fund from any other source or sources. All moneys or financial instruments held in any debt service reserve fund created and established under this section except as hereinafter provided shall be used, as required, solely for the payment of the principal of the bonds, notes, or other debt instruments secured in whole or in part by such fund or of the payments with respect to the bonds, notes, or other debt instruments specified in any resolution of the agency as a sinking fund payment, the purchase or redemption of the bonds, the payment of interest on the bonds, notes, or other debt instruments, or the payment of any redemption premium required to be paid when the bonds, notes, or other debt instruments are redeemed prior to maturity, or to reimburse the issuer of a liquidity or credit facility, bond

insurance, or other credit enhancement for the payment by such party of any of the foregoing amounts on the agency's behalf; provided, however, that the moneys or financial instruments in any such debt reserve fund shall not be drawn upon or withdrawn therefrom at any time in such amounts as would reduce the amount of such funds to less than the debt service reserve requirement established by resolution of the agency for such fund as provided in this section except for the purpose of paying, when due, with respect to bonds secured in whole or in part by such fund, the principal, interest, redemption premiums, and sinking fund payments and of reimbursing, when due, the issuer of any credit enhancement for any such payments made by it, for the payment of which other moneys of the agency are not available. Any income or interest earned by or increment to any debt service reserve fund due to the investment thereof may be transferred by the agency to other funds or accounts of the agency to the extent it does not reduce the amount of such debt service reserve fund below the debt service reserve requirement for such fund.

(c) The agency shall pay into each pledged equity fund:

(1) any moneys appropriated and made available by the state for the purpose of such fund;

(2) any proceeds of the sale of notes, bonds, or other debt instruments to the extent provided in the resolution or resolutions of the agency authorizing the issuance thereof; and

(3) any other moneys or financial instruments such as surety bonds, letters of credit, or similar obligations which may be made available to the agency for the purpose of such fund from any other source or sources. All moneys or financial instruments held in any pledged equity fund created and established under this section except as provided in this section shall be used, as required, solely to provide pledged equity or over-collateralization of any trust estate of the agency to the issuer of a liquidity or credit facility, bond insurance, or other credit enhancement obtained by the agency; provided, however, that the moneys or financial instruments in any pledged such equity fund shall not be drawn upon or withdrawn from such fund at any time in such amounts as would reduce the amount of such funds to less than the pledged equity requirement established by resolution of the agency for such fund as provided in this section except for the purposes set forth in and in accordance with the governing resolution. Any income or interest earned by or increment to, any pledged equity fund due to the investment thereof may be transferred by the agency to other funds or accounts of the agency to the extent it does not reduce the amount of such pledged equity fund below the requirement for such fund. Anything in this subdivision to the contrary notwithstanding, upon the defeasance of the bonds, notes, or other debt instruments with respect to which

the pledged equity requirement was established, the agency may transfer amounts in such fund to another fund or account of the agency proportionately to the amount of such defeasance; provided that the agency shall repay to the state any amount appropriated by the state pursuant to subsection (f) of this section.

(d) The debt service reserve and pledged equity requirements for any fund established under this section shall be established by resolution of the agency prior to the issuance of any bonds, notes, or other debt instruments secured in whole or in part by a debt service reserve fund or prior to entering into any credit enhancement agreement and shall be the amount determined by the agency to be reasonably required in light of the facts and circumstances of the particular debt issue or credit enhancement; provided that the maximum amount of the state's commitment with respect to any pledged equity fund shall be determined by the agency at or prior to entering into any credit enhancement agreement related to such pledged equity fund. The agency shall not at any time issue bonds, notes, or other debt instruments secured in whole or in part by a debt service reserve fund or enter into any credit enhancement agreement that requires establishment of a pledged equity fund created and established under this section unless:

(1) the agency at the time of such issuance or execution shall deposit in such fund from the proceeds of such bonds, notes, or other debt instruments or from other sources an amount which, together with the amount then in such fund, will not be less than the requirement established for such fund at that time;

(2) the agency has made a determination at the time of the authorization of the issuance of such bonds, notes, or other debt instruments or at the time of entering into such credit enhancement agreement that the agency will derive revenues or other income from the mortgage loans that secure such bonds, notes, or other debt instruments or that relate to any credit enhancement agreement sufficient to provide, together with all other available revenues and income of the agency other than any amounts appropriated by the state pursuant to this section for the payment or purchase of such bonds, notes, and other debt instruments and reimbursement to the issuer of any credit enhancement the payment of any expected deposits into any pledged equity fund established with respect to such credit enhancement, and the payment of all costs and expenses incurred by the agency with respect to the program or purpose for which such bonds, notes, or other debt instruments are issued; and

(3) the state treasurer or his or her designee has provided written approval to the agency that the agency may issue such bonds, notes, or other debt instruments and enter into any related credit enhancement agreement.

(e) In computing the amount of the debt service reserve or pledged equity funds for the purpose of this section, securities in which all or a portion of such funds shall be invested shall be valued at par if purchased at par or at amortized value, as that term is defined by resolution of the agency, if purchased at other than par.

(f) In order to assure the maintenance of the debt service reserve fund requirement in each debt service reserve fund established by the agency under this section, there may be appropriated annually and paid to the agency for deposit in each fund a sum as shall be certified by the chair of the agency to the governor, the president of the senate, and the speaker of the house as is necessary to establish or restore each such debt service reserve fund to an amount equal to the requirement for each such fund. The chair shall annually, on or about February 1, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house a certificate stating the sum required to restore each such fund to the amount required by this section, and the sum so certified may be appropriated and, if appropriated, shall be paid to the agency during the then-current state fiscal year. In order to assure the funding of the pledged equity fund requirement in each pledged equity fund established by the agency under this section at the time and in the amount determined at the time of entering into any credit enhancement agreement related to a pledged equity fund, there may be appropriated and paid to the agency for deposit in each fund a sum as shall be certified by the chair of the agency to the governor, the president of the senate, and the speaker of the house as is necessary to establish each pledged equity fund to an amount equal to the amount determined by the agency at the time of entering into any credit enhancement agreement related to a pledged equity fund; provided that the amount requested, together with any amounts previously appropriated pursuant to this subsection for a particular pledged equity fund, shall not exceed the maximum amount of the state's commitment as determined by the agency pursuant to subsection (d) of this section. The chair shall, on or about the February 1 next following the designated date for fully funding a pledged equity fund, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house a certificate stating the sum required to bring each fund to the amount required by this section or to otherwise satisfy the state's commitment with respect to each fund, and the sum so certified may be appropriated and, if appropriated, shall be paid to the agency during the then-current state fiscal year. The combined principal amount of bonds, notes, and other debt instruments outstanding at any time and secured in whole or in part by a debt service reserve fund established under this section and the aggregate commitment of the state to fund pledged equity funds pursuant to this subsection shall not exceed \$155,000,000.00 at any time, provided that the foregoing shall not impair the obligation of any contract or contracts entered

into by the agency in contravention of the Constitution of the United States. Notwithstanding anything in this section to the contrary, the state's obligation with respect to funding any pledged equity fund shall be limited to its maximum commitment, as determined by the agency pursuant to subsection (d) of this section, and the state shall have no other obligation to replenish or maintain any pledged equity fund.

Sec. H.15. SAVINGS CLAUSE

Nothing in Sec. H.14 of this act shall be construed to impair the obligation of any preexisting contract or contracts entered into by the agency or by the state.

* * * Tax Expenditure Reporting Requirement * * *

Sec. H.16. 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.

(b) The governor shall also submit to the general assembly, not later than the third Tuesday of each session of every biennium, a tax expenditure budget which shall embody his or her estimates, requests, and recommendations. The tax expenditure budget shall be provided to the house committee on ways and means and the senate committee on finance, which committees shall review the tax expenditure budget and shall report their recommendations in bill form.

Sec. H.17. 32 V.S.A. § 307 is amended to read:

§ 307. FORM OF BUDGET

(a) The budget shall be arranged and classified so as to show separately the following estimates and recommendations:

- (1) Expenses of state administration.

(2) Deficiencies, overdrafts, and unexpended balances in appropriations of former years.

(3) Bonded debt, loans and interest charges.

(4) All requests and proposals for expenditures for new projects, new construction, additions, improvements, and other capital outlay.

(5) With respect to the tax expenditure budget required under subsection 306(b) of this chapter, all requests and proposals for new, amended, or continued tax expenditures as defined in section 312 of this chapter.

* * *

* * * Vermont State-Sponsored Affinity Card Program * * *

Sec. H.18. 32 V.S.A. § 584 is added to read:

§ 584. VERMONT STATE-SPONSORED AFFINITY CARD PROGRAM

(a) The state treasurer is hereby authorized to sponsor and participate in an affinity card program for the benefit of the residents of this state upon his or her determination that such a program is feasible and may be procured at rates and terms in the best interest of the cardholders. In selecting an affinity card issuer, the treasurer shall consider the issuer's record of investments in the state and shall take into consideration program features which will enhance the promotion of the state-sponsored affinity card, including—consumer-friendly terms, favorable interest rates, annual fees, and other fees for using the card.

(b) The treasurer shall consult with other state agencies about potential public purpose projects to be designated for the program and shall allow cardholders to designate that funds be used either to support sustainable agricultural programs, renewable energy programs, state parks and forestland programs, or any combination of these. The net proceeds of the state fees or royalties generated by this program shall be transmitted to the state and shall be deposited in a state-sponsored affinity card fund and subsequently transferred to the designated state programs and purposes as selected by the cardholders. The funds received shall be held by the treasurer until transferred for the purposes directed by participating state-sponsored affinity cardholders in accordance with the trust fund provisions of section 462 of this title.

(c) All program balances at the end of the fiscal year shall be carried forward and shall not revert to the general fund. Interest earned shall remain in the program. The treasurer's annual financial report to the governor and the general assembly shall contain an accounting of receipts, disbursements, and earnings of the state-sponsored affinity card program.

(d) The state shall not assume any liability for lost or stolen credit cards nor

any other legal debt owed to the financial institutions.

(e) The state treasurer is authorized to adopt such rules as may be necessary to implement the Vermont state-sponsored affinity card program.

* * * Government Licenses and Employment * * *

Sec. H.19. 32 V.S.A. § 3113 is amended to read:

§ 3113. REQUIREMENT FOR OBTAINING LICENSE OR GOVERNMENTAL CONTRACT, OR EMPLOYMENT

* * *

(c) Every agency shall, upon request of the commissioner, furnish a list of licenses and contracts issued or renewed by such agency during the reporting period; provided, however, that the secretary of state shall, with respect to certificates of authority to transact business issued to foreign corporations, furnish to the commissioner only those certificates originally issued by the secretary of state during the reporting period and not renewals of such certificates. The lists ~~should~~ shall include the name, address, ~~social security~~ Social Security or federal identification number of such licensee or provider, and such other information as the commissioner may require.

* * *

(i) No agency of the state shall hire any person as a full-time, part-time, temporary, or contractual employee unless the person shall first sign a written declaration under the pains and penalties of perjury that the person is in good standing with respect to or in full compliance with a plan to pay any and all taxes due as of the date such declaration is made. This requirement applies only to the initial hire of an individual into a position that is paid using the state of Vermont federal taxpayer identification number, other than as a county employee, and not to an employee serving in such position or who returns to any position in state government as a result of a placement right or reduction in force recall right.

* * * Unclaimed Property * * *

Sec. H.20. 32 V.S.A. § 3113a is added to read:

§ 3113a. ABANDONED PROPERTY; SATISFACTION OF TAX LIABILITIES

The commissioner may request from the office of the treasurer the names and Social Security or federal identification numbers of owners of unclaimed property prior to notice being given to such persons pursuant to section 1249 of Title 27. If any such owner owes taxes to the state, the commissioner, after notice to the owner, may request and the treasurer shall transfer the abandoned

property of such owner to the department for setoff of the taxes owed. The notice shall advise the owner of the action being taken and the right to appeal the setoff if the tax debt is not the owner's debt; or if the debt has been paid; or if the tax debt was appealed within 60 days from the date of the assessment and the appeal has not been finally determined; or if the debt was discharged in bankruptcy.

* * * Mapping Program * * *

Sec. H.21. 32 V.S.A. § 3409 is amended to read:

§ 3409. PREPARATION OF PROPERTY MAPS

Consistent with available resources and pursuant to a memorandum of understanding entered into between the commissioner and the Vermont center for geographic information, the ~~director shall prepare~~ center shall provide regional planning commissions, state agencies, and the general public with orthophotographic maps of the state at a scale appropriate for the production and revision of town property maps. Periodically, such maps shall be revised and updated to reflect land use changes, new settlement patterns and such additional information as may have become available to the director or the center.

(1) The ~~director~~ center shall supply to the clerk and to the listers or assessors of each town such maps as have been prepared by ~~the director~~ it of the total area of that town. Any map shall be available, without charge, for public inspection ~~both in the office of the Vermont mapping program and in the office of the~~ town clerk to whom the map was supplied.

(2) The ~~director~~ state of Vermont shall retain the copyright of any map prepared under this section by the Vermont mapping program and the center and the Vermont mapping program shall jointly own the copyright to any map prepared on or after the effective date of this act.

(3) A person, who, without the written authorization of the director and the center, copies, reprints, duplicates, sells, or attempts to sell any map prepared under this chapter shall be fined an amount not to exceed \$1,000.00.

(4) At a reasonable charge to be established by the center and the director, the ~~director~~ center shall supply to any person or agency other than a town clerk or lister a copy of any map prepared under this section.

* * * Unorganized Towns and Gores and Unified Towns and Gores * * *

Sec. H.22. 32 V.S.A. § 4408 is amended to read:

§ 4408. HEARING BY BOARD

(a) On the date so fixed by the town clerk and from day to day thereafter, the board of civil authority shall hear such appellants as appear in person or by agents or attorneys, until all such objections have been heard and considered. All objections filed in writing with the board of civil authority at or prior to the time fixed for hearing appeals shall be determined by the board notwithstanding that the person filing the objections fails to appear in person, or by agent or attorney.

(b) Ad hoc board for unorganized towns and gores and unified towns and gores. For purposes of hearing appeals under this subchapter only, the supervisor shall create an ad hoc board composed of:

(1) the supervisor; and

(2) one member from each adjoining municipality's board of civil authority, to be appointed by each respective board of civil authority, representing no fewer than three and no more than five of the adjoining municipalities, at the discretion of the supervisor.

(c) The ad hoc board provided for in subsection (b) of this section shall, for purposes of hearing appeals under this subchapter only, act as a board of civil authority, and an aggrieved party shall have further appeal rights as though the party had appealed to a board of civil authority.

* * * Education Property Tax Information Insert * * *

Sec. H.23. 32 VSA § 5402(b)(1) is amended to read:

(1) The commissioner of taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonresidential rate determined by the commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonresidential property and without regard to any other tax classification of the property. Tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list value of the property to be taxed. ~~Each homestead property tax bill shall include a copy of the document entitled~~

~~“About Your 20XX Taxes ‘The more you spend the more you pay’,” updated annually for each town by the commissioner of taxes.~~

* * * Unsigned Declaration of Homestead * * *

Sec. H.24. 32 V.S.A. § 5410(c) is added to read:

(c) In the event that an unsigned but otherwise completed homestead declaration is filed with the declarant’s signed state income tax return, the commissioner may treat such declaration as signed by the declarant.

* * * Unrelated Business Income of Nonprofit Corporations * * *

Sec. H.25. 32 V.S.A. § 5811(3) and (18) are amended to read:

(3) “Corporation” means any business entity subject to income taxation as a corporation, and any entity qualified as a small business corporation, under the laws of the United States, with the exception of the following entities which are exempt from taxation under this chapter:

(A) ~~Railroad and insurance, surety and guaranty companies, mutual or otherwise that are taxed under chapter 211 of this title;~~

(B) ~~Life, fire and marine insurance companies and mutual life, fire and marine insurance companies;~~

(C) ~~Farmers’ or other mutual hail, cyclone, fire or life insurance companies, mutual water, mutual or cooperative telephone companies or similar organizations of a purely local character, the income of which companies consists solely of assessments, dues and fees collected from the members for the sole purpose of meeting the expenses of the company;~~

(D) ~~Farmers’, fruit growers’, or like associations organized and operated on a cooperative basis:~~

~~(i) for the purpose of processing, preparing for market, handling or marketing the farm products of members or other producers and turning back to them the proceeds of sales, less the necessary marketing, handling and processing expenses, on the basis of either quantity or the value of the products furnished by them;~~

~~(ii) for the purpose of purchasing supplies and equipment for the use of the members and other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses; or~~

~~(iii) for the purpose of processing, preparing for market, or marketing handcraft products as defined in section 991 of Title 11 of members or other producers and turning back to them the proceeds of sales, less the necessary marketing, handling and processing expenses;~~

~~(E)~~ Credit unions organized under chapter 71 of Title 8 and federal credit unions;

~~(F)~~(C) Nonprofit hospital service corporations organized under chapter 123 of Title 8;

~~(G)~~(D) Nonprofit medical service corporations organized under chapter 125 of Title 8;

~~(H)~~ Free public library corporations organized under chapter 3 of Title 22;

~~(I)~~ Cemetery corporations and associations, labor, agricultural or horticultural organizations, fraternal beneficiary societies, no part of the net earnings of which inures to any member or stockholder;

~~(J)~~ Sanitary corporations and corporations organized for religious, charitable, scientific or educational purposes, no part of the net earnings of which inures to the benefit of any private stockholder or individual member;

~~(K)~~ Business organizations, chambers of commerce or boards of trade and area development organizations not organized for profit, no part of the net earnings of which inures to the benefit of any private stockholder or individual member;

~~(L)~~ Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare;

~~(M)~~ Clubs organized and operated exclusively for pleasure and recreation and other non-profitable purposes, no part of the net earnings of which inures to the benefit of any private stockholder or individual member; or

~~(N)~~ Any political organization which is exempt from or does not owe any federal income taxes as provided in the federal internal revenue code.

* * *

(18) "Vermont net income" means, for any taxable year and for any corporate taxpayer:

* * *

(D) For a corporation with federal exempt status, "Vermont net income" means all income that is subject to federal income tax, including unrelated business income under Section 511 of the Internal Revenue Code and any income arising from debt-financed property subject to taxation under Section 514 of the Internal Revenue Code.

* * * Annual Update of Links to Federal Law * * *

Sec. H.26. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2007~~ 2008, but without regard to federal income tax rates under Section 1 of the Internal Revenue Code, are hereby adopted for the purpose of computing the tax liability under this chapter.

* * * Trustee Process * * *

Sec. H.27. 32 V.S.A. § 5892 is amended to read:

§ 5892. ACTION TO COLLECT TAXES; LIMITATIONS

(a) Action may be brought by the attorney general of the state at the instance of the commissioner in the name of the state to recover the amount of the tax liability of any taxpayer, if the action is brought within six years after the date the tax liability was collectible under section 5886 of this title. The action shall be returnable in the county where the taxpayer resides or has a place of business, and if the taxpayer neither resides nor has a place of business in this state, the action shall be returnable in ~~Washington county~~ County.

(b) Notwithstanding sections 3167 and 3168 of Title 12, a motion may be brought by the attorney general of the state at the instance of the commissioner in the name of the state for issuance of trustee process at the same time as an action is brought under subsection (a) of this section, and, if judgment is granted in that action, the court may proceed immediately to hear and render a decision on the trustee process.

* * * Repeal of Certain Tax Credits * * *

Sec. H.28. REPEAL

(a) 32 V.S.A. § 5930v (providing an income tax credit for eligible venture capital investment) is repealed effective for tax years beginning on or after January 1, 2010.

(b) 32 V.S.A. § 3802(13) (exempting fallout shelters from property tax) is repealed for grand lists prepared for April 1, 2010 and after.

* * * Property Tax Adjustments * * *

Sec. H.29. 32 V.S.A. § 6066a is amended to read:

§ 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

* * *

(c) The commissioner shall notify the municipality of any claim and refund amounts unresolved by September 15 at the time of final resolution, including adjudication if any; provided, however, that towns will not be notified of any additional adjustment amounts after ~~December 31~~ September 15 of the claim year, and such amounts shall be paid to the claimant by the commissioner.

* * *

(f) Property tax bills.

* * *

(4) If the property tax adjustment amount as described in subsection ~~(b)~~(e) of this section exceeds the property tax, penalties and interest, due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification by the commissioner of education, whichever is later.

* * *

* * * Clarifying the Homestead Declaration Requirements * * *

Sec. H.30. DECLARATION OF HOMESTEAD

The commissioner of taxes shall ensure that the homestead declaration form clearly informs taxpayers that a homestead declaration must be filed each year regardless of whether or not the taxpayer is applying for an income sensitivity adjustment and that homestead declarations must be timely filed even if the taxpayer is granted an extension of time to file his or her return.

* * * Estate Tax * * *

Sec. H.31. 32 V.S.A. § 7442a is amended to read:

§ 7442a. IMPOSITION OF A VERMONT ESTATE TAX AND RATE OF TAX

(a) A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was a resident of this state. The base amount of this tax shall be a sum equal to the amount ~~by which~~ of the credit for state death taxes allowable to a decedent's estate under Section 2011, ~~as in effect on January 1, 2001,~~ of the Internal

Revenue Code, ~~hereinafter sometimes referred to as the "credit," exceeds the lesser of as in effect on January 1, 2001. This base amount shall be reduced by the lesser of the following:~~

(1) The total amount of all constitutionally valid state death taxes actually paid to other states; or

(2) A sum equal to the proportion of the credit which the value of the property taxed by other states bears to the value of the decedent's total gross estate for federal estate tax purposes.

(b) A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was not a resident of this state. The amount of this tax shall be a sum equal to the proportion of the ~~credit~~ base amount of tax under subsection (a) of this section which the value of Vermont real and tangible personal property taxed in this state bears to the value of the decedent's total gross estate for federal estate tax purposes.

(c) The Vermont estate tax shall not exceed the amount of the tax imposed by Section 2001 of the Internal Revenue Service Code calculated using the applicable credit amount under Section 2010 as in effect on January 1, 2008, with no deduction under Section 2058.

(d) All values shall be as finally determined for federal estate tax purposes.

Sec. H.32. 32 V.S.A. § 7444 is amended to read:

§ 7444. RETURN BY EXECUTOR

In all cases where ~~the federal gross estate at the time of the death of the decedent exceeds the applicable federal exclusion amount or where the estate is subject to federal estate tax~~ a tax is imposed upon the estate under section 7442a of this chapter, the executor shall make a return with respect to the estate tax imposed by this chapter. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he or she shall include in his or her return (to the extent of his or her knowledge or information) a description of such part and the name of every person holding a legal or beneficial interest therein. Upon notice from the commissioner such person shall in like manner make a return as to such part of the gross estate. A return made by one of two or more joint fiduciaries shall be sufficient compliance with the requirements of this section. A return made pursuant to this section shall contain a statement that the return is, to the best of the knowledge and belief of the fiduciary, true and correct.

Sec. H.33. 32 V.S.A. § 7445 is amended to read:

§ 7445. COPIES OF FEDERAL ESTATE TAX RETURNS TO BE FILED

It shall be the duty of the executor of every person who may die a resident of Vermont or a nonresident with real estate or tangible personal property having an actual situs in Vermont to file with the commissioner a duplicate of all federal estate tax returns which he or she is required to make to the federal authorities, or, if no federal estate tax return is required, a pro forma federal estate tax return for the estate of a decedent with a Vermont estate tax liability shall be filed with the commissioner.

Sec. H.34. 32 V.S.A. § 7446 is amended to read:

§ 7446. WHEN RETURNS TO BE FILED

The estate tax return required under section 7444 of this title shall be filed ~~at the time the federal estate tax return is required to be filed under the laws of the United States, including any extensions of time for filing granted by the federal authorities~~ within nine months of the death of the decedent. Prior to expiration of the filing period, executors may apply for a six-month extension.

Sec. H.35. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States, relating to federal estate and gift taxes as in effect on January 1, ~~2008~~ 2009, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) ~~with~~ the credit for state death taxes shall remain as provided for under Section Sections 2011 and 2604 of the Internal Revenue Code as in effect on January 1, 2001;

(2) the applicable credit amount shall remain as provided for under section 2010 of the Internal Revenue Code, as in effect on January 1, 2008; and

(3) ~~without any the~~ deduction for state death taxes under Section 2058 of the Internal Revenue Code shall not apply.

* * * Cigarette and Tobacco Taxes* * *

Sec. H.36. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

The following words and phrases, as used in this chapter, shall have the following meanings, unless the context otherwise requires:

* * *

(13) “Snuff” means any finely cut, ground, or powdered tobacco that is not intended to be smoked, has a moisture content of no less than 45 percent, and is not offered in individual single-dose tablets or other discrete single-use

units.

* * *

(15) ~~“Tobacco products” means cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff, snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse seraps, clippings, cuttings and sweeping of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking any product manufactured from, derived from, or containing tobacco that is intended for human consumption by smoking, chewing, or in any other manner; but shall not include cigarettes, little cigars, roll-your-own tobacco, moist snuff, or new smokeless tobacco as defined in this section.~~

* * *

(20) “New smokeless tobacco” means any tobacco product manufactured from, derived from, or containing tobacco that is not intended to be smoked, has a moisture content of less than 45 percent, or is offered in individual single-dose tablets or other discrete single-use units.

Sec. H.37. 32 V.S.A. § 7771(c) is amended to read:

(c) The tax imposed under this section shall be at the rate of ~~89.5~~ 112 mills per cigarette or little cigar and for each 0.09 ounces of roll-your-own tobacco. The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. H.38. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all tobacco products except roll-your-own tobacco and little cigars taxed under section 7771 of this title possessed in the state of Vermont by any person for sale on and after July 1, 1959 which were imported into the state or manufactured in the state after said date, except that no tax shall be imposed on tobacco products sold under such circumstances that this state is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the armed forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. ~~Such tax~~ is intended to be imposed only once upon the wholesale sale of any tobacco product and shall be at the rate of ~~41~~ 92 percent of the wholesale price for all tobacco products except moist snuff, which shall be taxed at \$1.66 per ounce, or fractional part thereof, ~~and is intended to be imposed only once upon any tobacco product and new~~

smokeless tobacco, which shall be taxed at the greater of \$1.66 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of \$1.99 per package. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all tobacco products within the state are subject to tax until the contrary is established and the burden of proof that any tobacco products are not taxable hereunder shall be upon the person in possession thereof. Wholesalers of tobacco products shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. H.39. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

* * *

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco in this state who is either a wholesaler, or a retailer who at 12:01 a.m. ~~on July 1, 2006~~ following enactment of this act, has more than 10,000 cigarettes or little cigars or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or retailer at 12:01 a.m. ~~on July 1, 2006~~ following enactment of this act, and on which cigarette stamps have been affixed before July 1, ~~2006~~ following enactment of this act. A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. ~~on July 1, 2006~~ following enactment of this act, and not yet affixed to a cigarette package, and the tax shall be at the rate of ~~\$0.60~~ \$0.25 per stamp. Each wholesaler and retailer subject to the tax shall, on or before July 25, ~~2006~~ following enactment of this act, file a report to the commissioner in such form as the commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. ~~on July 1, 2006~~ following enactment of this act, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before July 25, ~~2006~~ following enactment of this act, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the wholesaler or retailer may deduct from the tax due two and three-tenths of one percent of the tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to

which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

* * *

* * * Sales and Use Tax on Digital Downloads * * *

Sec. H.40. 32 V.S.A. § 9701(45), (46), and (47) are added to read:

(45) Transferred electronically: means obtained by the purchaser by means other than tangible storage media.

(46) Specified digital products: means digital audio-visual works, digital audio works, digital books, or ringtones that are transferred electronically.

(A) Digital audio-visual works: means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any;

(B) Digital audio works: means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones;

(C) Digital books: means works that are generally recognized in the ordinary and usual sense as “books.”

(D) Ringtones: means digitized sound files that are downloaded onto a device and that may be used to alert the customer with respect to a communication.

(47) End user: means any person other than a person who received by contract a product transferred electronically for further commercial broadcast, rebroadcast, transmission, retransmission, licensing, relicensing, distribution, redistribution, or exhibition of the product, in whole or in part, to another person or persons.

Sec. H.41. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this state. The tax shall be paid at the rate of six percent of the sales

price charged for, but in no case shall any one transaction be taxed under more than one of, the following:

* * *

(8) Specified digital products transferred electronically to an end user.

Sec. H.42. 32 V.S.A. § 9772 is amended to read:

§ 9772. AMOUNT OF TAX TO BE COLLECTED

(a) For the purpose of adding and collecting the tax imposed by this chapter, or an amount equal as nearly as possible or practicable to the average equivalent thereof, to be reimbursed to the vendor by the purchaser, the vendor shall ~~use either the calculation in subdivision (1) of this subsection or the formula in subdivision (2). The tax required to be remitted shall be the rate specified in section 9771 of this title multiplied by the total sales price of all the taxable transactions; provided, however, the tax required to be remitted shall be no more than the amount required to be collected. The vendor shall be entitled to retain any amount lawfully collected by the person in excess of the tax imposed by this chapter.~~

~~(1) The multiply the total sales price of all the ~~transaction multiplied transactions taxable~~ by the rate specified in section 9771 of this title carried to the third decimal place and rounded up to the nearest whole cent if the third decimal point is greater than four and rounded down to the nearest whole cent if the third decimal point is four or less. The tax may be computed on either the total invoice amount or on each taxable item.~~

Amount of Sale	Amount of Tax
\$0.01-0.10	No Tax
0.11-0.16	\$.01
0.17-0.33	.02
0.34-0.50	.03
0.51-0.66	.04
0.67-0.83	.05
0.84-1.00	.06

~~In addition to a tax of \$0.06 on each full dollar, a tax shall be collected on each part of a dollar in excess of a full dollar in accordance with the following formula:~~

\$0.01-0.16	\$.01
0.17-0.33	.02
0.34-0.50	.03
0.51-0.66	.04
0.67-0.83	.05
0.84-0.99	.06

* * *

Sec. H.43. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six percent for the use within this state, except as otherwise exempted under this chapter:

* * *

(2) Of any tangible personal property manufactured, processed or assembled by the user, if items of the same kind of tangible personal property are offered for sale by him or her in the regular course of business, but the mere storage, keeping, retention or withdrawal from storage of tangible personal property or the use for demonstrational or instructional purposes of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him or her; and for purposes of this section only, the sale of electrical power generated by the taxpayer shall not be considered a sale by him or her in the regular course of business if at least 60 percent of the electrical power generated annually by the taxpayer is used by the taxpayer in his or her trade or business; ~~and~~

(3) Of any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any taxable services described in subdivision 9771(3) of this title have been performed; and

(4) Specified digital products transferred electronically to an end user.

* * * Sales Tax on Spirituous Liquor * * *

Sec. H.44. 32 V.S.A. § 9743(1) is amended to read:

(1) The state of Vermont, or any of its agencies, instrumentalities, public authorities, public corporations (including a public corporation created pursuant to agreement or compact with another state) or political subdivisions when it is the purchaser, user or consumer, or when it is a vendor of services or

property of a kind not ordinarily sold by private persons, or when it charges for admission to any amusement; except that a performance jointly produced or presented by it and another person shall not be exempt from amusement tax unless it meets the joint production requirements imposed on a qualified organization under subdivision (3)(B) of this section and sales of alcoholic beverages shall not be exempt from sales tax.

* * * Returns Upon Business Closing * * *

Sec. H.45. 32 V.S.A. § 9775 is amended to read:

§ 9775. RETURNS

(a) Except as otherwise provided in this section, every person required to collect or pay tax under this chapter shall, where the sales and use tax liability under this chapter for the immediately preceding calendar year has been (or would have been in cases when the business was not operating for the entire year) \$500.00 or less, pay the tax imposed by this chapter in one annual payment on or before the 25th day of January of each year. Every person required to collect or pay tax under this chapter shall, where the sales and use tax liability under this chapter for the immediately preceding calendar year has been (or would have been in cases when the business was not operating for the entire year) more than \$500.00 but less than \$2,500.00, pay the tax imposed by this chapter in quarterly installments on or before the 25th day of the calendar month succeeding the quarter ending on the last day of March, June, September, and December of each year. In all other cases, except as provided in ~~subsection~~ subsections (e) and (g) of this section, the tax imposed by this chapter shall be due and payable monthly on or before the 25th (23rd of February) day of the month following the month for which the tax is due. Payment by electronic funds transfer does not affect the requirement to file returns. The return of a vendor of tangible personal property shall show such information as the commissioner may require.

* * *

(g) A person required to report sales and use tax annually who cancels his, her, or its sales and use tax account shall file a final return not later than 60 days after such cancellation.

* * * Land Gains Tax * * *

Sec.H.46. 32 V.S.A. § 10009(b) is amended to read:

(b) All the administrative provisions of chapter 151 of this title, including those relating to the collection and enforcement by the commissioner of the withholding tax and the income tax, and of chapter 103, including those relating to interest and penalty charges, shall apply to the tax imposed by this

chapter.

* * * Capital Gains Exemption and Partial Exclusion of Deduction for State
Income Taxes * * *

Sec. H.47. 32 V.S.A. § 5811(21) is amended to read:

(21) "Taxable income" means federal taxable income determined without regard to Section 168(k) of the Internal Revenue Code and:

(A) Increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations;
~~and~~

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; and

(iii) the amount in excess of \$5,000.00 of state and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from United States government obligations; ~~and~~

~~(ii) 40 percent of adjusted net capital gain income as defined in Section 1(h) of the Internal Revenue Code, but the total amount of decrease under this subdivision (ii) shall not exceed 40 percent of federal taxable income the first \$5,000.00 of adjusted net capital gain income as defined in Section 1(h) of the Internal Revenue Code; and~~

(iii) recapture of state and local income tax deductions not taken against Vermont income tax.

* * * Deduction for Vehicle Purchase Sales Tax * * *

Sec. H.47b. INCLUSION IN INCOME OF AMOUNT OF DEDUCTION TAKEN FOR SALES AND USE TAX ON PURCHASE OF NEW VEHICLE

(a) For taxable year 2009 only, a taxpayer shall increase his or her taxable income calculated pursuant to section 5811(21) by the amount of any deduction taken pursuant to Sec. 164(a)(6) of the Internal Revenue Code.

(b) There is appropriated the sum of \$100,000.00 from the general fund to the joint legislative government accountability committee established in Sec. 5 of No. 206 of the Acts of the 2008 General Assembly (adj. sess.) for the purpose of hiring consultants to make recommendations for further efficiencies in state government.

* * * Reduction of Income Tax Rates * * *

Sec. H.48. REDUCTION OF PERSONAL INCOME TAX RATES

For taxable year 2009 and subsequent taxable years, income tax rates under 32 V.S.A. § 5822, after taking into account any inflation adjustments to taxable income as required under subdivision 5822(b)(2), shall be as follows:

<u>For taxable income which, without</u> <u>the passage of this act, would be</u> <u>subject to tax at the following rate:</u>	<u>That taxable income</u> <u>shall instead be taxed</u> <u>at the following rate:</u>
<u>3.60%</u>	<u>3.55%</u>
<u>7.20%</u>	<u>6.80%</u>
<u>8.50%</u>	<u>7.80%</u>
<u>9.00%</u>	<u>8.80%</u>
<u>9.50%</u>	<u>8.95%</u>

Sec. H.48a. STATUTORY REVISION

The legislative council is directed to revise the Vermont Statutes Annotated to reflect the income tax rate changes in Sec. H.48 of this act.

Sec. H.49. HEALTH CARE REFORM PROPERTY TAX EXEMPTION

In fiscal years 2010 and 2011, the following two properties shall be exempt from education property tax under chapter 135 of Title 32: Buildings and land owned and occupied by a health, recreation, and fitness organization which is exempt under Section 501(c)(3) of the Internal Revenue Code, the income of which is entirely used for its exempt purpose, one of which is designated by the Springfield Hospital and the other designated by the North Country Hospital, to promote exercise and healthy lifestyles for the community and to serve citizens of all income levels in this mission. This exemption shall apply notwithstanding the provisions of subdivision 3832(7) of Title 32.

* * * Digital Business Entities * * *

Sec. H.50. LEGISLATIVE INTENT

The purpose of the following sections of this act concerning digital business entities is to build on the momentum created by Secs. 74 through 100 of No. 190 of the Acts of the 2007 Adj. Sess. (2008), which provided for Vermont companies to conduct much of their statutorily required corporate affairs using electronic media, including e-mail, facsimile, and web-based filings.

Sec. H.51. 32 V.S.A. § 5811(26) is added to read:

(26) “Digital business entity” means a business entity which, during the entire taxable year:

(A) was not a member of an affiliated group or engaged in a unitary business with one or more members of an affiliated group that is subject to Vermont income taxation; did not have any Vermont property, payroll, or sales and did not perform any activities in this state which would constitute doing business for purposes of income taxation except activities described in subdivisions (15)(C)(i) (fulfillment operations) and (C)(ii) (web page or Internet site maintenance) of this section; and

(B) used mainly computer, electronic, and telecommunications technologies in its formation and in the conduct of its business meetings, in its interaction with shareholders, members, and partners, in executing any other formal requirements.

Sec. H.52. 32 V.S.A. § 5832(2) is amended to read:

(2)(A) \$75.00 for small farm corporations. “Small farm corporation” means any corporation organized for the purpose of farming, which during the taxable year is owned solely by active participants in that farm business and receives less than \$100,000.00 gross receipts from that farm operation, exclusive of any income from forest crops; or

(B) An amount determined in accordance with section 5832a of this title for a corporation which qualifies as and has elected to be taxed as a digital business entity for the taxable year; or

(C) \$250.00 for all other corporations.

Sec. H.53. 32 V.S.A. § 5832a is added to read:

§ 5832a. DIGITAL BUSINESS ENTITY FRANCHISE TAX

(a) There is imposed upon every business entity which qualifies as and has elected to be taxed as a digital business entity an annual franchise tax equal to:

(1) the greater of 0.02 percent of the current value of the tangible and

intangible assets of the company or \$250.00, but in no case more than \$500,000.00; or

(2) where the authorized capital stock does not exceed 5,000 shares, \$250.00; where the authorized capital stock exceeds 5,000 shares but is not more than 10,000 shares, \$500.00; and the further sum of \$250.00 on each 10,000 shares or part thereof.

(b) In no case shall the tax on any corporation for a full taxable year, whether computed under subdivision (a)(1) or (2) of this section, be more than \$500,000.00 or less than \$250.00.

(c) In the case of a corporation that has not been in existence during the whole year, the amount of tax due, at the foregoing rates and as provided, shall be prorated for the portion of the year during which the corporation was in existence.

(d) In the case of a corporation changing during the taxable year the amount of its authorized capital stock, the total annual franchise tax payable at the foregoing rates shall be arrived at by adding together the franchise taxes calculated pursuant to subdivision (a)(2) of this section as prorated for the several periods of the year during which each distinct authorized amount of capital stock was in effect.

(e) For the purpose of computing the taxes imposed by this section, the authorized capital stock of a corporation shall be considered to be the total number of shares that the corporation is authorized to issue without regard to whether the number of shares that may be outstanding at any one time is limited to a lesser number.

(f) The franchise tax under this section shall be reported and paid in the same manner as the tax under subdivision 5832(2)(B) of this title; provided, however, that an electing corporation shall also provide the commissioner with a copy of its federal tax return.

Sec. H.54. 32 V.S.A. § 5838 is added to read:

§ 5838. DIGITAL BUSINESS ENTITY ELECTION

A corporation shall not be subject to the tax imposed by section 5832 of this title if the corporation qualifies as and elects to be taxed as a digital business entity for the taxable year.

Sec. H.55. REPORT TO THE GENERAL ASSEMBLY ON DIGITAL BUSINESS ENTITY INCOME

Beginning in 2011 and every year thereafter, by January 15 the commissioner of taxes shall report to the house committee on ways and means and to the senate committee on finance on the amount of income reported to date to the department by businesses electing to be taxed as digital businesses, an estimate of the amount of income taxes exempted as a result, and details as to the size of businesses reporting. The committees shall review the report and make their recommendation to the general assembly as to whether to continue the taxpayer option of a digital business election and whether to extend the option to pass-through entities. If the digital business election is repealed, the commissioner's reporting requirement of this section shall no longer apply.

* * * Blue Ribbon Tax Structure Commission * * *

Sec. H.56. BLUE RIBBON TAX STRUCTURE COMMISSION

(a) Composition of commission. There is hereby established a blue ribbon tax structure commission composed of three to five members to be selected as follows:

(1) The speaker of the house, the president pro tempore of the senate, and the governor shall each appoint one member; and

(2) The three members appointed pursuant to subdivision (1) of this subsection may select one or two additional members.

(b) The commission shall be appointed as soon as possible after the effective date of this act. The panel shall elect a chair and a vice chair from among its members.

(c) Purpose and goals. The commission shall prepare a structural analysis of the state's revenue system and offer recommendations for improvements and modernization and provide a long-term vision for the tax structure. The commission shall have as its goal a tax system that provides sustainability, appropriateness, and equity. For guidance, the commission may use the Principles of a High-Quality State Revenue System as prepared by the National Conference of State Legislatures as of June 2007. A high-quality revenue system:

(1) Comprises elements that are complementary, including the finances of both state and local governments.

(2) Produces revenue in a reliable manner. Reliability involves stability, certainty, and sufficiency.

(3) Relies on a balanced variety of revenue sources.

(4) Treats individuals equitably. Minimum requirements of an equitable system are that it imposes similar tax burdens on people in similar circumstances, it minimizes regressivity, and it minimizes taxes on low income individuals.

(5) Facilitates taxpayer compliance. It is easy to understand and minimizes compliance costs.

(6) Promotes fair, efficient, and effective administration. It is as simple as possible to administer, raises revenue efficiently, is administered professionally, and is applied uniformly.

(7) Is responsive to interstate and international economic competition.

(8) Minimizes its involvement in spending decisions and makes any such involvement explicit.

(9) Is accountable to taxpayers.

(d) The blue ribbon commission shall receive technical support from the department of taxes, the legislative joint fiscal office, and consultants. The following reports will be provided to the commission:

(1) Changes in personal income, arranged by decile, over the last five years;

(2) House site and homestead value arranged by adjusted gross income (AGI) and, where available, household income;

(3) Gross and net school taxes paid, arranged by adjusted gross income and, where available, by household income.

(e) The joint fiscal office with the assistance of the legislative council and the department of taxes may contract with one or more consultants to provide assistance with achieving the goals for the commission. The consultants shall have extensive experience with state tax systems and shall have participated in at least one other study of a state tax system.

(f) Work Plan.

(1) Year 1 – Examine Vermont’s income tax structure and analyze, among other things, whether the principles of sustainability, appropriateness, and equity would be better met by using adjusted gross income rather than federal taxable income. This shall include an examination of personal exemptions, deductions, brackets, credits, and other adjustments to income. The commission shall prepare a work plan by September 15, 2009, preliminary findings by November 1, 2009, and a final report due January 1, 2010 submitted to the governor, the speaker, the president pro tempore, the house committee on ways and means and the senate committee on finance.

(2) Year 2 – The commission, by February 1, 2010, shall also present a proposed work plan which shall include a delivery date prior to February 1, 2011 for examining tax expenditures, fees, consumption taxes, and business taxes. The work plan shall include examining whether fees are being used to fund general responsibilities of government and whether such use is sustainable, appropriate, and equitable. The work plan shall include an analysis of the process for reviewing tax expenditures under section 312 of Title 32.

(g) There is appropriated in fiscal year 2010 the sum of \$200,000.00 from the general fund to the joint fiscal office for the purpose of hiring consultants and other support for the commission.

(h) Non-legislative members of the commission shall be entitled to compensation as provided under 32 V.S.A. § 1010. Any legislative members of the commission shall be entitled to the same per diem compensation and reimbursement of necessary expenses for attendance at a meeting when the general assembly is not in session as provided to members of standing committees under 2 V.S.A. § 406.

* * * Financing and Effectiveness of the Vermont Education System * * *

SEC. H.57. FINANCING AND EFFECTIVENESS OF THE VERMONT EDUCATION SYSTEM IN THE 21ST CENTURY; COMMITTEE

(a) Findings.

(1) The future of Vermont's economic and social well-being is dependent on a strong, efficient public education system.

(2) Pressures on Vermont's education funding system, the state's general fund, and the Vermont economy as a whole make it increasingly difficult to ensure that Vermonters will continue to have access to the high quality education they have come to expect.

(b) Committee created. There is created a committee to examine potential improvements to the structure and funding of the Vermont educational system in light of the state's limited financial resources. When performing the duties assigned to it, the committee shall consider the work of the committee convened by the governor, the speaker of the house, and the president pro tempore during the 2009 legislative session. Among other issues, the committee shall:

(1) Examine the role and the effectiveness of the policy-making, management, and administrative structure that creates and implements Vermont education policy, including consideration of the functions of the legislature, the governor, the state board of education, the department of education, supervisory unions, local school boards, parents, students, community members, and other entities and individuals.

(2) Consider the types of decisions the identified entities and individuals make and how these decisions influence decisions made by others, with a focus on how they shape educational outcomes and drive funding requirements.

(3) Identify and evaluate the long-range sustainability of current and potential funding sources and mechanisms.

(4) Determine whether and to what extent each identified funding source and mechanism advances the mission of Vermont's educational system, including whether it complies with Brigham v. State, 166 Vt. 246 (1997).

(c) Committee membership. The committee shall have 15 members who shall be:

(1) The chairs of the house committees on education and on ways and means or their designees, plus two additional members of the house of representatives appointed by the speaker of the house.

(2) The chairs of the senate committees on education and on finance or their designees, plus two additional members of the senate appointed by the committee on committees.

(3) The commissioner of education or the commissioner's designee.

(4) Six members from constituencies such as the business community, superintendents, school boards, teachers, parents, and community members to be selected by July 15, 2009 as follows: two by the speaker of the house, two by the committee on committees, and two by the governor.

(d) Committee's overall composition. Persons making appointments under subsection (c) of this section shall consider the overall composition of the committee and shall attempt to ensure both that committee members have a broad understanding of the current education funding system and that the committee includes both supporters and critics of the system.

(e) Initial meeting. The commissioner of education shall convene the first meeting of the committee on or before July 30, 2009. The committee shall select a chair from among its members at the first meeting.

(f) Committee staff. The department of education and the joint fiscal office shall provide administrative and fiscal services to the committee. The committee shall rely upon the legislative council to draft all proposed legislation.

(g) Compensation for legislators. For attendance at a meeting when the general assembly is not in session, legislative members of the committee shall be entitled to compensation for services and reimbursement of expenses as provided in 2 V.S.A. § 406(a).

(h) Compensation for private citizens. Committee members who are not full-time state employees shall be entitled to expenses as provided in 32 V.S.A. § 1010 from money appropriated for this purpose by the general assembly.

(i) Number of meetings authorized. The committee shall meet no more than six times unless specifically authorized by the speaker of the house and the president pro tempore of the senate.

(j) Report. On or before December 15, 2009, the committee shall present detailed written findings and recommendations to the members of the house and senate committees on education, the house committee on ways and means, the senate committee on finance, and the governor. It shall provide draft legislation designed to implement its recommendations to the same parties by January 15, 2010.

Sec. H.58. EFFECTIVE DATES

This section. and Secs. H.1–H.57 of this act shall take effect upon passage, except:

(1) Sec. H.22 (establishing an ad hoc board of civil authority for unorganized towns and gores and unified towns and gores) shall apply to appeals filed on or after July 1, 2009.

(2) Sec. H.23 (repealing tax information insert) shall apply to homestead property tax bills mailed in 2009 and after.

(3) Sec. H.24 (unsigned declaration of homestead) shall apply to declarations filed in calendar year 2010 and after.

(4) Sec. H.25 (taxation of unrelated business income of nonprofit corporations) shall take effect for taxable years beginning on and after January 1, 2010.

(5) Sec. H.26 (update of link to federal income tax laws) shall apply to taxable years beginning on and after January 1, 2008.

(6) Sec. H.29 (deadline for notice from department to towns regarding adjustment amounts) shall apply to homestead declarations filed in 2009 and after.

(7) Secs. H.31–H.35 (estate taxes) shall apply to estates of individuals dying on or after January 1, 2009.

(8) Secs. H.36–H.39 (tax on cigarettes and other tobacco products) shall take effect on July 1, 2009.

(9) Secs. H.40–H.43 (sales and use tax on digital downloads) shall take effect on July 1, 2009.

(10) Sec. H.44 (sales tax on spirituous liquor) shall take effect on July 1, 2009).

(11) Sec. H.45 (cancellation of sales and use tax account) shall take effect with respect to cancellations on or after July 1, 2009.

(12) Sec. H.47 (capital gains exemption and state income tax deduction) shall apply to taxable years beginning on or after January 1, 2009.

(13) Sec. H.50-H.55 (digital business entities) shall take effect on January 1, 2010.t

ANN E. CUMMINGS
WILLIAM CARRIS
ROBERT M. HARTWELL

Committee on the part of the Senate

JANET ANCEL
JAMES CONDON
MICHAEL J. OBUCHOWSKI

Committee on the part of the House

Thereupon, pending the question, Shall the Senate accept and adopt the report of the Committee of Conference?, on motion of Senator Shumlin, consideration of the bill was postponed.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 438.

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to the state's transportation program.

Was taken up for immediate consideration.

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

To the Senate and House of Representatives:

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

H. 438. An act relating to the state's transportation program.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and by inserting in lieu thereof the following:

Sec. 1. TRANSPORTATION PROGRAM

(a) The state's proposed fiscal year 2010 transportation program appended to the agency of transportation's proposed fiscal year 2010 budget, as amended by this act, is adopted to the extent federal, state, and local funds are available.

(b) As used in this act, unless otherwise indicated:

(1) the term "agency" means the agency of transportation;

(2) the term "secretary" means the secretary of transportation;

(3) the table heading "As Proposed" means the transportation program referenced in subsection (a) of this section; the table heading "As Amended" means the amendments as made by this act; the table heading "Change" means the difference obtained by subtracting the "As Proposed" figure from the "As Amended" figure; and the term "change" or "changes" in the text refers to the project- and program-specific amendments, the aggregate sum of which equals the net "Change" in the applicable table heading;

(4) the term "bonding" refers to the net proceeds of transportation bonds which were included in the agency's proposed fiscal year 2010 transportation program;

(5) the term "ARRA funds" refers to federal funds allocated to the state by the American Recovery and Reinvestment Act of 2009;

(6) the term "TIB funds" refers to monies deposited in the transportation infrastructure bond fund in accordance with 19 V.S.A. § 11f.

* * * TIB Funds * * *

Sec. 2. TIB FUNDS

All spending of TIB funds authorized by this act with respect to an agency program and all appropriations of TIB funds shall be limited to eligible projects as defined in 19 V.S.A. § 11f(b) and shall further be limited in amounts to the monies deposited in the transportation infrastructure bond fund during the fiscal year in which the spending is authorized and the appropriation is made.

* * * ARRA Funds * * *

Sec. 3. FEDERAL ECONOMIC RECOVERY FUNDS

(a) Division A – Title XII of the American Recovery and Reinvestment Act (ARRA) of 2009 allocates federal funds to the state for transportation-related projects. The secretary of transportation is authorized to obligate and expend ARRA funds:

(1) to projects as indicated in the document titled “VT Agency of Transportation – Proposed ARRA Project Plan” dated May 6, 2009.

(2) Up to \$5,000,000 to additional town highway paving projects that meet federal eligibility and readiness criteria. Individual projects shall not exceed \$750,000 in federal funds, unless approved by the secretary of transportation. Any exceptions shall be reported to the joint transportation oversight committee.

(3) Up to \$5,000,000 to additional town highway structures projects that meet federal eligibility and readiness criteria. Individual projects shall not exceed \$750,000 in federal funds, unless approved by the secretary of transportation. Any exceptions shall be reported to the joint transportation oversight committee.

(b) Any proposed obligation and expenditure of ARRA funds other than as authorized under subsection (a) of this section shall be subject to the approval of the joint transportation oversight committee.

(c) The agency shall report on the obligation and expenditure of ARRA funds to the joint transportation oversight committee at the committee’s regular and specially scheduled 2009 meetings.

(d) All reports from the agency to the joint transportation oversight committee (JTOC) required under this section when the legislature is not in session shall take place at meetings of the committee called by the chair.

* * * Paving * * *

Sec. 4. PROGRAM DEVELOPMENT – PAVING

(1) Spending authority in the paving statewide preventive maintenance program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	0	0	0
ROW	0	0	0
Construction	500,000	0	-500,000
Total	500,000	0	-500,000
<u>Source of funds</u>			
State	500,000	0	-500,000
Total	500,000	0	-500,000

(2) Under Sec. 3(a)(3) of this act, a new project is added to authorize the expenditure of up to \$5,000,000 in ARRA funds on additional town highway paving projects that meet federal eligibility and readiness criteria for the use of ARRA funds.

(3) Including the changes in subsections (1) and (2) of this section, total spending authority in the paving program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	2,405,000	2,405,000	0
Row	0	0	0
Construction	66,229,802	116,019,718	49,789,916
Total	68,634,802	118,424,718	49,789,916
<u>Source of funds</u>			
State	13,018,034	3,912,806	-9,105,228
TIB funds	0	2,592,739	2,592,739
Federal	55,616,768	27,247,723	-28,369,045
ARRA funds	0	84,671,450	84,671,450
Total	68,634,802	118,424,718	49,789,916

*** Roadway ***

Sec. 5. PROGRAM DEVELOPMENT – ROADWAY

(1) Spending authority for the Cabot-Danville US 2 FEGC F 028-3(26)C/1 roadway project is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	0	0	0
ROW	0	0	0
Construction	4,000,000	2,500,000	-1,500,000
Other	0	0	0
Total	4,000,000	2,500,000	-1,500,000
<u>Source of funds</u>			
State	200,000	0	-200,000
TIB funds	0	125,000	125,000
Federal	3,800,000	2,375,000	-1,425,000
Total	4,000,000	2,500,000	-1,500,000

(2) Spending authority for the Morristown VT 100 STP F 029-1(2) roadway project is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	200,000	200,000	0
ROW	500,000	2,000,000	1,500,000
Construction	0	0	0
Other	200,000	200,000	0
Total	900,000	2,400,000	1,500,000
<u>Source of funds</u>			
State	182,440	0	-182,440
TIB funds	0	482,440	482,440
Federal	717,560	1,917,560	1,200,000
Total	900,000	2,400,000	1,500,000

(3) Spending authority for the Winooski NH 089-3(65) roadway project is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	100,000	100,000	0
ROW	0	0	0
Construction	1,000,000	1,000,000	0
Other	0	0	0
Total	1,100,000	1,100,000	0

Source of funds

State	110,000	0	-110,000
TIB funds	0	10,000	10,000
Federal	990,000	1,090,000	100,000
Total	1,100,000	1,100,000	0

(4) Spending authority for the Derby IM 091-3(45) roadway border crossing project is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	287,500	0	-287,500
Total	287,500	0	-287,500

Source of funds

State	287,500	0	-287,500
Federal	0	0	0
Total	287,500	0	-287,500

(5) Including the changes made in subsections (1) through (4) of this section, total spending authority in the roadway program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	5,446,892	5,446,892	0
Row	7,115,000	8,615,000	1,500,000
Construction	43,752,270	45,561,882	1,809,612
Other	1,087,500	800,000	-287,500
Total	57,401,662	60,423,774	3,022,112

Source of funds

State	2,749,362	641,762	-2,107,600
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Bonding	4,390,980	0	-4,390,980
TIB funds	0	6,477,842	6,477,842
Federal	48,710,890	50,353,740	1,642,850
ARRA funds	0	1,400,000	1,400,000
Local	1,550,430	1,550,430	0
Total	57,401,662	60,423,774	3,022,112

*** Bridge Programs ***

Sec. 6. PROGRAM DEVELOPMENT – STATE BRIDGE

Spending authority in the state bridge program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	3,550,576	3,550,576	0
Row	1,181,202	1,181,202	0
Construction	19,002,022	21,610,522	2,608,500
Other	0	0	0
Total	23,733,800	26,342,300	2,608,500

Source of funds

State	500,000	3,529,579	3,029,579
Bonding	4,686,420	0	-4,686,420
TIB funds	0	1,385,241	1,385,241
Federal	18,547,380	17,460,980	-1,086,400
ARRA funds	0	3,966,500	3,966,500
Total	23,733,800	26,342,300	2,608,500

Sec. 7. PROGRAM DEVELOPMENT – INTERSTATE BRIDGE

(1) Spending authority in the Brattleboro I-91 IM 091-1(50) project is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	50,000	50,000	0
Row	1,000	1,000	0
Construction	0	1,500,000	1,500,000
Other	0	0	0

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Total	51,000	1,551,000	1,500,000
<u>Source of funds</u>			
State	5,100	5,100	0
Federal	45,900	45,900	0
ARRA funds	0	1,500,000	1,500,000
Total	51,000	1,551,000	1,500,000

(2) Including the change made in subsection (1) of this section, total spending authority in the interstate bridge program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	607,500	607,500	0
Row	26,000	26,000	0
Construction	5,315,000	6,815,000	1,500,000
Other	0	0	
Total	5,948,500	7,448,500	1,500,000

Source of funds

State	100,000	594,850	494,850
Bonding	494,850	0	-494,850
TIB funds	0	0	0
Federal	5,353,650	5,353,650	0
ARRA funds	0	1,500,000	1,500,000
Total	5,948,500	7,448,500	1,500,000

Sec. 8. TOWN HIGHWAY BRIDGE

(1) Under Sec. 3(a)(3) of this act, a new project is added to authorize the expenditure of up to \$5,000,000 in ARRA funds on additional town highway bridge and culvert projects that meet federal eligibility and readiness criteria for the use of ARRA funds.

(2) Including the change made in subsection (1) of this section, total spending authority in the town bridge program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	1,663,952	1,663,952	0
Row	588,278	588,278	0

Construction	18,418,870	23,817,186	5,398,316
Total	20,671,100	26,069,416	5,398,316
<u>Source of funds</u>			
State	1,540,899	500,000	-1,040,899
Bonding	1,500,000	0	-1,500,000
TIB funds	0	1,875,976	1,875,976
Federal	16,273,728	12,858,036	-3,415,692
ARRA funds	0	9,442,034	9,442,034
Local	1,356,473	1,393,370	36,897
Total	20,671,100	26,069,416	5,398,316

Sec. 9. BRIDGE MAINTENANCE

Spending authority in the bridge maintenance program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	410,000	410,000	0
Row	21,500	21,500	0
Construction	17,192,200	33,619,840	16,427,640
Total	17,623,700	34,051,340	16,427,640
<u>Source of funds</u>			
State	6,844,140	4,011,751	-2,832,389
TIB funds	0	234,020	234,020
Federal	10,779,560	23,561,522	12,781,962
ARRA funds	0	6,244,047	6,244,047
Total	17,623,700	34,051,340	16,427,640

* * * Safety and Traffic Operations * * *

Sec. 10. SAFETY AND TRAFFIC OPERATIONS

Spending authority in the safety and traffic operations program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	4,900,000	4,900,000	0
PE	1,170,316	1,170,316	0
ROW	563,750	563,750	0
Construction	9,833,278	17,201,278	7,368,000
Total	16,467,344	23,835,344	7,368,000
<u>Source of funds</u>			
State	407,343	407,343	0
Federal	16,010,001	23,378,001	7,368,000
Local	50,000	50,000	0
ARRA funds	0	0	0
Total	16,467,344	23,835,344	7,368,000

* * * Bike and Pedestrian Facilities * * *

Sec. 11. BIKE AND PEDESTRIAN FACILITIES

(1) A new project is added for the rehabilitation of rail trails STP NWRT() with the following spending authority:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Construction	0	694,194	694,194
Total	0	694,194	694,194
<u>Source of funds</u>			
ARRA	0	694,194	694,194
Total	0	694,194	694,194

(2) A new project is added for curb ramp modifications STP RAMP() with the following spending authority:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Construction	0	552,500	552,500
Total	0	552,500	552,500
<u>Source of funds</u>			
ARRA	0	552,500	552,500
Total	0	552,500	552,500

* * * Transportation Buildings * * *

Sec. 12. TRANSPORTATION BUILDINGS

(1) Spending authority for the transportation buildings Berlin project is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	100,000	0	-100,000
ROW	200,000	0	-200,000
Construction	650,000	0	-650,000
Total	950,000	0	-950,000
<u>Source of funds</u>			
State	190,000	0	-190,000
Federal	760,000	0	-760,000
Total	950,000	0	-950,000

(2) The agency shall study alternatives for the siting of the materials testing lab and report to the house and senate committees on transportation by January 15, 2010.

* * * DMV * * *

Sec. 13. DEPARTMENT OF MOTOR VEHICLES

Spending authority for the department of motor vehicles is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Personal Services	17,063,642	16,913,642	-150,000
Operating Expenses	8,176,673	8,116,673	-60,000
Grants	50,000	50,000	0
Total	25,290,315	25,080,315	-210,000

Source of funds

State	23,807,821	23,597,821	-210,000
Federal	1,482,494	1,482,494	0
Total	25,290,315	25,080,315	-210,000

* * * Rail * * *

Sec. 14. RAIL

(a) Spending authority for passenger rail service (Amtrak contract) is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	3,300,000	3,700,000	400,000
Total	3,300,000	3,700,000	400,000

Source of funds

State	3,300,000	3,700,000	400,000
Total	3,300,000	3,700,000	400,000

(b) Spending authority for rail property lease and encroachment management is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	300,000	212,761	-87,239
Total	300,000	212,761	-87,239

Source of funds

State	300,000	212,761	-87,239
Federal	0	0	0
Total	300,000	212,761	-87,239

(c) In the event the July 2009 consensus forecast for fiscal year 2010 transportation fund revenue is increased by at least \$800,000, \$800,000 of transportation funds and \$3,200,000 of western rail corridor federal earmark funds shall be used to purchase \$4,000,000 of continuously welded rail for installation along the western corridor.

*** Maintenance ***

Sec. 15. MAINTENANCE

Total authorized spending in the maintenance program is amended as follows:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Personal Services	34,028,928	34,028,928	0
Operating Expenses	32,991,361	32,011,361	-980,000
Grants	278,020	278,020	0
Total	67,298,309	66,318,309	-980,000
<u>Source of funds</u>			
State	64,315,237	63,335,237	-980,000
Federal	2,883,072	2,883,072	0
Other	100,000	100,000	0
Total	67,298,309	66,318,309	-980,000

*** Finance and Management ***

Sec. 16. FINANCE AND MANAGEMENT

Spending authority for the finance and management division is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Personal services	10,071,137	10,071,137	0
Operating expenses	2,538,262	2,438,262	-100,000
Total	12,609,399	12,509,399	-100,000
<u>Source of funds</u>			
State	12,109,399	12,009,399	-100,000
Federal	500,000	500,000	0
Total	12,609,399	12,509,399	-100,000

*** Town Highway Class 2 ***

Sec. 17. TOWN HIGHWAY CLASS 2 ROADWAY PROGRAM

Spending authority for the town highway class 2 roadway program is amended to read:

1845

THURSDAY, MAY 07, 2009

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Grants	6,448,750	5,748,750	-700,000
Total	6,448,750	5,748,750	-700,000
<u>Source of funds</u>			
TFunds	6,448,750	5,748,750	-700,000
ARRA	0		0
Total	6,448,750	5,748,750	-700,000

* * * Enhancements * * *

Sec. 18. ENHANCEMENTS

Spending authority for the enhancement program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	0	800,000	800,000
PE	533,005	533,005	0
ROW	512,650	512,650	0
Construction	2,162,402	2,162,402	0
Total	3,208,057	4,008,057	800,000

Source of funds

State	73,000	73,000	0
Federal	2,566,446	2,566,446	0
ARRA	0	800,000	800,000
Local	568,611	568,611	0
Total	3,208,057	4,008,057	800,000

* * * Public Transit * * *

Sec. 19. PUBLIC TRANSIT

Spending authority for the public transit capital assistance program is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	4,565,331	8,492,254	3,926,923
Total	4,565,331	8,492,254	3,926,923

Source of funds

TFunds	1,129,273	629,273	-500,000
Fed	3,436,058	3,936,058	500,000
ARRA	0	3,926,923	3,926,923
Total	4,565,331	8,492,254	3,926,923

* * * Aviation * * *

Sec. 20. AVIATION

Spending authority for the Berlin Phase I parallel taxiway-terminal apron project is amended to read:

<u>FY10</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	0	0	0
Construction	250,000	4,000,000	3,750,000
Total	250,000	4,000,000	3,750,000

Source of funds

TFunds	25,000	0	-25,000
Fed	225,000	0	-225,000
ARRA	0	4,000,000	4,000,000
Total	250,000	4,000,000	3,750,000

* * * Applying for ARRA funds * * *

Sec. 21. APPLYING FOR AMERICAN RECOVERY ANDREINVESTMENT ACT FUNDS

The agency shall apply for a grant of rail infrastructure discretionary ARRA funds to cover, in whole or in part, the cost of upgrading the state's western rail corridor for intercity passenger rail service to and from Burlington, Rutland, Bennington, Vermont and Albany, New York. In applying for a grant, the agency shall consider all possible sources of nonfederal match dollars which could be included in and would thereby strengthen the application. The grant application shall state that priority will be given to the purchase and installation of continuously welded rail for the western corridor.

* * * Motor Fuel Transportation Infrastructure Assessments * * *

Sec. 22. 23 V.S.A. § 3003(a) is amended to read:

(a) A tax of ~~25 cents per gallon and \$0.25~~, a fee of ~~one cent per gallon is imposed on each gallon of fuel~~ \$0.01 established pursuant to the provisions of 10 V.S.A. § 1942, and a \$0.03 motor fuel transportation infrastructure assessment, which for purposes of the International Fuel Tax Agreement only shall be deemed to be a surcharge, are imposed on each gallon of fuel:

- (1) sold or delivered by a distributor; or
- (2) used by a user.

Sec. 23. 23 V.S.A. § 3003(d) is amended to read:

(d)(1) For users, the following uses shall be exempt from ~~taxation~~ the tax and motor fuel transportation infrastructure assessment imposed under this chapter and be entitled to a credit for any tax paid for such uses under section 3020 of this title:

Sec. 24. 23 V.S.A. § 3106(a) is amended to read:

(a) Except for sales of motor fuels between distributors licensed in this state, which sales shall be exempt from the tax and from the motor fuel transportation infrastructure assessment, in all cases not exempt from the tax under the laws of the United States at the time of filing the report required by section 3108 of this title, each distributor shall pay to the commissioner a tax of \$0.19 per upon each gallon of motor fuel sold by the distributor, and a motor fuel transportation infrastructure assessment in the amount of two percent of the retail price exclusive of all federal and state taxes upon each gallon of motor fuel sold by the distributor. The retail price shall be based upon the average retail prices for regular gasoline determined and published by the department of public service. The retail price applicable for the January-March quarter shall be the average of the retail prices published by the department of public service the prior October, November, and December; and the retail price applicable in each succeeding calendar quarter shall be equal to the average of the retail prices published by the department of public service in the preceding quarter. The distributor shall also pay to the commissioner a tax and a motor fuel transportation infrastructure assessment in the same ~~amount~~ amounts upon each gallon of motor fuel used within the state by him or her.

Sec. 25. RETAIL PRICE FOR JUNE 2009

The retail price for purposes of the motor fuels transportation infrastructure assessment applicable for June 2009 shall be the average price for regular unleaded gasoline determined by the department of public service as of May 2009 of \$2.03 per gallon.

Sec. 26. DEPARTMENT OF PUBLIC SERVICE

The Department of Public Service shall conduct a monthly survey of businesses selling retail regular gasoline designed to determine a average statewide retail price and publish the survey result no latter than the 20th day of each month starting in June 2009.

* * * Transportation Infrastructure Bonds * * *

Sec. 27. 19 V.S.A. § 11f is added to read:

§ 11f. TRANSPORTATION INFRASTRUCTURE BOND FUND

(a) There is created a special account within the transportation fund known as the transportation infrastructure bond fund to consist of funds raised from the motor fuel transportation infrastructure assessments levied pursuant to 23 V.S.A. §§ 3003(a) and 3106(a). Interest from the fund shall be credited annually to the fund, and the amount in the account shall carry forward from year to year.

(b)(1) Monies in the fund may be used:

(A) to pay principal, interest, and related costs on transportation infrastructure bonds issued pursuant to section 972 of Title 32; and

(B) to pay for:

(i) the rehabilitation, reconstruction, or replacement of state bridges, culverts, roads, railroads, airports, and necessary buildings which, after such work, have an estimated minimum remaining useful life of 10 years;

(ii) the rehabilitation, reconstruction, or replacement of municipal bridges, culverts, and highways which, after such work, have an estimated minimum remaining useful life of 10 years; and

(iii) up to \$100,000.00 per year for operating costs associated with administering the capital expenditures.

(2) However, in any fiscal year, no payments shall be made under this subsection unless the amount needed to pay for the following items for that fiscal year, to the extent required by the terms of any trust agreement applicable to the transportation infrastructure bonds, is either in the fund and available to pay for those items, or the items have been paid: debt service due

on the bonds for that fiscal year; any associated reserve or sinking funds; and any associated costs of the bonds as defined in subsection 972(b) of Title 32.

(c) The assessments for motor fuel transportation infrastructure assessments paid pursuant to 23 V.S.A. §§ 3003(a) and 3106(a) shall not be reduced below the rates in effect at the time of issuance of any transportation infrastructure bond until the principal, interest, and all costs which must be paid in order to retire the bond have been paid.

* * * Transportation Infrastructure Bonds * * *

Sec. 28. 32 V.S.A. chapter 13, subchapter 4 is added to read:

Subchapter 4. Transportation Infrastructure Bonds

§ 972. TRANSPORTATION INFRASTRUCTURE BONDS

(a) The treasurer may issue bonds pursuant to this subchapter from time to time in amounts authorized by the general assembly in its annual transportation bill. Bonds issued under this section shall be referred to as “transportation infrastructure bonds.”

(b) Principal and interest on the bonds and associated costs shall be paid from the transportation infrastructure bond fund established in 19 V.S.A. § 11f. Associated costs of bonds include sinking fund payments; reserves; redemption premiums; additional security, insurance, or other form of credit enhancement required or provided for in any trust agreement entered to secure bonds; and related costs of issuance.

(c) Funds raised from bonds issued under this section may be used to pay for:

(1) the rehabilitation, reconstruction, or replacement of state bridges and culverts; and

(2) the rehabilitation, reconstruction, or replacement of municipal bridges and culverts; and

(3) the rehabilitation, reconstruction, or replacement of state roads, railroads, airports, and necessary buildings which, after such work, have an estimated minimum remaining useful life of 30 years or more;

(d) Pursuant to section 953 of this title, interest and the investment return on the bonds shall be exempt from taxation in this state.

(e) Bonds issued under this section shall be legal investments for all persons without limit as to the amount held, regardless of whether they are acting for their own account or in a fiduciary capacity. The bonds shall likewise be legal investments for all public officials authorized to invest in public funds.

§ 973. ISSUANCE OF BONDS

(a) Transportation infrastructure bonds may be issued at one time or in a series from time to time in any form permitted by law, in such manner and on such terms and conditions as the state treasurer may determine to be in the best interests of the state, except that the state treasurer shall determine the following with the approval of the governor:

(1) date of issuance;

(2) place of payment;

(3) rate of interest (which may be fixed or variable) or the manner of determining such rate of interest;

(4) original stated value;

(5) investment returns or manner of determining the investment returns;

(6) maturity value, time of maturity, and provisions with respect to redemption prior to maturity;

(7) whether to issue the bonds at par, premium, or discount;

(8) sinking fund and reserve requirements;

(9) amount and manner of issuance; and

(10) other particulars as to the form of such bonds within the limitations of this subchapter.

(b) The state treasurer shall determine the annual payment schedule for the bonds, including debt service and sinking fund payments, if any, as he or she may deem to be in the best interests of the state. However, any bond issued under this subchapter shall mature not later than 30 years after the date of issuance. Installments on the bonds need not be payable in substantially equal or diminishing amounts. The last bond payment shall be made not later than 30 years after the date of issuance.

(c) The state treasurer may determine at the time of issuance to apply all or a portion of any net premium to the costs of issuance, other related financing costs, or the payment of the principal or interest to come due. If net premium is applied to costs of issuance, the amount of the premium shall not be included in the net proceeds of the issue. Net premium not applied to costs of issuance shall be included in the net proceeds of the issue and may be used for any of the authorized purposes of the bond proceeds.

(d) The principal, interest, investment returns, and maturity value of transportation infrastructure bonds shall be payable in lawful money of the United States or of the country in which the bonds are sold.

(e) Transportation infrastructure bonds shall be registered pursuant to section 981 of this title.

§ 974. SECURITY DOCUMENTS

(a) The state treasurer is authorized to secure bonds authorized under this subchapter by a trust agreement which pledges or assigns monies in the transportation infrastructure bond fund; by additional security, insurance, or other forms of credit enhancement which may be secured with the bonds on a parity or subordinate basis or by both.

(b) Any trust agreement or credit enhancement agreement entered into pursuant to this section shall be valid and binding from the time of the agreement without any physical delivery or further act and without any filing or recording under the Uniform Commercial Code or otherwise, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise, irrespective of whether such parties have notice thereof.

(c) Any trust agreement or credit enhancement agreement may establish provisions defining defaults and establishing remedies and other matters relating to the rights and security of the holders of the bonds or other secured parties as determined by the state treasurer, including provisions relating to the establishment of reserves; the issuance of additional or refunding bonds, whether or not secured on a parity basis; the application of receipts, monies, or funds pledged pursuant to the agreement; and other matters deemed necessary or desirable by the state treasurer for the security of the bonds, and may also regulate the custody, investment, and application of monies.

(d) For payment of principal, interest, investment returns, and maturity value of transportation infrastructure bonds, the full faith and credit of the state is hereby pledged. However:

(1) if pledging of full faith and credit of the state is not necessary to market a transportation infrastructure bond in the best interest of the state, the treasurer shall enter into an agreement which establishes that the full faith and credit of the state is not pledged for payment of principal, interest, investment returns, and maturity value of the bond. In determining whether to pledge the full faith and credit of the state, the state treasurer shall consider the anticipated effect of such a pledge on the credit standing of the state, the marketability of

the transportation infrastructure bond, and other factors he or she deems appropriate; and

(2) the treasurer shall only use other revenues to pay for debt service and associated costs as defined in section 972 of this title on transportation infrastructure bonds to which the full faith and credit of the state has been pledged in the event that monies in the transportation infrastructure bond fund are insufficient to pay for it.

§ 975. PROCEEDS

(a) Proceeds from the sale of bonds may be expended for the authorized purposes of the bonds; including the expenses of preparing, issuing, and marketing the bonds; any notes issued under section 976 of this title; and amounts for any reserves. However, no purchasers of the bonds shall be bound to see to the proper application of the proceeds thereof.

(b) The treasurer may pay for the interest on, principal of, investment return on, maturity value of, and associated costs as defined in subsection 972(b) of this title of bonds issued under this subchapter from the transportation infrastructure bond fund as they fall due without further order or authority.

(c) The general assembly shall appropriate the amount necessary to pay the maturing principal and interest of, investment return and maturity value of, and sinking fund installments on transportation infrastructure bonds then outstanding in the annual appropriations bill and the principal and interest on, investment return and maturity value of, and sinking fund installments on the transportation infrastructure bonds as may come due before appropriations for payment have been made shall be paid from the transportation infrastructure bond fund, or with respect to bonds to which the full faith and credit of the state has been pledged and in accordance with subdivision 974(d)(2) of this title, from the general fund or other applicable fund.

§ 976. ANTICIPATION OF PROCEEDS

(a) Pending the issue of transportation infrastructure bonds, the state treasurer with the approval of the governor may use any available cash in the transportation infrastructure bond fund for the purposes for which the bonds were authorized, and shall restore the borrowed funds from the proceeds of the bonds.

(b) The state treasurer, with the approval of the governor, may borrow upon notes of the state sums of money in anticipation of the proceeds of the bonds. Notes issued under this subsection shall be issued on such terms and at such times as the treasurer and governor may determine, and shall mature not more than three years from the date of issuance, provided that notes issued for a

shorter period may be refunded from time to time by the issue of other such notes maturing within the required period of three years.

(c) The authority granted under this section is in addition to and not in limitation of any other authority.

§ 977. REFUNDING BONDS

The state treasurer with the approval of the governor is hereby authorized to issue transportation infrastructure bonds in order to refund all or any portion of outstanding transportation bonds at any time after the issuance of the bonds to be refunded pursuant to subsections 961(b), (c), and (d) of this title.

§ 978. PLEDGE

The general assembly hereby pledges and covenants with holders of the bonds issued under this subchapter that the state will fulfill the terms of any agreement made with the holders of transportation infrastructure bonds and will not in any way impair the rights or remedies of the holders of the bonds until the bonds, interest, and all costs associated with the bonds are fully paid.

§ 979. AUTHORITIES

In addition to the provisions of this subchapter, the following provisions of this title shall apply to transportation infrastructure bonds:

(1) sections 953, 956, 958, and 960;

(2) subsection 954(c), except that transfers shall be made only among projects to be funded with transportation infrastructure bonds; and

(3) section 957, except that consolidation may be only among transportation infrastructure bonds, and the bonds shall be the lawful obligation of the transportation infrastructure bond fund and not of the remaining revenues of the state unless the treasurer has agreed to pledge the full faith and credit of the state pursuant to subdivision 974(e)(2) of this title.

§ 980. AUTHORITY TO ISSUE TRANSPORTATION INFRASTRUCTURE BONDS

The state treasurer is authorized to issue transportation infrastructure bonds pursuant to section 972 of this title for the purpose of funding future appropriations only as approved by the general assembly.

Sec. 29. PLAN FOR USE OF BOND PROCEEDS IN FUTURE YEARS

On or before January 15, 2010, the agency of transportation shall submit to the joint transportation oversight committee a plan for use of bond proceeds for transportation purposes during state fiscal years 2011, 2012, and 2013, taking into consideration the likely availability of funds from other sources and the

needs identified by the transportation project planning process. In no instance shall the total request for bonding authority exceed \$100,000,000.

Sec. 30. FISCAL YEAR 2010 BONDING AUTHORITY

Notwithstanding 32 V.S.A. §980, the state treasurer is authorized to issue transportation infrastructure bonds for fiscal year 2010 in a total amount of no more than \$10,000,000, provided that the agency requests and the joint transportation oversight committee approves of such issue.

Sec. 31. 32 V.S.A. § 1001(b) is amended to read:

(b)(1) Committee duties. The committee shall review annually the size and affordability of the net state tax-supported indebtedness; and submit to the governor and to the general assembly an estimate of the maximum amount of new long-term net state tax-supported debt that prudently may be authorized for the next fiscal year. The estimate of the committee shall be advisory and in no way bind the governor or the general assembly.

(2) The committee shall conduct ongoing reviews of the amount and condition of bonds, notes, and other obligations of instrumentalities of the state for which the state has a contingent or limited liability or for which the state legislature is permitted to replenish reserve funds, and, when deemed appropriate, recommend limits on the occurrence of such additional obligations to the governor and to the general assembly.

(3) The committee shall conduct ongoing reviews of the amount and condition of the transportation infrastructure bond fund established in 19 V.S.A. § 11f and of bonds and notes issued against the fund for which the state has a contingent or limited liability.

Sec. 32. 32 V.S.A. § 1001a is amended to read:

§ 1001a. REPORTS

The capital debt affordability advisory committee shall prepare and submit, consistent with 2 V.S.A. § 20(a), a report on:

(1) general obligation debt, pursuant to subsection 1001(c) of this title; and

(2) how many, if any, transportation infrastructure bonds have been issued and under what conditions.

* * * Town Local Match Requirements * * *

Sec. 33. 19 V.S.A. § 309b is amended to read:

§ 309b. LOCAL MATCH; CERTAIN TOWN HIGHWAY PROGRAMS

* * *

(c) Notwithstanding subsections 309a(a), (b), and (c) of this title, a municipality may use a grant awarded under the town highway structures program or the class 2 town highway roadway program to provide the nonfederal matching funds required to draw down a federal earmark or to match grants provided to towns under the American Recovery and Reinvestment Act of 2009. In all such cases, the grant shall be matched by local funds as provided in this section. The intended use of a town highway grant as matching funds for a federal earmark or for grants provided to towns under the American Recovery and Reinvestment Act of 2009 shall not entitle a municipal grant applicant to any priority for a grant award in any fiscal year. When grants awarded under the town highway structures program or the class 2 town highway roadway program are used to satisfy nonfederal matching requirements for federal earmarks or for grants provided to towns under the American Recovery and Reinvestment Act of 2009, the term “project costs” in subsections (a) and (b) of this section shall refer only to the nonfederal match for the federal earmark or for a grant provided to towns under the American Recovery and Reinvestment Act 2009.

* * * ARRA Funding of Town Projects * * *

Sec. 34. ARRA FUNDING OF TOWN PROJECTS

Any town transportation project which as a matter of state law requires a local match shall retain the local match requirement regardless of the state’s use of ARRA funds to fund the project.

* * * Motor Vehicle Fees * * *

Sec. 35. 23 V.S.A. § 114(a)(14) is amended to read:

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

* * *

(14) Certified copy three-year operating record ~~10.00~~ 11.00

Sec. 36. 23 V.S.A. § 115(a) is amended to read:

(a) Any Vermont resident may make application to the commissioner and be issued an identification card which is attested by the commissioner as to true name, correct age, and any other identifying data as the commissioner may

require which shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian or other person standing in loco parentis. Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the commissioner may require. The commissioner shall require payment of a fee of ~~\$15.00~~ \$17.00 at the time application for an identification card is made.

Sec. 37. 23 V.S.A. § 304(b) and (c) are amended to read:

(b) The authority to issue special motor vehicle number plates or receive applications or petitions for special number plates for safety organizations and service organizations shall reside with the commissioner. Determination of compliance with the criteria contained in this subsection shall be within the discretion of the commissioner. Series of number plates for safety and service organizations which are authorized by the commissioner shall be issued in order of approval, subject to the operating considerations in the department as determined by the commissioner. The commissioner shall issue special number plates marked with initials, letters, or combination of numerals and letters, in the following manner:

(1) Except as otherwise provided, at the request of the registrant of any motor vehicle, upon application and upon payment of an annual fee of ~~\$35.00~~ \$38.00 in addition to the annual fee for registration. He or she may not issue two sets of special number plates bearing the same initials or letters unless the plates also contain a distinguishing number. Special number plates are subject to reassignment if not renewed within 60 days of expiration of the registration.

(2) For the purposes of this subdivision, "safety organizations" shall include groups which have at least 100 instate members in good standing and provide police and fire protection, rescue squads, national guard, together with those organizations required to respond to public emergencies. It shall include amateur radio operators licensed by the U.S. Federal Communications Commission. For purposes of this subdivision, "service organization" includes any group which (i) has as a primary purpose, service to the community through specific programs for the improvement of public health, education, or environmental awareness and conservation, and are not limited to social activities; (ii) has nonprofit status under Section 501(c)(3) or (10) of the United States Internal Revenue Code, as amended; (iii) is registered as a nonprofit corporation with the office of the secretary of state; and (iv) except for a military veterans group, has at least 100 instate members in good standing. "Service organization" also includes congressionally chartered and noncongressionally chartered United States military service veterans groups.

(A) At the request of the leader of a safety organization or service organization, upon application and payment of a fee of ~~\$10.00~~ \$15.00 for each

set of plates in addition to the annual fee for registration, special plates indicating membership in one of the “safety organizations” or “service organizations” may be issued to registrants of vehicles registered at the pleasure car rate and of trucks registered for less than 26,001 pounds and excluding vehicles registered under the International Registration Plan, who are members of these organizations. The applicant must provide a written statement from the appropriate official of the organization, authorizing the issuance of the plates.

(B) At the time that an organization requests the plates, it shall deposit ~~\$1,000.00~~ \$2,000.00 with the commissioner. Notwithstanding section 502 of Title 32, the commissioner may charge the actual costs of production of the plates against the fees collected and the balance shall be deposited in the transportation fund. For ~~each set~~ the first 100 sets of plates issued, ~~\$10.00~~ \$15.00 of this deposit shall be deemed to be the safety organization or service organization special plate fee for each authorized applicant. Of this deposit, \$500.00 shall be retained by the department to recover costs of developing the organization plate. When the initial deposit of ~~\$1,000.00~~ \$1,500.00 is depleted, applicants shall be required to pay the ~~\$10.00~~ \$15.00 fee as provided for in subdivision (1) of this subsection. Notwithstanding section 502 of Title 32, the commissioner may charge the actual costs of production of the plates against the fees collected and shall remit the balance to the transportation fund. No organization shall charge its members any additional fee or premium charge for the authorization, right or privilege to display these special number plates. This provision shall not prevent any organization from recovering up to ~~\$1,000.00~~ \$1,500.00 from applicants for the special plates.

(C) After consulting with representatives of the safety or service organization, the commissioner shall determine the design of the special plates, on the basis that the primary purpose of motor vehicle number plates is vehicle identification. An organization applying for a special plate under this subsection shall present the commissioner with a name and emblem that is not obscene, offensive or confusing to the general public and does not promote, advertise or endorse a product, brand, or service provided for sale, or promote any specific religious belief or political party. The organization’s name and emblem must not infringe or violate trademarks, trade names, service marks, copyrights, or other proprietary or property rights and the organization must have the right to use the name and emblem. The organization shall designate an officer or member to act as the principal contact and to submit a distinctive emblem for use on a special number plate, if authorized. An organization may have only one design, regardless of the number of individual organizational units within the state that may provide the same or substantially similar services. Nothing herein shall be construed as authorizing any individual

squad, department, or unit to request a unique or specially designed plate different than the plate designed by the commissioner.

* * *

(c) The commissioner shall issue registration numbers 101 through 9999 which shall be known as reserved registration numbers for pleasure cars or motor trucks that are registered at the pleasure car rate in the following manner:

(1) A person holding a registration number between 101 and 9999 may retain the number for the ensuing registration period, provided application is made prior to or within 60 days of the expiration of the registration.

(2) If the registrant does not renew the registration, the number may be reassigned to a member of the immediate family if application is made within 60 days of the expiration of the registration. As used herein, "immediate family" means the spouse, household member, grandparents, parents, siblings, children, or grandchildren of the registrant.

(3) The commissioner shall restrict the issuance of these registrations to residents of this state and may restrict issuance to applicants who do not already have such a registration issued to them.

(4) A person holding a registration number between 101 and 9999 on a pleasure car may also have the same number on a truck that is registered at the pleasure car rate, and vice versa.

(5) An application for a reserved registration number shall be accompanied by an annual fee of \$38.00 in addition to the registration fee.

Sec. 38. 23 V.S.A. § 304b is amended to read:

§ 304b. CONSERVATION MOTOR VEHICLE REGISTRATION PLATES

(a) The commissioner shall, upon application, issue conservation registration plates for use only on vehicles registered at the pleasure car rate and on trucks registered for less than 26,001 pounds, on vehicles registered to state agencies under section 376 of this title and excluding vehicles registered under the International Registration Plan. Plates so acquired shall be mounted on the front and rear of the vehicle. The commissioner of motor vehicles and the commissioner of fish and wildlife shall determine the graphic design of the special plates in a manner which serves to enhance the public awareness of the state's interest in restoring and protecting its wildlife and major watershed areas. The commissioner of motor vehicles and the commissioner of fish and wildlife may alter the graphic design of these special plates provided that plates in use at the time of a design alteration shall remain valid subject to the operator's payment of the annual registration fee. Applicants shall apply on

forms prescribed by the commissioner and shall pay an initial fee of ~~\$20.00~~ \$23.00 in addition to the annual fee for registration. In following years, in addition to the annual registration fee, the holder of a conservation plate shall pay a renewal fee of ~~\$20.00~~ \$23.00. The commissioner shall adopt rules under 3 V.S.A. chapter 25 to implement the provisions of this subsection. The commissioner of motor vehicles and the commissioner of fish and wildlife shall annually submit to the members of the house committees on transportation and fish, wildlife and water resources, and the members of the senate committees on transportation and natural resources and energy a report detailing, over a three-year period, the revenue generated, the number of new conservation plates sold and the number of renewals, and recommendations for program enhancements.

(b) Initial fees collected under subsection (a) of this section shall be allocated as follows:

(1) ~~\$10.00~~ \$11.00 to the transportation fund.

(2) ~~\$5.00~~ \$6.00 to the department of fish and wildlife for deposit into the nongame wildlife account created in 10 V.S.A. § 4048.

(3) ~~\$5.00~~ \$6.00 to the department of fish and wildlife for deposit into the watershed management account created in 10 V.S.A. § 4050.

(c) Renewal fees collected under subsection (a) of this section shall be allocated as follows:

(1) ~~\$9.00~~ \$10.00 to the department of fish and wildlife for deposit into the nongame wildlife account created in 10 V.S.A. § 4048.

(2) ~~\$9.00~~ \$10.00 to the department of fish and wildlife for deposit into the watershed management account created in 10 V.S.A. § 4050.

(3) ~~\$2.00~~ \$3.00 to the transportation fund.

Sec. 39. 23 V.S.A. § 307 is amended to read:

§ 307. CARRYING OF REGISTRATION CERTIFICATE

A person shall not operate a motor vehicle nor draw a trailer or semi-trailer unless the registration certificate thereof is carried in some easily accessible place in such motor vehicle. In case of the loss, mutilation or destruction of such certificate the owner of the vehicle described therein shall forthwith notify the commissioner and remit a fee of ~~\$12.00~~ \$13.00 whereupon the commissioner shall furnish such owner with a duplicate certificate. A corrected registration certificate shall be furnished by the commissioner upon request and receipt of a fee of ~~\$12.00~~ \$13.00.

Sec. 40. 23 V.S.A. § 323 is amended to read:

§ 323. TRANSFER FEES

A person who transfers the ownership of a registered motor vehicle to another, upon the filing of a new application, and upon the payment of a fee of ~~\$20.00~~ \$22.00 may have registered in his or her name another motor vehicle for the remainder of the registration period without payment of any additional registration fee, provided the proper registration fee of the motor vehicle sought to be registered is the same as the registration fee of the transferred motor vehicle. However, if the proper registration fee of the motor vehicle sought to be registered by such person is greater than the registration fee of the transferred motor vehicle, the applicant shall pay, in addition to such fee of ~~\$20.00~~ \$22.00, the difference between the registration fee of the motor vehicle previously registered and the proper fee for the registration of the motor vehicle sought to be registered.

Sec. 41. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

The annual fee for registration of any motor vehicle of the pleasure car type, and all vehicles powered by electricity, shall be ~~\$59.00~~ \$64.00, and the biennial fee shall be ~~\$108.00~~ \$120.00.

Sec. 42. 23 V.S.A. § 364 is amended to read:

§ 364. MOTORCYCLES

The annual fee for registration of a motorcycle, with or without side car, shall be ~~\$36.00~~ \$40.00.

Sec. 43. 23 V.S.A. § 367(a)(1) is amended to read:

(a)(1) The annual fee for registration of tractors, truck-tractors, or motor trucks except truck cranes, truck shovels, road oilers, bituminous distributors, and farm trucks used as hereinafter specified shall be based on the total weight of the truck-tractor or motor truck including body and cab plus the heaviest load to be carried. In computing the fees for registration of tractors, truck-tractors or motor trucks with trailers or semi-trailers attached, except trailers or semi-trailers with a gross weight of less than 6,000 pounds, the fee shall be based upon the weight of the tractor, truck-tractor or motor truck, the weight of the trailer or semi-trailer, and the weight of the heaviest load to be carried by the combined vehicles. In addition to the fee set out in the following schedule, the fee for vehicles weighing between 10,000 and 25,999 pounds inclusive shall be an additional ~~\$29.00~~ \$31.47, the fee for vehicles weighing between 26,000 and 39,999 pounds inclusive shall be an additional ~~\$58.00~~ \$62.93, the fee for vehicles weighing between 40,000 and 59,999 pounds inclusive shall be an additional ~~\$203.04~~ \$220.30 and the fee for

vehicles 60,000 pounds and over shall be an additional ~~\$319.07~~ \$346.19. The fee shall be computed at the following rates per thousand pounds of weight determined as above specified and rounded up to the nearest whole dollar, the minimum fee for registering a tractor, truck-tractor, or motor truck to 6,000 pounds shall be the same as for the pleasure car type:

~~\$12.42~~ \$13.48 when the weight exceeds 6,000 pounds but does not exceed 8,000 pounds.

~~\$14.21~~ \$15.42 when the weight exceeds 8,000 pounds but does not exceed 12,000 pounds.

~~\$15.67~~ \$17.00 when the weight exceeds 12,000 pounds but does not exceed 16,000 pounds.

~~\$16.76~~ \$18.18 when the weight exceeds 16,000 pounds but does not exceed 20,000 pounds.

~~\$17.53~~ \$19.02 when the weight exceeds 20,000 pounds but does not exceed 30,000 pounds.

~~\$17.92~~ \$19.44 when the weight exceeds 30,000 pounds but does not exceed 40,000 pounds.

~~\$18.34~~ \$19.90 when the weight exceeds 40,000 pounds but does not exceed 50,000 pounds.

~~\$18.51~~ \$20.08 when the weight exceeds 50,000 pounds but does not exceed 60,000 pounds.

~~\$19.14~~ \$20.77 when the weight exceeds 60,000 pounds but does not exceed 70,000 pounds.

~~\$19.78~~ \$21.46 when the weight exceeds 70,000 pounds but does not exceed 80,000 pounds.

~~\$20.42~~ \$22.16 when the weight exceeds 80,000 pounds but does not exceed 90,000 pounds.

Sec. 44. 23 V.S.A. § 371(a)(1) is amended to read:

(a)(1) The one-year and two-year fees for registration of a trailer or semi-trailer, except contractor's trailer or farm trailer, shall be as follows:

(A) ~~\$20.00 and \$40.00~~ \$23.00 and \$45.00, respectively, when such trailer or semi-trailer has a gross weight of trailer and load of less than 1,500 pounds;

(B) ~~\$40.00 and \$80.00~~ \$46.00 and \$90.00, respectively, when such trailer or semi-trailer has a gross weight of trailer and load of 1,500 pounds or more, and is drawn by a vehicle of the pleasure car type;

(C) ~~\$40.00 and \$80.00~~ \$46.00 and \$90.00, respectively, when such trailer or semi-trailer is drawn by a motor truck or tractor, when such trailer or semi-trailer has a gross weight of 1,500 pounds or more, but not in excess of 3,000 pounds;

(D) ~~\$40.00 and \$80.00~~ \$46.00 and \$90.00, respectively, when such trailer or semi-trailer is used in combination with a truck-tractor or motor truck registered at the fee provided for combined vehicles under section 367 of this title. Excepting for the fees, the provisions of this subdivision shall not apply to trailer coaches as defined in section 4 of this title nor to modular homes being transported by trailer or semi-trailer.

Sec. 45. 23 V.S.A. § 463 is amended to read:

§ 463. SALE OF VEHICLE TO GO OUT OF STATE

A registered motor vehicle dealer is authorized to issue an in-transit registration permit for the purpose of movement over the highways of certain motor vehicles otherwise required to be registered when these vehicles are sold in this state to be transported to and registered in another state or province. The commissioner of motor vehicles shall, upon request, provide registered motor vehicle dealers with such numbers of applications and special in-transit number plates for vehicles sold in this state to be transported to and registered in another state or province as shall be necessary. The commissioner is authorized to charge a fee of ~~\$3.00~~ \$5.00 for the processing of the plate application and the issuance of the plate. The dealer, upon the sale of a motor vehicle to be transported to and registered in another state or province shall cause the application to be filled out and transmitted to the commissioner and shall attach to the vehicle the in-transit number plate corresponding to the application. No registered motor vehicle dealer shall sell, exchange, give, or transfer any application or in-transit plate to any person other than the person to whom the dealer sells or exchanges a motor vehicle to be registered in another state or province. The application shall be in a form prescribed and furnished by the commissioner. The special in-transit number plate to be

attached to the vehicle will be issued in the form and design as prescribed by the commissioner and shall be valid for a period of 30 days from the date of issue.

Sec. 46. 23 V.S.A. § 608(a) amended to read:

(a) The four-year fee required to be paid the commissioner for licensing an operator of motor vehicles shall be ~~\$40.00~~ \$45.00. The two-year fee required to be paid the commissioner for licensing an operator shall be ~~\$25.00~~ \$28.00 and the two-year fee for licensing a junior operator shall be ~~\$27.00~~ \$28.00.

Sec. 47. 23 V.S.A. §§ 617(b) and (d) are amended to read:

(b) Notwithstanding the provisions of subsection (a) of this section, any licensed person may apply to the commissioner of motor vehicles for a learner's permit for the operation of a motorcycle in the form prescribed by the commissioner. The commissioner shall require payment of a fee of \$17.00 at the time application is made. After the applicant has successfully passed all parts of the motorcycle endorsement examination, other than a skill test, the commissioner may issue to the applicant a learner's permit which entitles the applicant, subject to section 615(a) of this title, to operate a motorcycle upon the public highways for a period of 120 days from the date of issuance. A motorcycle learner's permit may be renewed only twice upon payment of a \$17.00 fee. If during the original permit period and two renewals, the permittee has not successfully passed the skill test or the motorcycle rider training course, he or she may not obtain another motorcycle learner's permit for a period of 12 months from the expiration of the permit unless he or she has successfully completed the motorcycle rider training course. This section shall not affect section 602 of this title. The fee for the examination shall be \$7.00.

(d) An applicant shall pay ~~\$15.00~~ \$17.00 to the commissioner for each learner's permit that is not a motorcycle learner's permit or a duplicate or renewal thereof.

Sec. 48. 23 V.S.A. § 634(a) is amended to read:

(a) The fee for an examination for a learner's permit shall be ~~\$25.00~~ \$28.00. The fee for an examination to obtain an operator's license when the applicant is required to pass an examination pursuant to section 632 of this title shall be ~~\$15.00~~ \$17.00.

Sec. 49. 23 V.S.A § 675(a) is amended to read:

(a) Before a suspension or revocation issued by the commissioner of a person's operator's license or privilege of operating a motor vehicle may be terminated or before a person's operator's license or privilege of operating a motor vehicle may be reinstated, there shall be paid to the commissioner a fee

of ~~\$65.00~~ \$71.00 in addition to any other fee required by statute. This section shall not apply to suspensions issued under the provisions of chapter 11 of this title nor suspensions issued for physical disabilities or failing to pass reexamination. The commissioner shall not reinstate the license of a driver whose license was suspended pursuant to section 1205 of this title until the commissioner receives certification from the court that the costs due the state have been paid.

Sec. 50. 23 V.S.A. § 1230 is amended to read:

For each inspection certificate issued by the department of motor vehicles, the commissioner shall be paid ~~\$3.00~~ \$4.00 provided that state and municipal inspection stations that inspect only state or municipally owned and registered vehicles shall not be required to pay a fee.

Sec. 51. 23 V.S.A. § 1392(17) is amended to read:

(17) Notwithstanding the gross vehicle weight provisions of subdivision (4) of this section, a truck trailer combination or truck tractor, semi-trailer combination with six or more load bearing axles and specially equipped for hauling unprocessed milk, unprocessed forest or unprocessed quarry products shall be allowed to bear a maximum of 99,000 pounds by special annual permit, which shall expire coincidentally with the vehicle's registration, except for vehicles not registered in Vermont in which case the permit shall become void on January 1 following the date of issue, for operating on designated routes on the state and town highways, subject to the following:

(A) The combination of vehicles must have as a minimum, a distance of 51 feet between extreme axles.

(B) The axle weight provisions of section 1391 of this title and subdivision 1392(6) of this section shall also apply to vehicles permitted under this subdivision.

(C) When determining the fine for a gross overweight violation of this subdivision, the fine for any portion of the first 10,000 pounds over the permitted weight shall be the same as provided in section 1391a of this title, and for overweight violations 10,001 pounds or more over the permitted weight, the fine schedule provided in section 1391a shall be doubled.

(D) The weight permitted by this subdivision shall be allowed for foreign trucks which are registered or permitted for 99,000 pounds in a state or province which recognizes Vermont vehicles for weights consistent with this subdivision.

(E) The provisions of this subdivision shall not apply to operation on the interstate and defense highway system.

(F) The fee for the annual permit as provided in this subdivision shall be ~~\$350.00~~ \$500.00.

(G) For the purposes of this subdivision, the following definitions shall apply:

(i) unprocessed milk products as defined in 23 V.S.A. § 4(55);

(ii) unprocessed forest products as defined in 23 V.S.A. § 1392(13);

(iii) unprocessed quarry products shall be quarried rock in block or blocks as it would be removed from the quarry.

Sec. 52. 23 V.S.A. § 1402(a) and (b) are amended to read:

(a) Overweight, overwidth, indivisible overlength, and overheight permits. Overweight, overwidth, indivisible overlength and overheight permits shall be signed by the commissioner or by his or her agent and a copy shall be kept in the office of the commissioner or in a location approved by the commissioner. Except as provided in subsection (c) of this section, a copy shall also be available in the towing vehicle and must be available for inspection on demand of a law enforcement officer. Before operating a traction engine, tractor, trailer, motor truck or other motor vehicle, the person to whom a permit to operate in excess of the weight, width, indivisible overlength and height limits established by this title is granted shall pay a fee of ~~\$20.00~~ \$35.00 for each single trip permit or ~~\$70.00~~ \$100.00 for a blanket permit, except that the fee for a fleet blanket permit shall be ~~\$70.00~~ \$100.00 for the first unit and ~~\$1.00~~ \$5.00 for each unit thereafter. At the option of a carrier, an annual permit for the entire fleet, to operate over any approved route, may be obtained for ~~\$70.00~~ \$100.00 for the first tractor and ~~\$1.00~~ \$5.00 for each additional tractor, up to a maximum fee of \$1,000.00. The fee for a fleet permit shall be based on the entire number of tractors owned by the applicant. An applicant for a fleet permit may apply for any number of specific routes, each of which shall be reviewed with regard to the characteristics of the route and the type of equipment operated by the applicant. When the weight or size of the vehicle-load are considered sufficiently excessive for the routing requested, the agency of transportation shall, on request of the commissioner, conduct an engineering inspection of the vehicle-load and route, for which a fee of \$300.00 will be added to the cost of the permit if the load is a manufactured home. For all other loads of any size or with gross weight limits less than 150,000 pounds, the fee shall be \$800.00 for any engineering inspection that requires up to eight hours to conduct. If the inspection requires more than eight hours to conduct, the fee shall be \$800.00 plus \$60.00 per hour for each additional hour required. If the vehicle and load weigh 150,000 pounds or more but not more than 200,000 pounds, the engineering inspection fee shall

be \$2,000.00. If the vehicle and load weigh more than 200,000 pounds but not more than 250,000 pounds, the engineering inspection fee shall be \$5,000.00. If the vehicle and load weigh more than 250,000 pounds, the engineering inspection fee shall be \$10,000.00. The study must be completed prior to the permit being issued. Prior to the issuance of a permit, an applicant whose vehicle weighs 150,000 pounds or more, or is 15 or more feet in width or height, shall file with the commissioner a special certificate of insurance showing minimum coverage of \$250,000.00 for death or injury to one person, \$500,000.00 for death or injury to two or more persons and \$250,000.00 for property damage, all arising out of any one accident.

(b) Overlength permits. Except as provided in ~~subsection 1432(f)~~ subsections 1432(c) and (e) of this title, it shall be necessary to obtain an overlength permit as follows:

(1) For vehicles with a trailer or semitrailer which are longer than ~~68 feet but not longer than 72~~ 75 feet ~~off the truck network established in subsection 1432(e) of this title~~ and the distance between the steering axle and the rearmost tractor axle is ~~23~~ 25 feet or less. In such cases, the vehicle may be operated with a single or multiple trip overlength permit issued by the department of motor vehicles at no cost or, for a fee, by an entity authorized under subsection 1400(d) of this title for routes approved by the agency of transportation.

(2) For vehicles with a trailer or semitrailer longer than ~~68 feet but not longer than 72~~ 75 feet ~~off the truck network established in subsection 1432(e) of this title~~ and the distance between the steering axle and the rearmost tractor axle is more than ~~23~~ 25 feet. In such cases, the vehicle may be operated with a single trip overlength permit issued by the department of motor vehicles at no cost for routes approved by the agency of transportation.

(3) For vehicles with a trailer or semitrailer longer than ~~72~~ 75 feet anywhere in the state on highways approved by the agency of transportation. In such cases, the vehicle may be operated with a single trip overlength permit issued by the department of motor vehicles for a fee of ~~\$10.00~~ \$25.00. If the vehicle is 100 feet or more in length, the permit applicant shall file with the commissioner of motor vehicles, a special certificate of insurance showing minimum coverage of \$250,000.00 for death or injury to one person,

\$500,000.00 for death or injury to two or more persons and \$250,000.00 for property damage, all arising out of any one accident.

(4) Notwithstanding the provisions of this section, the agency of transportation may erect signs at those locations where it would be unsafe to operate vehicles in excess of 68 feet in length.

Sec. 53. 23 V.S.A. § 2002(a) is amended to read:

(a) The commissioner shall be paid the following fees:

(1) For any certificate of title, including a salvage certificate of title, ~~\$28.00~~ \$31.00;

(2) For each security interest noted upon a certificate of title, including a salvage certificate of title, ~~\$7.00~~ \$9.00;

(3) For a certificate of title after a transfer, ~~\$28.00~~ \$31.00;

(4) For each assignment of a security interest noted upon a certificate of title, ~~\$7.00~~ \$9.00;

(5) For a duplicate certificate of title, including a salvage certificate of title, ~~\$28.00~~ \$31.00;

(6) For an ordinary certificate of title issued upon surrender of a distinctive certificate, ~~\$28.00~~ \$31.00;

(7) For filing a notice of security interest, ~~\$7.00~~ \$9.00;

(8) For a certificate of search of the records of the motor vehicle department, for each motor vehicle searched against, \$20.00;

(9) For filing an assignment of a security interest, ~~\$7.00~~ \$9.00;

(10) For a certificate of title after a security interest has been released, ~~\$28.00~~ \$31.00;

(11) For a certificate of title for a motor vehicle granted a veteran by the veterans' administration and exempt from registration fees pursuant to section 378 of this title, no fee;

(12) For a corrected certificate of title, ~~\$28.00~~ \$31.00.

Sec. 54. 23 V.S.A. § 3802(a) is amended to read:

(a) The commissioner shall be paid the following fees:

(1) for filing an application for a first certificate of title, ~~\$15.00~~ \$19.00;

(2) for each security interest noted upon a certificate of title, ~~\$7.00~~ \$9.00;

(3) for a certificate of title after a transfer, ~~\$15.00~~ \$19.00;

(4) for each assignment of a security interest noted upon a certificate of title, ~~\$7.00~~ \$9.00;

(5) for a duplicate certificate of title, ~~\$15.00~~ \$19.00;

(6) for an ordinary certificate of title issued upon surrender of a distinctive certificate, ~~\$15.00~~ \$19.00;

(7) for filing a notice of security interest, ~~\$7.00~~ \$9.00;

(8) for a certificate of search of the records of the motor vehicle department for each vessel, snowmobile or all-terrain vehicle searched against, \$20.00;

(9) for filing an assignment of a security interest, ~~\$7.00~~ \$9.00;

(10) for a certificate of clear title after the security interest or interests have been released, ~~\$15.00~~ \$19.00;

(11) for a corrected certificate of title, ~~\$15.00~~ \$19.00.

Sec. 55. 32 V.S.A. § 8903(a), (b), and (d) are amended to read:

(a)(1) There is hereby imposed upon the purchase in Vermont of a motor vehicle by a resident a tax at the time of such purchase, payable as hereinafter provided. The amount of the tax shall be six percent of the taxable cost of a:

pleasure car as defined in 23 V.S.A. § 4;

motorcycle as defined in 23 V.S.A. § 4;

motor home as defined in subdivision 8902(11) of this title; or

vehicle weighing up to 10,099 pounds, registered pursuant to 23 V.S.A. § 367, other than a farm truck.

(2) For any other motor vehicle it shall be six percent of the taxable cost of the motor vehicle or ~~\$1,680.00~~ \$1,850.00 for each motor vehicle, whichever is smaller, except that pleasure cars which are purchased, leased or otherwise acquired for use in short-term rentals shall be subject to taxation under subsection (d) of this section.

(b)(1) There is hereby imposed upon the use within this state a tax of six percent of the taxable cost of a:

pleasure car as defined in 23 V.S.A. § 4;
motorcycle as defined in 23 V.S.A. § 4;
motor home as defined in subdivision 8902(11) of this title; or
vehicle weighing up to 10,099 pounds, registered pursuant to
23 V.S.A. § 367, other than a farm truck.

(2) For any other motor vehicle it shall be six percent of the taxable cost of a motor vehicle, or ~~\$1,680.00~~ \$1,850.00 for each motor vehicle, whichever is smaller, by a person at the time of first registering or transferring a registration to such motor vehicle payable as hereinafter provided, except no use tax shall be payable hereunder if the tax imposed by subsection (a) of this section has been paid, or the vehicle is a pleasure car which was purchased, leased or otherwise acquired for use in short-term rentals, in which case the vehicle shall be subject to taxation under subsection (d) of this section.

(d) There is hereby imposed a use tax on the rental charge of each transaction, in which the renter takes possession of the vehicle in this state, during the life of a pleasure car purchased for use in short-term rentals, which tax is to be collected by the rental company from the renter and remitted to the commissioner. The amount of the tax shall be ~~seven~~ nine percent of the rental charge. Rental charge means the total rental charge for the use of the pleasure car, but does not include a separately stated charge for insurance, or recovery of refueling cost, or other separately stated charges which are not for the use of the pleasure car. In the event of resale of the vehicle in this state for use other than short-term rental, such transaction shall be subject to the tax imposed by subsection (a) of this section.

Sec. 56. 23 V.S.A. § 476 is added to read:

§ 476. MOTOR VEHICLE WARRANTY FEE

A motor vehicle warranty fee of \$5.00 is imposed on the registration of each new motor vehicle in this state not including trailers, tractors, motorized highway building equipment, road-making appliances, snowmobiles, motorcycles, mopeds, or trucks with a gross vehicle weight over 12,000 pounds.

* * * Snowmobile and Motorboat Registration Fees * * *

Sec. 57. 23 V.S.A. § 3204 is amended to read:

§ 3204. REGISTRATION FEES AND DEALER PLATES

(a) Fees. Registration fees for snowmobiles other than as provided for in subsection (b) of this section are ~~\$15.00~~ \$25.00 for residents and ~~\$22.00~~ \$32.00 for nonresidents. Duplicate registration certificates may be obtained upon payment of ~~\$2.00~~ \$5.00.

(b)(1) Dealer; manufacturer and repair plates; fees. Unless exempted pursuant to subsection 3205(d) of this title, any person engaged in the manufacture or sale of snowmobiles shall obtain registration certificates and identifying number plates subject to such rules as may be adopted by the commissioner which shall be valid for the following purposes only: testing; adjusting; demonstrating; temporary use of customers for a period not to exceed 14 days; private business or pleasure use of such person or members of his or her immediate family; and use at fairs, shows or races when no charge is made for such use.

(2) Fees. Fees for dealer registration certificates shall be \$40.00 for the first certificate issued to any person and \$5.00 for any additional certificate issued to the same person within the current registration period. Fees for temporary number plates shall be \$1.00 for each plate issued.

(c) Temporary registration pending issuance of permanent registration. The commissioner, by rules adopted pursuant to 3 V.S.A. chapter 25, shall provide for the issuance of temporary registrations of snowmobiles pending issuance of the permanent registration. VAST shall be an agent of the commissioner for the issuance of such temporary registrations. The fees for the temporary registrations shall be ~~\$15.00~~ \$25.00 for residents and ~~\$22.00~~ \$32.00 for nonresidents and shall also constitute payment of the registration fee required by subsection (a) of this section. Temporary registrations shall be kept with the snowmobile while being operated and shall authorize operation without the registration decal being affixed for a period not to exceed 60 days from the date of issue.

* * *

Sec. 58. 23 V.S.A. § 3214 is amended to read:

§ 3214. ALLOCATION OF FEES AND PENALTIES; LIABILITY

(a) The amount of \$5.00 from the sale of every resident and nonresident snowmobile registration shall be allocated to the agency of transportation. The balance of fees and penalties collected under this subchapter, except interest, are is hereby allocated to the agency of natural resources for use by VAST for development and maintenance of the statewide snowmobile trail program (SSTP), for trails' liability insurance, and an amount equal to \$5.00 from the sale of every resident and nonresident snowmobile registration shall be allocated to contract for law enforcement services with any constable, sheriff's

department, municipal police department, the department of public safety, and the department of fish and wildlife for purposes of trail compliance pursuant to this chapter; the allocation for snowmobile law enforcement shall be included as a part of the annual expenditure plan required by section 3215 of this chapter. The departments of public safety and fish and wildlife are authorized to contract with VAST to provide these law enforcement services. The agency of natural resources may retain for its use up to \$11,500.00 during each fiscal year to be used for the oversight of the state snowmobile trail program.

* * *

Sec. 59. 23 V.S.A. § 3305(b) is amended to read:

(b) Annually, the owner of each motorboat required to be registered by this state shall file an application for a number with the commissioner of motor vehicles on forms approved by him or her. The application shall be signed by the owner of the motorboat and shall be accompanied by a fee of ~~\$17.00~~ \$22.00 and a surcharge of \$5.00 for a motorboat in class A; by a fee of ~~\$28.00~~ \$33.00 and a surcharge of \$10.00 for a motorboat in class 1; by a fee of ~~\$55.00~~ \$60.00 and a surcharge of \$10.00 for a motorboat in class 2; by a fee of ~~\$121.00~~ \$126.00 and a surcharge of \$10.00 for a motorboat in class 3. Upon receipt of the application in approved form, the commissioner shall enter the application upon the records of the department of motor vehicles and issue to the applicant a registration certificate stating the number awarded to the motorboat and the name and address of the owner. The owner shall paint on or attach to each side of the bow of the motorboat the identification number in such manner as may be prescribed by rules of the commissioner in order that it may be clearly visible. The registration shall be void one year from the first day of the month following the month of issue. A vessel of less than 10 horsepower used as a tender to a registered vessel shall be deemed registered, at no additional cost, and shall have painted or attached to both sides of the bow, the same registration number as the registered vessel with the number "1" after the number. The number shall be maintained in legible condition. The registration certificate shall be pocket size and shall be available at all times for inspection on the motorboat for which issued, whenever the motorboat is in operation. A duplicate registration may be obtained upon payment of a fee of \$2.00 to the commissioner. Notwithstanding section 3319 of this chapter, \$5.00 of each registration fee shall be allocated to the transportation fund. The remainder of the fee shall be allocated in accordance with section 3319 of this title.

Sec. 60. 23 V.S.A. § 3214 is amended to read:

§ 3214. ALLOCATION OF FEES AND PENALTIES; LIABILITY INSURANCE; AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES

(a) The amount of \$5.00 from the sale of every resident and nonresident snowmobile registration shall be allocated to the agency of transportation. The balance of fees and penalties collected under this subchapter, except interest, ~~are~~ is hereby allocated to the agency of natural resources for use by VAST for development and maintenance of the statewide snowmobile trail program (SSTP), for trails' liability insurance, and an amount equal to \$5.00 from the sale of every resident and nonresident snowmobile registration shall be allocated to contract for law enforcement services with any constable, sheriff's department, municipal police department, the department of public safety, and the department of fish and wildlife for purposes of trail compliance pursuant to this chapter; the allocation for snowmobile law enforcement shall be included as a part of the annual expenditure plan required by section 3215 of this chapter. The departments of public safety and fish and wildlife are authorized to contract with VAST to provide these law enforcement services. The agency of natural resources may retain for its use up to \$11,500.00 during each fiscal year to be used for the oversight of the state snowmobile trail program.

* * *

Sec. 61. 10 V.S.A. § 501 is amended to read:

§ 501. FEES

Subject to the provisions of ~~section~~ subsection 486(c) of this title, an applicant for an official business directional sign or an information plaza plaque shall pay to the travel information council an initial license fee and an annual renewal fee as established by this section.

(1) Initial license fees shall be as follows:

(A) for full-sized or half-sized business directional signs, ~~\$75.00~~ \$175.00 per sign;

(B) for information plaza plaques, \$25.00 per plaque; however, if more than one plaque is requested by a business at the same time, a ten percent discount shall be given on the second and subsequent plaques.

(2) Annual renewal fees ~~the amount, rounded to the next higher even whole dollar, determined by dividing the estimated cost of maintenance and administration of the official business directional sign and information plaza programs during the following fiscal year by the total number of licensed signs and plaques eligible for renewal during the following fiscal year; except that~~

~~the renewal fees shall not exceed the following amounts~~ shall be as follows:

(A) for full and half-sized official business directional signs, \$60.00 \$125.00 per sign;

* * *

* * * Passenger Rail Equipment * * *

Sec. 62. PASSENGER RAIL EQUIPMENT

In consultation with the joint fiscal office, the agency shall examine the alternatives and relative costs and benefits and service implications available to the state with respect to the purchase of passenger rail equipment to be used in place of the existing Amtrak equipment employed in the Vermonter and Ethan Allen services, including the purchase of refurbished equipment. The agency shall deliver a report of its analysis to the house and senate committees on transportation on or before January 15, 2010.

* * * State-Owned Railroad Property * * *

Sec. 63. Sec. 17(b)(2) of No. 175 of the Acts of the 2005 Adj. Sess. (2006), as amended by Sec. 31 of No. 164 of the Acts of the 2007 Adj. Sess. (2008), is further amended to read:

(2) town of Morristown; valuation section V50/51; approximately 3.7 acres adjacent to engine house and currently leased for batch plant, to be conveyed to lessee S. T. Griswold & Company, Inc. or assignee; however, if this conveyance is not consummated, the Lamoille Economic Development Corporation shall have the option to purchase; and

Sec. 64. Sec. 17(e) of No. 175 of the Acts of the 2005 Adj. Sess. (2006), as amended by Sec. 31 of No. 164 of the Acts of the 2007 Adj. Sess. (2008), is further amended to read:

(e) The authority granted by this section shall expire on ~~June 30~~ December 31, 2009.

* * * Cancellation of Projects * * *

Sec. 65. CANCELLATION OF PROJECTS

Pursuant to 19 V.S.A. § 10g(f) (legislative approval for cancellation of projects), the general assembly approves cancellation of the following projects:

(1) Town highway bridges:

(A) Albany BRO 1449(23) (BR 30 on TH 25/Poor Farm Road, over Black River) (town has requested termination);

(B) Chester BRO 1442(31) (BR 63 on TH 9/First Avenue, over

Williams River) (town has requested termination);

(C) Richford TH3 0305 (BR 28 on TH 18/Noyes Street, over Loveland Brook) (town has requested termination); and

(D) Woodstock BRO 1444(33) (BR 37 on TH 66, over Kedron Brook) (town has requested termination).

(2) Bicycle and pedestrian facilities: Irasburg STP WALK(16) (installation of sidewalks and curbs along VT 58) (town has requested termination).

* * * Transportation Fund; Sales of Surplus Property * * *

Sec. 66. 19 V.S.A. § 11(8) is amended to read:

(8) other miscellaneous sources including the sale of maps, plans and reports, fees collected by the travel information council ~~and~~, leases for property at state-owned airports and railroads, proceeds from the sale of state surplus property under the provisions of 29 V.S.A. §§ 1556 and 1557, and proceeds from the sale of recycled materials.

Sec. 67. 29 V.S.A. § 1557(b) is amended to read:

(b) Transfer charges and credits shall be made against the appropriation of the respective department or agency. Funds credited shall be classified as special funds, and managed in accordance with subchapter 5 of chapter 7 of Title 32; provided, however, that any funds credited to the agency of transportation shall be transferred to the transportation fund.

* * * Relinquishment of State Highway Segments
to Municipal Control * * *

Sec. 68. RELINQUISHMENT OF VERMONT ROUTE 15 IN THE VILLAGE OF ESSEX JUNCTION

(a) Under the authority of 19 V.S.A. § 15(2), approval is granted for the secretary of transportation to enter into an agreement with the village of Essex Junction to relinquish to the village's jurisdiction a segment of the state highway known as Vermont Route 15 (Pearl Street) in the village of Essex Junction starting at the Essex Junction village boundary, near the intersection with Susie Wilson Road (TH #4), and extending in an easterly direction for 1.004 miles, connecting to existing class 1 town highway TH #1 at a point 0.261 miles west of West Hillcrest Road (TH #551). The relinquishment shall include the Vermont Route 15 approaches to West Street Extension (TH #5).

Upon relinquishment, the former state highway shall become a class 1 town highway.

(b) Control of the highway, not including ownership of the lands or easements within the highway right-of-way, shall be relinquished to the village of Essex Junction. The village of Essex Junction shall not sell or abandon any portion of the relinquishment areas or allow any encroachments within the relinquishment areas without written permission of the agency of transportation.

* * * Town Highways * * *

Sec. 69. 19 V.S.A. § 305(g) is amended to read:

(g) The agency shall provide each town with a map of all of the highways in that town together with the mileage of each class 1, 2, ~~and 3,~~ and 4 highway, as well as each trail, and such other information as the agency deems appropriate.

Sec. 70. 19 V.S.A. § 305(i) is amended to read:

(i)(1) Prior to a vote to discontinue town highways provided in subsection (h) of this section, the legislative body shall hold a public informational hearing on the question by posting warnings at least 30 days prior to the hearing in at least two public places within the municipality and in the town clerk's office. The notice shall include the most recently available map of all town highways prepared by the agency of transportation pursuant to subsection (g) of this section. At least 30 days prior to the hearing, the legislative body shall also deliver the warning and map together with proof of receipt or mail by certified mail, return receipt requested, to each of the following:

(A) The chair of any municipal planning commission in the municipality;

(B) The chair of a conservation commission, established under chapter 118 of Title 24, in the municipality;

(C) The chair of the legislative body of each abutting municipality;

(D) The executive director of the regional planning commission of the area in which the municipality is located; ~~and~~

(E) The commissioner of forests, parks and recreation; and

(F) The secretary of transportation.

(2) The hearing shall be held within the 10 days preceding the meeting at which the legislative body will vote whether to discontinue all town highways as provided in subsection (h) of this section.

* * * Trucks and Buses; Use of Tire Chains * * *

Sec. 71. 23 V.S.A. § 1006c is added to read:

§ 1006c. TRUCKS AND BUSES; CHAINS AND TIRE REQUIREMENTS

(a) The traffic committee may require the use of tire chains or winter tires on specified portions of state highways during periods of winter weather for motor coaches, truck-tractor-semitrailer combinations, and truck-tractor-trailer combinations.

(b) When tire chains or winter tires are required, advance notice shall be given to the traveling public through signage and, whenever possible, through public service announcements. In areas where tire chains or winter tires are required, there shall be an adequate area for vehicles to pull off the traveled way to affix any chains that might be required.

(c) Under chapter 25 of Title 3, the traffic committee may adopt such rules as are necessary to administer this section and may delegate this authority to the secretary.

Sec. 72. USE OF CHAINS; IMPLEMENTATION

The use of chains shall not be required until signage and designated areas are available for vehicles to affix tire chains before proceeding further. Advanced public notice of these requirements shall be given to interested parties in the most feasible manner possible.

* * * Public Transportation Planning * * *

Sec. 73. 24 V.S.A. § 5089 is amended to read:

§ 5089. PLANNING

~~(a) By January 31, 1996, all public transit systems shall have completed a short range public transit plan. In the meantime, the agency of transportation may continue to provide funding for capital, statewide operating and new services.~~

~~(b) The short range public transit plans must be coordinated with the efforts of the regional planning commission under the transportation plan.~~

(e) The agency of transportation's public transit plan for the state shall be updated amended no less frequently than every five years so as to include, and incorporate the public transportation elements of regional plans that have not been disapproved under the provisions of chapter 117 of this title. The development of the state public transit plan shall include consultation with public transit providers, the metropolitan planning organization, and the regional planning commissions and their transportation advisory committees to ensure the integration of transit planning with the transportation planning

initiative as well as conformance with chapter 117 of this title, (municipal and regional planning and development). Regional plans, together with the agency of transportation's public transit plan shall function to coordinate the provision of public, private nonprofit, and private for-profit regional public transit services, in order to ensure effective local, regional and statewide delivery of services.

(b) Recognizing that the growing demand for new regional and commuter services must be considered within the context of the continuing need for local transit services that meet basic mobility needs, the agency of transportation shall consult annually with the regional planning commissions and public transit providers in advance of the award of available planning funds. The agency shall maintain a working list of both short- and long-term planning needs, goals, and objectives that balances the needs for regional service with the need for local service. Available planning funds shall be awarded in accordance with state and federal law and as deemed necessary and appropriate by the agency following consultation with the regional planning commissions and the public transit providers. The agency shall report annually to the general assembly on planning needs, expenditures, and cooperative planning efforts.

Sec. 74. 23 V.S.A. § 372 is amended to read:

§ 372. MOTOR BUS

The annual fee for registration of a motor bus shall be based on the actual weight of such bus, plus passenger carrying capacity at 150 pounds per person, and shall be \$1.40 per 100 pounds of such weight, except for motor buses registered under section 372a or 376 of this title. Fractions of a hundred-weight shall be disregarded. The minimum fee for the registration of any motor bus shall be \$43.00.

* * * Public Transit * * *

Sec. 75. PUBLIC TRANSIT

From the funds allocated to the public transit general capital program, \$100,000 in federal funds shall be held by the agency of transportation in reserve to cover shortfalls in the funding of the elders and persons with disabilities program (E&D) that occur as a result of unanticipated demand for non-Medicaid transportation services. Transit agencies that have grant agreements with the agency for the provision of E&D services shall be eligible to receive disbursements from the reserve. The agency shall develop a written policy to govern the evaluation and prioritization of applications for disbursements from the reserve to ensure access to the reserve funds is limited to transit agencies that have administered appropriately constrained E&D

programs. The agency shall notify all transit agencies with grant agreements for the provision of E&D services of the policy no later than July 1, 2009, and all disbursements from the reserve shall be in accordance with the policy.

* * * Local Match for Public Transportation Service * * *

Sec. 76. 23 V.S.A. § 372a is amended to read:

§ 372a. LOCAL TRANSIT PUBLIC TRANSPORTATION SERVICE BUSES; FEE

(a) The annual registration fee for any motor bus used in local transit or public transportation service entirely within any city or town, or not over 10 miles beyond the boundaries thereof, shall be \$45.00, except for those vehicles owned by a municipality for such service that are subject to the provisions of section 376 of this title. In the event a bus registered for local transit or public transportation service is thereafter registered for general use during the same registration year, such fee shall be applied towards the fee for general registration.

(b) For the purposes of this section, a public transportation service bus is a bus used by a nonprofit public transit system as defined in 24 V.S.A. § 5088(3), and a local transit bus is a motor bus used entirely within or not more than 10 miles beyond the boundaries of a city or town.

* * * Motor Buses; Diesel Tax * * *

Sec. 77. 23 V.S.A. § 3003(d) is amended to read:

(d)(1) For users, the following uses shall be exempt from taxation under this chapter and be entitled to a credit for any tax paid for such uses under section 3020 of this title:

(A) uses, the taxation of which would be precluded by the laws and Constitution of the United States and this state;

(B) uses for agricultural purposes not conducted on the highways of the state;

(C) uses by any state, municipal, school district, fire district or other governmentally owned vehicles for official purposes;

(D) uses by any vehicle off the highways of the state; and

(E) ~~uses by motor buses registered in this state; and~~

(F) uses by any vehicle registered as a farm truck under subsection 367(f) of this title.

(2) Provided, however, that no tax shall be due with respect to fuel for use in any state, municipal, school district, fire district, nonprofit public transit system as defined in 24 V.S.A. § 5088(3), or other ~~governmentally-owned~~ vehicle owned, leased, or contracted for other than single-trip use by a government entity, as long as the distributor takes from the purchaser at the time of sale an exemption certificate in the form prescribed by the commissioner; and provided, further, that no tax shall be due with respect to fuel delivered for farm use to a farm bulk fuel storage tank.

* * * Public Transit Report * * *

Sec. 78. PUBLIC TRANSIT REPORT

(a) Public transit report. Consistent with the goals, findings, and recommendations of the two most recent legislative reports prepared by VTrans regarding a review of potential changes to Vermont's public transit service delivery model (Sec. 35 and Sec. 45 reports), VTrans shall, in continued cooperation with the legislature's joint fiscal office, conduct such further analysis as is necessary to generate specific recommendations for improving the efficient and effective delivery of public transit services in Vermont.

(b) Goal of report. The goal of the report is to recommend a governance and funding structure for public transportation that creates the most efficient use of taxpayer funds while simultaneously creating the most efficient system of public transportation services consistent with the statutory policy goals in 24 V.S.A. § 5083. The report shall:

(1) Make use of the data and information currently available and assess the strengths and weaknesses of the public transit delivery system;

(2) Review the pros and cons of realistic alternative service delivery models;

(3) Present a recommendation for a systematic approach toward changing, evolving, or maintaining the existing service delivery model and propose a configuration under which the service delivery model maximizes state, federal, and local investments into the broad range of public transit services.

(c) The agency shall direct the report with the involvement of the agency of human services and of all public transit providers in the state who are direct grantees and subrecipients of state and federal funds.

(d) Consistent with federal United We Ride initiatives, the report shall

consider all federal and state funding invested through or by state and federal agencies on public, human services, and related transportation programs and shall evaluate the potential for achieving greater efficiency through coordination of effort or consolidation of funding and effort.

(e) The report shall be delivered to the general assembly on or before February 15, 2010.

* * * VASA Trail Insurance * * *

Sec. 79. 23 V.S.A. § 3513 is amended to read:

§ 3513. LIABILITY INSURANCE; AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES

(a) The amount of 85 percent of the fees and penalties collected under this subchapter, except interest, is hereby allocated to the agency of natural resources for use by the Vermont ATV sportsman's association (VASA) for development and maintenance of a statewide ATV trail program ~~on private property~~, for trail liability insurance, and to contract for law enforcement services with any constable, sheriff's department, municipal police department, the department of public safety, and the department of fish and wildlife for purposes of trail compliance pursuant to this chapter. The departments of public safety and fish and wildlife are authorized to contract with VASA to provide these law enforcement services. The agency of natural resources may retain for its use up to \$7,000.00 during each fiscal year to be used for administration of the state grant that supports this program.

* * *

* * * All-Terrain Vehicles * * *

Sec. 80. 23 V.S.A. § 3502 is amended to read:

§ 3502. REGISTRATION

(a) An all-terrain vehicle may not be operated unless registered pursuant to this chapter or any other section of this title, by the state of Vermont and unless the all-terrain vehicle displays a valid Vermont ATV Sportsman's Association (VASA) Trail Access Decal (TAD) when operating on a VASA trail, except when operated:

* * *

Sec. 81. 23 V.S.A. § 3506 is amended to read:

§ 3506. OPERATION

* * *

(b) An all-terrain vehicle may not be operated:

* * *

(3) On any privately owned land or body of private water unless:

* * *

(B) the operator has, on his or her person, the written consent of the owner or lessee of the land to operate an all-terrain vehicle in the specific area and during specific hours and/or days in which the operator is operating, ~~or proof that he or she is a member of a club or association to which consent has been given orally or in writing;~~ or the all-terrain vehicle displays a valid TAD decal as required by subsection 3502(a) of this title that serves as proof that the all-terrain vehicle and its operator, by virtue of the TAD, are members of a VASA-affiliated club to which such consent has been given orally or in writing to operate an all-terrain vehicle in the area in which the operator is operating;

* * *

* * * Two-Wheeled All-Terrain Vehicles * * *

Sec. 82. 23 V.S.A. § 3501(5) is amended to read:

(5) “All-terrain vehicle” or “ATV” means any nonhighway recreational vehicle, except snowmobiles, having no less than ~~three~~ two low pressure tires (10 pounds per square inch, or less), not wider than 60 inches with two-wheel ATVs having permanent, full-time power to both wheels, and having a dry weight of less than 1,700 pounds, when used for cross-country travel on trails or on any one of the following or a combination thereof: land, water, snow, ice, marsh, swampland, and natural terrain. An ATV on a public highway shall be considered a motor vehicle, as defined in section 4 of this title, only for the purposes of those offenses listed in subdivisions 2502(a)(1)(H), (N), (R), (U), (Y), (FF), (GG), (II), and (ZZ); (2)(A) and (B); (3)(A), (B), (C), and (D); (4)(A); and (B) and (5) of this title and as provided in section 1201 of this title. An ATV shall not include an electric personal assistive mobility device.

* * * One Registration Plate Sticker * * *

Sec. 83. 23 V.S.A. § 305 is amended to read:

§ 305. – WHEN ISSUED

* * *

(c) The commissioner may issue number plates to be used for a period of two or more years. ~~Validating stickers~~ One validating sticker shall be issued by the department of motor vehicles upon payment of the registration fee for the second and each succeeding year the plate is used. No plate is valid for the second and succeeding years unless the ~~stickers are~~ sticker is affixed to the rear plate in the manner prescribed by the commissioner.

* * * Bright Futures Plate * * *

Sec. 84. 23 V.S.A. § 304c is amended to read:

§ 304c. MOTOR VEHICLE REGISTRATION PLATES: BUILDING BRIGHT SPACES FOR BRIGHT FUTURES FUND

(a) The commissioner shall, upon application, issue “building bright spaces for bright futures fund,” hereinafter referred to as “the bright futures fund,” registration plates for use only on vehicles registered at the pleasure car rate, ~~and~~ on trucks registered for less than 26,001 pounds, on vehicles registered to state agencies under section 376 of this title, and excluding vehicles registered under the International Registration Plan. Plates so acquired shall be mounted on the front and rear of the vehicle. The commissioner of motor vehicles shall utilize the graphic design recommended by the commissioner of social and rehabilitation services for the special plates to enhance the public awareness of the state’s interest in supporting children’s services. Applicants shall apply on forms prescribed by the commissioner of motor vehicles, and shall pay an initial fee of \$20.00 in addition to the annual fee for registration. In following years, in addition to the annual registration fee, the holder of a bright futures fund plate shall pay a renewal fee of \$20.00. The commissioner shall adopt rules under 3 V.S.A. chapter 25 to implement the provisions of this subsection.

* * *

* * * Design-Build Contracts * * *

Sec. 85. 19 V.S.A. chapter 26 is added to read:

CHAPTER 26. DESIGN-BUILD CONTRACTS

§ 2601. DEFINITIONS

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings:

(1) “Best value” means the highest overall value to the state, considering quality and cost.

(2) “Design-build contracting” means a method of project delivery whereby a single entity is contractually responsible to perform design, construction, and related services.

(3) “Major participant” means any entity that would have a major role in the design or construction of the project as specified by the agency in the request for proposals.

(4) “Project” means the highway, bridge, railroad, airport, trail, transportation, building, or other improvement being constructed or rehabilitated, including all professional services, labor, equipment, materials, tools, supplies, warranties, and incidentals needed for a complete and functioning product.

(5) “Proposal” means an offer by the proposer to design and construct the project in accordance with all request-for-proposals provisions for the price contained in the proposal.

(6) “Proposer” means an individual, firm, corporation, limited-liability company, partnership, joint venture, sole proprietorship, or other entity that submits a proposal. After contract execution, the successful proposer is the design-builder.

(7) “Quality” means those features that the agency determines are most important to the project. Quality criteria may include quality of design, constructability, long-term maintenance costs, aesthetics, local impacts, traveler and other user costs, service life, time to construct, and other factors that the agency considers to be in the best interest of the state.

§ 2602. AUTHORIZATION

(a) Notwithstanding section 10 of this title or any other provision of law, the agency may use design-build contracting to deliver projects. The agency may evaluate and select proposals on either a best-value or a low-bid basis. If the scope of work requires substantial engineering judgment, the quality of which may vary significantly as determined by the agency, then the basis of award shall be best-value.

(b) The agency shall identify those projects it believes are candidates for design-build contracting, including those involving extraordinary circumstances, such as emergency work, unscheduled projects, or loss of funding.

(c) The agency retains the authority to terminate the contracting process at any time, to reject any proposal, to waive technicalities, or to advertise for new proposals if the agency determines that it is in the best interest of the state.

§ 2603. PREQUALIFICATION

(a) The agency may require that entities be prequalified to submit proposals. If the agency requires prequalification, it shall give public notice requesting qualifications from interested entities electronically through the agency's publicly accessible website or through advertisements in newspapers. The agency shall issue a request-for-qualifications package to all entities requesting one in accordance with the notice.

(b) Interested entities shall supply for themselves and for all major participants all information required by the agency. The agency may investigate and verify all information received. All financial information, trade secrets, or other information customarily regarded as confidential business information submitted to the agency shall be confidential.

(c) The agency shall evaluate and rate all entities submitting a conforming statement of qualifications and select the most qualified entities to receive a request for proposals. The agency may select any number of entities, except that if the agency fails to prequalify at least two entities, the agency shall readvertise the project.

§ 2604. REQUEST FOR PROPOSALS

The agency may issue a request for proposals, which shall set forth the scope of work, design parameters, construction requirements, time constraints, and all other requirements that have a substantial impact on the cost or quality of the project and the project development process, as determined by the agency. The request for proposals shall include the criteria for acceptable proposals. For projects to be awarded on a best-value basis, the scoring process and quality criteria must also be contained in the request for proposals. In the agency's discretion, the request for proposals may provide for a process, including the establishment of a team to review proposals, for the agency to review conceptual technical elements of each proposal before full proposal submittal for the purposes of identifying defects that would cause rejection of the proposal as nonresponsive. All such conceptual submittals and responses shall be confidential until award of the contract. The request for proposals may also provide for a stipend upon specified terms to unsuccessful proposers that submit proposals conforming to all request-for-proposals requirements.

§ 2605. LOW-BID AWARD

If the basis of the award of responsive proposals is low-bid, then each proposal, including the price or prices, shall be sealed by the proposer and submitted to the agency as one complete package. The agency shall award the

design-build contract to the proposer that submits a responsive proposal with the lowest cost, if the proposal meets all request-for-proposals requirements.

§ 2606. BEST-VALUE AWARD

(a) If the basis of the award of responsive proposals is best-value, then each proposal shall be submitted by the proposer to the agency in two separate components: a sealed technical proposal and a sealed price proposal. These two components shall be submitted simultaneously. The agency shall first open, evaluate, and score each responsive technical proposal, based on the quality criteria contained in the request for proposals. The request for proposals may provide that the range between the highest and lowest quality scores of responsive technical proposals must be limited to an amount certain. During this evaluation process, the price proposals shall remain sealed, and all technical proposals shall be confidential.

(b) After completion of the evaluation of the technical proposals, the agency shall open and review each price proposal. The agency shall develop a system for assessing the cost and quality criteria. The agency shall award the contract to the proposer of the project representing the best value to the agency.

Sec. 86. DESIGN-BUILD CONTRACTS; LIMITATIONS ON USE

During fiscal year 2010 the agency of transportation shall limit its exercise of the authority granted by Sec. 78 of this act to not more than four projects.

Sec. 87. PROJECT SIGNAGE

For projects initiated in 2010 using design-build contracts, the agency shall erect signage at the project site for the duration of the project's construction identifying the project and its total cost, provided that the cost of acquiring and installing the signs does not exceed \$2,000.00. The signs shall be designed in accordance with the agency's recommendations regarding size and lettering contained in the agency's 2009 report on the issue.

* * * Joint Transportation Oversight Committee Chairs * * *

Sec. 88. 19 V.S.A. § 12b(a) is amended to read:

(a) There is created a joint transportation oversight committee composed of the chairs of the house and senate committees on appropriations, the house and senate committees on transportation, the house committee on ways and means, and the senate committee on finance. The committee shall be chaired alternately by the chairs of the house and senate committees on transportation, and the two year term shall run concurrently with the biennial session of the legislature. The chair of the senate committee on transportation shall chair the committee during the 2009–2010 legislative session.

*** State Highway Law; Definitions ***

Sec. 89. 19 V.S.A. § 1 is amended to read:

§ 1. DEFINITIONS

For the purposes of this title:

- (1) “Agency” means the agency of transportation.
- (2) “Board” means the transportation board.
- (3) “Branch” means a major component of a division of a department or major unit of a department with staff functions.
- (4) “Chair” means the chair of the transportation board, unless otherwise specified.
- (5) “Commissioner” means the commissioner of the department of motor vehicles responsible to the secretary for the administration of the department.
- (6) “Department” means the department of motor vehicles.
- (7) “Develop” means the partition or division of any tract of land of any size by a person through sale, lease, transfer or any other means by which any interest in or to the land or a portion of the land is conveyed to another person which will require the construction of permanent new or enlarged points of access to a state or town highway other than a limited access facility pursuant to subsection (a) of section 1702a of this title; excluding however, tracts of land located entirely within a city or incorporated village.
- (8) “Director” means the head of a division.
- (9) “District” means a geographic subdivision of the state primarily established for maintenance purposes.
- (10) “District transportation administrator” means the person in charge of a district.
- (11) “Division” means a major unit of the agency engaged in line functions other than the department of motor vehicles.
- (12) “Highways” are only such as are laid out in the manner prescribed by statute; or roads which have been constructed for public travel over land which has been conveyed to and accepted by a municipal corporation or to the state by deed or a fee or easement interest; or roads which have been dedicated to the public use and accepted by the city or town in which such roads are located; or such as may be from time to time laid out by the agency or town. The term “highway” includes rights-of-way, bridges, drainage structures, signs, guardrails, areas to accommodate utilities authorized by law to locate

within highway limits, areas used to mitigate the environmental impacts of highway construction, vegetation, scenic enhancements, and structures. The term “highway” does not include state forest highways, management roads, easements, or rights-of-way owned by or under the control of the agency of natural resources, the department of forests, parks and recreation, the department of fish and wildlife, or the department of environmental conservation.

(13) “Management road” means a road not designated as a “state forest highway” used for the long-term management of lands owned by or under the control of the department of forests, parks and recreation, the department of fish and wildlife, or the department of environmental conservation to meet the responsibilities and purposes set forth in chapter 83 of Title 10, part 4 of Title 10, and regulations promulgated under those statutes. The term “management road” includes associated easements and rights-of-way. A “management road” is not a “highway” or a “town highway” as defined in this title, is not a public road, and the public has no common law or statutory right of access or use of such a road. A “management road” may be open for temporary, seasonal uses by the public or may be closed temporarily or seasonally at the discretion of the agency of natural resources, the department of forests, parks and recreation, the department of fish and wildlife, or the department of environmental conservation. A “management road” may be closed permanently upon 30 days’ notice to the governing body of the municipality in which the road is located and any affected user groups. Designation of a road as a “management road” shall not diminish any deeded rights of way or easements of private landowners on lands owned or controlled by the agency of natural resources, the department of forests, parks and recreation, the department of fish and wildlife, or the department of environmental conservation.

~~(13)~~(14) “Person” includes a municipality or state agency.

~~(14)~~(15) “Scenic road” means any road designated pursuant to this title.

~~(15)~~(16) “Secretary” means the head of the agency who shall be a member of the governor’s cabinet responsible directly to the governor for the administration of the agency.

~~(16)~~(17) “Section” means a major component of a division or department or major unit of the agency.

~~(17)~~(18) “Selectboard” includes village trustees and city councils.

(19) “State forest highway” means a road used for the long-term management of lands owned by or under the control of the department of forests, parks and recreation to meet the responsibilities and purposes set forth in 10 V.S.A. § 2601, et seq. and regulations promulgated under that statute.

The term “state forest highway” includes easements and rights-of-way. A “state forest highway” is not a “highway” or a “town highway” as defined in this title, is not a public road, and the public has no common law or statutory right of access or use of such road. A “state forest highway” may be open for temporary, seasonal uses by the public or may be closed temporarily or seasonally for any reason at the discretion of the agency of natural resources or the department of forests, parks and recreation. A “state forest highway” may be closed permanently upon 30 days’ notice to the governing body of the municipality in which the road is located and to any affected user groups. Designation of a road as a “state forest highway” shall not diminish any deeded rights of way or easements of private landowners on lands owned or controlled by the agency of natural resources or the department of forests, parks and recreation.

~~(18)~~(20) “State highways” are those highways maintained exclusively by the agency of transportation.

~~(19)~~(21) “Throughway” means a highway specially designated giving traffic traveling on the throughway the right-of-way at all intersections.

~~(20)~~(22) “Town” includes incorporated villages and cities.

~~(21)~~(23) “Town highways” are ~~those~~ class 1, 2, 3 and 4 highways:

(A) that the towns have authority to exclusively or cooperatively maintain; or

(B) that are maintained by the towns except for scheduled surface maintenance performed by the agency pursuant to section 306a of this title.

~~(22)~~(24) “Traffic committee” consists of the secretary of transportation or his or her designee, the commissioner of motor vehicles or his or her designee, and the commissioner of public safety or his or her designee and is responsible for establishing speed zones, parking and no parking areas, regulations for use of limited access highways, and other traffic control procedures.

~~(23)~~(25) “Limited access highway” means a highway where the right of owners or occupants of abutting land or other persons to access, light, air, or view in connection with the highway is fully or partially controlled by public authority, in accordance with chapter 17 of this title. The term “highway” does not include state forest highways, management roads, easements, or rights-of-way owned by or under the control of the agency of natural resources, the department of forests, parks and recreation, the department of fish and wildlife, or the department of environmental conservation.

Sec. 90. 19 V.S.A. § 301 is amended to read:

§ 301. DEFINITIONS

* * *

(7) "Town highways" are ~~those~~ class 1, 2, 3 and 4 highways;

(A) that the towns have authority to exclusively or cooperatively maintain; or

(B) that are maintained by the towns except for scheduled surface maintenance performed by the agency pursuant to section 306a of this title.

* * * Budget Surplus; Towns of Glastenbury and Somerset * * *

Sec. 91. FISCAL YEAR 2009 FUND TRANSFERS

Notwithstanding the provisions of 24 V.S.A. § 1406, in fiscal year 2009, the following amounts shall be transferred to the transportation fund from the funds indicated:

(1) 21345 Unorganized town—Bennington (Glastenbury) \$241,652.

(2) 21355 Unorganized towns—Windham (Somerset) \$121,180.

Sec. 92. 32 V.S.A. § 4961 is amended to read:

§ 4961. ASSESSMENT OF TAX

(a) A state tax determined pursuant to this section is hereby annually assessed upon the grand list of the Gore in Chittenden County. ~~A state tax of \$0.50 is hereby annually assessed on~~ and upon the grand list of the town of Glastenbury in the county of Bennington and of the unorganized town of Somerset in the county of Windham.

(b) Annually, on or before August 1, the supervisor of Buel's Gore shall call a meeting of the residents of the Gore for the purpose of presenting the proposed budget and tax rate for the Gore for the ensuing year and inviting discussion thereon. Notice of the meeting shall be sent by first class mail to all residents of the Gore at least 14 days before the meeting. The meeting shall be held at a place within the Gore or within a town that adjoins the Gore. Included with the notice shall be an itemized proposed budget which shall, in the judgment of the supervisor, cover the education, road maintenance and general government costs within the Gore. Also included with the notice shall be proposed tax rates consistent with the budget. Annually, on or before September 10, the supervisor shall adopt a budget and tax rate and notify the residents and appraisers for the Gore.

(c) Annually, on or before August 1, the supervisors of Glastenbury and Somerset shall each present the proposed budget and tax rate for the town for the ensuing year. Upon a finding by the commissioner of taxes before

September 10 that the budget and tax rate are reasonable and show no obvious irregularities, the commissioner shall approve the budget and tax rate, and the supervisor shall then adopt the budget and tax rate and notify the residents of the town. If the commissioner does not approve the budget and tax rate by September 10, the budget and tax rate shall remain the same as the budget and tax rate for the prior year, and the supervisor shall so notify the residents of the town.

Sec. 93. 24 V.S.A. § 1406 is amended to read:

§ 1406. TAXES EXPENDED; HOW

Upon allowance of the accounts of supervisors and appraisers for unorganized towns and gores, the commissioner of finance and management shall certify forthwith the amount as allowed to the state treasurer and the balance, if any, of the moneys received from any supervisor, after deducting the amount of the county tax and regional planning costs, if any. The amount of such supervisors' and appraisers' accounts, so certified, shall be used for the laying out, construction and maintenance of highways and bridges in the unorganized towns and gores for which the supervisor is appointed, to be expended by and under the direction of the secretary of transportation, in the same manner as state transportation appropriations. The portion of the money which remains unexpended for more than one year may be ~~used~~ carried forward in the supervisors' accounts for like purposes ~~and expended in a like manner in towns adjoining unorganized towns and gores.~~

* * * Sidewalks; Landowner Liability * * *

Sec. 94. Chapter 23 of Title 19 is redesignated to read:

CHAPTER 23. BICYCLE ROUTES AND SIDEWALKS

Sec. 95. 19 V.S.A. § 2301 is amended to read:

§ 2301. DEFINITIONS

* * *

(6) "Sidewalk" means the portion of a street or highway right-of-way designated for primary or exclusive pedestrian use.

Sec. 96. 19 V.S.A. § 2309 is amended to read:

§ 2309. LIABILITY OF LANDOWNER

No landowner shall be liable for any property damage or personal injury sustained by any person who is using, for any purpose permitted by state law or by a municipal ordinance, bicycle routes or sidewalks constructed on the landowner's property pursuant to this chapter, unless the landowner charges a fee for the use of the property. Landowner immunity from liability with regard to sidewalks under this section shall not extend to damage or injury to the extent that it arises from negligent, reckless, or willful acts of the landowner.

* * * Year of Manufacture Plates * * *

Sec. 97. 23 V.S.A. § 373 is amended to read:

§ 373. EXHIBITION VEHICLES; YEAR OF MANUFACTURE PLATES

(a) The annual fee for the registration of a motor vehicle which is maintained solely for use in exhibitions, club activities, parades, and other functions of public interest and which is not used for the transportation of passengers or property on any highway, except to attend such functions, shall be \$15.00, in lieu of fees otherwise provided by law.

(b) Pursuant to the provisions of section 304 of this title, one registration plate shall be issued to those vehicles registered under subsection (a) of this section.

(c) The Vermont registration plates of any motor vehicle issued prior to 1939 may be displayed instead of the plates issued under this section, if the current plates are maintained within the vehicle and produced upon request of any enforcement officer as defined in subdivision 4(11) of this title.

* * * Aviation Maintenance Equipment * * *

Sec. 98. REPORT; AVIATION MAINTENANCE EQUIPMENT

The agency of transportation shall, by January 15, 2010, submit to the house and senate transportation committees a report regarding the agency's current inventory of aviation maintenance equipment. The report shall set forth equipment type, cost, funding source, and useful life. The report also shall contain a five-year plan for future equipment purchases.

* * * Transportation Buildings * * *

Sec. 99. TRANSPORTATION BUILDINGS

The following modifications are made to the transportation buildings program:

- (1) Consistent with the recommendations of the January 15, 2009

legislative report (Sec. 8(2) of No. 164 of the Acts of the 2007 Adj. Sess. (2008)) titled "VTrans' Plans for Maintenance Facilities in Chittenden and Addison Counties," the agency of transportation shall proceed with Option A (Stay at "Fort) for the Colchester "Fort" Facility project and shall proceed with Option B (Truck Inspection/Motorcycle Training Facility only) for the North Ferrisburgh Facility project.

(2) As part of the Colchester "Fort" Facility renovation project, the agency shall sell the 25 +/- acre property located off VT Route 117 with the proceeds credited as provided in 19 V.S.A. § 26.

* * * Burlington Airport Pilot Project; Creative Financing * * *

Sec. 100. PILOT PROJECT FOR BURLINGTON INTERNATIONAL AIRPORT; CREATIVE FINANCING

A pilot project to examine the potential for a public-private initiatives program shall be pursued for the advancing of an interchange on Interstate 89 along Vermont Route 116 in South Burlington to explore improving future access to the Burlington International Airport and to relieve the overburdened interchanges at Interstate 89 exits 12 and 14. Implementation of the pilot study shall be carried out in cooperation, consultation, and with the support of the Vermont agency of transportation, the Chittenden County metropolitan planning organization (CCMPO), and other affected local jurisdictions and project partners. The CCMPO, with the cooperation of the agency of transportation, is directed to prepare a creative financing plan for the advancement of a project to construct an interchange at the above-mentioned location and deliver the plan to the legislature by November 1, 2009.

* * * Regional Planning Commissions * * *

Sec. 101. PROJECT PRIORITIZATION PROCESS AND PROPOSAL OF NEW PROJECTS FOR THE STATE TRANSPORTATION PROGRAM BY REGIONAL PLANNING COMMISSIONS

(a) To better reflect regional economic development, land use, and project priorities, the agency of transportation, in cooperation with the regional planning commissions, shall modify the existing project prioritization system to ensure that local input is assigned appropriate weighting in the system.

(b) The agency and the regional planning commissions shall jointly develop and adopt and the agency shall implement a written procedure that allows a regional planning commission to propose that a new project be substituted for an existing project or projects within the same region that are in the state transportation program. The procedure shall:

(1) ensure that the proposed new project for addition to the

transportation program and the existing project or projects to be deleted from the program are roughly comparable in cost, using updated cost estimates;

(2) consider for removal from the transportation program only projects that are in candidate status;

(3) describe the project identification requirements and time line requirements that an RPC must satisfy to present the proposed change in the transportation program to the general assembly in a particular fiscal year; and

(4) describe the agency-regional planning commission communication protocols that will apply to the process.

(c) Each year, the agency's proposed transportation program shall include a separate report entitled "RPC Proposals" which shall describe all regional planning commission-proposed changes to the state's transportation program made in accordance with the procedure adopted pursuant to subsection (b) of this section.

(d) The agency and regional planning commissions shall report on the adopted procedure described in subsection (b) of this section and on changes made to the priority system in response to subsection (a) of this section to the committees on transportation by January 15, 2010.

* * * State Speed Zones * * *

Sec. 102. 23 V.S.A. § 1003 is amended to read:

§ 1003. STATE SPEED ZONES

(a) When the traffic committee constituted under 19 V.S.A. § 1(22) determines, on the basis of an engineering and traffic investigation, that a maximum speed limit established by this chapter is greater or less than is reasonable or safe under conditions found to exist at any place or upon any part of a state highway, except the national system of interstate and defense highways, it may determine and declare a reasonable and safe limit which is effective when appropriate signs stating the limit are erected. This limit may be declared to be effective at all times or at times indicated upon the signs; and differing limits may be established for different times of day, different types of vehicles, varying weather conditions, or based on other factors, bearing on safe speeds which are effective when posted upon appropriate fixed or alterable signs.

(b) When establishing a maximum speed limit on a state highway contiguous to a school, the traffic committee shall consider, along with the engineering and traffic investigation, data collected for the purpose of promulgating a school travel plan under the Vermont Safe Routes to School program.

* * * Special DMV Examinations * * *

Sec. 103. 23 V.S.A. § 636(a) is amended to read:

(a) Whenever the commissioner has good cause to believe that any holder of an operator's license, or any applicant for renewal of an operator's license, is incompetent or otherwise not qualified to be licensed, he may require such person to submit to a special examination to determine his capabilities or mental or physical fitness, but no person shall be required to pay to the state a fee for such special examination. Such examination shall be given at such time and place as the commissioner may determine. If the commissioner determines that a special examination is warranted, then a driving examination shall be administered. If, under the commissioner's discretion, extenuating circumstances exist, the commissioner may also administer a written or oral examination.

* * * Truck Permits * * *

Sec. 104. 23 V.S.A. § 1432 is amended to read:

§ 1432. LENGTH OF VEHICLES; AUTHORIZED HIGHWAYS

(a) Operation of vehicles with or without a trailer or semitrailer. No motor vehicle without a trailer or semitrailer attached, which is longer than 46 feet overall, shall be operated upon any highway except under special permission from the commissioner of motor vehicles. A motor vehicle with a trailer or semitrailer shall be operated, with regard to the length of the vehicle, pursuant to this section. If there is a trailer or semitrailer, the distance between the kingpin of the semitrailer to the center of the rearmost axle group shall not exceed ~~43~~ 41 feet. An "axle group" is defined as two or more axles where the centers of all the axles are spaced at an equal distance apart.

~~(1) Vehicles with a trailer or semitrailer not exceeding 72 feet on the truck network. If the overall length of a vehicle with a trailer or semitrailer does not exceed 72 feet, it may be operated without a permit on the truck network established in subsection (c) of this section.~~

~~(2) Vehicles with a trailer or semitrailer not exceeding 68 75 feet off the truck network. If the overall length of a vehicle with a trailer or semitrailer does not exceed 68 75 feet, it may be operated without a permit off the truck network.~~

~~(3)(2) Vehicles with a trailer or semitrailer longer than 68 feet but not longer than 72 feet off the truck network; tractor 23 feet or less. If the overall length of a vehicle with a trailer or semitrailer is longer than 68 feet but not longer than 72 feet, and if the distance between the steering axle to the rearmost tractor axle is 23 feet or less, a permit may be issued pursuant to~~

~~subdivision 1402(b)(1) of this title.~~ A receiver or shipper of goods located in Vermont may request from the agency of transportation, access to a state highway, ~~not on the truck network,~~ for a commercial motor vehicle where the overall length exceeds ~~68 feet but is not longer than 72~~ 75 feet. ~~The~~ If the total vehicle length is in excess of 75 feet or the distance from the steering axle to the rearmost tractor axle is longer than 25 feet, a permit may be requested from the commissioner. In that event, the agency of transportation shall review the route or routes requested, making its determination for approval based on safety and engineering considerations, after considering input from local government and regional planning commissions or the metropolitan planning organization. The agency shall maintain consistency in its application of acceptable highway geometry when approving other routes. The agency may authorize safety precautions on these highways, if warranted, which shall include, but not be limited to, precautionary signage, intelligent transportation system signage, special speed limits and use of flashing lights.

~~(4) Vehicles with a trailer or semitrailer longer than 68 feet but not longer than 72 feet off the truck network; tractor greater than 23 feet. If the overall length of a vehicle with a trailer or semitrailer is longer than 68 feet but not longer than 72 feet, and if the distance between the steering axle to the rearmost tractor axle is greater than 23 feet in length, a permit may be issued pursuant to subdivision 1402(b)(2) of this title.~~

~~(5)~~(3) Vehicles with a trailer or semitrailer longer than ~~72~~ 75 feet. If the overall length of a vehicle with a trailer or semitrailer is longer than ~~72~~ 75 feet, a permit may be issued pursuant to subdivision 1402(b)(3) of this title.

(b) Rear-end protective devices on trailers. A trailer or semitrailer not in excess of 53 feet may be operated provided the semitrailer is equipped with a rear-end protective device of substantial construction consisting of a continuous lateral beam extending to within four inches of the lateral extremities of the semitrailer and located not more than 22 inches from the surface as measured with the vehicle empty and on a level surface.

(c) ~~The truck network. The truck network shall consist of the following: U.S. Route 2 between the New Hampshire state line and the junction of U.S. Route 5; U.S. Route 2 from the junction of exit 21 on I-91 to exit 8 on Interstate 89; U.S. Route 2 between the New York state line and VT Route 78; VT Route 2A; U.S. Route 4 from the New York state line to the junction of VT Route 100 south; VT Route 279 from the New York state line to the junction of U.S. Route 7; U.S. Route 5 from the junction of U.S. Route 2 to the junction of exit 20 of I-91; U.S. Route 5 between I-91 at exit 22 to the south entrance of the St. Johnsbury Lyndonville industrial park; U.S. Route 5 south from I-91 at exit 22 to the intersection of St. Johnsbury Railroad Street and Hastings Hill~~

~~Street; U.S. Route 7; VT Route 9 from the New York state line to the junction of exit 2 on I-91; VT Route 9 from the junction of exit 3 on I-91 to the New Hampshire state line; VT Route 18 from U.S. Route 2 to the New Hampshire state line; VT Route 22A between U.S. Route 4 and U.S. Route 7; VT Route 78; VT Route 103; VT Route 105 from the junction of U.S. Route 7 to the junction of VT Route 100, then southerly on VT Route 100 to the junction of VT Route 100 and VT Route 14, then easterly on VT Route 14 to the junction of VT Route 14 and U.S. Route 5, then northerly on U.S. Route 5 to the junction of U.S. Route 5 and VT Route 105, then easterly on VT Route 105 from the junction of U.S. Route 5 to the New Hampshire border; VT Route 104 from VT Route 105 to I-89 at exit 19; VT Route 253 from the New Hampshire border to the Canadian border; VT Route 289; and U.S. Route 302. The commissioner is authorized to place special restrictions applying to motor vehicles on any route of the truck network when, in his or her opinion, the restrictions would provide for the safe operation of all vehicles on the route.~~

~~(d)~~ Operation on U.S. Route 4. Vehicles Notwithstanding any other law to the contrary, vehicles with a trailer or semitrailer which are longer than 68 feet but not longer than 72 feet may be operated with a single or multiple trip overlength permit issued at no cost by the department of motor vehicles or, for a fee, by an entity authorized in subsection 1400(d) of this title on U.S. Route 4 from the New Hampshire state line to the junction of VT Route 100 south, provided the distance from the kingpin of the semitrailer to the center of the rearmost axle group is not greater than ~~43~~ 41 feet.

~~(e)(d)~~ Operation of pole semitrailers. The provisions of this section shall not be construed to prevent the operation of so-called pole dinkeys or pole semitrailers when being used to support the ends of poles, timbers, pipes, or structural members capable, generally, of sustaining themselves as beams between the supporting connections, the overall length of which may exceed ~~60~~ 75 feet under special permission from the commissioner of motor vehicles.

~~(f)(e)~~ Operation on Interstate highways. Notwithstanding subsection (a) of this section, on the National System of Interstate and Defense Highways and those classes of qualifying Federal-aid Primary System highways as designated by the Secretary, United States Department of Transportation, and on highways leading to or from the Dwight D. Eisenhower National System of Interstate and Defense Highways for a distance of one mile, unless the agency of transportation finds the use of a specific highway to be unsafe, no overall length limits for tractor-semitrailer or tractor semitrailer-trailer combination shall apply. On these highways, no semitrailer in a tractor-semitrailer combination longer than 53 feet and no trailer or semitrailer in a tractor-semitrailer-trailer combination longer than 28 feet shall be operated. However, the limits established by this section shall not be construed in such a

manner as to prohibit the use of semitrailers in a tractor-semitrailer combination of such dimensions as were in actual and lawful use in this state on December 1, 1982.

~~(g)~~(f) List of approved highways. The commissioner shall prepare a list of each highway that has been approved for travel by vehicles referred to in subsection (a) of this section. The list shall be furnished, without charge, to each permitting service, electronic dispatching service, or other similar service authorized to do business in this state and, upon request, to any interested person.

* * * Transportation Enhancement Grants * * *

Sec. 105. ENHANCEMENT GRANTS; FISCAL YEAR 2010

(a) Notwithstanding 19 V.S.A. § 38, the transportation enhancement grant committee shall award grants up to fiscal year 2010 in the amount of federal funds made available to the state under the American Recovery and Reinvestment Act of 2009 (ARRA) which are exclusively reserved for enhancement projects as defined in 23 U.S.C. § 101(a)(35), estimated to be \$3,773,739. The transportation enhancement grant committee shall award grants authorized in this section in a separate grant round before June 30, 2009. The agency shall notify potential applicants of the separate grant round and fix a deadline for the filing of applications of May 15, 2009. All enhancement grant awards authorized in this section shall require a local match in accordance with the same rules that apply to annual enhancement grants.

(b) Any amounts authorized in subsection (a) of this section that are not awarded by the committee by June 30, 2009, up to \$3,773,739 shall be included in the fiscal year 2010 enhancement grant program.

(c) To the extent that any grants awarded using ARRA enhancement funds cannot be fully obligated by November 30, 2009, and to the extent necessary to satisfy any deadlines for obligation of ARRA enhancement funds, the secretary of transportation is authorized to obligate ARRA federal funds made available to the state which are exclusively reserved for enhancement projects as defined in 23 U.S.C. § 101(a)(35) to eligible projects in the approved fiscal year 2010 transportation program. The following projects are added to program development – bike and pedestrian facilities – candidates list:

Statewide - STP RAMP (1) – Reconstruction of curb ramps on state highway system to comply with ADA requirements.

Statewide - STP NWRT (1) – Rehabilitate aggregate surfaces on rail trails.

Sec. 106. ENHANCEMENT GRANTS FISCAL YEAR 2010

Notwithstanding 19 V.S.A. § 38, the fiscal year 2010 enhancement grant program shall include a second grant round with respect to non-ARRA funds. For purposes of determining the amount of the grant program, the percentage applicable in 19 V.S.A. § 38(c)(1) shall be 5.0 percent. The provisions of 19 V.S.A. § 38 shall otherwise apply to such grants.

* * * Rest Area Commercialization * * *

Sec. 107. REST AREA COMMERCIALIZATION

By July 1, 2009, the secretary of the agency of transportation shall:

(1) request from the Federal Highway Administration a waiver from the provisions of Title 23, section 111 of the United States Code prohibiting commercial establishments from operating at rest areas along the interstate highway system; and

(2) seek the assistance of the state's federal congressional delegation for the purpose of securing the waiver.

* * * Rest Area Revitalization * * *

Sec. 108. LEGISLATIVE INTENT

It is the intent of the general assembly to require agencies to provide justification for reducing services to the public by:

(1) analyzing current service delivery methods;

(2) reexamining the assumptions that underlie the choice of the current delivery method;

(3) right-sizing when necessary; and

(4) exploring alternate delivery methods that could provide similar services at a lower cost to taxpayers.

Sec. 109. PERMANENT CLOSING OF REST AREA FACILITIES

(a) The commissioner of buildings and general services (BGS) is instructed to permanently close rest area facilities at Highgate on Interstate 89, at Sharon South on Interstate 89, at Hartford North on Interstate 91, and at Randolph North on Interstate 89. These four facilities and all operating and maintenance costs associated with them, including the costs of operating WiFi, are hereby transferred to the Vermont agency of transportation (VTrans) effective July 1, 2009.

(b) VTrans is hereby instructed to explore ways these buildings might be used for state purposes other than operating a rest area or those purposes that would meet with FHWA approval or, absent a public need, may have the structures removed. In the event VTrans decides to have the structures

removed, it will notify the members of the Rest Area Advisory Committee established in 19 V.S.A. § 12c with 30 days' advance notice prior to removal.

(c) VTrans, at its discretion, may decide to close the sites to traffic or to have them remain open to either truck or pleasure car traffic or both. Responsibilities for maintaining the grounds will become the responsibility of VTrans. Erection of barriers to traffic or fencing as necessary to limit the public use of these facilities shall be the responsibility of VTrans.

Sec. 110. HOURS OF OPERATION

The commissioner of buildings and general services (BGS) is hereby authorized to adjust the hours of operation for all remaining rest areas. The commissioner shall make decisions on hours of operation based on budgetary considerations, numbers of visitors, and seasonal fluctuations.

Sec. 111. PILOT PROJECT FOR OPERATION OF INFORMATION CENTERS

(a) Pursuant to Sec. 19e(c) of No. 38 of the Acts of 1997, the commissioner of buildings and general services (BGS) is authorized to commence a three-year pilot project to operate facilities at Alburgh, Georgia North, and Georgia South.

(b) Pursuant to Sec. 39(3) of No. 18 of the Acts of 1999, the commissioner is authorized to explore the possibility of creating privately operated travel information centers at exits along the interstate and along the state highway system. The secretary of transportation is instructed to support this initiative by working with BGS and the FHWA to explore a signage strategy that clearly directs travelers to these service opportunities.

Sec. 112. FUTURE CONSTRUCTION

The commissioner of buildings and general services (BGS) is instructed to take steps to plan for and build the Bennington welcome center at an amount not to exceed the federal earmarks and state matching funds identified for this project. It is the expectation of the house and senate committees on transportation that the site will be operated by the Bennington area chamber of commerce under Sec. 19e(c) of No 38 of the Acts of 1997 and under an agreement approved by the Federal Highway Administration. Therefore, the commissioner of BGS and the chamber shall report back to the rest area advisory committee on or before January 15, 2010, as to the plan for operation and the proposed cost.

* * * Authority to Sell Salt Shed Property in Montpelier * * *

Sec. 113. AUTHORIZATION TO CONVEY "SALT SHED" PROPERTY IN MONTPELIER

(a) Upon receiving satisfactory evidence of release of any interest of the Washington County Railroad Company, the secretary of transportation, as agent for the state of Vermont, is authorized to convey to Connor Brothers Stonecutters, LLC (Connor) for fair market value a parcel of land in the city of Montpelier between Stone Cutters Way and the Winooski River. Conveyance of this parcel of land, sometimes known as 575 Stone Cutters Way or the "salt shed property," shall include the state's interest in a December 16, 1999 lease, as amended, between the state of Vermont, agency of transportation, joined by Washington County Railroad Company, and the Pyralisk Arts Center, Inc. The secretary, in his or her discretion, may adjust the boundaries of the land to be conveyed to Connor to accommodate the building plans of Connor. Connor shall be responsible for obtaining any necessary survey and subdivision approvals. In determining fair market value for this transfer, the secretary shall consider the undertaking of Connor, either through itself or through others, to provide remediation of hazardous wastes and materials on the subject property pursuant to the so-called "Corrective Action Plan (Salt Shed)" dated April 13, 2005, prepared by The Johnson Company, Inc. for Central Vermont Regional Planning Commission, as amended with Connor's consent from time to time.

(b) The authority granted by this section shall expire on June 30, 2011.

* * * Validating Sticker on Registration Plate * * *

Sec. 114. 23 V.S.A. § 305 is amended to read:

§ 305. – WHEN ISSUED

* * *

(c) The commissioner may issue number plates to be used for a period of two or more years. ~~Validating stickers~~ One validating sticker shall be issued by the department of motor vehicles upon payment of the registration fee for the second and each succeeding year the plate is used. No plate is valid for the second and succeeding years unless the ~~stickers are~~ sticker is affixed to the rear plate in the manner prescribed by the commissioner.

* * * Passenger Rail Service * * *

Sec. 115. 2006 STATE RAIL & POLICY PLAN

Consistent with the 2006 State Rail & Policy Plan, the agency shall estimate the total cost of (1) upgrading the western corridor rail line for passenger rail service to and from Burlington, Rutland, Bennington and Albany, New York, (2) operating a passenger rail service from Burlington to Rutland connecting to White Hall, New York and (3) operating a passenger rail service from Burlington to Rutland to Bennington connecting to Albany, New York. The agency shall present its analysis to the House and Senate committees on

transportation by January 15, 2010

* * * Central Garage * * *

Sec. 116. TRANSFER TO CENTRAL GARAGE FUND

Notwithstanding 19 V.S.A. § 13(c), the amount of \$1,120,000 is transferred from the transportation fund to the central garage fund created in 19 V.S.A. § 13.

* * * Effective Dates * * *

Sec. 117. EFFECTIVE DATES

(a) The following sections of this act shall take effect from passage:

(1) Secs. 3, 21 (ARRA funds).

(2) Sec. 113 (sale of salt shed in Montpelier).

(3) Secs. 105, 106 (enhancement grants).

(4) Secs. 63, 64 (sale of surplus rail property).

(b) Secs. 24-28, 30-32 (motor fuels transportation infrastructure assessments and bond fund) shall take effect on June 1, 2009.

(c) Secs. 22 and 23 (motor fuels infrastructure assessments) shall take effect on September 1, 2010.

(d) All other sections of this act not specifically enumerated in subsections (a), (b), and (c) of this section shall take effect on July 1, 2009.

RICHARD T. MAZZA

PHILIP B. SCOTT

M. JANE KITCHEL

Committee on the part of the Senate

RICHARD A. WESTMAN
DAVE POTTER
PATRICK M. BRENNAN

Committee on the part of the House

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

Rules Suspended; House Proposal of Amendment Concurred In

H. 436.

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and House proposal of amendment to the Senate proposal of amendment to House bill entitled:

An act relating to decommissioning and decommissioning funds of nuclear energy generation plants.

Was taken up for immediate consideration.

The House proposes to the Senate to amend the Senate proposal of amendment to the bill as follows:

First: In Sec. 1, 30 V.S.A. § 107(c), by striking out the words “and immediate” wherever they occur and by striking out the third sentence and inserting in lieu thereof the following: In this section, “decommissioning” has the meaning stated in subdivisions 260(b)(1)–(3) of this title.

Second: By adding a new section to be numbered Sec. 2 to read as follows:

Sec. 2. 30 V.S.A. § 260 is added to read:

§ 260. DECOMMISSIONING TRUST; NUCLEAR GENERATION

(a) Purpose. The purpose of this section is to promote reclamation of lands on which nuclear energy generation plants are located, as soon as technically possible following cessation of use for electric power generation or of authority to operate, to a condition that allows future beneficial use of those lands, whether for energy production, industrial use, commercial use, recreational use, or other use consistent with the character and traditional settlement patterns and land uses of the state, region, and locality.

(b) On and after March 22, 2012, any person or entity owning or controlling a nuclear energy generation plant, whether or not the plant is in operation, shall have in place a decommissioning trust that is adequate at all times to fund the full cost of complete decommissioning or, if decommissioning has commenced, to fund the full remaining cost of complete

decommissioning and otherwise meet the requirements of this section. For the purpose of this section:

(1) “As soon as technically possible” excludes placing the plant in storage for later decommissioning.

(2) “Decommissioning” means the decommissioning of a nuclear plant in accordance with the decommissioning requirements of the Nuclear Regulatory Commission, management and storage of spent fuel, and return of the site of the plant to a greenfield condition as soon as technically possible after either of the following, whichever is earlier: the permanent cessation of the plant’s use for generation of electricity or a date set by the board in a certificate applicable to the plant, person, or company for cessation of authority to operate the plant.

(3) “Greenfield condition” means restoring the site by removal of all structures, equipment, and foundations and, if appropriate, regrading and reseeded the land.

(c) A decommissioning trust shall be funded by cash or a financial instrument or both as long as the instrument is approved by either the Nuclear Regulatory Commission or the public service board and does not rely on placing the plant in storage for later decommissioning. Such an instrument may include a guarantee by a parent corporation.

(d) A decommissioning trust and any included funds and financial instruments shall be subject to the laws of Vermont, shall be usable by the beneficiary only for the purpose of decommissioning, and shall include a spendthrift provision sufficient under Vermont law to restrain both voluntary and involuntary transfers of the beneficiary’s interest.

Third: By adding a new section to be numbered Sec. 3 to read as follows:

Sec. 3. 30 V.S.A. § 248(e)(2) is amended to read:

(2) No nuclear energy generating plant within this state may be operated beyond the date permitted in any certificate of public good granted pursuant to this title, including any certificate in force as of January 1, 2006, unless the general assembly approves and determines that the operation will promote the general welfare, and until the public service board issues a certificate of public good under this section. If the general assembly has not acted under this subsection by July 1, 2008, the board may commence proceedings under this section and under 10 V.S.A. chapter 157, relating to the storage of radioactive material, but may not issue a proposed, preliminary, or final order on the merits of continued operation or certificate of public good until the general assembly determines that operation will promote the general welfare and grants approval for that operation.

And by renumbering the existing Sec. 2 to be Sec. 4.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment that the Senate proposal of amendment?, was decided in the affirmative.

Rules Suspended; House Proposals of Amendment to Senate Proposal of Amendment Concurred In

H. 136.

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and House proposals of amendment to Senate proposal of amendment to House bill entitled:

An act relating to executive branch fees.

Was taken up for immediate consideration.

The House concurs in the Senate proposal of amendment with the following amendment thereto:

First: By striking out sections Secs. 11 – 18

Second: In Sec. 24, after the words “general assembly on” by adding the words or before

Thereupon, the question, Shall the Senate concur in the House proposals of amendment to the Senate proposal of amendment?, were decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 441.

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act making appropriations for the support of government.

Was taken up for immediate consideration.

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

To the Senate and House of Representatives:

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

H. 441. An act making appropriations for the support of government.

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

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL - Fiscal Year 2010 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 2010. 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, 2009. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2010 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 2010.

(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 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 June 30, 2010.

Sec. A.103 DEFINITIONS

(a) For the purposes of this act:

(1) "Encumbrances" means a portion of an appropriation reserved for the subsequent payment of existing purchase orders or contracts. The commissioner of finance and management shall make final decisions on the appropriateness of encumbrances.

(2) "Grants" means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to

persons who are not wards of the state for services or supplies, and means cash or other direct assistance, including pension contributions.

(3) "Operating expenses" means property management, repair and maintenance, rental expenses, insurance, postage, travel, energy and utilities, office and other supplies, equipment including motor vehicles, highway materials and construction, expenditures for the purchase of land, and construction of new buildings and permanent improvements, and similar items.

(4) "Personal services" means wages and salaries, fringe benefits, per diems, and contracted third party services, and similar items.

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the state appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2010 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 2010, federal funds available to the state of Vermont and designated as federal in this and other acts of the 2009 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 DEPARTMENTAL RECEIPTS

(a) All receipts shall be credited to the general fund except as otherwise provided and except the following receipts, for which this subsection shall constitute authority to credit to special funds:

- (1) Connecticut River flood control;
- (2) Public service department - sale of power;
- (3) Tax department - unorganized towns and gores.

(b) Notwithstanding any other provision of law, departmental indirect cost recoveries (32 V.S.A. § 6) receipts are authorized, subject to the approval of the secretary of administration, to be retained by the department. All recoveries not so authorized shall be covered into the general fund, or, for agency of transportation recoveries, the transportation fund.

Sec. A.108 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 2010 except for new positions authorized by the 2009 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction.

Sec. A.109 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds. The sections between E.100 and E.9999 contain language that relates to specific appropriations and/or government functions. The function areas by section numbers are as follows:

B.100–B.199 and E.100–E.199	General Government
B.200–B.299 and E.200–E.299	Protection to Persons and Property
B.300–B.399 and E.300–E.399	Human Services
B.400–B.499 and E.400–E.499	Labor
B.500–B.599 and E.500–E.599	General Education
B.600–B.699 and E.600–E.699	Higher Education
B.700–B.799 and E.700–E.799	Natural Resources
B.800–B.899 and E.800–E.899	Commerce and Community Development
B.900–B.999 and E.900–E.999	Transportation
B.1000–B.1099 and E.1000–E.1099	Debt Service

B.1100–B.1199 and E.1100–E.1199 One-time and other appropriation actions

Sec. B.100 Secretary of administration - secretary's office

Personal services	795,758
Operating expenses	<u>69,411</u>
Total	865,169
Source of funds	
General fund	676,776
Global Commitment fund	<u>188,393</u>
Total	865,169

Sec. B.101 Information and innovation - communications and information technology

Personal services	6,816,269
Operating expenses	2,749,899
Grants	<u>750,000</u>
Total	10,316,168
Source of funds	
General fund	97,094
Internal service funds	9,698,448
Interdepartmental transfers	<u>520,626</u>
Total	10,316,168

Sec. B.102 Information and innovation - health care information technology

Personal services	90,000
Grants	<u>2,865,674</u>
Total	2,955,674
Source of funds	
Special funds	2,616,174
Global Commitment fund	<u>339,500</u>
Total	2,955,674

Sec. B.103 Finance and management - budget and management

Personal services	1,011,091
Operating expenses	<u>145,343</u>
Total	1,156,434
Source of funds	
General fund	841,780
Interdepartmental transfers	<u>314,654</u>
Total	1,156,434

 Sec. B.104 Finance and management - financial operations

Personal services	2,666,280
Operating expenses	<u>205,538</u>
Total	2,871,818
Source of funds	
Internal service funds	<u>2,871,818</u>
Total	2,871,818

Sec. B.105 Human resources - operations

Personal services	2,460,443
Operating expenses	<u>625,941</u>
Total	3,086,384
Source of funds	
General fund	1,888,503
Special funds	280,835
Interdepartmental transfers	<u>917,046</u>
Total	3,086,384

Sec. B.107 Human resources - employee benefits & wellness

Personal services	1,655,935
Operating expenses	<u>395,438</u>
Total	2,051,373
Source of funds	
Internal service funds	2,011,520
Interdepartmental transfers	<u>39,853</u>
Total	2,051,373

Sec. B.108 Libraries

Personal services	2,078,222
Operating expenses	1,561,712
Grants	<u>62,500</u>
Total	3,702,434
Source of funds	
General fund	2,616,539
Special funds	132,500
Federal funds	855,215
Interdepartmental transfers	<u>98,180</u>
Total	3,702,434

Sec. B.109 Tax - administration/collection

Personal services	12,714,125
Operating expenses	<u>2,992,665</u>

Total	15,706,790
Source of funds	
General fund	14,260,386
Special funds	1,191,404
Tobacco fund	58,000
Interdepartmental transfers	<u>197,000</u>
Total	15,706,790
Sec. B.110 Buildings and general services - administration	
Personal services	1,371,967
Operating expenses	<u>98,823</u>
Total	1,470,790
Source of funds	
Interdepartmental transfers	<u>1,470,790</u>
Total	1,470,790
Sec. B.111 Buildings and general services - engineering	
Personal services	1,989,475
Operating expenses	<u>418,865</u>
Total	2,408,340
Source of funds	
General fund	458,340
Interdepartmental transfers	<u>1,950,000</u>
Total	2,408,340
Sec. B.112 Buildings and general services - information centers	
Personal services	2,981,451
Operating expenses	1,183,949
Grants	<u>45,000</u>
Total	4,210,400
Source of funds	
General fund	4,160,400
Special funds	<u>50,000</u>
Total	4,210,400
Sec. B.113 Buildings and general services - purchasing	
Personal services	671,569
Operating expenses	<u>204,881</u>
Total	876,450
Source of funds	
General fund	<u>876,450</u>
Total	876,450

Sec. B.114 Buildings and general services - postal services

Personal services	650,910
Operating expenses	<u>184,090</u>
Total	835,000
Source of funds	
General fund	36,116
Internal service funds	<u>798,884</u>
Total	835,000

Sec. B.115 Buildings and general services - copy center

Personal services	725,873
Operating expenses	<u>194,127</u>
Total	920,000
Source of funds	
Internal service funds	<u>920,000</u>
Total	920,000

Sec. B.116 Buildings and general services - fleet management services

Personal services	475,587
Operating expenses	<u>169,413</u>
Total	645,000
Source of funds	
Internal service funds	<u>645,000</u>
Total	645,000

Sec. B.117 Buildings and general services - federal surplus property

Personal services	83,564
Operating expenses	<u>62,936</u>
Total	146,500
Source of funds	
Enterprise funds	<u>146,500</u>
Total	146,500

Sec. B.118 Buildings and general services - state surplus property

Personal services	80,720
Operating expenses	<u>86,060</u>
Total	166,780
Source of funds	
Internal service funds	<u>166,780</u>
Total	166,780

Sec. B.119 Buildings and general services - property management

Personal services	1,196,597
Operating expenses	<u>2,985,033</u>
Total	4,181,630
Source of funds	
Internal service funds	<u>4,181,630</u>
Total	4,181,630

Sec. B.120 Buildings and general services - workers' compensation insurance

Personal services	1,329,914
Operating expenses	<u>309,324</u>
Total	1,639,238
Source of funds	
Internal service funds	<u>1,639,238</u>
Total	1,639,238

Sec. B.121 Buildings and general services - general liability insurance

Personal services	295,114
Operating expenses	<u>125,386</u>
Total	420,500
Source of funds	
Internal service funds	<u>420,500</u>
Total	420,500

Sec. B.122 Buildings and general services - all other insurance

Personal services	33,028
Operating expenses	<u>51,972</u>
Total	85,000
Source of funds	
Internal service funds	<u>85,000</u>
Total	85,000

Sec. B.123 Buildings and general services - fee for space

Personal services	12,684,951
Operating expenses	<u>14,970,941</u>
Total	27,655,892
Source of funds	
Internal service funds	<u>27,655,892</u>
Total	27,655,892

Sec. B.124 Geographic information system

Grants	<u>408,700</u>
Total	408,700
Source of funds	
Special funds	<u>408,700</u>
Total	408,700

Sec. B.125 Executive office - governor's office

Personal services	1,217,326
Operating expenses	<u>386,489</u>
Total	1,603,815
Source of funds	
General fund	1,410,315
Interdepartmental transfers	<u>193,500</u>
Total	1,603,815

Sec. B.126 Legislative council

Personal services	2,164,007
Operating expenses	<u>178,970</u>
Total	2,342,977
Source of funds	
General fund	<u>2,342,977</u>
Total	2,342,977

Sec. B.127 Legislature

Personal services	3,672,884
Operating expenses	<u>3,388,507</u>
Total	7,061,391
Source of funds	
General fund	<u>7,061,391</u>
Total	7,061,391

Sec. B.128 Legislative information technology

Personal services	393,601
Operating expenses	<u>492,357</u>
Total	885,958
Source of funds	
General fund	<u>885,958</u>
Total	885,958

Sec. B.129 Joint fiscal committee	
Personal services	1,414,565
Operating expenses	<u>94,632</u>
Total	1,509,197
Source of funds	
General fund	<u>1,509,197</u>
Total	1,509,197
Sec. B.130 Sergeant at arms	
Personal services	509,586
Operating expenses	<u>99,931</u>
Total	609,517
Source of funds	
General fund	<u>609,517</u>
Total	609,517
Sec. B.131 Lieutenant governor	
Personal services	146,651
Operating expenses	<u>16,983</u>
Total	163,634
Source of funds	
General fund	<u>163,634</u>
Total	163,634
Sec. B.132 Auditor of accounts	
Personal services	3,032,314
Operating expenses	<u>139,366</u>
Total	3,171,680
Source of funds	
General fund	437,938
Special funds	51,709
Internal service funds	<u>2,682,033</u>
Total	3,171,680
Sec. B.133 State treasurer	
Personal services	2,313,466
Operating expenses	357,079
Grants	<u>6,484</u>
Total	2,677,029
Source of funds	
General fund	1,086,815
Special funds	1,506,190

Interdepartmental transfer	<u>84,024</u>
Total	2,677,029
Sec. B.134 State treasurer - unclaimed property	
Personal services	687,596
Operating expenses	<u>237,795</u>
Total	925,391
Source of funds	
Private purpose trust funds	<u>925,391</u>
Total	925,391
Sec. B.135 Vermont state retirement system	
Personal services	27,115,165
Operating expenses	<u>773,415</u>
Total	27,888,580
Source of funds	
Pension trust funds	<u>27,888,580</u>
Total	27,888,580
Sec. B.136 Municipal employees' retirement system	
Personal services	1,841,374
Operating expenses	<u>346,814</u>
Total	2,188,188
Source of funds	
Pension trust funds	<u>2,188,188</u>
Total	2,188,188
Sec. B.137 State labor relations board	
Personal services	166,789
Operating expenses	<u>37,194</u>
Total	203,983
Source of funds	
General fund	198,260
Special funds	2,788
Interdepartmental transfers	<u>2,935</u>
Total	203,983
Sec. B.138 VOSHA review board	
Personal services	37,997
Operating expenses	<u>9,815</u>
Total	47,812
Source of funds	
General fund	23,905

Interdepartmental transfers	<u>23,907</u>
Total	47,812
Sec. B.139 Homeowner rebate	
Grants	<u>13,725,647</u>
Total	13,725,647
Source of funds	
General fund	<u>13,725,647</u>
Total	13,725,647
Sec. B.140 Renter rebate	
Grants	<u>8,476,695</u>
Total	8,476,695
Source of funds	
General fund	2,543,008
Education fund	<u>5,933,687</u>
Total	8,476,695
Sec. B.141 Tax department - reappraisal and listing payments	
Grants	<u>3,470,000</u>
Total	3,470,000
Source of funds	
Education fund	<u>3,470,000</u>
Total	3,470,000
Sec. B.142 Use tax reimbursement fund - municipal current use	
Grants	<u>10,807,403</u>
Total	10,807,403
Source of funds	
General fund	<u>10,807,403</u>
Total	10,807,403
Sec. B.143 Lottery commission	
Personal services	1,555,943
Operating expenses	<u>1,113,662</u>
Total	2,669,605
Source of funds	
Enterprise funds	<u>2,669,605</u>
Total	2,669,605
Sec. B.144 Payments in lieu of taxes	
Grants	<u>4,900,000</u>
Total	4,900,000

Source of funds	
Special funds	<u>4,900,000</u>
Total	4,900,000
Sec. B.145 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.146 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.147 Total general government	184,334,966
Source of funds	
General fund	68,718,349
Education fund	9,403,687
Special funds	11,364,300
Tobacco fund	58,000
Global Commitment fund	527,893
Federal funds	855,215
Enterprise funds	2,816,105
Internal service funds	53,776,743
Pension trust funds	30,076,768
Private purpose trust funds	84,024
Interdepartmental transfers	<u>6,653,882</u>
Total	184,334,966
Sec. B.200 Attorney general	
Personal services	6,518,250
Operating expenses	<u>1,055,051</u>
Total	7,573,301
Source of funds	
General fund	3,894,689
Special funds	938,302
Tobacco fund	405,000
Federal funds	677,526

Interdepartmental transfers	<u>1,657,784</u>
Total	7,573,301
Sec. B.201 Vermont court diversion	
Grants	<u>1,724,784</u>
Total	1,724,784
Source of funds	
General fund	1,204,784
Special funds	<u>520,000</u>
Total	1,724,784
Sec. B.202 Defender general - public defense	
Personal services	7,273,704
Operating expenses	<u>919,387</u>
Total	8,193,091
Source of funds	
General fund	7,691,786
Special funds	<u>501,305</u>
Total	8,193,091
Sec. B.203 Defender general - assigned counsel	
Personal services	3,319,857
Operating expenses	<u>77,909</u>
Total	3,397,766
Source of funds	
General fund	3,272,502
Special funds	<u>125,264</u>
Total	3,397,766
Sec. B.204 Judiciary	
Personal services	27,238,182
Operating expenses	10,084,796
Grants	<u>70,000</u>
Total	37,392,978
Source of funds	
General fund	30,995,922
Special funds	3,891,636
Tobacco fund	39,112
Federal funds	546,919
Interdepartmental transfers	<u>1,919,389</u>
Total	37,392,978

Sec. B.205 State's attorneys	
Personal services	9,685,589
Operating expenses	<u>1,298,616</u>
Total	10,984,205
Source of funds	
General fund	8,754,382
Special funds	56,675
Federal funds	31,000
Interdepartmental transfers	<u>2,142,148</u>
Total	10,984,205
Sec. B.206 Special investigative unit	
Grants	<u>1</u>
Total	1
Source of funds	
General fund	<u>1</u>
Total	1
Sec. B.207 Sheriffs	
Personal services	3,306,718
Operating expenses	<u>356,269</u>
Total	3,662,987
Source of funds	
General fund	<u>3,662,987</u>
Total	3,662,987
Sec. B.208 Public safety - administration	
Personal services	1,696,711
Operating expenses	<u>194,781</u>
Total	1,891,492
Source of funds	
General fund	1,861,340
Federal funds	<u>30,152</u>
Total	1,891,492
Sec. B.209 Public safety - state police	
Personal services	42,024,804
Operating expenses	11,413,936
Grants	<u>582,087</u>
Total	54,020,827
Source of funds	
ARRA funds	7,461,782

General fund	16,465,183
Transportation fund	23,731,384
Special funds	1,910,795
Federal funds	2,159,888
Interdepartmental transfers	<u>2,291,795</u>
Total	54,020,827

Sec. B.210 Public safety - criminal justice services

Personal services	6,078,888
Operating expenses	2,976,224
Grants	<u>2,909,394</u>
Total	11,964,506
Source of funds	
General fund	756,092
Transportation fund	4,557,454
Special funds	1,860,980
Federal funds	4,689,372
Interdepartmental transfers	<u>100,608</u>
Total	11,964,506

Sec. B.211 Public safety - emergency management

Personal services	1,778,662
Operating expenses	1,246,992
Grants	<u>819,400</u>
Total	3,845,054
Source of funds	
Transportation fund	63,969
Special funds	168,831
Federal funds	<u>3,612,254</u>
Total	3,845,054

Sec. B.212 Public safety - fire safety

Personal services	4,396,900
Operating expenses	1,590,660
Grants	<u>55,000</u>
Total	6,042,560
Source of funds	
General fund	590,719
Special funds	4,866,202
Federal funds	411,992
Interdepartmental transfers	<u>173,647</u>
Total	6,042,560

 Sec. B.213 Public safety - homeland security

Personal services	1,252,863
Operating expenses	4,999,729
Grants	<u>1,050,000</u>
Total	7,302,592

Source of funds

General fund	395,271
Federal funds	<u>6,907,321</u>
Total	7,302,592

Sec. B.214 Public safety - emergency management - radiological emergency response plan

Personal services	695,571
Operating expenses	273,382
Grants	<u>743,518</u>
Total	1,712,471

Source of funds

Special funds	<u>1,712,471</u>
Total	1,712,471

Sec. B.215 Military - administration

Personal services	595,055
Operating expenses	185,755
Grants	<u>100,000</u>
Total	880,810

Source of funds

General fund	<u>880,810</u>
Total	880,810

Sec. B.216 Military - air service contract

Personal services	4,682,496
Operating expenses	<u>1,576,241</u>
Total	6,258,737

Source of funds

General fund	433,236
Federal funds	<u>5,825,501</u>
Total	6,258,737

Sec. B.217 Military - army service contract

Personal services	3,645,443
Operating expenses	<u>9,174,120</u>
Total	12,819,563

Source of funds	
General fund	107,071
Federal funds	<u>12,712,492</u>
Total	12,819,563
Sec. B.218 Military - building maintenance	
Personal services	1,024,137
Operating expenses	<u>386,580</u>
Total	1,410,717
Source of funds	
General fund	1,343,826
Federal funds	<u>66,891</u>
Total	1,410,717
Sec. B.219 Military - veterans' affairs	
Personal services	430,316
Operating expenses	133,624
Grants	<u>163,815</u>
Total	727,755
Source of funds	
General fund	575,519
Special funds	83,529
Federal funds	<u>68,707</u>
Total	727,755
Sec. B.220 Center for crime victims' services	
Personal services	1,275,841
Operating expenses	261,734
Grants	<u>9,433,056</u>
Total	10,970,631
Source of funds	
ARRA funds	797,067
General fund	1,119,233
Special funds	5,201,380
Federal funds	<u>3,852,951</u>
Total	10,970,631
Sec. B.221 Criminal justice training council	
Personal services	1,225,444
Operating expenses	<u>1,135,975</u>
Total	2,361,419
Source of funds	
General fund	1,453,753

Special funds	534,343
Interdepartmental transfers	<u>373,323</u>
Total	2,361,419
Sec. B.222 Agriculture, food and markets - administration	
Personal services	707,514
Operating expenses	390,128
Grants	<u>338,351</u>
Total	1,435,993
Source of funds	
General fund	886,626
Special funds	382,449
Federal funds	124,918
Interdepartmental transfers	<u>42,000</u>
Total	1,435,993
Sec. B.223 Agriculture, food and markets - food safety and consumer protection	
Personal services	2,041,806
Operating expenses	<u>332,830</u>
Total	2,374,636
Source of funds	
General fund	1,278,611
Special funds	651,025
Federal funds	438,000
Interdepartmental transfers	<u>7,000</u>
Total	2,374,636
Sec. B.224 Agriculture, food and markets - agricultural development	
Personal services	688,162
Operating expenses	504,063
Grants	<u>302,500</u>
Total	1,494,725
Source of funds	
General fund	673,775
Special funds	432,950
Federal funds	<u>388,000</u>
Total	1,494,725
Sec. B.225 Agriculture, food and markets - laboratories, agricultural resource management and environmental stewardship	
Personal services	3,800,621
Operating expenses	639,708

Grants	<u>4,480,952</u>
Total	8,921,281
Source of funds	
General fund	2,420,363
Special funds	5,433,147
Federal funds	519,517
Interdepartmental transfers	<u>548,254</u>
Total	8,921,281
Sec. B.226 Agriculture, food and markets - state stipend	
Grants	<u>175,000</u>
Total	175,000
Source of funds	
General fund	<u>175,000</u>
Total	175,000
Sec. B.227 Agriculture, food and markets - mosquito control	
Personal services	20,000
Operating expenses	<u>60,000</u>
Total	80,000
Source of funds	
Special funds	<u>80,000</u>
Total	80,000
Sec. B.228 Banking, insurance, securities, and health care administration - administration	
Personal services	1,982,977
Operating expenses	<u>88,470</u>
Total	2,071,447
Source of funds	
Special funds	<u>2,071,447</u>
Total	2,071,447
Sec. B.229 Banking, insurance, securities, and health care administration - banking	
Personal services	1,240,658
Operating expenses	<u>248,960</u>
Total	1,489,618
Source of funds	
Special funds	<u>1,489,618</u>
Total	1,489,618

Sec. B.230 Banking, insurance, securities, and health care administration - insurance

Personal services	2,765,146
Operating expenses	<u>450,750</u>
Total	3,215,896
Source of funds	
Special funds	<u>3,215,896</u>
Total	3,215,896

Sec. B.231 Banking, insurance, securities, and health care administration - captive

Personal services	2,998,995
Operating expenses	<u>452,000</u>
Total	3,450,995
Source of funds	
Special funds	<u>3,450,995</u>
Total	3,450,995

Sec. B.232 Banking, insurance, securities, and health care administration - securities

Personal services	418,217
Operating expenses	<u>144,733</u>
Total	562,950
Source of funds	
Special funds	<u>562,950</u>
Total	562,950

Sec. B.233 Banking, insurance, securities, and health care administration - health care administration

Personal services	4,338,993
Operating expenses	<u>326,905</u>
Total	4,665,898
Source of funds	
Special funds	2,767,074
Global Commitment fund	<u>1,898,824</u>
Total	4,665,898

Sec. B.234 Secretary of state

Personal services	5,440,700
Operating expenses	2,086,742
Grants	<u>1,000,000</u>
Total	8,527,442

Source of funds	
General fund	1,710,918
Special funds	4,741,524
Federal funds	2,000,000
Interdepartmental transfers	<u>75,000</u>
Total	8,527,442
Sec. B.235 Public service - regulation and energy	
Personal services	9,060,185
Operating expenses	709,206
Grants	<u>68,219,007</u>
Total	77,988,398
Source of funds	
ARRA funds	31,592,500
Special funds	45,238,098
Federal funds	<u>1,157,800</u>
Total	77,988,398
Sec. B.236 Public service - purchase and sale of power	
Personal services	18,484
Operating expenses	<u>1,516</u>
Total	20,000
Source of funds	
Special funds	<u>20,000</u>
Total	20,000
Sec. B.237 Public service board	
Personal services	2,555,286
Operating expenses	<u>320,000</u>
Total	2,875,286
Source of funds	
Special funds	<u>2,875,286</u>
Total	2,875,286
Sec. B.238 Enhanced 9-1-1 Board	
Personal services	2,098,342
Operating expenses	1,565,260
Grants	<u>1,823,443</u>
Total	5,487,045
Source of funds	
Special funds	<u>5,487,045</u>
Total	5,487,045

Sec. B.239 Human rights commission	
Personal services	375,041
Operating expenses	<u>68,917</u>
Total	443,958
Source of funds	
General fund	273,219
Federal funds	<u>170,739</u>
Total	443,958
Sec. B.240 Liquor control - administration	
Personal services	1,495,953
Operating expenses	<u>543,031</u>
Total	2,038,984
Source of funds	
Tobacco fund	6,661
Enterprise funds	1,789,323
Interdepartmental transfers	<u>243,000</u>
Total	2,038,984
Sec. B.241 Liquor control - enforcement and licensing	
Personal services	1,963,476
Operating expenses	<u>344,075</u>
Total	2,307,551
Source of funds	
Tobacco fund	289,645
Enterprise funds	<u>2,017,906</u>
Total	2,307,551
Sec. B.242 Liquor control - warehousing and distribution	
Personal services	750,352
Operating expenses	<u>367,561</u>
Total	1,117,913
Source of funds	
Enterprise funds	<u>1,117,913</u>
Total	1,117,913
Sec. B 243 Total Protection to persons and property	
	325,883,263
Source of funds	
ARRA funds	39,851,349
General fund	92,877,618
Transportation fund	28,352,807

Special funds	101,271,217
Tobacco fund	740,418
Global Commitment fund	1,898,824
Federal funds	46,391,940
Enterprise funds	4,925,142
Interdepartmental transfers	<u>9,573,948</u>
Total	325,883,263

Sec. B.300 Human services - agency of human services - secretary's office

Personal services	10,016,218
Operating expenses	2,998,915
Grants	<u>5,099,439</u>
Total	18,114,572

Source of funds

General fund	5,333,921
Special funds	7,517
Tobacco fund	609,730
Global Commitment fund	398,400
Federal funds	8,068,443
Interdepartmental transfers	<u>3,696,561</u>
Total	18,114,572

Sec. B.301 Secretary's office - global commitment

Grants	<u>1,009,425,249</u>
Total	1,009,425,249

Source of funds

ARRA funds	111,206,921
General fund	56,946,630
Special funds	11,548,420
Tobacco fund	35,651,873
State health care resources fund	156,955,519
Catamount fund	18,903,594
Federal funds	617,849,638
Interdepartmental transfers	<u>362,654</u>
Total	1,009,425,249

Sec. B.302 Rate setting

Personal services	853,246
Operating expenses	<u>81,982</u>
Total	935,228

Source of funds

Global Commitment fund	<u>935,228</u>
Total	935,228

 Sec. B.303 Developmental disabilities council

Personal services	240,797
Operating expenses	48,251
Grants	<u>220,000</u>
Total	509,048
Source of funds	
Federal funds	<u>509,048</u>
Total	509,048

Sec. B.304 Human services board

Personal services	299,820
Operating expenses	<u>66,441</u>
Total	366,261
Source of funds	
General fund	51,912
Federal funds	157,174
Interdepartmental transfers	<u>157,175</u>
Total	366,261

Sec. B.305 AHS - administrative fund

Personal services	500,000
Operating expenses	<u>4,500,000</u>
Total	5,000,000
Source of funds	
Interdepartmental transfers	<u>5,000,000</u>
Total	5,000,000

Sec. B.306 Office of Vermont health access - administration

Personal services	32,311,860
Operating expenses	2,330,388
Grants	<u>1,018,000</u>
Total	35,660,248
Source of funds	
General fund	429,107
Special funds	400,000
Global Commitment fund	31,887,944
Catamount fund	94,739
Federal funds	<u>2,848,458</u>
Total	35,660,248

Sec. B.307 Office of Vermont health access - Medicaid program - global commitment

Grants	<u>522,020,786</u>
Total	522,020,786
Source of funds	
Global Commitment fund	<u>522,020,786</u>
Total	522,020,786

Sec. B.308 Office of Vermont health access - Medicaid program - long term care waiver

Grants	<u>203,305,257</u>
Total	203,305,257
Source of funds	
ARRA funds	22,465,253
General fund	61,072,899
Federal funds	<u>119,767,105</u>
Total	203,305,257

Sec. B.309 Office of Vermont health access - Medicaid program - state only

Grants	<u>33,024,951</u>
Total	33,024,951
Source of funds	
General fund	28,195,859
Global Commitment fund	1,510,264
Catamount fund	<u>3,318,828</u>
Total	33,024,951

Sec. B.310 Office of Vermont health access - Medicaid non-waiver matched

Grants	<u>46,551,748</u>
Total	46,551,748
Source of funds	
ARRA funds	1,060,380
General fund	16,976,310
Federal funds	<u>28,515,058</u>
Total	46,551,748

Sec. B.311 Health - administration and support

Personal services	6,222,550
Operating expenses	2,812,966
Grants	<u>2,892,000</u>
Total	11,927,516
Source of funds	

General fund	1,083,788
Special funds	324,678
Global Commitment fund	4,419,832
Federal funds	6,027,218
Interdepartmental transfers	<u>72,000</u>
Total	11,927,516
Sec. B.312 Health - public health	
Personal services	35,134,321
Operating expenses	7,080,700
Grants	<u>32,906,545</u>
Total	75,121,566
Source of funds	
General fund	6,951,822
Special funds	4,611,472
Tobacco fund	1,166,803
Global Commitment fund	25,630,654
Catamount fund	4,349,418
Federal funds	31,809,266
Permanent trust funds	10,000
Interdepartmental transfers	<u>592,131</u>
Total	75,121,566
Sec. B.313 Health - alcohol and drug abuse programs	
Personal services	3,195,089
Operating expenses	1,299,901
Grants	<u>26,950,849</u>
Total	31,445,839
Source of funds	
General fund	3,063,665
Special funds	236,210
Tobacco fund	2,382,834
Global Commitment fund	17,177,920
Federal funds	8,435,210
Interdepartmental transfers	<u>150,000</u>
Total	31,445,839
Sec. B.314 Mental health - mental health	
Personal services	4,492,095
Operating expenses	562,604
Grants	<u>129,023,870</u>
Total	134,078,569
Source of funds	

General fund	698,915
Special funds	6,836
Global Commitment fund	127,475,501
Federal funds	5,877,317
Interdepartmental transfers	<u>20,000</u>
Total	134,078,569

Sec. B.315 Mental health - Vermont state hospital

Personal services	20,480,654
Operating expenses	2,752,971
Grants	<u>82,335</u>
Total	23,315,960
Source of funds	
General fund	22,132,396
Special funds	170,000
Global Commitment fund	450,000
Federal funds	263,564
Interdepartmental transfers	<u>300,000</u>
Total	23,315,960

Sec. B.316 Department for children and families - administration & support services

Personal services	37,028,517
Operating expenses	7,305,795
Grants	<u>954,425</u>
Total	45,288,737
Source of funds	
ARRA funds	300,000
General fund	15,015,703
Global Commitment fund	15,855,197
Catamount fund	147,950
Federal funds	<u>13,969,887</u>
Total	45,288,737

Sec. B.317 Department for children and families - family services

Personal services	22,307,550
Operating expenses	3,312,909
Grants	<u>66,040,538</u>
Total	91,660,997
Source of funds	
ARRA funds	1,411,224
General fund	18,452,530
Special funds	1,691,637

Tobacco fund	275,000
Global Commitment fund	41,892,793
Federal funds	27,837,813
Interdepartmental transfers	<u>100,000</u>
Total	91,660,997

Sec. B.318 Department for children and families - child development

Personal services	3,473,066
Operating expenses	545,908
Grants	<u>56,106,468</u>
Total	60,125,442
Source of funds	
ARRA funds	2,452,636
General fund	23,481,012
Special funds	1,820,000
Global Commitment fund	5,221,053
Federal funds	27,011,234
Interdepartmental transfers	<u>139,507</u>
Total	60,125,442

Sec. B.319 Department for children and families - office of child support

Personal services	8,905,003
Operating expenses	<u>4,400,851</u>
Total	13,305,854
Source of funds	
ARRA funds	660,000
General fund	2,671,384
Special funds	455,718
Federal funds	9,131,152
Interdepartmental transfers	<u>387,600</u>
Total	13,305,854

Sec. B.320 Department for children and families - aid to aged, blind and disabled

Personal services	1,801,009
Grants	<u>9,705,780</u>
Total	11,506,789
Source of funds	
General fund	7,756,789
Global Commitment fund	<u>3,750,000</u>
Total	11,506,789

Sec. B.321 Department for children and families - general assistance

Grants	<u>6,000,928</u>
Total	6,000,928
Source of funds	
ARRA funds	1,699,412
General fund	2,850,196
Global Commitment fund	340,000
Federal funds	<u>1,111,320</u>
Total	6,000,928

Sec. B.322 Department for children and families - food stamp cash out

Grants	<u>19,031,133</u>
Total	19,031,133
Source of funds	
ARRA funds	2,300,000
Federal funds	<u>16,731,133</u>
Total	19,031,133

Sec. B.323 Department for children and families - reach up

Grants	<u>47,929,876</u>
Total	47,929,876
Source of funds	
ARRA funds	5,485,423
General fund	15,462,246
Special funds	18,025,000
Global Commitment fund	374,400
Federal funds	<u>8,582,807</u>
Total	47,929,876

Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP

Personal services	20,000
Operating expenses	90,000
Grants	<u>11,502,664</u>
Total	11,612,664
Source of funds	
Federal funds	<u>11,612,664</u>
Total	11,612,664

Sec. B.325 Department for children and families - office of economic opportunity

Personal services	250,236
Operating expenses	78,644
Grants	<u>8,610,062</u>
Total	8,938,942
Source of funds	
ARRA funds	3,775,000
General fund	1,313,017
Special funds	57,810
Federal funds	<u>3,793,115</u>
Total	8,938,942

Sec. B.326 Department for children and families - OEO - weatherization assistance

Personal services	174,293
Operating expenses	130,499
Grants	<u>14,959,936</u>
Total	15,264,728
Source of funds	
ARRA funds	8,421,288
Special funds	4,593,774
Federal funds	<u>2,249,666</u>
Total	15,264,728

Sec. B.327 Department for children and families - Woodside rehabilitation center

Personal services	3,482,661
Operating expenses	<u>630,581</u>
Total	4,113,242
Source of funds	
General fund	4,058,350
Interdepartmental transfers	<u>54,892</u>
Total	4,113,242

Sec. B.328 Department for children and families - disability determination services

Personal services	3,508,357
Operating expenses	<u>624,291</u>
Total	4,132,648
Source of funds	
Global Commitment fund	246,517

Federal funds	<u>3,886,131</u>
Total	4,132,648

Sec. B.329 Disabilities, aging and independent living - administration & support

Personal services	24,693,635
Operating expenses	<u>3,762,989</u>
Total	28,456,624

Source of funds

General fund	6,952,640
Special funds	1,068,022
Global Commitment fund	6,329,926
Federal funds	11,666,254
Interdepartmental transfers	<u>2,439,782</u>
Total	28,456,624

Sec. B.330 Disabilities, aging and independent living - advocacy and independent living grants

Grants	<u>22,371,437</u>
Total	22,371,437

Source of funds

ARRA funds	404,000
General fund	10,229,301
Global Commitment fund	3,455,319
Federal funds	7,645,317
Interdepartmental transfers	<u>637,500</u>
Total	22,371,437

Sec. B.331 Disabilities, aging and independent living - blind and visually impaired

Grants	<u>1,486,457</u>
Total	1,486,457

Source of funds

General fund	364,064
Special funds	223,450
Global Commitment fund	250,000
Federal funds	<u>648,943</u>
Total	1,486,457

Sec. B.332 Disabilities, aging and independent living - vocational rehabilitation

Grants	<u>7,302,971</u>
Total	7,302,971

Source of funds	
ARRA funds	1,334,000
General fund	1,535,695
Global Commitment fund	7,500
Federal funds	4,132,389
Interdepartmental transfers	<u>293,387</u>
Total	7,302,971
Sec. B.333 Disabilities, aging and independent living - developmental services	
Grants	<u>140,669,369</u>
Total	140,669,369
Source of funds	
General fund	172,625
Special funds	15,463
Global Commitment fund	140,121,424
Federal funds	<u>359,857</u>
Total	140,669,369
Sec. B.334 Disabilities, aging and independent living -TBI home and community based waiver	
Grants	<u>4,127,448</u>
Total	4,127,448
Source of funds	
Global Commitment fund	<u>4,127,448</u>
Total	4,127,448
Sec. B.335 Corrections - administration	
Personal services	2,348,301
Operating expenses	<u>302,104</u>
Total	2,650,405
Source of funds	
General fund	<u>2,650,405</u>
Total	2,650,405
Sec. B.336 Corrections - parole board	
Personal services	320,374
Operating expenses	<u>58,121</u>
Total	378,495
Source of funds	
General fund	<u>378,495</u>
Total	378,495

Sec. B.337 Corrections - correctional education

Personal services	4,016,553
Operating expenses	<u>306,274</u>
Total	4,322,827
Source of funds	
General fund	413,648
Special funds	500,000
Interdepartmental transfers	<u>3,409,179</u>
Total	4,322,827

Sec. B.338 Corrections - correctional services

Personal services	79,298,255
Operating expenses	34,200,620
Grants	<u>1,695,800</u>
Total	115,194,675
Source of funds	
General fund	110,863,161
Special funds	483,963
Tobacco fund	87,500
Global Commitment fund	3,094,144
Federal funds	584,861
Interdepartmental transfers	<u>81,046</u>
Total	115,194,675

Sec. B.339 Correctional services-out of state beds

Personal services	<u>12,609,534</u>
Total	12,609,534
Source of funds	
General fund	<u>12,609,534</u>
Total	12,609,534

Sec. B.340 Corrections - correctional facilities - recreation

Personal services	436,744
Operating expenses	<u>349,076</u>
Total	785,820
Source of funds	
General fund	125,000
Special funds	<u>660,820</u>
Total	785,820

 Sec. B.341 Corrections - Vermont offender work program

Personal services	1,154,973
Operating expenses	<u>554,103</u>
Total	1,709,076
Source of funds	
Internal service funds	<u>1,709,076</u>
Total	1,709,076

Sec. B.342 Vermont veterans' home - care and support services

Personal services	14,896,756
Operating expenses	<u>3,362,067</u>
Total	18,258,823
Source of funds	
Special funds	10,931,473
Global Commitment fund	837,225
Federal funds	<u>6,490,125</u>
Total	18,258,823

Sec. B.343 Commission on women

Personal services	224,632
Operating expenses	<u>67,273</u>
Total	291,905
Source of funds	
General fund	286,905
Special funds	<u>5,000</u>
Total	291,905

Sec. B.344 Retired senior volunteer program

Grants	<u>131,096</u>
Total	131,096
Source of funds	
General fund	<u>131,096</u>
Total	131,096

Sec. B.345 Total human services 2,850,461,740

Source of funds	
ARRA funds	162,975,537
General fund	440,711,020
Special funds	57,837,263
Tobacco fund	40,173,740
Global Commitment fund	957,809,475
State health care resources fund	156,955,519

Catamount fund	26,814,529
Federal funds	987,572,167
Permanent trust funds	10,000
Internal service funds	1,709,076
Interdepartmental transfers	<u>17,893,414</u>
Total	2,850,461,740

Sec. B.400 Labor - administration

Personal services	4,900,419
Operating expenses	<u>577,547</u>
Total	5,477,966
Source of funds	
ARRA funds	1,875,000
General fund	531,937
Special funds	266,110
Catamount fund	25,424
Federal funds	2,412,145
Interdepartmental transfers	<u>367,350</u>
Total	5,477,966

Sec. B.401 Labor - programs

Personal services	21,048,615
Operating expenses	4,726,026
Grants	<u>7,216,529</u>
Total	32,991,170
Source of funds	
ARRA funds	6,793,753
General fund	2,058,632
Special funds	2,947,118
Catamount fund	368,648
Federal funds	18,786,531
Interdepartmental transfers	<u>2,036,488</u>
Total	32,991,170

Sec. B.402 Labor - domestic and sexual violence survivors' transitional employment program

Grants	<u>30,000</u>
Total	30,000
Source of funds	
Special funds	<u>30,000</u>
Total	30,000

Sec. B 403 Total Labor	38,499,136
Source of funds	
ARRA funds	8,668,753
General fund	2,590,569
Special funds	3,243,228
Catamount fund	394,072
Federal funds	21,198,676
Interdepartmental transfers	<u>2,403,838</u>
Total	38,499,136
Sec. B.500 Education - finance and administration	
Personal services	5,498,188
Operating expenses	1,651,304
Grants	<u>12,084,730</u>
Total	19,234,222
Source of funds	
General fund	3,409,206
Special funds	12,951,342
Global Commitment fund	858,212
Federal funds	2,010,732
Interdepartmental transfers	<u>4,730</u>
Total	19,234,222
Sec. B.501 Education - education services	
Personal services	13,136,696
Operating expenses	1,873,037
Grants	<u>113,036,906</u>
Total	128,046,639
Source of funds	
General fund	5,410,358
Education fund	1,131,751
Special funds	2,189,254
Federal funds	119,289,540
Interdepartmental transfers	<u>25,736</u>
Total	128,046,639
Sec. B.502 Education - special education: formula grants	
Grants	<u>142,687,975</u>
Total	142,687,975
Source of funds	
Education fund	142,457,975

Global Commitment fund	<u>230,000</u>
Total	142,687,975
Sec. B.503 Education - state-placed students	
Grants	<u>18,900,000</u>
Total	18,900,000
Source of funds	
Education fund	<u>18,900,000</u>
Total	18,900,000
Sec. B.504 Education - adult education and literacy	
Grants	<u>6,463,656</u>
Total	6,463,656
Source of funds	
General fund	2,587,995
Education fund	3,000,000
Federal funds	<u>875,661</u>
Total	6,463,656
Sec. B.505 Education - adjusted education payment	
Grants	<u>1,136,100,000</u>
Total	1,136,100,000
Source of funds	
ARRA funds	38,575,036
Education fund	<u>1,097,524,964</u>
Total	1,136,100,000
Sec. B.506 Education - transportation	
Grants	<u>15,542,809</u>
Total	15,542,809
Source of funds	
Education fund	<u>15,542,809</u>
Total	15,542,809
Sec. B.507 Education - small school grants	
Grants	<u>6,977,336</u>
Total	6,977,336
Source of funds	
Education fund	<u>6,977,336</u>
Total	6,977,336

Sec. B.508 Education - capital debt service aid

Grants	<u>188,000</u>
Total	188,000
Source of funds	
Education fund	<u>188,000</u>
Total	188,000

Sec. B.509 Education - tobacco litigation

Personal services	131,153
Operating expenses	57,584
Grants	<u>800,180</u>
Total	988,917
Source of funds	
Tobacco fund	<u>988,917</u>
Total	988,917

Sec. B.510 Education - essential early education grant

Grants	<u>5,700,000</u>
Total	5,700,000
Source of funds	
Education fund	<u>5,700,000</u>
Total	5,700,000

Sec. B.511 Education - technical education

Grants	<u>12,800,000</u>
Total	12,800,000
Source of funds	
Education fund	<u>12,800,000</u>
Total	12,800,000

Sec. B.512 Education - Act 117 cost containment

Personal services	1,070,398
Operating expenses	121,307
Grants	<u>91,000</u>
Total	1,282,705
Source of funds	
Special funds	<u>1,282,705</u>
Total	1,282,705

Sec. B.513 Appropriation and transfer to education fund

Grants	<u>239,303,944</u>
Total	239,303,944

Source of funds	
General fund	<u>239,303,944</u>
Total	239,303,944
Sec. B.514 State teachers' retirement system	
Personal services	26,629,115
Operating expenses	942,527
Grants	<u>40,228,002</u>
Total	67,799,644
Source of funds	
General fund	40,228,002
Pension trust funds	<u>27,571,642</u>
Total	67,799,644
Sec. B 515 Total general education	1,802,015,847
Source of funds	
ARRA funds	38,575,036
General fund	290,939,505
Education fund	1,304,222,835
Special funds	16,423,301
Tobacco fund	988,917
Global Commitment fund	1,088,212
Federal funds	122,175,933
Pension trust funds	27,571,642
Interdepartmental transfers	<u>30,466</u>
Total	1,802,015,847
Sec. B.600 University of Vermont	
Grants	<u>40,746,629</u>
Total	40,746,629
Source of funds	
General fund	36,740,473
Global Commitment fund	<u>4,006,156</u>
Total	40,746,629
Sec. B.601 Vermont Public Television	
Grants	<u>564,620</u>
Total	564,620
Source of funds	
General fund	<u>564,620</u>
Total	564,620

Sec. B.602 Vermont state colleges

Grants	<u>23,155,213</u>
Total	23,155,213
Source of funds	
General fund	<u>23,155,213</u>
Total	23,155,213

Sec. B.603 Vermont state colleges - allied health

Grants	<u>1,068,537</u>
Total	1,068,537
Source of funds	
General fund	663,130
Global Commitment fund	<u>405,407</u>
Total	1,068,537

Sec. B.604 Vermont interactive television

Grants	<u>785,679</u>
Total	785,679
Source of funds	
General fund	<u>785,679</u>
Total	785,679

Sec. B.605 Vermont student assistance corporation

Grants	<u>18,363,607</u>
Total	18,363,607
Source of funds	
General fund	<u>18,363,607</u>
Total	18,363,607

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	84,768,286
	Source of funds	
	General fund	80,356,723
	Global Commitment fund	<u>4,411,563</u>
	Total	84,768,286
Sec. B.700	Natural resources - agency of natural resources - administration	
	Personal services	3,830,378
	Operating expenses	1,506,066
	Grants	<u>25,000</u>
	Total	5,361,444
	Source of funds	
	General fund	4,794,914
	Federal funds	278,120
	Interdepartmental transfers	<u>288,410</u>
	Total	5,361,444
Sec. B.701	Connecticut river watershed advisory commission	
	Grants	<u>38,000</u>
	Total	38,000
	Source of funds	
	General fund	<u>38,000</u>
	Total	38,000
Sec. B.702	Citizens' advisory committee on Lake Champlain's future	
	Personal services	3,600
	Operating expenses	<u>3,900</u>
	Total	7,500
	Source of funds	
	General fund	<u>7,500</u>
	Total	7,500
Sec. B.703	Natural resources - state land local property tax assessment	
	Operating expenses	<u>2,128,733</u>
	Total	2,128,733
	Source of funds	
	General fund	1,707,233
	Interdepartmental transfers	<u>421,500</u>
	Total	2,128,733

Sec. B.704 Green up

Operating expenses	7,594
Grants	<u>10,550</u>
Total	18,144
Source of funds	
Special funds	<u>18,144</u>
Total	18,144

Sec. B.705 Fish and wildlife - support and field services

Personal services	12,437,985
Operating expenses	4,482,575
Grants	<u>774,333</u>
Total	17,694,893
Source of funds	
General fund	1,227,419
Fish and wildlife fund	16,230,474
Interdepartmental transfers	<u>237,000</u>
Total	17,694,893

Sec. B.706 Fish and wildlife - watershed improvement

Grants	<u>125,000</u>
Total	125,000
Source of funds	
Fish and wildlife fund	<u>125,000</u>
Total	125,000

Sec. B.707 Forests, parks and recreation - administration

Personal services	1,020,309
Operating expenses	555,710
Grants	<u>1,858,450</u>
Total	3,434,469
Source of funds	
General fund	1,223,859
Special funds	1,305,610
Federal funds	<u>905,000</u>
Total	3,434,469

Sec. B.708 Forests, parks and recreation - forestry

Personal services	4,482,990
Operating expenses	579,205
Grants	<u>343,000</u>
Total	5,405,195

Source of funds	
General fund	3,633,694
Special funds	474,501
Federal funds	1,140,000
Interdepartmental transfers	<u>157,000</u>
Total	5,405,195
Sec. B.709 Forests, parks and recreation - state parks	
Personal services	5,381,818
Operating expenses	<u>1,989,011</u>
Total	7,370,829
Source of funds	
General fund	767,889
Special funds	<u>6,602,940</u>
Total	7,370,829
Sec. B.710 Forests, parks and recreation - lands administration	
Personal services	443,601
Operating expenses	<u>1,209,081</u>
Total	1,652,682
Source of funds	
General fund	368,477
Special funds	179,205
Federal funds	1,050,000
Interdepartmental transfers	<u>55,000</u>
Total	1,652,682
Sec. B.711 Forests, parks and recreation - youth conservation corps	
Grants	<u>751,666</u>
Total	751,666
Source of funds	
General fund	46,000
Special funds	361,666
Federal funds	94,000
Interdepartmental transfers	<u>250,000</u>
Total	751,666
Sec. B.712 Forests, parks and recreation - forest highway maintenance	
Personal services	20,000
Operating expenses	<u>159,266</u>
Total	179,266
Source of funds	

General fund	<u>179,266</u>
Total	179,266
Sec. B.713 Environmental conservation - management and support services	
Personal services	4,043,142
Operating expenses	806,015
Grants	<u>103,913</u>
Total	4,953,070
Source of funds	
General fund	1,065,644
Special funds	2,425,301
Federal funds	1,407,125
Interdepartmental transfers	<u>55,000</u>
Total	4,953,070
Sec. B.714 Environmental conservation - air and waste management	
Personal services	7,183,059
Operating expenses	6,483,565
Grants	<u>1,386,000</u>
Total	15,052,624
Source of funds	
General fund	619,928
Special funds	10,783,016
Federal funds	3,439,680
Interdepartmental transfers	<u>210,000</u>
Total	15,052,624
Sec. B.715 Environmental conservation - office of water programs	
Personal services	13,507,863
Operating expenses	1,964,999
Grants	<u>2,165,402</u>
Total	17,638,264
Source of funds	
General fund	6,336,970
Special funds	4,419,321
Federal funds	6,401,973
Interdepartmental transfers	<u>480,000</u>
Total	17,638,264
Sec. B.716 Environmental conservation - tax-loss-Connecticut river flood control	
Operating expenses	<u>40,000</u>
Total	40,000

Source of funds	
Special funds	<u>40,000</u>
Total	40,000
Sec. B.717 Natural resources board	
Personal services	2,259,294
Operating expenses	<u>347,320</u>
Total	2,606,614
Source of funds	
General fund	816,942
Special funds	<u>1,789,672</u>
Total	2,606,614
Sec. B.718 Total natural resources	84,458,393
Source of funds	
General fund	22,833,735
Fish and wildlife fund	16,355,474
Special funds	28,399,376
Federal funds	14,715,898
Interdepartmental transfers	<u>2,153,910</u>
Total	84,458,393
Sec. B.800 Commerce and community development - agency of commerce and community development - administration	
Personal services	1,914,002
Operating expenses	642,659
Grants	<u>1,136,390</u>
Total	3,693,051
Source of funds	
General fund	2,793,051
Federal funds	800,000
Interdepartmental transfers	<u>100,000</u>
Total	3,693,051
Sec. B.801 Housing and community affairs	
Personal services	2,333,275
Operating expenses	420,760
Grants	<u>16,529,461</u>
Total	19,283,496
Source of funds	
General fund	1,153,070
Special funds	3,210,948
Federal funds	14,881,478

Interdepartmental transfers	<u>38,000</u>
Total	19,283,496
Sec. B.802 Historic sites - operations	
Personal services	593,585
Operating expenses	338,745
Grants	<u>2,850</u>
Total	935,180
Source of funds	
General fund	545,528
Special funds	<u>389,652</u>
Total	935,180
Sec. B.803 Historic sites - special improvements	
Personal services	108,200
Operating expenses	<u>76,247</u>
Total	184,447
Source of funds	
Special funds	50,000
Federal funds	113,449
Interdepartmental transfers	<u>20,998</u>
Total	184,447
Sec. B.804 Community development block grants	
Grants	<u>9,428,530</u>
Total	9,428,530
Source of funds	
ARRA funds	1,982,000
Federal funds	<u>7,446,530</u>
Total	9,428,530
Sec. B.805 Downtown transportation and capital improvement fund	
Personal services	72,978
Grants	<u>327,022</u>
Total	400,000
Source of funds	
Special funds	<u>400,000</u>
Total	400,000
Sec. B.806 Economic development	
Personal services	1,530,824
Operating expenses	619,677
Grants	<u>1,741,434</u>

Total	3,891,935
Source of funds	
General fund	2,926,585
Special funds	465,350
Federal funds	<u>500,000</u>
Total	3,891,935
Sec. B.807 Vermont training program	
Personal services	197,200
Operating expenses	22,334
Grants	<u>1,483,621</u>
Total	1,703,155
Source of funds	
General fund	1,668,155
Special funds	<u>35,000</u>
Total	1,703,155
Sec. B.808 Tourism and marketing	
Personal services	1,448,276
Operating expenses	2,008,976
Grants	<u>171,000</u>
Total	3,628,252
Source of funds	
General fund	3,622,252
Special funds	<u>6,000</u>
Total	3,628,252
Sec. B.809 Vermont life	
Personal services	740,669
Operating expenses	<u>110,309</u>
Total	850,978
Source of funds	
Enterprise funds	<u>850,978</u>
Total	850,978
Sec. B.810 Vermont council on the arts	
Grants	<u>507,607</u>
Total	507,607
Source of funds	
General fund	<u>507,607</u>
Total	507,607

Sec. B.811 Vermont symphony orchestra

Grants	<u>113,821</u>
Total	113,821
Source of funds	
General fund	<u>113,821</u>
Total	113,821

Sec. B.812 Vermont historical society

Grants	<u>795,669</u>
Total	795,669
Source of funds	
General fund	<u>795,669</u>
Total	795,669

Sec. B.813 Vermont housing and conservation board

Grants	<u>19,933,436</u>
Total	19,933,436
Source of funds	
Special funds	8,326,662
Federal funds	<u>11,606,774</u>
Total	19,933,436

Sec. B.814 Vermont humanities council

Grants	<u>172,670</u>
Total	172,670
Source of funds	
General fund	<u>172,670</u>
Total	172,670

Sec. B 815 Total commerce and community development

	65,522,227
Source of funds	
ARRA funds	1,982,000
General fund	14,298,408
Special funds	12,883,612
Federal funds	35,348,231
Enterprise funds	850,978
Interdepartmental transfers	<u>158,998</u>
Total	65,522,227

Sec. B.900 Transportation - finance and administration	
Personal services	10,071,137
Operating expenses	<u>2,438,262</u>
Total	12,509,399
Source of funds	
Transportation fund	12,009,399
Federal funds	<u>500,000</u>
Total	12,509,399
Sec. B.901 Transportation - aviation	
Personal services	1,448,274
Operating expenses	20,033,801
Grants	<u>160,000</u>
Total	21,642,075
Source of funds	
ARRA funds	4,000,000
Transportation fund	2,226,575
Federal funds	<u>15,415,500</u>
Total	21,642,075
Sec. B.902 Transportation - buildings	
Operating expenses	<u>1,311,500</u>
Total	1,311,500
Source of funds	
Transportation fund	<u>1,311,500</u>
Total	1,311,500
Sec. B.903 Transportation - program development	
Personal services	36,275,422
Operating expenses	203,632,747
Grants	<u>25,834,622</u>
Total	265,742,791
Source of funds	
ARRA funds	93,584,644
TIB fund	10,455,822
Transportation fund	20,940,808
Local match	1,600,430
Federal funds	132,384,837
Interdepartmental transfers	<u>6,776,250</u>
Total	265,742,791

Sec. B.904 Transportation - rest areas

Personal services	100,000
Operating expenses	<u>2,850,000</u>
Total	2,950,000
Source of funds	
Transportation fund	379,740
Federal funds	<u>2,570,260</u>
Total	2,950,000

Sec. B.905 Transportation - maintenance state system

Personal services	34,028,928
Operating expenses	32,011,361
Grants	<u>278,020</u>
Total	66,318,309
Source of funds	
Transportation fund	63,335,237
Federal funds	2,883,072
Interdepartmental transfers	<u>100,000</u>
Total	66,318,309

Sec. B.906 Transportation - policy and planning

Personal services	4,099,519
Operating expenses	1,169,550
Grants	<u>5,024,772</u>
Total	10,293,841
Source of funds	
Transportation fund	2,295,512
Federal funds	7,623,486
Interdepartmental transfers	<u>374,843</u>
Total	10,293,841

Sec. B.907 Transportation - rail

Personal services	3,625,048
Operating expenses	<u>16,770,876</u>
Total	20,395,924
Source of funds	
Transportation fund	10,042,149
Federal funds	<u>10,353,775</u>
Total	20,395,924

Sec. B.908 Transportation - bridge maintenance

Operating expenses	<u>34,051,340</u>
Total	34,051,340
Source of funds	
ARRA funds	6,244,047
TIB fund	234,020
Transportation fund	4,011,751
Federal funds	<u>23,561,522</u>
Total	34,051,340

Sec. B.909 Transportation - public transit

Personal services	717,809
Operating expenses	51,301
Grants	<u>25,490,729</u>
Total	26,259,839
Source of funds	
ARRA funds	3,926,923
Transportation fund	6,328,234
Federal funds	<u>16,004,682</u>
Total	26,259,839

Sec. B.910 Transportation - central garage

Personal services	3,454,724
Operating expenses	<u>13,393,351</u>
Total	16,848,075
Source of funds	
Internal service funds	<u>16,848,075</u>
Total	16,848,075

Sec. B.911 Department of motor vehicles

Personal services	16,913,642
Operating expenses	8,116,673
Grants	<u>50,000</u>
Total	25,080,315
Source of funds	
Transportation fund	23,597,821
Federal funds	<u>1,482,494</u>
Total	25,080,315

Sec. B.912 Transportation - town highway structures

Grants	<u>3,833,500</u>
Total	3,833,500

Source of funds	
Transportation fund	<u>3,833,500</u>
Total	3,833,500
Sec. B.913 Transportation - town highway Vermont local roads	
Grants	<u>375,000</u>
Total	375,000
Source of funds	
Transportation fund	235,000
Federal funds	<u>140,000</u>
Total	375,000
Sec. B.914 Transportation - town highway class 2 roadway	
Grants	<u>5,748,750</u>
Total	5,748,750
Source of funds	
Transportation fund	<u>5,748,750</u>
Total	5,748,750
Sec. B.915 Transportation - town highway bridges	
Personal services	3,570,000
Operating expenses	<u>22,499,416</u>
Total	26,069,416
Source of funds	
ARRA funds	9,442,034
TIB fund	1,875,976
Transportation fund	500,000
Local match	1,393,370
Federal funds	<u>12,858,036</u>
Total	26,069,416
Sec. B.916 Transportation - town highway aid program	
Grants	<u>24,982,744</u>
Total	24,982,744
Source of funds	
Transportation fund	<u>24,982,744</u>
Total	24,982,744
Sec. B.917 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.918 Transportation - town highway emergency fund	
Grants	<u>750,000</u>
Total	750,000
Source of funds	
Transportation fund	<u>750,000</u>
Total	750,000
Sec. B.919 Transportation - municipal mitigation grant program	
Grants	<u>2,112,998</u>
Total	2,112,998
Source of funds	
Transportation fund	247,998
Federal funds	<u>1,865,000</u>
Total	2,112,998
Sec. B.920 Transportation - public assistance grant program	
Grants	<u>200,000</u>
Total	200,000
Source of funds	
Federal funds	<u>200,000</u>
Total	200,000
Sec. B.921 Transportation board	
Personal services	73,502
Operating expenses	<u>13,389</u>
Total	86,891
Source of funds	
Transportation fund	<u>86,891</u>
Total	86,891
Sec. B.922 Total transportation	
	567,691,457
Source of funds	
ARRA funds	117,197,648
TIB fund	12,565,818
Transportation fund	182,992,359
Local match	2,993,800
Federal funds	227,842,664
Internal service funds	16,848,075
Interdepartmental transfers	<u>7,251,093</u>
Total	567,691,457

Sec. B.1000 Debt service

Debt service	<u>70,804,150</u>
Total	70,804,150

Source of funds

General fund	64,743,920
Transportation fund	3,560,515
Special funds	<u>2,499,715</u>
Total	70,804,150

Sec. B.1000.1 Short term borrowing

Debt service	<u>1,176,792</u>
Total	1,176,792

Source of funds

General fund	<u>1,176,792</u>
Total	1,176,792

Sec. B 1001 Total debt service 71,980,942

Source of funds

General fund	65,920,712
Transportation fund	3,560,515
Special funds	<u>2,499,715</u>
Total	71,980,942

Sec. B.1100 FISCAL YEAR 2010 NEXT GENERATION APPROPRIATION

(a) In fiscal year 2010, the following amount is appropriated from the next generation initiative fund, created in 16 V.S.A. § 2887 as prescribed by Sec. E.1100:

\$3,293,000

Sec. B.1101 FISCAL YEAR 2010 ONE TIME APPROPRIATIONS

(a) In fiscal year 2010, the following amounts are appropriated from the general fund:

(1) To the University of Vermont. \$5,175,298

(2) To the Vermont state colleges. \$3,445,674

(3) To the Vermont student assistance corporation. \$2,489,990

(4) To the Vermont housing and conservation board for a grant to the Vermont center for independent living to fund the home access program in fiscal year 2010. \$1,000,000

(5) To the Vermont state colleges to grow the endowment and to be used in a manner consistent with that specified in Sec. 381a (a)(13) of Act 65 of 2007. \$100,000

(6) To the department of tourism and marketing of which \$100,000 shall be for a grant to the Vermont convention bureau overseen by the Lake Champlain Regional Chamber of Commerce and \$20,000 shall be for a grant to the Shires of Vermont. \$120,000

(7) To the legislature, for planning and preparation for the 2009 council of state governments northeast regional meeting in Vermont. \$50,000

(8) To the department of economic development for a grant to Sterling College for student residency and program center costs. The department shall determine if the ARRA State Fiscal Stabilization Funds Government Services Funds could be utilized to make this grant. To the extent that ARRA funds are available, this general fund appropriation shall be transferred to the department of public safety-state police in place of ARRA funds appropriated to that department. \$350,000

(9) To the state treasurer for costs of the study in Sec. E.135.1 of this act. \$150,000

(10) To the legislature for the purposes of Sec. H.47b(b) of this act. \$100,000

(11) To the department of economic development for the commissioner to grant to regional planning commission and regional development commissions. \$300,000

(b) In fiscal year 2010 the following amounts are appropriated from the American Recovery and Reinvestment: State Fiscal Stabilization Fund Government Services Fund.

(1) Appropriated for economic development activities as specified on Sec. D.109 of this act and H.313 of 2009 to further job creation in Vermont. \$3,400,000

(2) To the department of economic development for the program operations of the Vermont Training Program. \$200,000

(3) To the department of tourism and marketing. \$500,000

Sec. B.1102 REPEAL

(a) Sec. 3(a)(2)(B) of No. 206 of the Acts of 2008 (fiscal year 2010 transportation fund pay act) is repealed.

Sec. B.1103 APPROPRIATION REDUCTION; EXPENDITURE REDUCTION

(a) The secretary of administration shall reduce fiscal year 2010 general and transportation fund appropriations consistent with expenditure reductions, including reductions in positions, and is authorized to substitute appropriation adjustments in other funds and to effect fund transfers to the general and transportation funds to achieve these amounts. The general fund appropriation reduction shall be \$14,700,000 and the transportation fund reduction shall be \$1,400,000 and shall be made in accordance with the provision of Sec. E.1103 of this act.

(b) The secretary of administration is directed to reduce operating expense appropriations throughout the executive branch of state government by \$16,560 in general funds.

Sec. B.1104 AGENCY OF HUMAN SERVICES; GRANT REDUCTIONS

(a) The secretary of human services shall reduce grants and contracts appropriated from general funds in the amount of \$740,000, of which no more than \$425,000 shall be reduced from the grants and contracts associated with the department for children and families. The secretary may adjust spending of federal funds or special funds when necessary, because the general funds are providing a funding match. To accomplish this reduction in general funds, the secretary shall use the following criteria to determine which grants and contracts are impacted and by how much. The criteria are:

(1) the preservation of direct services to Vermonters;

(2) the preservation of direct services to vulnerable populations most at risk for negative outcomes, including prioritizing twenty-four hour residential programs and emergency direct services;

(3) the minimization of reductions in services currently provided that would result in an increase in the severity of need and a shift in utilization to more invasive, intensive, or expensive services; and

(4) the minimization of negative impacts on the stability of community organizations receiving grants and contracts in order to promote a range of services to individuals and families.

(b) The agency of human services shall report to the joint fiscal committee at its July 2009 meeting with the grant reduction plan and an explanation for how the plan fits the priorities required in this section. No later than January 15, 2010, the agency shall report to the house committees on appropriations and on human services and the senate committees on

appropriations and on health and welfare with an updated grant reduction plan and an explanation for how the plan fits the priorities required in this section.

* * * Fiscal Year 2009 Budget Adjustment * * *

Sec. C.100 Sec. 2.121 of No. 192 of the Acts of 2008, as amended by Sec. 11 of No. 4 of the Acts of 2009 is further amended to read:

Sec. 2.121. Center for crime victims services

Personal services	1,404,168	1,404,168
Operating expenses	318,275	318,275
Grants	<u>9,091,834</u>	<u>9,474,834</u>
Total	10,814,277	11,197,277
Source of funds		
General fund	49,809	49,809
Special funds	6,899,390	7,282,390
Federal funds	<u>3,865,078</u>	<u>3,865,078</u>
Total	10,814,277	11,197,277

Sec. C.101 Sec. 2.136 of No. 192 of the Acts of 2008 is amended to read:

Sec. 2.136. Public service - regulation and energy

Personal services	4,981,246	5,165,246
Operating expenses	690,524	690,524
Grants	<u>5,770,007</u>	<u>5,770,007</u>
Total	11,441,777	11,625,777
Source of funds		
Special funds	10,248,977	10,432,977
Federal funds	1,157,800	1,157,800
Interdepartmental transfer	<u>35,000</u>	<u>35,000</u>
Total	11,441,777	11,625,777

Sec. C.102 Sec. 2.145 of No. 192 of the Acts of 2008 as amended by Sec. 13 of No. 4 of the Acts of 2009 is further amended to read:

Sec. 2.145. Total protection to persons and property

	259,245,579	259,812,579
Source of funds		
General fund	93,104,352	93,104,352
Transportation fund	32,725,324	32,725,324
Special funds	<u>66,924,640</u>	<u>67,491,640</u>
Tobacco fund	696,306	696,306
Global Commitment fund	1,898,824	1,898,824
Federal funds	49,775,682	49,775,682
Enterprise funds	4,735,317	4,735,317

Interdepartmental transfer	<u>9,385,134</u>	<u>9,385,134</u>
Total	<u>259,245,579</u>	259,812,579

Sec. C. 103 Sec. 2.223 of No. 192 of the Acts of 2008 as amended by Sec. 29 of No. 4 of the Acts of 2009 is further amended to read:

Sec. 2.223. Department for children and families - child development

Personal services	3,338,891	3,338,891
Operating expenses	<u>843,660</u>	520,557
Grants	<u>51,064,583</u>	<u>54,940,903</u>
Total	<u>55,247,134</u>	58,800,351
Source of funds		
General fund	<u>23,228,747</u>	25,195,964
Special funds	865,000	865,000
Global Commitment fund	<u>4,289,469</u>	5,365,469
<u>Federal ARRA funds</u>		426,000
Federal funds	<u>26,724,411</u>	26,808,411
Interdepartmental transfer	<u>139,507</u>	<u>139,507</u>
Total	<u>55,247,134</u>	58,800,351

Sec. C 104 Sec. 2.251 of No. 192 of the Acts of 2008 as amended by Sec. 46 of No. 4 of the Acts of 2009 is further amended to read:

Sec. 2.251. Total human services ~~2,649,379,658~~ 2,693,603,326

Source of funds		
General fund	<u>521,931,597</u>	474,056,196
Special funds	<u>66,707,178</u>	64,844,465
Tobacco fund	45,410,381	45,410,381
Global Commitment fund	<u>906,593,258</u>	914,305,775
State health care resources fund	<u>147,623,246</u>	148,261,016
Catamount fund	<u>31,073,806</u>	23,769,031
Federal funds	<u>916,671,195</u>	933,916,880
<u>Federal ARRA funds</u>		75,886,880
Permanent trust funds	10,000	10,000
Internal service funds	3,282,548	3,282,548
Interdepartmental transfer	<u>10,076,449</u>	<u>9,757,097</u>
Total	<u>2,649,379,658</u>	2,693,603,326

Sec. C.105 FISCAL YEAR 2009 – ARRA APPROPRIATIONS

(a) In addition to funds appropriated elsewhere, the following appropriation of American Recovery and Reinvestment Act funds is authorized in fiscal year 2009.

(1) \$60,049 to the agency of human services for the Vermont commission on national and community service.

(2) \$1,225,000 to the department for children and families - office of economic opportunity for Community Services Block Grant funding.

(3) \$131,911 to the department for children and families - child development as a result of IV-E enhanced match. This is anticipated to allow a like amount of funding to carry forward and be available to offset fiscal year 2010 funding need.

(4) \$1,048,199 to the department for children and families - family services as a result of IV-E enhanced match. This is anticipated to allow a like amount of funding to carry forward and be available to offset fiscal year 2010 funding need.

(5) \$540,660 to the department for children and families - food stamp cash out for supplemental nutrition assistance program funding.

(6) \$280,364 to the department of disabilities, aging, and independent living - vocational rehabilitation for rehabilitation services.

(7) \$81,000 to the department of disabilities, aging, and independent living - advocacy and independent living grants for senior nutrition funds.

(8) \$3,000 to the department of disabilities, aging, and independent living - advocacy and independent living grants for senior community service employment.

(9) \$44,649 to the department of disabilities, aging, and independent living - blind and visually impaired.

(10) \$50,000 to the department of labor for state unemployment and employment service operations including job counseling and other assistance to workers.

(11) \$350,000 to the department of labor for employment and training assistance to economically disadvantaged youth with employment barriers.

Sec. C.106 FISCAL YEAR 2009 CONTINGENT GENERAL FUND TRANSFERS AND RESERVES

(a) To the extent that after meeting the requirements of 32 V.S.A. § 308, the general fund budget stabilization reserve has not attained its statutory maximum, additional amounts shall be transferred from the human services caseload management reserve established under 32 V.S.A. § 308b as necessary to attain said statutory maximum.

(b) After the general fund budget stabilization reserve attains its statutory maximum, any additional unreserved and undesignated general fund balance

shall be reserved in the revenue shortfall reserve established in 32 V.S.A. § 308(d).

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 \$314,503 is appropriated from the property valuation and review administration special fund to the department of taxes for administration of the use tax reimbursement program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$314,503 from the property transfer tax that are deposited into the property valuation and review administration special fund shall be transferred into the general fund.

(2) The sum of \$6,101,662 is appropriated from the Vermont housing and conservation trust fund to the Vermont housing and conservation trust board. Notwithstanding 10 V.S.A. § 312, amounts above \$6,101,662 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 \$3,449,427 is appropriated from the municipal and regional planning fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,449,427 from the property transfer tax that are deposited into the municipal and regional planning fund shall be transferred into the general fund. The sum of \$3,449,427 shall be allocated as follows:

(A) \$2,632,027 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$408,700 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$408,700 to the Vermont center for geographic information.

(4) It is the intent of the general assembly that in fiscal year 2011, the appropriations in this subsection shall be in accordance with the formulas set forth in 32 V.S.A. § 9610(c), 10 V.S.A. § 312, and 24 V.S.A. § 4306(a) and (b).

Sec. D.101 FUND TRANSFERS

(a) The following amounts are transferred from the funds indicated:

(1) from the general fund to the:

(A) communications and information technology internal service fund established by 22 V.S.A. § 902a: \$250,000.

(B) next generation initiative fund established by 16 V.S.A. § 2887: \$3,293,000.

(2) from the transportation fund to the downtown transportation and related capital improvement fund established by 24 V.S.A. § 2796 to be used by the Vermont downtown development board for the purposes of the fund: \$400,000.

(3) from the public service department regulation special fund to the general fund: \$300,000.

(4) an assessment from special funds of no greater than two percent of any fund appropriation to the general fund, of no greater than \$3,321,444 in total. Notwithstanding any other provisions of law, the secretary of administration is authorized to reduce special fund appropriations and transfer special funds to the general fund in fiscal year 2010 to achieve this amount and shall report these actions to the joint fiscal committee at its November 2009 meeting.

(5) from the liquor control fund to the general fund: \$200,000.

(b) In fiscal year 2010, to the extent general fund budget stabilization reserve has not attained its statutory maximum, an amount necessary to attain said reserve up to \$3,300,000 shall be transferred from the human services caseload management reserve established under 32 V.S.A. § 308b.

Sec. D.102 FUND RESERVE AUTHORIZATION

(a) In fiscal year 2010, the secretary of administration may authorize the secretary of human services to include any available balance in the human services caseload reserve as established in 32 V.S.A. § 308b as an available state match when setting the per-member per-month actuarial rates for Medicaid eligibility groups in the global commitment program for federal fiscal year 2010 and submitting these rates for approval by the Centers for Medicare and Medicaid Services.

Sec. D.103 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2009 in the tobacco litigation settlement fund shall remain for appropriation in fiscal year 2010.

Sec. D.104 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 2010 shall be transferred from the tobacco trust fund to the tobacco litigation settlement fund in fiscal year 2010.

Sec. D.105 EXEMPTIONS FROM BUDGET STABILIZATION RESERVES

(a) Transportation fund amounts totaling \$3,144,146, reverted under the secretary of administration's carry-forward authority in Sec. 82(a) of No. 90 of the Acts of 2008, are exempt from the fiscal year 2008 transportation fund appropriation total used to calculate the five percent budget stabilization requirement for fiscal year 2009 in 32 V.S.A. § 308a.

Sec. D.106 EDUCATION MEDICAID RECEIPTS IN FISCAL YEARS 2009 AND 2010

(a) Notwithstanding 16 V.S.A. § 2959a(g), during fiscal year 2009 and fiscal year 2010, after the application of subsections (a) through (f), any remaining Medicaid reimbursement funds shall be deposited in the general fund.

Sec. D.107 GROSS RECEIPTS TAX IN FISCAL YEAR 2010

(a) In fiscal year 2010, the first \$2,300,000 of gross receipts tax revenue collected under 33 V.S.A. § 2503 shall be deposited in the general fund.

Sec. D.108 AMERICAN RECOVERY AND REINVESTMENT ACT: STATE FISCAL STABILIZATION FUND PROGRAM FOR THE SUPPORT OF PUBLIC ELEMENTARY, SECONDARY, AND HIGHER EDUCATION

(a) The governor is authorized to submit an application as soon as practicable for Vermont's share of the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund Program (SFSF) consistent with the intent of the act and this section. \$38,575,036, which is one-half of Vermont's SFSF, funds is appropriated to school districts as part of the funding of the state's adjusted education payment under Sec. B.505 of this act.

(b) The commissioner of education shall ensure that federal reporting is carried out as to:

- (1) the use of funds provided under the SFSF program;
- (2) the estimated number of jobs created or saved with program funds;
- (3) estimated tax increases that were averted as a result of program funds;
- (4) the state's progress in the areas covered by the application assurances; and
- (5) maintaining records to ensure the ability to effectively monitor, evaluate, and audit the state fiscal stabilization fund.

Sec. D.109 AMERICAN RECOVERY AND REINVESTMENT ACT:
STATE FISCAL STABILIZATION FUND GOVERNMENT SERVICES
FUND

(a) The governor is authorized to submit an application as soon as practicable for Vermont's share of the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund Program (SFSF) consistent with the intent of the act and as indicated below:

(1) For Vermont's SFSF government services fund designated for education, public safety, and other government services, estimated at \$17,165,683, \$8,500,000 is appropriated for fiscal year 2010 in Sec. B.1101 of this act which specifies:

(A) \$3,400,000 is appropriated to fund the activities specified in H.313 of 2009 (An Act Relating to the Vermont Recovery and Reinvestment Act of 2009) to further job creation in Vermont as follows:

(i) \$2,150,000 to the Vermont Economic Development Authority to provide venture capital to Vermont businesses.

(ii) \$1,000,000 to the Vermont Economic Development Authority for interest rate subsidies through the Vermont Jobs Fund.

(iii) \$100,000 to the secretary of administration for a grant to the Vermont Sustainable Jobs Funds for the Farm-to-Plate Investment program.

(iv) \$150,000 to the secretary of administration for a grant to the Vermont Sustainable Jobs Funds for operations of the fund.

(B) \$200,000 to the department of economic development for the program operations of the Vermont Training Program.

(C) \$500,000 shall be appropriated to the department of tourism and marketing.

(D) \$4,400,000 shall be appropriated to the department of public safety-state police.

(b) The secretary of administration shall ensure that federal reporting is carried out as to:

(1) the use of funds provided under the SFSF program;

(2) the estimated number of jobs created or saved with program funds;

(3) estimated tax increases that were averted as a result of program funds;

(4) the state's progress in the areas covered by the application assurances; and

(5) maintaining records to ensure the ability to effectively monitor, evaluate, and audit the SFSF monies.

Sec. D.110 FEDERAL ECONOMIC RECOVERY FUNDS

(a) Division A – Title XII of the American Recovery and Reinvestment Act (ARRA) of 2009 allocates federal funds to the state for transportation-related projects. The allocation is subject to a requirement that 50 percent of a portion of the allocation be obligated by the state within a 120-day time period and that the remaining funds be obligated by February 2010. To the extent the state needs to obligate ARRA funds to satisfy the February 2010 deadline, subject to the approval of the joint transportation oversight committee, the secretary is authorized to obligate ARRA funds:

(1) to eligible projects in the fiscal year 2010 transportation program; and

(2) to additional town highway projects that meet federal eligibility and readiness criteria.

(b) To the extent ARRA funds are proposed under subsection (a) of this section to be obligated to projects in place of previously authorized state funds or non-ARRA federal funds, the agency shall, subject to the approval of the joint transportation oversight committee, reallocate the authorized funds to advance other projects in the fiscal year 2010 transportation programs in the order of their priority ranking. If the secretary determines that such funds would be more efficiently spent advancing a lower-ranking project due to permitting, right-of-way, or other practical constraints that impede the advancement of a higher ranking project, the secretary may reallocate funds from the higher ranking to the lower ranking project.

(c) To the extent ARRA funds have been obligated and appropriated under other authority to projects in the fiscal year 2009 transportation program to projects in place of previously authorized and appropriated state funds or non-ARRA federal funds, the agency is authorized to reallocate the authorized funds to advance other projects in the fiscal year 2009 transportation program.

(d) The agency shall submit its proposal regarding the obligation of ARRA funds under subsection (a) of this section and its proposal regarding the reallocation of funds under subsection (b) of this section to the joint transportation oversight committee for approval. The agency shall in addition report to the committee on any reallocation of funds executed under authority of subsection (c) of this section.

(e) The secretary of the agency of transportation shall transfer portions of the \$66,369,500 of ARRA funds appropriated to program development in Sec. B.903 of this act to other appropriations as required to effect the spending

approved by the joint transportation oversight committee. The agency shall report on the expenditure of ARRA funds to the joint transportation oversight committee at the committee's regular and specially scheduled 2009 meetings.

(f) All reports from the agency to the joint transportation oversight committee (JTOC) required under this section when the legislature is not in session shall take place at meetings of the committee called by the chair.

Sec. D.111 STIMULUS OVERSIGHT

(a) The Vermont office of economic stimulus and recovery shall prepare status reports to be posted on the web and electronically mailed or emailed to the legislative joint fiscal office and other interested parties. The reports shall be posted once every two weeks and shall include:

(1) Notification and summaries of American Recovery and Reinvestment Act (ARRA) state grant proposals under development and any related timelines, discussion meetings, or other opportunities for input;

(2) A list of grants submitted by state agencies, amounts solicited, description of purpose and activities to be carried out, and their status;

(3) Grants received by budget function or policy area.

(b) The president pro tempore of the senate and the speaker of the house shall each designate a legislative representative to the office of economic stimulus and recovery. The legislative representatives shall carry out the following:

(1) Serve as a communication link between the legislature and office of economic stimulus and recovery;

(2) Provide a legislative role in insuring oversight, public information, and quality use of available ARRA funding;

(3) Provide support to the joint fiscal committee in consideration of accepted grants.

(c) Legislative representatives shall be entitled to compensation under 2 V.S.A. § 406(a) for attendance at meetings. This designation shall continue until December 31, 2010.

* * * General Government * * *

Sec. E.100 Secretary of administration – secretary's office (Sec. B.100, #1100010000)

(a) The secretary of administration shall use the Global Commitment funds appropriated in this section for the Vermont Blueprint for Health chronic care initiative director.

(b) The secretary shall reduce operating expenses in the executive branch to achieve the targeted savings in Sec. B.1103(b).

Sec. E.100.1 3 V.S.A. § 2283 is amended to read:

§ 2283. DEPARTMENT OF HUMAN RESOURCES

The department of human resources is created in the agency of administration. In addition to other responsibilities assigned to it by law, the department is responsible for the provision of centralized human resources management services for state government, including the administration of a classification and compensation system for state employees under chapter 13 of this title and the performance of duties assigned to the commissioner of human resources under chapter 27 of this title. The department shall administer the human resources functions of the agency of administration in consultation with the agency of administration commissioners and the state librarian. A department of the agency of administration which receives services of the consolidated agency human resources unit shall be charged for those services through an interdepartmental transfer on a basis established by the commissioner of finance and management in consultation with the commissioner of human resources and with the approval of the secretary of administration.

Sec. E.100.2 22 V.S.A. § 901 is amended to read:

§ 901. CREATION OF DEPARTMENT

There is created the department of information and innovation within the agency of administration. The department shall have all the responsibilities assigned to it by law, including the following:

* * *

(12) to provide technical support and services to the departments of human resources and of finance and management for the statewide central accounting and encumbrance system, the statewide budget development system, the statewide human resources management system, and other agency of administration systems as may be assigned by the secretary.

Sec. E.100.3 32 V.S.A. § 183 is amended to read:

§ 183. FINANCIAL AND HUMAN RESOURCE INFORMATION
INTERNAL SERVICE FUND

(a) There is established in the department of finance and management a financial and human resource information internal service fund, to consist of revenues from charges to agencies, departments, and similar units of Vermont state government, and to be available to fund the costs of the division of

financial operations in the department of finance and management, and the technical support ~~for the~~ and services provided by the department of information and innovation for the statewide central accounting and encumbrance, budget development, and human resource management system in the department of human resources systems. Expenditures shall be managed in accordance with subsection 462(b) of this title.

* * *

Sec. E.100.4 GOVERNOR'S PRODUCTIVITY TASK FORCE; JOINT LEGISLATIVE GOVERNMENT ACCOUNTABILITY COMMITTEE

(a) The governor's productivity task force, as recommended in the September 8, 2005 report of the Vermont institute on government effectiveness, shall collaborate with the joint legislative government accountability committee on achieving the goals of the strategic enterprise initiative. Specifically, the task force and the committee shall develop initiatives to increase efficiencies in and promote innovation across state government.

Sec. E.101 Information and innovation - communications and information technology (Sec. B.101, #1105500000)

(a) Of this appropriation, \$250,000 is for a grant to the Vermont telecommunications authority established in 30 V.S.A. § 8061.

Sec. E.102 Information and innovation – health care information technology (Sec. B.102, #1105503000)

(a) The department of information and innovation (DII) will use the Global Commitment funds appropriated in this section for grants to coordinate with the Vermont Blueprint for Health chronic care initiative and other health care-related statewide information technology programs and projects. These programs and projects will provide public health approaches to improve the health outcomes and the quality of life for all Vermonters, including those who are Medicaid-eligible, and encourage the formation and maintenance of public-private partnerships in statewide health information exchange.

Sec. E.102.1 HEALTH INFORMATION TECHNOLOGY FOR PAYMENT REFORM WORK GROUP

(a) The commissioner of information and innovation shall convene a work group to explore ways to use and fund health information technology to achieve health care payment reform in this state. The work group shall consist of:

- (1) The commissioner of information and innovation.

(2) Two members of the Vermont general assembly, one appointed by the speaker of the house of representatives and one appointed by the president pro tempore of the senate who shall jointly chair the work group.

(3) The secretary of administration or designee.

(4) The director of the office of economic stimulus and recovery.

(5) The director of the office of Vermont health access or designee.

(6) A representative from the Vermont Information Technology Leaders, Inc.

(7) A representative from First Data.

(8) A representative from IBM.

(9) A representative from each of the three largest health insurers licensed to do business in Vermont.

(10) Other interested stakeholders, which may include health care professionals, hospitals, and academic institutions.

(b) The work group shall:

(1) Explore opportunities for using health information technology to achieve health care payment reform in Vermont, including consideration of the use of smart card technology and mechanisms to enable real-time eligibility determinations and claims preparation, submission, and adjudication at a health care professional's office or a hospital.

(2) Identify potential sources of funding, including grants and other federal funds.

(3) Develop one or more proposals for appropriate grant funds, including those available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

(4) Create a working plan for implementation of the health information technology payment reform initiatives identified for further action by the work group.

(c) No later than 90 days following the effective date of this act, the work group shall submit to the joint fiscal committee its recommendations for using health information technology to achieve payment reform, as well as the grant proposals and working plan required in subsection (b) of this section.

Sec. E.103 Finance and management – budget and management (Sec. B.103, #1110003000)

(a) The department of finance and management will use the Global Commitment funds appropriated in this section to support the staff effort needed to manage the Global Commitment fund.

Sec. E.103.1 32 V.S.A. § 311 is amended to read:

§ 311. RETIREMENT FUNDS INTEGRITY REPORT

(a) The governor shall include as a part of the annual budget report required by section 306 of this title, a statement of the extent by which the recommended appropriations to the teachers' retirement funds and to the Vermont employees' retirement funds differ from the amounts as recommended by the Vermont employees' retirement system retirement board as provided by subsection 471(n) of Title 3, and by the teachers' retirement system board of trustees as provided by subsection 1942(r) of Title 16 and board estimates for current obligations for retiree health care costs. If the governor's recommended appropriations are less than the amounts recommended by one or both of the boards of the two retirement systems for retirement obligations and retiree health care, the governor shall set forth the long-term financial implications to the state of such shortfall and present a plan to achieve and preserve the fiscal integrity of the retirement funds of the retirement system or systems.

(b) At the request of the house or senate committees on government operations or appropriations, the state treasurer and the commissioner of finance and management shall present to the requesting committees the recommendations submitted under subsections 471(n) of Title 3 and 1942(r) of Title 16.

Sec. E.104 Finance and management – financial operations (Sec. B.104, #1115001000)

(a) Pursuant to 32 V.S.A. § 307(e), financial management fund charges not to exceed \$6,111,582 plus the costs of fiscal year 2010 salary increases bargained as part of the state/VSEA agreement are hereby approved. Of this amount, \$1,343,908 plus the costs of fiscal year 2010 salary increases bargained as part of the state/VSEA agreement shall be used to support the HCM system that is operated by the department of information and innovation.

Sec. E.107 HEALTH CARE AND WORKERS' COMPENSATION INSURANCE FOR STATE FUNDED ENTITIES

(a) The secretary of administration shall review the fiscal implications of inclusion of quasi-public organizations such as the Vermont center for crime

victim services and nonprofit organizations that receive 65 percent or more of their funding from Vermont state sources in the state health care program, the state workers' compensation program and other state benefit programs. Such analysis shall assume that these organizations pay 100 percent of the costs of any program inclusion. This study shall be submitted to the house and senate committees on government operations and appropriations on or before December 1, 2009. If the commissioner of human resources and the secretary of administration determine there would be no negative fiscal implications for the state, they are authorized to implement the process of including these entities as soon as practicable.

Sec. E.109 LIMITATION ON FISCAL YEAR 2010 USE VALUE PROPERTY TAX REDUCTION

(a) In fiscal year 2010, notwithstanding any other provision of law, for parcels enrolled in the use value appraisal program under chapter 124 of Title 32, other than parcels owned or leased by a "farmer" as defined in that chapter and parcels enrolled by a qualifying organization under chapter 155 of Title 10, if the listed value, divided by the most recent common level of appraisal, of the total enrolled acres in any one parcel exceeds \$5,000 per acre, then the owner shall, in addition to the tax otherwise paid on the use value of the parcel, pay municipal and education property taxes on the amount per acre in excess of \$5,000; and the fiscal year 2011 payment to any municipality under section 3760 of this chapter shall be adjusted to account for the effect of this section on the municipal tax revenue.

Sec. E.109.1 CURRENT USE TAX COALITION STUDY

(a) The current use tax coalition is requested to study options for savings of \$1,600,000 from the use value appraisal program in fiscal year 2011 and to report its recommendations by December 1, 2009, to the house committee on ways and means and the senate committee on finance.

Sec. E.111 Buildings and general services - engineering (Sec. B.111, #1150300000)

(a) The \$1,950,000 interdepartmental transfer in this appropriation shall be from the general bond fund appropriation in 2009 H.445 Sec. 1(8).

Sec. E.112 Buildings and general services - information centers (Sec. B.112, #1150400000)

(a) Of this appropriation, \$8,000 will be used to update the Sharon Vietnam honor roll.

Sec. E.120 Buildings and general services – workers’ compensation insurance (Sec. B.120, #1160450000)

(a) Pursuant to 32 V.S.A. § 307(e), workers’ compensation fund charges not to exceed \$9,336,126 are hereby approved.

Sec. E.123 Buildings and general services – fee-for-space (Sec. B.123, #1160550000)

(a) Pursuant to 29 V.S.A. § 160a(b)(3), facilities operations fund charges not to exceed \$27,655,892 plus the costs of fiscal year 2010 salary increases bargained as part of the state/VSEA agreement are hereby approved.

(b) The commissioner shall seek alternative locations to house the state offices currently located in the National Life Building in Montpelier. Efforts shall be made to identify locations within or around Montpelier that would result in a cost savings over the current lease agreement with National Life Insurance Company of Vermont.

Sec. E.127 Legislature (Sec. 127, #1210002000)

(a) It is the intent of the general assembly that funding for the legislature in fiscal year 2011 and beyond be included at a level sufficient to support an 18 week legislative session.

Sec. E.128 VIRTUALIZED INFORMATION TECHNOLOGY INFRASTRUCTURE; STUDY

(a) The legislative director of information technology and the commissioner of the department of information and innovation shall study the viability of cloud computing and other virtualized infrastructure options for the state’s information technology infrastructure. In conducting the study they shall consider the following:

- (1) Current service level and scalability to future service needs;
- (2) Physical and virtual data security and recovery;
- (3) Potential for technology-related savings;
- (4) Opportunities for improved systems performance and capacity;
- (5) Specific vendors and relevant vendor policies; and
- (6) Potential for legal and regulatory obstacles.

(b) The legislative director of information technology and the commissioner of the department of information and innovation shall submit the results of this study to the general assembly on or before January 15, 2010. The director and the commissioner are respectively authorized to implement virtualized information technology.

Sec. E.129 ACCEPTANCE OF ARRA GRANTS

(a) During fiscal years 2009, 2010, and 2011, the joint fiscal committee shall consider grants under 32 V.S.A. § 5 that are received from the American Recovery and Reinvestment Act (ARRA) with the following procedural changes:

(1) Where a grant is received from ARRA funding, the chairs of the house and senate legislative committees of most relevant jurisdiction, as determined by the chair of the joint fiscal committee, shall be informed of the grant receipt and request for acceptance.

(2) Said chairs may request that a joint fiscal committee member place a grant on the agenda of the joint fiscal committee in a manner consistent with committee policy under 32 V.S.A. § 5(a)(2)

(3) Where a grant is held for the joint fiscal committee agenda, the chairs of the legislative committees of jurisdiction shall be invited to the meeting and may participate in any related discussion.

(b) At joint fiscal committee regular meetings the administration shall report on ARRA grant applications submitted and on the current status of such grant submissions.

Sec. E.133 State treasurer (Sec. B.133, #1260010000)

(a) Of this general fund appropriation, \$6,484 shall be deposited into the armed services scholarship fund established in 16 V.S.A. § 2541.

Sec. E.135 Vermont state retirement system (Sec. B.135, #1265020000)

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2010, investment fees shall be paid from the corpus of the fund.

Sec. E.135.1 COMMISSION ON THE DESIGN AND FUNDING OF RETIREMENT AND RETIREE HEALTH BENEFITS PLANS FOR STATE EMPLOYEES AND TEACHERS

(a) A commission is created to review and report on the design and funding of retirement and retiree health benefit plans for the state employees' and teachers' retirement systems. The commission is charged with making recommendations about plan design, benefit provisions, and appropriate funding sources, along with other recommendations it deems appropriate for consideration, consistent with actuarial and governmental accounting standards, as well as demographic and workforce trends and the long-term sustainability of the benefit programs. The joint fiscal committee may provide benchmark targets reducing the rate of expenditure growth for retirement and

retiree health benefits to the commission to guide the development of recommendations.

(b) The commission shall comprise the following members:

(1) one member of the house of representatives, appointed by the speaker of the house;

(2) one member of the senate, appointed by the president pro tempore of the senate;

(3) the state treasurer, who shall chair the commission;

(4) the secretary of administration or designee;

(5) the commissioner of education or designee;

(6) one member of the public with pension and benefit experience appointed by the governor;

(7) one member of the public with pension and benefit experience appointed jointly by the speaker of the house and the president pro tempore of the senate.

(c) The report shall include, but not be limited to, the following:

(1) an evaluation of current benefits structures and contribution characteristics in comparison to other comparable public and private systems;

(2) an estimate of the cost of current and proposed benefits structures on a budgetary, pay-as-you-go basis and full actuarial accrual basis;

(3) a five-year review of benefit expenditure levels as well as employer and employee contribution levels and growth rates and a three-, five- and ten-year projection of these levels and rates;

(4) based on benefit and funding benchmarks, options for providing new benefit structures with the objective of adequate benefits within the established cost containment benchmarks;

(5) funding methods, including contributions from state, municipalities, and employees, to achieve these objectives; and

(6) an evaluation of whether current governance, oversight, and lines of authority are appropriate and consistent with funding objectives.

(d) During the course of its deliberations and prior to any final recommendations being made, the commission should solicit input from the affected parties, such as employees, taxpayers, and organizations representing those parties, including the Vermont state employees association, Vermont-NEA, and the Vermont league of cities and towns.

(e) The commission may select and oversee outside expert benefit and legal expert advisory services as it deems appropriate. An amount of \$150,000 is appropriated for this purpose in Sec. B.1101(a) of this act.

(f) On or before December 18, 2009 the commission shall file a report and recommendations with the governor and the general assembly.

(g) The commission shall also provide the report to the board of trustees of the state employees' and teachers' retirement systems for their consideration, deliberation, and comment to the general assembly.

(h) Administrative support shall be provided by the office of the state treasurer.

(i) Legislative and public members shall be entitled to per diem compensation and expenses as provided for in § 406 of Title 2 and § 1010 of Title 32 respectively.

Sec. E.135.2. STATE EMPLOYEE RETIREMENT INCENTIVE

(a) An individual who is employed by the state on June 1, 2009, has attained eligibility for normal retirement as of July 1, 2009, does not purchase service credit to become so, and is one of the first 300 individuals to apply, shall be eligible for the following retirement incentive:

(1) If the employee applies for retirement by June 30, 2009 for a retirement effective July 1, 2009, the employee shall be entitled to:

(A) Payment by the state of at least 80 percent of the cost of the premium for primary or secondary health insurance coverage for the employee and his or her dependents for at least 10 years following retirement, unless the employee elects the premium reduction option under 3 V.S.A. § 479(e);

(B) \$500.00 per year of service if the employee has fewer than five years of creditable service;

(C) \$750.00 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service;

(D) \$1,000.00 per year of service if the employee has 15 years of creditable service or more.

(2) If the employee applies for retirement between July 1, 2009 and August 31, 2009 for a retirement effective date of August 1, 2009 or September 1, 2009, the employee shall be entitled to:

(A) \$500.00 per year of service if the employee has fewer than five years of creditable service;

(B) \$750.00 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service;

(C) \$1,000.00 per year of service if the employee has 15 years of creditable service or more.

(b) An employer may stagger the retirement dates of multiple retiring employees if necessary to continue the normal of operation of business. However, no retirement date shall be later than six months from the retirement date for which the employee applied.

(c) The incentive set forth in subsection (a) of this section shall not exceed \$15,000.00 per employee. The employee shall receive the cash portion of the retirement incentive in two equal payments in fiscal years 2010 and 2011. The first payment shall be made within 90 days of the retirement date. The second payment shall be made within 30 days of the one year anniversary of the retirement date.

(d) No employee who receives the incentive set forth in subsection (a) of this section may return to state employment for at least one fiscal year unless: the secretary of administration otherwise approves for an executive branch employee; the chief justice of the supreme court otherwise approves for a judicial branch employee; or the speaker of the house and the president pro tempore of the senate otherwise approve for a legislative branch employee. The joint fiscal committee shall be notified of any employees who have received the incentive set forth in subsection (a) of this section and who return to state employment within one fiscal year.

(e) The retirement incentive set forth in subsection (a) of this section shall be treated as a severance payment under subdivision 1344(a)(5)(F) of Title 21 and shall be disqualifying remuneration.

(f) The joint fiscal committee may vote to increase the number of individuals who are eligible for the retirement incentive set forth in this section.

(g) The state treasurer shall report the number of individuals applying for the retirement incentive set forth in this section by agency to the joint fiscal committee by July 1, 2009 and by September 1, 2009.

Sec. E.135.3. NORMAL RETIREMENT; LAID OFF STATE EMPLOYEES

A permanent state employee who is laid off between May 1, 2009 and January 1, 2011 and who is within one year of eligibility for normal retirement may retire without penalty as if the employee met the retirement eligibility criteria for the group plan of which he or she is a member.

Sec. E.141 Tax department-reappraisal and listing payments (B.141, #1140060000)

(a) The amount of \$3,470,000 in education funds appropriated in Sec. B.141 of this act in fiscal year 2010 shall be used to implement the provisions of 32 V.S.A. §§ 4041(a), relating to payments to municipalities for reappraisal costs, and 5405(f), relating to payments of \$1.00 per grand list parcel.

(b) Of this appropriation, \$200,000 shall be transferred to the department of taxes, division of property valuation and review and reserved for payment of expenses associated with a reappraisal as of April 1, 2010 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.143 Lottery commission (Sec. B.143, #2310010000)

(a) Of this appropriation, the lottery commission shall transfer \$150,000 to the department of health, office of alcohol and drug abuse programs to support the gambling addiction program.

(b) The Vermont state lottery shall provide assistance and work with the Vermont council on problem gambling on systems and program development.

Sec. E.144 Payments in lieu of taxes (Sec. B.144, #1140020000)

(a) This appropriation is for state payments in lieu of property taxes under subchapter 4 of chapter 123 of Title 32, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act.

Sec. E.145 Payments in lieu of taxes - Montpelier (Sec. B.145, #1150800000)

(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.146 Payments in lieu of taxes – correctional facilities (Sec. B.146, #1140030000)

(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 (Sec. B.200, #2100001000)

(a) Of the special fund appropriation, \$150,000 shall be from the evidence-based education and advertising fund in section 2004a of Title 33 for analysis of prescription drug data needed by the attorney general's office for enforcement activities.

(b) Notwithstanding any other provisions of law, the office of the attorney general, Medicaid fraud control unit, is authorized to retain one-half of any civil monetary penalty proceeds from global Medicaid fraud settlements. All penalty funds retained shall be used to finance Medicaid fraud and residential abuse unit activities.

Sec. E.204 Judiciary (Sec. B.204, #2120000000)

(a) For compensation paid from July 1, 2009 to June 30, 2010, the supreme court is authorized to reduce by up to five percent salaries established by statute that are paid by the judicial department appropriation and to reduce by up to five percent the hourly rates of nonbargaining-unit employees earning in excess of \$15.00 per hour.

Sec. E.204.1 Judiciary (Sec. B.204, #2120000000)

4 V. S. A. § 25 is amended to read:

§ 25. JUDICIAL BRANCH; FURLOUGH DAYS; ADMINISTRATIVE LEAVE

(a) The supreme court is authorized to declare up to 12 unpaid judicial branch furlough days in a fiscal year and on those days may close ~~all~~ courts in the state. For purposes of implementing a furlough day, the supreme court is authorized to reduce on a daily or hourly basis all salaries established by 32 V.S.A. §§ 1003(c), 1141, 1142, and 1181, ~~4 V.S.A. § 461(e)~~, and all other salaries paid by the judicial branch. Furlough days declared under this section shall have the same effect as holidays under 1 V.S.A. § 371 for the purpose of counting time under the rules of court procedure and the Vermont Statutes Annotated.

* * *

Sec. E.204.2 COMMISSION ON JUDICIAL OPERATION;
RECOMMENDATIONS

(a) The general assembly acknowledges that the commission on judicial operation was established by the Vermont supreme court in response to Act 192 of 2008, in which the general assembly asked the court to convene a commission to examine the efficient and effective delivery of judicial services and to address the allocation of resources within the judiciary. The commission is now engaged in this work and intends to report its recommendations for resource reallocation and improvement of service-delivery to the general assembly prior to January 1, 2010. The general assembly finds that it would be disruptive of the commission's ongoing processes to make substantial structural changes to the judiciary in fiscal year

2010 and that the interests of justice would be best served by deferring any such changes until after the commission's report is received and considered.

(b) The general assembly expects the work of the commission on judicial operations to make recommendations which will both preserve the ability of the judiciary to meet its constitutional responsibilities as a separate branch of government and to find savings of \$1,000,000 in the fiscal year 2011 budget.

(c) Notwithstanding any other provision of law, the judiciary budget shall not be subject to any rescissions during fiscal year 2010.

Sec. E.204.3 JUDICIARY; REGIONAL ARRAIGNMENTS;
INCARCERATED DEFENDANT APPEARING BY VIDEO OR
TELEPHONE

(a) The court administrator, in consultation with the executive director of the department of state's attorneys and sheriffs, the defender general, and the commissioner of the department of corrections, shall develop procedures for regional arraignments and for an incarcerated defendant's appearance by video or telephone as permitted under rules 5 and 43 of the Vermont rules of criminal procedure and Vermont Supreme Court administrative order 38. The procedures shall be designed to reduce prisoner transportation costs to the greatest extent possible while preserving the defendant's right to a meaningful court appearance.

Sec. E.207 Sheriffs (Sec. B.207, #2130200000)

(a) Of this appropriation, \$15,000 shall be transferred to the state's attorneys' office as reimbursement for the cost of the executive director's salary.

Sec. E.209 Public safety - state police (Sec. B.209, #2140010000)

(a) Of this appropriation, \$32,000 shall be used to make a grant to the Essex County sheriff's department for law enforcement purposes.

(b) 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.

(c) Of the \$255,000 allocated for local heroin interdiction grants funded in this section, \$190,000 shall be used by the Vermont drug task force to fund three town task force officers. These town task force officers will be dedicated to heroin and heroin-related drug (e.g., methadone, oxycontin, crack cocaine, and methamphetamine) enforcement efforts. Any additional available funds

shall remain as a "pool" available to local and county law enforcement to fund overtime costs associated with heroin investigations. Any unexpended funds from prior fiscal years' allocations for local heroin interdiction shall be carried forward.

Sec. E.211 REPORT OF DEPARTMENT OF PUBLIC SAFETY AND ENHANCED 911 SERVICES AND DISPATCH SYSTEM

(a) The department of public safety, the department of information and innovation, and the Vermont enhanced 911 board shall analyze the current state of the department of public safety's dispatch and enhanced 911 answering services in order to recommend the most efficient and cost-effective means of integrating these systems and technologies. The report shall also include a recommendation for a process to assess the dispatching services across the state in fiscal year 2011.

(b) On or before January 15, 2010, the department of information and innovation shall report its findings and recommendations to the house and senate committees on appropriations and on government operations.

(c) Pending the completion of the report and implementation of its recommendations, or upon the close of fiscal year 2010, whichever is sooner, any agreement or understanding between the commissioner of public safety and a municipality or any entity that provides services to a municipality or state agency to provide services under 20 V.S.A. § 1875 shall remain unchanged unless otherwise provided in the agreement until a statewide understanding is established.

Sec. E.212 Public safety - fire safety (Sec. B.212, #2140040000)

(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.214 Public safety - emergency management - radiological emergency response plan (Sec. B.214, #2140080000)

(a) Of this special fund appropriation, up to \$30,000 shall be available to contract with any radio station serving the emergency planning zone for the emergency alert system.

Sec. E.214.1 LAW ENFORCEMENT SERVICES; COORDINATION BETWEEN AGENCIES; UNFILLED POSITIONS

(a) The departments of fish and wildlife, motor vehicles, and liquor control shall establish memorandums of understanding with the department of public safety to continue the improvement in communication, cooperation, and

coordination between the departments with respect to the provision of law enforcement services.

(b) The commissioners of the departments of public safety, fish and wildlife, motor vehicles, and liquor control shall report to the senate and house committees on appropriations on or before January 15, 2010 on progress the departments have made implementing the recommendations made in the Independent Evaluation of Law Enforcement Services report submitted to the general assembly by the Public Safety Strategies Group on February 20, 2009.

(c) The departments of fish and wildlife, motor vehicles, and liquor control shall report to the senate and house committees on appropriations, on judiciary, on government operations, and the joint legislative government accountability committee by September 15, 2009 on the advisability of not filling positions that are not funded by the general fund or the transportation fund.

Sec. E.215 Military - administration (Sec. B.215, #2150010000)

(a) Of this appropriation, \$100,000 shall be disbursed to the Vermont student assistance corporation for the national guard educational assistance program established in 16 V.S.A. § 2856.

Sec. E.219 Military - veterans' affairs (Sec. B.219, #2150050000)

(a) Of this appropriation, \$5,000 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, and \$10,000 shall be used for the military, family, and community network.

Sec. E.220 Center for crime victim services (Sec. B.220, #2160010000)

(a) Of this appropriation, the amount of \$883,000 from the victims' compensation fund created by 13 V.S.A. § 5359 is appropriated for the Vermont network against domestic and sexual violence initiative. Expenditures for this initiative shall not exceed the revenues raised from the \$10.00 increase authorized by Sec. 20 of No. 174 of the Acts of 2008 applied to the assessment in 13 V.S.A. § 7282(a)(8)(B), and from the \$20.00 authorized by Sec. 21 of No. 174 of the Acts of 2008 applied to the fee in 32 V.S.A. Sec. 1712(1).

Sec. E.233 Banking, insurance, securities, and health care administration (Sec. B.233, #2210040000)

(a) The department of banking, insurance, securities, and health care administration (BISHCA) shall use the Global Commitment funds appropriated in this section for health care administration for the purpose of funding certain health care-related BISHCA programs, projects, and activities

to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(b) In fiscal year 2010, the commissioner of banking, insurance, securities, and health care administration shall collect the same amount under § 9416(c) of Title 18 as was collected in state fiscal year 2009 for the expenses incurred under that section.

Sec. E.234 Secretary of state (Sec. B.234, #2230010000)

(a) Of this special fund appropriation, \$492,991 represents the corporation division of the secretary of state's office, and these funds shall be from the securities regulation and supervision fund in accordance with 9 V.S.A. § 5613.

Sec. E.235 30 V.S.A. § 203a is amended to read:

§ 203a. FUEL EFFICIENCY FUND

(a) Fuel efficiency fund. There is established the fuel efficiency fund to be administered by a fund administrator appointed by the board. Balances in the fund shall be ratepayer funds, shall be used to support the activities authorized in this subdivision, and shall be carried forward and remain in the fund at the end of each fiscal year. These monies shall not be available to meet the general obligations of the state. Interest earned shall remain in the fund. The fund shall contain such sums as appropriated by the general assembly or as otherwise provided by law, in addition to revenues from the sale of credits under the RGGI cap and trade program ~~established~~ as provided for under section 255 of this title.

* * *

Sec. E.235.1 30 V.S.A. § 209(d)(8) is added to read:

(8) Effective January 1, 2010, such revenues from the sale of carbon credits under the cap and trade program as provided for under section 255 of this title shall be deposited into the electric efficiency fund established by this section.

Sec. E.235.2 30 V.S.A. § 255(d) is amended to read:

(d) Appointment of consumer trustees. The public service board, by rule, order, or competitive solicitation, may appoint one or more consumer trustees to receive, hold, bank, and sell tradable carbon credits created under this program. Trustees may include Vermont electric distribution utilities, the fiscal agent collecting and disbursing funds to support the statewide efficiency utility, or a financial institution or other entity with the expertise and financial resources to manage a portfolio of carbon credits for the long-term benefit of Vermont energy consumers. ~~Proceeds~~ Fifty percent of the net proceeds above

costs from the sale of carbon credits shall be deposited into the fuel efficiency fund established under section 203a of this title. These funds shall be used to provide expanded fossil fuel energy efficiency services to residential consumers who have incomes up to and including 80 percent of the median income in the state. The remaining 50 percent of the net proceeds above costs shall be deposited into the electric efficiency fund established under subdivision 209(d)(3) of this title. These funds shall be used by the entity or entities appointed under subdivision 209(d)(2) of this title to help meet the building efficiency goals established under 10 V.S.A. § 581 by delivering fossil fuel energy efficiency services to Vermont heating and process-fuel consumers who are businesses or are residential consumers whose incomes exceed 80 percent of the median income in the state.

Sec. E.235.3 10 V.S.A. § 6523(e) is amended to read:

(e) Management of fund.

(1)(A) There is created the clean energy development fund advisory committee, which shall consist of the commissioner of public service, or a designee, and the chairs of the house and senate committees on natural resources and energy, or their designees.

(B) There is created the clean energy development fund investment committee, which shall consist of seven persons appointed by the clean energy development fund advisory committee.

(2) The commissioner of public service shall:

(A) by no later than October 30, 2006:

(i) develop a five year strategic plan and an annual program plan, both of which shall be developed with input from a public stakeholder process;

(ii) develop an annual operating budget;

(iii) develop proposed program designs to facilitate clean energy market and project development (including use of financial assistance, investments, competitive solicitations, technical assistance, and other incentive programs and strategies); and

(iv) submit the plans, budget, and program designs to the clean energy development fund advisory committee for review and to the clean energy development fund investment committee for approval;

(B) adopt rules ~~by no later than January 1, 2007~~ to carry out the program approved under this subdivision;

(C) explore pursuing joint investments in clean energy projects with other state funds and private investors to increase the effectiveness of the clean energy development fund;

(D) acting jointly with the members of the clean energy development fund investment committee, make decisions with respect to specific grants and investments, after the plans, budget, and program designs have been approved by the clean energy development fund investment committee. ~~This subdivision (D) shall be repealed upon the effective date of rules adopted under subdivision (2)(B) of this subsection.~~

(3) During fiscal years after FY 2006, up to five percent of amounts appropriated to the public service department from the fund may be used for administrative costs related to the clean energy development fund and after FY 2007, another five percent of amounts appropriated to the public service department from the fund not to exceed \$300,000.00 in any fiscal year shall be transferred to the secretary of the agency of agriculture, food, and markets for agricultural and farm-based energy project development activities.

Sec. E.235.4 STATE ENERGY PROGRAM

(a) The ARRA funds appropriated to the department of public service in Sec. B.235 of this act, consisting of \$21,999,000 state energy program funds and \$9,593,500 energy efficiency and conservation block grant (EECBG) program funds, shall be transferred and deposited into the clean energy development fund created under 10 V.S.A. § 6523. These funds shall be maintained in a separate account specifically restricted to ARRA funds within the clean energy development fund.

(b) The funds appropriated and transferred under subsection (a) of this section shall be disbursed from the clean energy development fund in a manner that ensures rapid deployment of the funds, is consistent with the requirements of ARRA for administration of funds received, and meets the transparency and accountability requirements of ARRA. These funds shall be for the following:

(1) The Vermont small-scale renewable energy incentive program currently administered by the renewable energy resource center for use in residential and business installations. These funds may be used by the program for all forms of renewable energy as defined by 30 V.S.A. § 8002(2), including biomass and geothermal heating. The disbursement to this program shall seek to promote continuous funding for as long as funds are available.

(2) Grant and loan programs for renewable energy resources, including thermal resources such as district biomass heating that may not involve the generation of electricity.

(3) Grants and loans to thermal energy efficiency incentive programs, community-scale renewable energy financing programs, certification and training for renewable energy workers, promotion of local biomass and geothermal heating, and an anemometer loan program.

(4) \$2 million for a public-serving institution efficiency and renewable energy program that may include grants and loans and create a revolving loan fund. For the purpose of this subsection, "public-serving institution" means government buildings and nonprofit public and private universities, colleges, and hospitals. In this program, awards shall be made through a competitive bid process. On or before January 15, 2011, the department of public service shall report to the general assembly on the status of this program, including each award made and, for each such award, the expected energy savings or generation and the actual energy savings or generation achieved.

(5) \$2 million to the Vermont housing and conservation board (VHCB) to make grants and deferred loans to nonprofit organizations for weatherization and renewable energy activities allowed by federal law, including assistance for nonprofit owners and occupants of permanently affordable housing.

(6) \$2 million to the Vermont telecommunications authority (VTA) to make grants for installation of small-scale wind turbines and associated towers on which telecommunications equipment is to be collocated and which are developed in association with the VTA.

(7) \$880,000 to the 11 regional planning commissions (\$80,000 to each such commission) to conduct energy efficiency and energy conservation activities that are eligible under the EECBG program.

(8) Of the funds authorized for use in subdivisions (5), (6), and (7) of this subsection, to the extent permissible under ARRA, up to 5 percent may be spent for administration of the funds received.

Sec. E.238 Enhanced 9-1-1 board (Sec. B.238, #2260001000)

(a) Of this appropriation, \$1,823,443 shall be transferred to the department of public safety for 911 call-takers at public safety answering points operated by the department of public safety.

* * * Human Services * * *

Sec. E.300 Human services - agency of human services - secretary's office (Sec. B.300, #3400001000)

(a) Notwithstanding 32 V.S.A. § 706, the secretary may transfer funds allocated for the "high risk pool" and costs related to juvenile justice to the departments in the agency of human services designated to provide these services.

(b) Of this appropriation, \$54,000 in tobacco settlement funds shall be used to provide a grant to the project against violent encounters for a statewide program for substance abuse prevention and mentoring for youth.

(c) Of this appropriation, \$143,000 in tobacco funds shall be used for a grant to Lamoille County people in partnership for wrap-around services for at-risk youth.

(d) Of this appropriation, \$85,000 in tobacco funds with any corresponding federal matching funds shall be for comprehensive treatment services and \$15,000 shall be for housing provisions for at-risk youth.

(e) Of the funds appropriated to the secretary, \$100,000 shall be available for the pathways to housing program.

(f) The secretary of human services shall identify \$250,000 of funds appropriated to the agency in fiscal year 2010 that shall be allocated and granted for start up expenses to establish a Chittenden County pilot program to unify existing substance abuse treatment. The secretary shall report to the joint fiscal committee at its regularly scheduled July, September, and November 2009 meetings on the funds identified and the status of the implementation of the pilot program.

Sec. E.301 Secretary's office – Global Commitment (Sec. B.301, #3400004000)

(a) The agency of human services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the agency of human services and the managed care organization in the office 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 \$29,674,577 is anticipated to be certified as state matching funds under the Global Commitment as follows:

(1) \$12,279,600 certified state match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$28,220,400 of federal funds appropriated in Sec. B.301 equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment fund to the Medicaid reimbursement special fund created in 16 V.S.A. § 2959a.

(2) \$8,956,247 certified state match available from local education agencies' school-based health services, including school nurse services, that increases the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$3,418,532 certified state match available from local education and social service agencies for eligible services provided to eligible persons through children's collaborative services programs.

(4) \$5,020,198 certified state match available from local designated mental health and developmental services agencies for eligible mental health services provided under the Global Commitment.

Sec. E.301.1 RETAINING ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)

(a) Notwithstanding 16 V.S.A. § 2959a, to the extent possible, any additional federal funds received as a result of an enhanced FMAP (Federal Medical Assistance Percentage) that are associated with the certified expenditures specified in subdivisions (b)(1) through (4) of Sec. E.301 of this act shall be retained in the Global Commitment fund and shall not be transferred to the certifying entity.

(b) For the period of the enhanced FMAP, the funding allocated from the Catamount fund for Catamount Health program expenses within the Global Commitment waiver shall be calculated on the base underlying FMAP rate. This allocation may be prorated as necessary to ensure that the fund is in balance at the close of the fiscal year.

Sec. E.306 Office of Vermont health access-administration (Sec. B.306, #341001000)

(a) Generic drug sample pilot project: Of the special fund appropriation, \$400,000 shall be from the evidence-based education and advertising fund in section 2004a of Title 33 for the evidence-based education program's generic drug sample pilot project as described in Sec. 15 of No. 80 of the Acts of 2007.

(b) Out-of-state dispensing fees reduction: The office of Vermont health access shall reduce the dispensing fees paid to pharmacies located out of state who participate in Medicaid, VHAP, Dr. Dynasaur, VPharm, or VermontRx to \$2.50 per script.

Sec. E.306.1 CHIROPRACTIC; MEDICAID

(a) The agency of human services is directed to reinstate chiropractic coverage only for manipulation of the spine billed under current procedural terminology (CPT) codes 98940, 98941, and 98942 for adults in the Medicaid and VHAP programs effective July 1, 2009.

Sec. E.307 Office of Vermont health access – Medicaid Program - Global Commitment (Sec. B.307, #3410015000)

(a) The office of Vermont health access shall limit payment for select drugs used as maintenance treatment to increments of 90-day supplies in Medicaid, the Vermont Health Access Plan, and VermontRx. This limit shall not apply to drugs generally used to treat acute conditions. The drug utilization review board shall make recommendations to the director on the drugs to be selected. This limit shall not apply when the patient initially fills the prescription in order to provide an opportunity for the patient to try the medication and for the prescriber to determine that it is appropriate for the patient’s medical needs.

Sec. E.307.1 EMERGENCY RULES

(a) In order to administer the provisions of this act relating to establishing co-payments in VPharm, VermontRx, and VHAP provided for in sections E.309.6, E.309.7, E.309.8, and E.309.12; modifying prescriptions for maintenance drugs to 90-day increments provided for in Sec. E.307; establishing a therapeutic equivalency generic drug program in a timely fashion provided for in Sec. E.309.9; and reinstating chiropractic coverage as provided for Sec. E.306.1, the agency of human services shall adopt rules pursuant to emergency rulemaking as provided for in 3 V.S.A. § 844.

Sec. E.307.2 33 V.S.A. § 1973 is amended to read:

§ 1973. VERMONT HEALTH ACCESS PLAN

* * *

(e) An individual who is or becomes eligible for Medicare shall not be eligible for the Vermont health access plan.

(f) For purposes of this section, “uninsured” means:

* * *

Sec. E.307.3 32 V.S.A. § 7823 is amended to read:

§ 7823. DEPOSIT OF REVENUE

The revenue generated by the taxes imposed under this chapter shall be credited to the state health care resources fund established by section 1901d of Title 33 and the Catamount fund established by section 1986 of Title 33.

Sec. E.308 FISCAL YEAR 2010 NURSING HOME INFLATION

(a) Notwithstanding any other provision of law, for state fiscal year 2010, the division of rate setting shall modify its methodology for calculating Medicaid rates for nursing homes by calculating the inflation factors for cost categories as follows. The division shall use the same inflation percentages to

calculate the state fiscal year 2010 rates as were used in state fiscal year 2009 for the following cost categories: the director of nursing, resident care, and indirect costs. The state fiscal year inflation percentages limited the incremental state fiscal year 2009 inflation to one-half of the percentage change in the inflation factors between 2008 and 2009. The division will not apply any additional inflation to the following cost categories for state fiscal year 2010: director of nursing, resident care, and indirect costs.

(b) For the nursing care cost category, the division shall first calculate the inflation percentage from calendar year 2007 to state fiscal year 2008. The division shall next calculate the inflation percentage from calendar year 2007 to state fiscal year 2009. The difference in inflation between the state fiscal year 2008 and state fiscal year 2009 inflation calculations will be halved and this one-half difference will be added to the 2008 inflation to arrive at the inflation percentage to be used for the 2010 rate period. The division will not apply any additional inflation for state fiscal year 2010.

Sec. E.308.1 FISCAL YEAR 2010 NURSING HOMES; HIT INCENTIVES

(a) The division of rate setting shall provide an incentive or rate adjustment by rule to nursing homes to install electronic medical records in order to improve quality of care by avoiding medical errors and to achieve savings in health care costs through streamlined administration. The incentive or rate adjustment shall be in addition to any current adjustment for capital costs. The incentive or rate adjustment shall be available to nursing homes that have installed electronic medical records prior to the adoption of the rule.

Sec. E.309 33 V.S.A. § 2072(c) is added to read:

(c) If an individual becomes ineligible for assistance under this subchapter, the secretary shall terminate assistance to the individual.

Sec. E.309.1 33 V.S.A. § 2077(a) is amended to read:

(a) The programs established under this subchapter shall be designed to provide maximum access to program participants, to incorporate mechanisms that are easily understood and require minimum effort for applicants and health care providers, and to promote quality, efficiency, and effectiveness through cost controls and utilization review. Applications may be filed at any time and shall be reviewed annually. OVHA may contract with a fiscal agent for the purpose of processing claims and performing related functions required in the administration of the pharmaceutical programs established under this subchapter.

Sec. E.309.2 33 V.S.A. § 1998(f)(1) and (2) are amended to read:

(f)(1) The drug utilization review board shall make recommendations to the director for the adoption of the preferred drug list. The board's recommendations shall be based upon evidence-based considerations of clinical efficacy, adverse side effects, safety, appropriate clinical trials, and cost-effectiveness. "Evidence-based" shall have the same meaning as in section 4622 of Title 18. The director shall provide the board with evidence-based information about clinical efficacy, adverse side effects, safety, appropriate clinical trials, and shall provide information about cost-effectiveness of available drugs in the same therapeutic class.

(2) The board shall meet at least quarterly. The board shall comply with the requirements of subchapter 2 of chapter 5 of Title 1 (open meetings) and subchapter 3 of chapter 5 of Title 1 (open records), except that the board may go into executive session to discuss drug alternatives and receive information on the relative price, net of any rebates, of a drug under discussion and the drug price in comparison to the prices, net of any rebates, of alternative drugs available in the same class to determine cost-effectiveness, and in order to comply with subsection 2002(c) of this title to consider information relating to a pharmaceutical rebate or to supplemental rebate agreements, which is protected from disclosure by federal law or the terms and conditions required by the Centers for Medicare and Medicaid Services as a condition of rebate authorization under the Medicaid program.

Sec. E.309.3 DUR BOARD EXECUTIVE SESSION

(a) If necessary in order to comply with 33 V.S.A. § 1998(f), the director of the office of Vermont health access shall renegotiate the contract with the pharmacy benefits manager to ensure that the drug utilization review (DUR) board receives in executive session information relating to costs of prescription drugs.

Sec. E.309.4 STUDY ON THE PROMOTION OF GENERICS IN MEDICAID

(a) The office of Vermont health access shall determine the impacts of modifying the co-payment structure in Medicaid and VPharm from a three-tiered structure which varies depending on the cost of the drug to a two-tiered structure with a higher co-payment for a brand-name drug than for a generic drug. The office shall analyze the impacts of changing the fee structure on spending in the Medicaid and VPharm programs, on patient utilization of generic drugs and brand-name drugs, and on any access issues.

(b) The office shall report its analysis to the health access oversight committee no later than October 15, 2009. The health access oversight

committee shall review the report and, as part of its annual report, make a recommendation to the general assembly on changing the fee structure.

Sec. E.309.5 VPHARM; VERMONTRX; REBATES

(a) As required by sections 2002, 2073(f), and 2074(d) of Title 33, the director of the office of Vermont health access shall require any manufacturer of pharmaceuticals purchased by individuals receiving assistance from VPharm or VermontRx to pay a rebate in an amount at least as favorable as the rebate or price discount paid to the office in connection with the Medicaid program. The director shall negotiate with pharmaceutical companies for the payment of these rebates or price discounts. The department shall explore negotiation strategies taken by other states in order to maximize the rebates or discounts achieved. If the Centers for Medicare and Medicaid Services approve the amendment requested to include VPharm and VermontRx in the Global Commitment to Health Medicaid Section 1115 waiver, the director shall establish rebates or price discounts for these programs as part of Medicaid.

Sec. E.309.6 33 V.S.A. § 2073(c) is amended to read:

(c) V-Pharm shall provide supplemental benefits by paying or subsidizing:

* * *

(2) any other cost-sharing required by Medicare part D, except for co-payments for individuals eligible for Medicaid and as provided for in subdivision (d)(1) of this section;

Sec. E.309.7 33 V.S.A. § 2073(d)(1) is amended to read:

~~(d)(1) The secretary of the agency of human services shall develop by rule the manner by which an individual shall contribute the individual's cost established in subdivision (2) of this subsection, except that individuals eligible for Medicaid shall only be subject to the cost-sharing requirements established by Medicaid and Medicare. The rule shall seek to minimize the possibility of inadvertent loss of eligibility for Medicare part D and V-Pharm benefits. Prior to filing the rule, the secretary shall submit the proposed rule to the health access oversight committee. The health access oversight committee shall review and advise on the agency rules and policies developed under this subsection and shall submit for consideration any recommendations to the joint legislative committee on administrative rules~~ An individual shall contribute a co-payment of \$1.00 for prescriptions where the cost-sharing amount required by Medicare Part D is \$29.99 or less and a co-payment of \$2.00 for prescriptions where the cost-sharing amount required by Medicare Part D is \$30.00 or more. A pharmacy may not refuse to dispense a prescription to an individual who does not provide the co-payment.

Sec. E.309.8 33 V.S.A. § 2074(c) is amended to read:

(c) Benefits under Vermont-Rx shall be subject to payment of a premium ~~amount~~ and co-payment amounts by the recipient in accordance with the provisions of this section.

* * *

(4) A recipient shall contribute a co-payment of \$1.00 for prescriptions costing \$29.99 or less and a co-payment of \$2.00 for prescriptions costing \$30.00 or more. A pharmacy may not refuse to dispense a prescription to an individual who does not provide the co-payment.

Sec. E.309.9 VPHARM; THERAPEUTIC EQUIVALENCY PILOT PROGRAM

(a) No later than July 1, 2009, the office of Vermont health access shall implement a pilot program to maximize the use of over-the-counter (OTC) and generic drugs used to treat the conditions specified in subsection (b) of this section by individuals enrolled in a Medicare Part D prescription drug plan and VPharm.

(b)(1) The VPharm therapeutic equivalency pilot program shall require the use of an OTC or generic drug in order to receive coverage of the Medicare Part D cost-sharing or of the prescription when the drug would be paid for entirely by VPharm, except that:

(A) an individual who is taking a brand name drug on June 30, 2009, after approval through a prior authorization program, may continue to receive coverage under VPharm for that drug; and

(B) a prescriber may override the substitution of a generic or OTC drug using the same criteria provided for under section 4606 of Title 18 (generic substitutions) by including a detailed explanation regarding:

(i) the OTC or generic drug or drugs that have been previously tried by the patient and:

(I) were ineffective; or

(II) resulted in the adverse or harmful side effects to the patient; or

(ii) the reasons why the provider expects that the OTC or generic drug or drugs may be ineffective or result in adverse or harmful side effects to the patient if the patient has not previously tried the drug or drugs.

(2) The designated pilot classes are lipotropics, which are statins most commonly used for the treatment of high cholesterol, and gastrointestinal proton pump inhibitors, which are most commonly used to reduce gastric acid.

The drug utilization review (DUR) board shall determine the list of OTC and generic drugs that shall be available for coverage in each class and shall ensure that the list of generic drugs includes drugs available on the formularies of 90 percent of the Medicare Part D prescription drug plans available in Vermont. In designing the list, the DUR board shall maximize access to a variety of OTC and generic drugs for consumers.

(c) The office of Vermont health access shall notify prescribers and pharmacists about the pilot program and the requirement for the use of OTC and generics in the pilot classes described in subsection (b) of this section in order to receive coverage for those classes under VPharm.

(d) The office of Vermont health access, in collaboration with the DUR board, shall evaluate the pilot program and provide a report no later than January 15, 2010. The evaluation and report shall include an estimate of the savings from the increased use of OTC and generic drugs, negative impacts on consumer choice, and other positive or negative outcomes of the pilot program.

Sec. E.309.10 VPHARM AND VHAP CO-PAYMENTS

(a) Prior to December 5, 2009, the joint fiscal committee may suspend the co-payments in VPharm, VermontRx, and VHAP established under sections E.309.6, E.309.7, E.309.8, and E.309.12 of this act pending further action of the general assembly:

(1) if the Centers for Medicare and Medicaid Services approve the office of Vermont health access' request for an amendment to the Global Commitment for Health Section 1115 Medicaid waiver to include the VPharm program as part of that waiver; or

(2) if the VPharm program is included as a managed care organization (MCO) investment under the Global Commitment for Health.

Sec. E.309.11 MEDICAID COST CONTAINMENT STUDY

(a) The office of Vermont health access shall determine the feasibility of creating a preferred list of or entering into agreements with other states for purchasing medical devices and biologics to maximize the ability of the Medicaid program to ensure high quality products while negotiating favorable prices and containing costs.

(b) No later than January 15, 2010, the office shall report its analysis on the feasibility, including the potential benefits and harms to the senate committees on appropriations and on health and welfare and the house committees on appropriations and on human services.

Sec. E.309.12 VHAP; PRESCRIPTION DRUG CO-PAYMENTS

(a) An individual enrolled in the Vermont health access plan (VHAP) with income at or above 100 percent of the federal poverty guideline shall contribute a co-payment of \$1.00 for prescriptions costing \$29.99 or less and a co-payment of \$2.00 for prescriptions costing \$30.00 or more. A pharmacy may not refuse to dispense a prescription to an individual who does not provide the co-payment.

Sec. E.311 Health – administration and support (Sec. B.311, #3420010000)

(a) Area health education center: Of this appropriation, \$500,000 shall be granted to the area health education center (AHEC) to support the work and infrastructure of the statewide AHEC network to ensure an adequate and appropriate health care workforce, to bring quality improvement programs to health care professionals, and to create partnerships across community-based health care services to improve health care access and integration. Any funds not expended shall be carried forward to be available for use in subsequent fiscal years. The AHEC will provide the department of health with a final progress report and financial report detailing the unexpended funds to be carried forward at the close of the fiscal year.

(b) Health care provider loan forgiveness and repayment programs:

(1) The department of health may carry forward any unspent portion of funds designated for health professional loan repayment. The department and the grantee shall amend contracts to redistribute unexpended funds based on funding needs for identified disciplines. These funds may be used either alone or to match federal National Health Service Corps loan repayment funds, local funds, or private funds and shall be deposited into the loan repayment fund established under 18 V.S.A. § 10a or for the Vermont student assistance corporation for loan forgiveness programs for health care providers through the dental hygienist incentive loan program, the nursing incentive loan program, and the dental student incentive loan program.

(2) Of this Global Commitment fund appropriation, \$870,000 shall be used for the purposes of loan repayment for health care providers and health care educators pursuant to 18 V.S.A. § 10a.

(3) Of this appropriation, \$100,000 is allocated for the Vermont student assistance corporation for loan forgiveness programs for health care providers through the dental hygienist incentive loan program, the nurse incentive loan program, and the dental student incentive loan program.

(c) Vermont academic detailing program:

(1) Of the special fund appropriation, \$300,000 shall be from the evidence-based education and advertising fund in section 2004a of Title 33 and used for the purposes of supporting the evidence-based education program established under subchapter 2 of Title 18, a university-based educational outreach program for health care professionals administered by the University of Vermont (UVM) College of Medicine office of primary care. The goal of this program is to promote high-quality, evidence-based, patient-centered, cost-effective medication treatment decisions. This program shall present an objective overview of what evidence from studies shows about various drugs used to treat a medical condition.

(2) The UVM office of primary care may collaborate with other states, countries, or entities that are working on similar programs.

(3) The UVM office of primary care may request information and collaboration from the Vermont department of health, the office of Vermont health access, prescribers, pharmacists, private insurers, hospitals, pharmacy benefit managers, drug utilization review boards, state agencies, and other programs in order to best utilize resources, prevent redundancies of effort, and facilitate appropriate linkages to complementary programs, such as the Vermont Blueprint for Health.

(d) Of these Global Commitment funds, \$750,000 shall be used to support the Vermont coalition of clinics for the uninsured health care and dental services provided by clinics for uninsured individuals and families and for federally qualified health center (FQHC) development, service expansion, and uncompensated care.

Sec. E.312 Health – public health (Sec. B.312, #3420021000)

(a) AIDS/HIV funding:

(1) The amount of \$335,000 of the general fund/Global Commitment fund appropriation shall be appropriated to the following Vermont AIDS service organizations and peer-support organizations for client-based support services. It is the intent of the general assembly that if Global Commitment fund monies in this subsection are unavailable, the total funding for Vermont AIDS service organizations and peer-support organizations for client-based support services shall be maintained through the general fund or other state-funding sources. The department of health AIDS program shall meet at least quarterly with the HIV/AIDS Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(A) AIDS Project of Southern Vermont, \$71,863;

(B) ACORN, \$28,745;

(C) IMANI, \$37,985;

(D) VT CARES, \$131,407;

(E) Twin States Network, \$30,000;

(F) People with AIDS Coalition, \$35,000.

(2) Of the federal funds, Ryan White Title II funds for AIDS services and the AIDS Medication Assistance Program shall be distributed in accordance with federal guidelines. These guidelines shall not apply to programming funded by state general funds.

(3) The amount of \$100,000 of this general fund appropriation shall be appropriated to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programming which is currently not supported by federal funds due to federal restrictions. These funds shall be used for HIV/AIDS prevention purposes, including improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; anti-stigma campaigns; and promotion of needle exchange programs. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds shall be distributed shall be determined by mutual agreement of the department of health, AIDS service organizations, the community planning group (CPG), and CAG. The department of health AIDS program shall be guided and advised by CPG and CAG on an ongoing basis in prioritizing prevention service needs in the disbursement of these funds.

(4) The secretary of human services shall immediately notify the joint fiscal committee if, at any time, there are insufficient funds in AMAP to assist all eligible individuals. The secretary shall work in cooperation with persons living with HIV/AIDS to develop a plan to continue access to AMAP medications until such time as the general assembly can take action.

(5) The secretary of human services shall work in conjunction with the AMAP advisory committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. The committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(6) The amount of \$140,000 general fund carry-forward funds from fiscal year 2009 shall be used for assistance to individuals in the HIV/AIDS Medication Assistance Program (AMAP), including the costs of prescribed medications, related laboratory testing, and nutritional supplements. These funds may not be used for any administrative purposes by the department of

health or by any other state agency or department. Any remaining AMAP general funds at the end of the fiscal year shall be distributed to Vermont AIDS service organizations in the same proportions as those outlined under this subsection.

(b) Funding for the tobacco programs in fiscal year 2010 shall consist of the \$1,166,803 in tobacco funds and \$529,704 in Global Commitment funds appropriated in Sec. B.312 of this act; and \$212,709 of the tobacco funds appropriated in Sec. B.300 of this act. The tobacco control board shall determine how these funds are allocated to tobacco cessation, community based, media, public education, surveillance, and evaluation activities. This allocation shall include funding for tobacco cessation programs that serve pregnant women.

(c) Blueprint: Of this appropriation, \$5,051,400 is allocated to the Vermont Blueprint for Health. \$1,300,000 of the funds shall be used to provide incentive grants and stipends to physician practices and hospitals participating in the pilot projects developed under the Vermont Blueprint for Health established in 18 V.S.A. § 702.

Sec. E.313 Health - alcohol and drug abuse programs (Sec. B.313, #3420060000)

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the state, a state-qualified alcohol and drug abuse counselor may apply to the department of health, division of alcohol and drug abuse programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b)(1) In accordance with federal law, the division of alcohol and drug abuse programs may use the following criteria to determine whether to enroll a state-supported Medicaid and uninsured population substance abuse program in the division's network of designated providers, as described in the state plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the division's standards, licensure standards, and accreditation standards established by the commission of accreditation of rehabilitation facilities, the joint commission on accreditation of health care organizations, or the commission on accreditation for family services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are

developed, provided the standards identified in this subdivision (b)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the division's "request for bids" process.

(c) Of the interdepartmental transfer in this section, \$150,000 shall be used to support the program dealing with gambling addiction.

(d) Of this appropriation, \$35,000 shall be used to support the drug court program in Chittenden County, \$25,000 shall be used to support the drug court program in Rutland County, and \$25,000 shall be used for court coordination in Bennington County.

(e) The department of health shall be advised by an executive council of Vermont's recovery center network on an ongoing basis to prioritize service and funding needs for recovery centers, to assist with the review of recovery center funding proposals, and to provide recommendations for disbursement of funds to the recovery centers and their support needs. The executive council shall consist of a board member of each recovery center. The executive council shall work with a network coordinator who provides technical assistance and training to recovery centers. The executive council, working with the department of health, shall have oversight of the recovery centers.

(f) Of this appropriation, \$45,000 shall be granted to the Vermont recovery center network. Of the appropriation, \$458,000 is the allocated share of the DETER program for recovery centers and shall be granted to the recovery centers in operation as of June 30, 2008.

(g) It is the intent of the general assembly that Maple Leaf Farm, Serenity House, and Valley Vista will undergo a formal, cost-based rate setting process prior to July 1, 2010. The division of alcohol and drug abuse programs shall report to the joint fiscal committee at its July 2009 meeting with draft rules or a draft procedure for establishing these rates.

(h) The total appropriation reflects a reduction of \$150,000 in treatment services. Prior to taking actions that distribute this savings to providers, the division of alcohol and drug abuse prevention must provide a plan to the joint fiscal committee at the July 2009 meeting for its review and approval.

(i) Of this appropriation, \$500,000 shall be available for operating expenses for a Chittenden County pilot program to unify existing treatment efforts in the county that will demonstrate savings in hospital expenditures related to detoxification and emergency treatment sufficient to offset the initial start-up

investment by the end of the second year of operation and savings that exceed 50 percent of the program operation by the end of the third year of operation.

Sec. E.315 Mental health – Vermont state hospital (Sec. B.315, #3150080000)

(a) The community recovery residential program developed under this section shall be consistent with the goals identified in the existing “futures plan.”

Sec. E.316 Department for children and families – administration and support services (Sec. B.316, #3440010000)

(a) Of this appropriation, \$14,000 in general funds shall be provided as a grant to the Vermont Girl Scouts for a program enabling girl scouts and their siblings to visit their mothers in prison.

Sec. E.317 FISCAL YEAR 2010 PAYMENT RATES FOR PRIVATE NONMEDICAL INSTITUTIONS PROVIDING RESIDENTIAL CHILD CARE SERVICES

(a) Notwithstanding any other provisions of law, for state fiscal year 2010, the division of rate setting shall calculate payment rates for private nonmedical institutions (PNMI) providing residential child care services consistent with Sec. B.1104 (AHS Grant Reductions) of this act and as provided for under this section.

(b) General rule. The division of rate setting shall calculate PNMI per-diem rates for state fiscal year 2010 as a percentage of each program’s final per diem rate in effect on June 30, 2009. This percentage will equal a number ranging from 96 to 100 percent of each program’s final per diem rate in effect on June 30, 2009, depending on funds available as determined by the secretary of human services as provided for in Sec. B.1104 of this act. Each PNMI program per diem rate will be set with the same percentage. The following is the one exception to this general rule:

(1) For programs categorized by the placement authorizing departments as crisis-stabilization programs with typical lengths of stay from 0 to 10 days, rates for state fiscal year 2010 shall be set retroactively as follows:

(i) The allowable budget shall be set by applying the same percentage used in subsection (a) of this section to the final approved budget for the rate year which includes June 30, 2009. The monthly allowable budget shall be the allowable budget divided by 12.

(ii) Within five days of the end of each month in state fiscal year 2010, the program shall submit the prior month’s census to the division of rate setting. The per-diem rate shall be set for the prior month by dividing the

monthly allowable budget amount by the total number of resident days for the month just ended.

(c) Providers are not required to submit funding applications pursuant to section 3 of the PNMI rate setting rules for state fiscal year 2010.

(d) Rates set for state fiscal year 2010 shall be issued as final. The division shall send notices of each PNMI provider's per diem rate by July 1, 2009.

(e) For state fiscal year 2010, the three-month waiting provision of section 8.1(b) of the PNMI rate setting rules for the submission of a rate adjustment application is waived.

(f) For state fiscal year 2010, approved section 8 rate amounts, excluding financial relief, shall be reduced by the appropriate percentage consistent with the percentage used in calculating rates pursuant to subsection (a) of this section.

(g) The division shall ensure that setting rates of new PNMI residential programs does not disadvantage PNMI residential programs affected by subsection (a) of this section.

Sec. E.318 CHILD CARE ELIGIBILITY AND RATES; PROCESS

(a) It is the intent of the general assembly to address disparities in the child care subsidy program established in subchapter 2 of chapter 35 of Title 33, both in income eligibility for the program and in child care provider rates. Currently, income eligibility is based on the federal poverty guideline and median income levels from 2000, and child care rates are insufficient for many families, requiring large co-payments or the approval of case-by-case variances.

(b) The purpose of this section is to direct the department to review and create a detailed proposal to reconstruct the current child care provider rate structure during the interim. The proposal would increase the income eligibility amounts to reflect 2009 federal poverty guideline (FPL) income levels while setting the floor for the upper income limit at no less than 200 percent of FPL. This change would increase the current upper income limit for a child care subsidy for a family of four from \$43,747 to \$44,088 and would allow for a higher upper income limit in the future if state funds are available.

(c)(1) The department for children and families shall create a proposal to restructure the child care subsidy rate structure to provide incentives for regulated child care providers to improve quality, reflect increased payments available through pre-kindergarten funding, and allow for a rate structure that is sufficient and not dependent on providing exceptions to existing rates.

(2)(A) The department shall report to the joint fiscal committee no later than its September 2009 meeting with a proposal meeting the intent and purposes of this section and the criteria in this subsection (c).

(B) The department shall also provide a summary of the proposal to the house committee on human services and the senate committee on health and welfare one week prior to the joint fiscal committee. The chairs of the house committee on human services and the senate committee on health and welfare may comment on the proposal to the joint fiscal committee.

(C) The joint fiscal committee may approve, deny, or suggest modifications to the proposal. If the joint fiscal committee suggests modifications, the department may accept the modifications at the next scheduled joint fiscal committee meeting or may revise its proposal for presentation at the next scheduled joint fiscal committee.

(d)(1) The department may simultaneously begin the rulemaking process provided for in chapter 26 of Title 3 to modify the child care subsidy program to conform to the proposal developed under this section. The department shall provide a copy of the draft rule to the joint fiscal committee with its proposal.

(2) Notwithstanding the time limitations in chapter 26 of Title 3 provided for review by the legislative committee on rules (LCAR), the rule modifications provided for in this subsection (d) shall not be approved by LCAR until and unless the joint fiscal committee has approved the department's proposal as provided for in subsection (c) of this section.

Sec. E.318.1 33 V.S.A. § 3512(b) is amended to read:

(b) The subsidy authorized by this section shall be on a sliding scale basis. The scale shall be established by the commissioner, by rule, and shall bear a reasonable relationship to income and family size. The lower limit of the fee scale shall include families whose gross income is up to and including 100 percent of the federal poverty guidelines. The upper income limit of the fee scale shall be neither less than ~~82.5 percent~~ 200 percent of the federal poverty guidelines nor more than 100 percent of the state median income, adjusted for the size of the family. The scale shall be structured so that it encourages employment.

Sec. E.320 Department for children and families-aid to aged, blind and disabled (Sec. B.320, #3440050000)

(a) Notwithstanding chapter 13 of Title 33, the secretary of human services may reduce the state supplemental payment only by an amount equal to or less than 50 percent of the amount of the cost of living increase provided under the federal Supplemental Security Income (SSI) program. If individuals receiving

SSI do not receive a cost of living increase, the secretary shall not reduce the state supplemental payment.

Sec. E.321. Sec. 137 of No. 65 of the Acts of 2007, as amended by Sec. 49 of No. 90 of the Acts of 2008 and Sec. 5.216 of No. 192 of the Acts of 2008 is further amended to read:

Sec. 137. GENERAL ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) Commencing with state fiscal year 2007, the agency of human services may establish ~~an~~ a housing assistance program within the general assistance program to create flexibility to provide these general assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently served with the same amount of general assistance funds. The program shall operate consistent within existing statutes and rules except that it may grant exceptions to this program's eligibility rules and may create programs and services as alternatives to these rules.

~~(e)~~(b) The program may operate in up to 12 districts designated by the secretary of human services. This program will be budget neutral. For each district in which the agency operates the program, it shall establish procedures for evaluating the pilot and its effects. The agency shall report annually to the general assembly on its findings from the programs, its recommendations for changes in the general assistance program, and a plan for further implementation of the program.

(c) The agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of the general assistance flexibility program.

Sec. E.321.1 HOUSING ASSISTANCE; ARRA FUNDS

(a) This section shall not apply to the administration of housing assistance funded with general funds provided through the general assistance program under Sec. E.321 of this act and existing rules.

(b) In fiscal year 2010, the agency of human services may establish a housing assistance program with homelessness prevention and rapid rehousing program (HPRP) funds from the American Recovery and Reinvestment Act of 2009, Public Law 111-5. HPRP funds shall be granted to direct-service community organizations which demonstrate experience and expertise in serving the homeless or those at risk for homelessness. The funds shall also be granted in accordance with requirements established by the U.S. Department of Housing and Urban Development (HUD).

(c) The agency shall engage interested parties in the design of the program requirements, including a core set of services to be provided; implementation of the program; and evaluation of the program.

(d)(1) The agency shall establish procedures to ensure equitable access to housing assistance provided by direct service community organizations with HPRP funds, in compliance with chapter 139 of Title 9, through a standard application and assessment process.

(2) The agency shall ensure that grantees of these funds provide an appropriate grievance and appeal process for applicants and recipients of the funds, including for expedited appeals.

(e)(1) The agency shall establish reporting procedures for all grantees receiving HPRP funds to provide housing assistance and collect sufficient information to determine that grantees are following all requirements and to evaluate the program's effectiveness

(2) The agency of human services field service directors shall monitor the housing assistance programs provided by direct service community organizations granted HPRP funds and assess the effectiveness of these programs.

Sec. E.322 33 V.S.A. § 1701 is amended to read:

§ 1701. ~~FOOD STAMP~~ SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

(a) The state of Vermont may participate in the federal ~~food stamp~~ supplemental nutrition assistance program which is provided for under Public Law 88-525, also known as the Food Stamp Act of 1964, as amended. The commissioner may adopt, and from time to time amend or repeal, regulations governing the operation of the program in the state.

(b) ~~{Repealed.}~~ An individual domiciled in Vermont shall be exempt from the disqualification provided for in 21 U.S.C. § 862a.

* * *

Sec. E.322.1 SCHOOL NUTRITION PROGRAM PILOT PROJECT

(a) No later than August 1, 2009, the department of education shall apply to the Food and Nutrition Service for permission to conduct a pilot project under 42 U.S.C. § 1769i to simplify the certification process for families receiving the earned income tax credit who are categorically eligible for the state nutrition assistance program (SNAP). The pilot project shall be designed to allow families receiving the earned income tax to enroll in the school nutrition programs by providing the school with a receipt of proof of earned income tax

credit without having to apply for SNAP. The pilot shall be implemented no earlier than August 1, 2010.

Sec. E.322.2 SUPPLEMENTAL NUTRITION ASSISTANCE; AGENCY ERRORS

(a) No later than July 1, 2009, the department for children and families shall submit a cost analysis to the Food and Nutrition Service (FNS) for permission to not establish an overpayment in the supplemental nutrition assistance program, called 3SquaresVt, when the overpayment to the household resulted from agency error and the overpayment amount is \$500 or less.

Sec. E.323 33 V.S.A. § 1103(c)(8) is added to read:

(8) An individual domiciled in Vermont shall be exempt from the disqualification provided for in 21 U.S.C. § 862a.

Sec. E.323.2 33 V.S.A. § 1203a is added to read:

§ 1203a. APPLICATION OF 21 U.S.C. § 862a

An individual domiciled in Vermont shall be exempt from the disqualification provided for in 21 U.S.C. § 862a.

Sec. E.324 Department for children and families – home heating fuel assistance/LIHEAP (Sec. B.324, #3440090000)

(a) Of the funds appropriated for home heating fuel assistance/LIHEAP in this act, no more than \$350,000 shall be expended for crisis fuel direct service/administration exclusive of statewide after-hours crisis coverage.

Sec. E.324.1 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2009, and for program administration, the commissioner of finance and management shall transfer \$2,550,000 from the home weatherization assistance trust fund to the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the home weatherization trust fund from the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the home weatherization assistance trust fund be necessary for the 2009–2010 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2009, and if LIHEAP funds awarded as of December 31, 2009 for fiscal year 2010 do not exceed \$2,550,000, subsequent payments under the home heating fuel assistance program shall not be made prior to January 30, 2010. Notwithstanding any other provision of law, payments authorized by the

office of home heating fuel assistance shall not exceed funds available, except that for fuel assistance payments made through December 31, 2009, the commissioner of finance and management may anticipate receipts into the home weatherization assistance trust fund.

Sec. E.324.2 33 V.S.A. § 2606(e) is added to read:

(e) Notwithstanding subsections (a) and (b) of this section, the secretary may accept applications on an ongoing basis for the 2010–2011 heating season beginning on March 1, 2010 and may establish by rule the procedure for accepting applications and determining eligibility under this subsection. No later than January 15, 2010, the secretary shall provide draft legislation to modify the process for application, eligibility, and calculation and issuance of benefits under the seasonal fuel assistance program using a new eligibility system to the house committee on human services and the senate committee on health and welfare.

Sec. E.324.3 33 V.S.A. § 2604(c)(2) is amended to read:

(2) Residents of housing units subsidized by the federal, state, or local government shall be deemed to have incurred no annual home heating fuel costs, except to the extent required by any federal law or regulation if federal funds are utilized for the home heating fuel assistance program, and with the following additional exception. Housing unit residents ~~that receive Temporary Assistance to Needy Families (TANF)~~, who participate in Reach Up under chapter 11 of this title, or who receive Supplemental Security Income/Aid to the Aged, Blind, or Disabled (SSI/AABD), TANF emergency assistance, or general assistance benefits that are used in whole or in part to pay for their housing or utility costs and do not receive other federal, state, or local government assistance targeted specifically to their housing or utility needs shall, with the exception of households for which the cost of heat is supplied by the landlord, be assumed to incur annual home heating fuel costs and their eligibility for annual heating fuel assistance shall not be limited by this subsection.

Sec. E.324.4 33 V.S.A. § 2605(c) is amended to read:

(c) Annually, based on the number of eligible households that have applied, and for which the cost of heat is not supplied by the landlord, these households' individual incomes and individual annual heating fuel cost, based on the proxy table established pursuant to ~~section~~ subsection 2604(b) of this title, the number of eligible households that have applied and for which the cost of heat is supplied by the landlord, the cost of benefits for these households, and the amount of funds available in the home heating fuel assistance ~~trust~~ fund for the purpose of providing annual home heating fuel assistance benefits, the secretary shall, by procedure, set the payment rate that

shall be used to determine the amount of annual home heating fuel assistance for which each household for which the cost of heat is not supplied by the landlord qualifies. In no event shall the payment rate be greater than 100 percent of the maximum percentage established by rule as required by subsection (b) of this section.

Sec. E.324.5 33 V.S.A. § 2609 is amended to read:

§ 2609. CRISIS RESERVES

Annually, the secretary shall determine by rule an appropriate amount of funds in the home heating fuel assistance ~~trust~~ fund to be set aside for expenditure for the crisis reserve component of the home heating fuel program. The secretary shall also adopt rules to define crisis situations for the expenditure of the home heating fuel crisis reserve, and to establish the income and asset eligibility requirements of households for receipt of crisis reserve home heating fuel assistance, provided that no household shall be eligible whose household income is greater than 150 percent of the federal poverty level based on the income of all persons residing in the household.

Sec. E.325 Department for children and families - office of economic opportunity (Sec. B.325, #3440100000)

(a) Of the general fund appropriation in this section, \$792,000 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 McKinney emergency shelter funds. Grant decisions shall be made with assistance from the coalition of homeless Vermonters.

Sec. E.326 Department for children and families - OEO - weatherization assistance (Sec. B.326, #3440110000)

(a) Of the special fund appropriation in this section, \$400,000 is for the replacement and repair of home heating equipment.

(b) As part of the administration's annual budget testimony before the house and senate committees on appropriations, the office of economic opportunity shall report on appropriations utilizing existing resources within state government available in the office of economic opportunity's weatherization data management system that compiles performance data available on households weatherized in the past year to include:

(1) the number of households weatherized;

(2) the average program expenditure per household for energy efficiency;

- (3) the average percent in energy savings;
- (4) the energy and non-energy benefits combined;
- (5) the benefits saved for every dollar spent;
- (6) the average savings per unit for heating fuels;
- (7) the gallons of oil saved related to the equivalent number of homes heated;
- (8) projected number of households to be weatherized in the current program year; and
- (9) the projected program expenditures for the current program year ending March 31.

(c) Appropriations from the weatherization trust fund may be limited based on the revenue forecast for the fund from the gross receipts tax as adopted pursuant to 32 V.S.A. § 305a.

Sec. E.326.1 FISCAL YEAR 2010 STATE WEATHERIZATION EFFORTS

(a) The general assembly recognizes the importance of weatherization activities as a key component of housing affordability in Vermont. To this end, for fiscal year 2010, the following state resources shall be targeted to furthering weatherization efforts:

(1) \$5,160,000 of proceeds from the gross receipts tax to the weatherization trust fund to support weatherization activities of the office of economic opportunity;

(2) \$3,496,000 of Regional Greenhouse Gas Initiative (RGGI) funds through the Vermont department of public service and through the electric efficiency fund to deliver fossil fuel energy efficiency services to Vermont heating and process-fuel consumers to help meet the state's building efficiency goals established by 10 V.S.A. § 581.

(b) The Vermont housing conservation board and the Vermont housing finance agency shall carry out its affordable housing activities, to the extent possible, to improve weatherization and building envelope efficiency.

(c) In carrying out its affordable housing activities, to the maximum extent feasible, the Vermont housing and conservation board shall utilize appropriate amounts from the funds authorized in this act together with other available weatherization resources and programs in Vermont to ensure that new construction and rehabilitation of affordable apartments and homes with funding support from the board will achieve increased short- and long-term energy efficiencies.

Sec. E.330 Disabilities, aging, and independent living - advocacy and independent living (Sec. B.330, #3460020000)

(a) Of this appropriation, \$100,000 shall be granted to support a supportive housing demonstration project managed by Cathedral Square Corporation. It is the intent of the general assembly that these funds be used as matching funds for a two-year period for grants to conduct research on cost-efficient and quality services in senior housing. Cathedral Square, in conjunction with the department of disabilities, aging, and independent living, shall identify the programmatic interventions intended to achieve measurable outcomes, including savings from services not needed because of the demonstration project services or improvements in participants' physical and mental well-being. The general assembly recognizes the imperative to develop a long-term care system in Vermont designed to meet the needs of a senior population projected to double by the year 2030. The general assembly endorses this demonstration project as the potential foundation for a home-centered long-term care policy in Vermont. The department and demonstration shall report to the health access oversight committee no less than every six months on the progress of the demonstration project.

(b) Certification of adult day providers shall require a demonstration that the new program is filling an unmet need for adult day services in a given geographic region and does not have an adverse impact on existing adult day services.

(c) Of this appropriation, \$23,655 in general funds shall be allocated for special assistance to adult day service providers. The department shall develop criteria on the use of these funds in consultation with the adult day programs. Funds remaining in this allocation after March 30, 2010 shall be distributed on an equitable basis to adult day programs by the close of the fiscal year.

(d) Of this appropriation, \$109,995 in general funds shall be allocated for base funds to adult day programs in the same proportion as they were allocated in fiscal year 2009.

(e) At the end of fiscal year 2009, of the remaining moderate needs group (MNG) funds originally allocated to adult day services, the department shall allocate \$12,367 to cover lifting the MNG 30-hour cap to 50 hours and \$97,108 to adult day services programs that have overutilized their MNG funds. All adult day services shall agree to stay within their allocations for fiscal year 2010, even if people have to go on waiting lists.

Sec. E.335 Corrections- administration (Sec. B.335, #3480001000)

(a) The department is authorized to explore the transition of the northern correctional facility (Newport) in whole or in part to a detention center that can

be leased to the federal government that is sufficient to cover the cost of operating any leased portion which would remain operated by state employees. The department shall provide a status update at each meeting of the joint corrections oversight committee. Prior to implementing a transition, the department shall submit a plan for approval to both the joint corrections oversight committee and joint fiscal committee. The plan shall include how offender programs at the facility would be addressed in such a transition, specifically whether programs would be continued, moved, reduced, or eliminated.

Sec. E.337 Corrections – correctional education (Sec. B.337, # 3480003000)

(a) The appropriation in this section shall be made, notwithstanding 28 V.S.A. § 120(g).

Sec. E.338 Corrections – correctional services (Sec. B.338, # 3480004000)

(a) Of this general fund appropriation, \$106,820 shall be used as a grant to Dismas House of Vermont, Inc.

(b) Of the funds appropriated, up to \$8,000 shall be for equipment purchased for the “wood warms” program in Bennington.

(c) Of the funds allocated for transitional housing, \$200,000 shall be transferred to the agency of human services central office. It is the intent of the general assembly that the secretary of the agency of human services and the department of corrections in partnership with appropriate community providers and local or state housing authorities create a rental subsidy pilot program that results in successful reentry of eligible offenders. The program shall be designed to meet the following:

(1) Does not result in a concentration of reentrant populations in a single building, immediate group of buildings, or neighborhood.

(2) Is not limited to particular communities but can be applied statewide.

(3) Provides direct vendor payments to landlords for up to six months on a month-to-month basis.

(4) Conditions of release incorporate lease requirements.

(5) Savings from the program which can be reinvested in a manner that maintains or expands this pilot project or both or in other transitional housing activities that result in successful offender reentry.

(6) Coordination with offender reentry plans to assure necessary community services and case management.

Sec. E.342 Vermont veterans' home – care and support services (Sec. B.342, #3300010000)

(a) If Global Commitment fund monies are unavailable, the total funding for the Vermont veterans' home shall be maintained through the general fund or other state funding sources.

(b) The Vermont veterans' home will use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

* * * Labor * * *

Sec. E.400 DEPARTMENT OF LABOR; AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT; LEGISLATIVE COMMITTEE

(a) A committee is created to consist of the following members: three members at large appointed by the speaker of the house; three members at large appointed by the committee on committees; and three members at large appointed by the governor. A chair shall be appointed jointly by the speaker, the committee on committees, and the governor.

(b) The committee shall make recommendations for the possible restructuring of the agency of commerce and community development and the department of labor so that these agencies are better able to serve their respective constituencies by:

(1) Identifying areas for enhanced collaboration and increased efficiencies, including combining information technology resources and fiscal and accounting services and sharing regional information and common customer resource and service management.

(2) Reviewing funding sources for the agency and the department, the requirements and limitations for those sources, and evaluating how they will be affected by the restructuring plan.

(3) Examining the likelihood of general fund savings resulting from restructuring.

(4) Identifying staffing and compliance issues resulting from the receipt of federal funding.

(5) Examining management structures, including the duties and responsibilities of commissioners, deputy commissioners, and exempt division directors.

(6) Recommending a new organizational structure, possibly with a focus on grouping divisions or departments around common functions and constituencies.

(7) Examining alternative co-locations for administrative and operational functions located in Montpelier and regionally.

(8) Considering other areas of state government that might appropriately be included in the recommended structure.

(9) Establishing a time line for restructuring that provides the least disruption of essential services, particularly at a time of high unemployment, and that may contemplate a phased implementation plan.

(10) Gathering information on other models in other states.

(c) Prior to making its recommendations, the committee shall meet with, seek input from, and discuss restructuring with potentially affected constituencies, including: the secretary of commerce and community development, the commissioners of the departments of the agency of commerce and community development, the commissioner of labor, employees of the agency of commerce and community development and the department of labor, all state entities connected with these agencies, the Vermont league of cities and towns, municipalities, private planners and community development consultants, regional planning commissions, regional development corporations, chambers of commerce, historic preservationists, workforce investment boards, the Vermont Bar Association's workers' compensation committee, labor unions, training and education providers, housing entities, the Vermont institute on government effectiveness, and the general business community. The committee shall also utilize and build upon existing studies and research.

(d) The committee shall meet with the joint legislative government accountability committee in order to coordinate recommendations.

(e) The committee may meet up to eight times while the legislature is not in session.

(f) The legislative council shall provide professional and administrative support to the committee. Committee members are entitled to compensation and reimbursement of expenses as provided under section 406 of Title 2.

(g) The committee shall submit its recommendations to the legislative committees of jurisdiction no later than January 15, 2010.

Sec. E.401 Labor - programs (Sec. B.401, 4100500000)

(a) The workforce development council shall allocate funding to the workforce investment boards based upon the performance of the local workforce investment boards, measured according to standards established by the council.

Sec. E.401.1 10 V.S.A. § 543(f) is amended to read:

(f) Awards. Based on guidelines set by the council, the commissioner of labor shall make awards to the following:

(1) Training Programs. Public, private, and nonprofit entities for existing or new innovative training programs. There shall be a preference for programs that include training for newly created or vacant positions. Awards may be made to programs that retrain incumbent workers. ~~The department shall ensure there are resources available in each quarter of the fiscal year.~~ Awards under this subdivision shall be made to programs or projects that do all the following:

* * *

* * * K-12 Education * * *

Sec. E.500 Education – finance and administration (Sec. B.500, #5100010000)

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to reduce the rate of uninsured or underinsured persons or both in Vermont and to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; EDUCATION

(a) The American Recovery and Reinvestment Act of 2009.

(1) The American Recovery and Reinvestment Act of 2009 (ARRA) provides billions of dollars in federal funds to stimulate the economy in the short term and to invest in education and other essential public services necessary to ensure the long-term economic health of the nation.

(2) Four principles guide distribution of ARRA funds:

(A) Spend funds quickly to save and create jobs.

(B) Improve student achievement through school reform.

(C) Ensure transparency, reporting, and accountability.

(D) Invest one-time ARRA funds thoughtfully to minimize unsustainable recurring costs in the future.

(b) Title VIII of the ARRA. In Title VIII, the ARRA appropriates additional funding to supervisory unions and school districts through existing federal programs, such as Title I of the Elementary and Secondary Education Act (Title I) and the Individuals with Disabilities Education Act (IDEA), to enhance and develop educational practices and outcomes for students who are disadvantaged or disabled, to provide supports for the lowest performing schools, and to promote innovation and improvement in education for all students.

(c) Department of education. The general assembly recognizes that, if it has the capacity, the department of education shall help supervisory unions and school districts to use IDEA, Title I, and other federal stimulus funds, both within and among these entities, in coordinated, fiscally prudent ways that advance the educational purposes of the ARRA. Therefore, it is the intent of the general assembly to ensure that the department has the positions and funding that it needs to help supervisory unions and school districts. Examples of departmental assistance include:

(1) Developing, coordinating, or providing professional development models to assist implementation of evidence-based strategies to:

(A) Increase student participation and achievement levels, such as through responsiveness to intervention (RTI), positive behavioral supports (PBS), differentiated instruction (DI), the Vermont integrated instructional model (VIIM), and the formative assessment project.

(B) Provide effective prevention and intervention strategies to support students at risk of not completing high school.

(C) Promote secondary school transformation.

(D) Support early intervention and early childhood education.

(2) Coordinating early intervention and early education services statewide.

(3) Aiding school districts to provide assistive technology equipment not otherwise available to them through existing funding sources.

(d) Supervisory unions and school districts. It is the intent of the general assembly that federal IDEA, Title I, and any other federal stimulus funds received by supervisory unions or school districts are used in fiscally prudent ways to advance the purposes of the ARRA as it relates to education without creating unsustainable recurring costs, such as:

(1) To provide intensive professional development opportunities in special education and general education that focus on implementing innovative, evidence-based, schoolwide strategies in reading, math, and science and in the use of positive behavioral interventions and supports.

(2) To establish a system to identify and train highly effective teachers to serve as instructional leaders and mentors.

(3) To implement innovative, flexible, evidence-based programs and practices to identify and support students who are at risk of not completing high school.

(4) To implement student progress monitoring systems to assist teachers and administrators to collect and use data to improve instruction and learning for all students.

(5) To provide intensive training and coaching to teachers, administrators, and para-educators to improve services provided to students with disabilities, including autism and emotional behavioral disorders.

(6) To provide additional intervention services for children with disabilities who are eligible for early childhood education as that term is defined in 16 V.S.A. § 11(a)(31).

(7) To support the training and certification of early childhood educators working in a program offered by or through a school district.

(8) To increase the federal share of special education costs.

Sec. E.500.2 FIVE LIMITED SERVICE POSITIONS WITHIN THE DEPARTMENT OF EDUCATION

(a) Five limited service positions are authorized within the department of education to support implementation of Sec. E.500.1 of this act, including one exempt attorney position to specialize in special education law, one program coordinator I position, and three education consultant II positions.

(b) Of the funds appropriated in Sec. B.500 of this act, \$325,000 is from the special fund created in subsection 2959a(b) of Title 16 through an allocation made pursuant to subsection 2959a(f) of that title.

Sec. E.501 Education – education services (Sec. B.501 #510003000)

(a) In fiscal year 2010 and fiscal year 2011, \$1,131,751 shall be paid by the education fund for early education initiative grants for at-risk preschoolers. In fiscal year 2012, these expenses shall revert to the general fund, and the general fund transfer shall be adjusted accordingly.

Sec. E.501.1 Sec. 9.0001(d) of No 192 of the Acts of 2008 (sunset; teen parent education programs) is amended to read:

(d) Sec. 5.304.1 of this act shall take effect on July 1, 2008 and shall remain in effect until July 1, ~~2009~~ 2010.

Sec. E.502 Education-special education formula grants (Sec. B.502, #5100040000)

(a) The education fund appropriated in this section shall be made notwithstanding 16 V.S.A. §§ 2963(c)(3) and 2967(b).

Sec. E.503 Education – state-placed students (Sec. B.503, #5100050000)

(a) The independence place program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504 Education-adult education and literacy (Sec. B.504, #5100060000)

(a) Of this appropriation, the amount from the education fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c).

Sec. E.505 COMMUNITY HIGH SCHOOL OF VERMONT GRANT

(a) From the education funds appropriated in Sec. B.505 in fiscal year 2010 and fiscal year 2011, a base education payment shall be paid to the community high school of Vermont for full-time equivalent students studying high school equivalency coursework. For fiscal year 2010, this total grant shall be set at the base education payment for 355 full-time equivalent pupils. This amount shall be transferred from the funds appropriated in Sec. B.505 to the department of corrections - correctional education program. These payments shall be made, notwithstanding 16 V.S.A. § 4025(b)(1). In fiscal year 2012, these expenses shall revert to the general fund, and the general fund transfer shall be adjusted accordingly

Sec. E.505.1 Education – adjusted education payment (Sec. B.505, #5100090000)

(a) Any calculations required to identify funding levels for the education fund budget stabilization reserve under 16 V.S.A. § 4026(b) shall be calculated as if in fiscal year 2010 those revenues and appropriations included \$38,575,036 in additional revenues and \$38,575,036 in additional expenditures.

Sec. E.511 Education-technical education (Sec. B.511, #5100200000)

(a) The appropriation in this section shall be authorized, notwithstanding 16 V.S.A. § 1564.

Sec. E.511.1 REPEAL

(a) 16 V.S.A. § 1564 (equipment replacement fund) is repealed.

Sec. E.512 Education – No. 117 of the Acts of 2000 – cost containment (Sec. B.512, #5100310000)

(a) Notwithstanding any other provisions of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the state's 60-percent share of the statewide total special education expenditures of funds which are not derived from federal sources.

Sec. E.513 EDUCATION FUND TRANSFER ADJUSTMENT FOR ARRA FUND OFFSET

(a) Notwithstanding 16 V.S.A. § 4025(2), for fiscal year 2010, the general fund transfer to the education fund shall be \$239,203,945.

(b) Notwithstanding 16 V.S.A. § 4025(2), it is the intent of the general assembly that the fiscal year 2011 transfer shall be funded at \$240,803,945 less any adjustment for changes in the current use program.

(c) It is the intent of the general assembly that the fiscal year 2012 general fund transfer shall be as required in 16 V.S.A. § 4025(2) less any continuing offset for federal state fiscal stabilization funds.

Sec. E.513.1 16 V.S.A. § 4025(b) is amended to read:

(b) Moneys in the education fund shall be used for the following:

(1) To make payments to school districts and supervisory unions for the support of education in accordance with the provisions of section 4028 of this title, other provisions of this chapter, and the provisions of chapter 135 of Title 32.

(2) To cover the cost of fund auditing, accounting, and of short-term borrowing to meet fund cash flow requirements.

(3) To make payments required under subdivisions 6066(a)(1) and (2) of Title 32 and only that portion attributable to education taxes, as determined by the commissioner of taxes, of payments required under subdivisions 6066(a)(3) and 6066(b) of Title 32.

* * *

Sec. E.514 State teachers' retirement system (Sec. B.514, #1265010000)

(a) In accordance with 16 V.S.A. § 1944(g)(2), the amount of the annual contribution to the Vermont state teachers' retirement system shall be \$41,503,002 in fiscal year 2010.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$19,821,109 is the “normal contribution,” and \$21,681,893 is the “accrued liability contribution.”

(c) The general assembly is proposing that a combination of \$40,228,002 in general funds and an estimated \$1,275,000 of Medicare Part D reimbursement funds be utilized to achieve funding at the actuarially recommended level.

* * * Higher Education * * *

Sec. E.600 University of Vermont (Sec. B.600, #1110006000)

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

(c) If Global Commitment fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the general fund or other state funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high quality health care services to Medicaid beneficiaries and to the uninsured or underinsured persons or both in Vermont and across the nation.

Sec. E.602 Vermont state colleges (Sec. B.602, #1110009000)

(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, \$428,786 shall be transferred to the Vermont manufacturing extension center for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

Sec. E.603 Vermont state colleges – allied health (Sec. B.603, #1110010000)

(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 250 health care providers annually. These graduates deliver direct, high quality health care services to Medicaid beneficiaries and uninsured or underinsured persons or both.

Sec. E.605 Vermont student assistance corporation (Sec. B.605, #1110012000)

(a) Of this appropriation, \$25,000 is appropriated from the general fund to the Vermont student assistance corporation to be deposited into the trust fund established in 16 V.S.A. § 2845.

(b) Except as provided in subsection (a) of this section, not less than 100 percent of grants shall be used for direct student aid.

(c) Of state funds available to the Vermont student assistance corporation pursuant to Sec. E.215(a) and E.1100(a)(3)(B) of this act, \$242,500 shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from these allocations shall carry forward for this purpose.

* * * Natural Resources * * *

Sec. E.700 Natural Resource – Agency of Natural Resources - Administration

(a) Of the funds appropriated in Sec. B.700, \$25,000 is for water management typing for the White River basin and the West, Williams, and Saxons river basin.

(1) \$12,500 shall be granted to the Two Rivers Ottauquechee Regional Commission for the purpose of developing recommended water management type designations for the White River basin. In developing its recommendations, the Two Rivers Ottauquechee Regional Commission shall consult with the agency of natural resources watershed coordinator for the White River basin and shall consider the most recent information for the watershed available from the agency of natural resources and other sources.

(2) \$12,500 shall be granted to the Windham Regional Commission for the purpose of developing recommended water management type designations for the West, Williams and Saxons River basin. In developing its recommendations, the Windham Regional Commission shall consult with the agency of natural resources watershed coordinator for the White River basin

and shall consider the most recent information for the watershed available from the agency of natural resources and other sources.

Sec. E.700.1 REPORT AND RULEMAKING ON WATER MANAGEMENT TYPING FOR THE WHITE RIVER BASIN AND THE WEST, WILLIAMS, AND SAXONS RIVER BASIN

(a) On or before January 31, 2011, the Two Rivers Ottauquechee Regional Commission and the Windham Regional Commission shall submit to the agency of natural resources and the natural resources board the recommended water management type designations required under Sec. E.700(a)(1) and (2) of this act. Upon receipt of the recommended water management type designations required under this section, the agency of natural resources shall post the recommended water management type designations to its website and shall make the recommendations available to any person upon request.

(b) Within three months of receipt of the recommended water management type designations under this section, the natural resources board shall initiate rulemaking to amend the water management types in order to consider the recommended water management type designations for the White River basin and the West, Williams and Saxons River basin.

Sec. E.700.2 FARMERS' WATERSHED ALLIANCE

(a) The secretary of natural resources shall allocate and grant \$125,000 of the funds appropriated to the agency for the Clean and Clear program to the Franklin County watershed alliance. The secretary shall report to the joint fiscal committee by September 15, 2009 regarding how this grant was allocated within the agency Clean and Clear budget. It is the intent of the general assembly that this funding, in coordination with \$75,000 of funding allocated through the agency of agriculture, food and markets, will provide a total grant of \$200,000 to the Franklin County watershed alliance for fiscal year 2010.

Sec. E.705 FUNDING GOALS FOR FISH & WILDLIFE

(a) It is the intent of the general assembly that the department of fish and wildlife be able to sustain services and seek the federal funds eligible to the state in the future through the generation of revenue and state funding.

(b) The department shall seek to access to the maximum amount the state may be eligible for of Pittman-Robertson, Dingell-Johnson, and other federal revenues. The department shall establish and administer a grant program for Vermont organizations and citizens to utilize the Pittman-Robertson funds for the public sport shooting ranges and the improvement or modification of existing sport shooting ranges. Sport shooting ranges are defined as per 10 V.S.A. § 5227.

Sec. E.707 FUNDING GOALS FOR FORESTS, PARKS AND RECREATION

(a) It is the intent of the general assembly that the department of forests, parks and recreation be able to sustain services and seek the federal funds eligible to the state in the future through the generation of revenue and state funding.

Sec. E.717 Natural resources board (Sec. B.717, #6215000000)

(a) It is the intent of the general assembly that should the level of funding provided in Sec. B.717 of this act require reductions in personal service expenses in fiscal year 2010, any such reductions shall not reduce enforcement activities of the board. The administration is encouraged to review the need to maintain the board chair position at a full-time level.

* * * Commerce and Community Development * * *

Sec. E.800 COMMUNITY DEVELOPMENT PROGRAM; FUND CONSOLIDATION PLAN; IMPLEMENTATION

(a) Consistent with the requirements of subchapter 1 of chapter 29 of Title 10, a committee chaired by the Vermont league of cities and towns and consisting of the executive directors of the Vermont housing finance agency, the Vermont economic development authority, and the secretary of the agency of commerce and community development or designee, the Vermont housing conservation board, the Vermont bankers association, municipalities, regional development corporations, and other appropriate entities shall develop a proposal for the best use of and administration of community development grants which have previously been awarded to municipalities and that are currently inactive from the community development block grant (CDBG) program authorized by Title I of the federal Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5301 et seq. The purpose of the proposal is to maximize the availability of CDBG funding for Vermont's municipalities. The proposal shall include criteria and processes for standardizing the administration and oversight of CDBG funds, while preserving a municipality's ability to access funds.

(b) The committee will be staffed by the agency of commerce and community development. The committee shall report its findings to the general assembly on or before January 15, 2010.

Sec. E.801 Housing and community affairs (Sec. B.801, #7110010000)

(a) Of this appropriation, \$60,000 shall be granted to the First Stop Program.

Sec. E.804 Community development block grants (Sec. B.804, #7110030000)

(a) Community development block grants shall carry forward until expended.

(b) Community development block grant (CDBG) funds shall be expended in accordance with and in the order of the following priorities:

(1) The greatest priority for the use of CDBG funds will be the creation and retention of affordable housing and jobs.

(2) The overarching priority and fundamental objective in the use of funds for all affordable housing is to achieve perpetual affordability through the use of mechanisms that produce housing resources that will continue to remain affordable over time. It is the goal of the state to maintain at least 45 to 55 percent of CDBG funds for affordable housing applications.

(3) Among affordable housing applications, the highest priorities are to preserve and increase the supply of affordable family housing, to reduce and strive to eliminate childhood homelessness, and to serve families and individuals at or below 30 percent of HUD Area Median Income and people with special needs as described in the Consolidated Plan. Housing for seniors should be considered a priority when it meets clear unmet needs in the region for the lowest income seniors.

(4) Projects which address the ongoing deterioration of the existing housing stock through acquisition, preservation, and rehabilitation of units shall comply with housing quality standards with priority given to lead hazard reduction and energy efficiency.

(5) Preference shall be given to projects that maintain the historic settlement pattern of compact village and downtown centers separated by a rural working landscape. Funds generally should not be awarded to projects that promote or constitute sprawl, defined as dispersed development outside compact urban and village centers, along highways, and in rural countryside.

(c) No less than 50 percent of CDBG-generated loan repayments shall remain available to municipalities awarded community development block grant funds.

(d) The department of housing and community affairs may not restrict CDBG applications for housing to projects which have been previously awarded federal low income housing tax credits.

Sec. E.806 Economic development (Sec. 806, #7120010000)

(a) Of this appropriation, \$50,000 shall be used by the Commission on the Future of Economic Development (CFED) to continue the benchmarking

process and to develop strategies to implement the four principal goals for economic development recommended to the legislature by CFED in fiscal year 2009.

(b) For fiscal year 2010, the chair of CFED shall convene and chair a working group consisting of the current CFED members and the commissioner of the department of economic development.

(c) The working group shall receive reasonable administrative, fiscal, and legal support from the joint fiscal office and the legislative council.

(d) Legislative members of the committee shall be entitled to per diem compensation and reimbursement of necessary expenses as provided in 2 V.S.A. § 406(a); other members shall be entitled to per diem compensation and reimbursement of necessary expenses as provided in 32 V.S.A. § 1010.

(e) The fiscal year 2010 working group shall:

(1) Collaborate with the state economists to finalize the statistical benchmarking system proposed in fiscal year 2009.

(2) Establish baseline values for each benchmark and subsequently perform an economic development analysis against the baseline values at a suitable interval.

(3) Review and report on the development of the specific goals and benchmarks required of state agencies and departments under 10 V.S.A. § 3(d).

(4) Develop a work plan for CFED for fiscal year 2011.

(f) The working group shall report its findings and recommendations to the senate committee on economic development, housing and general affairs, the house committee on commerce and economic development, and the governor not later than January 15, 2010.

Sec. E.813 10 V.S.A. § 311 is amended to read:

§ 311. CREATION OF THE VERMONT HOUSING AND CONSERVATION BOARD

(a) There is created and established a body politic and corporate to be known as the “Vermont housing and conservation board” to carry out the provisions of this chapter. The board is constituted a public instrumentality exercising public and essential governmental functions, and the exercise by the board of the powers conferred by this chapter shall be deemed and held to be the performance of an essential governmental function of the state. The board is exempt from licensure under chapter 73 of Title 8.

~~(b) The board shall consist of nine members, including ex officio the secretary of agriculture, food and markets, the secretary of commerce and~~

~~community development, the secretary of natural resources and the executive director of the Vermont housing finance agency, or their designees, and five public members who shall be residents of the state and who shall in the opinion of the governor be experienced in creating affordable housing or conserving and protecting Vermont's agricultural land, historic properties, important natural areas or recreational lands. At least one member shall be a representative of lower income Vermonters and one member shall be a farmer as defined in 32 V.S.A. § 3752(7). The public members shall be appointed by the governor with the advice and consent of the senate for three year terms beginning on February 1 of the year in which the appointment is made, except that the first members appointed by the governor to the board shall be appointed, one for a term of one year, two for a term of two years and two for a term of three years. Vacancies shall be filled in the same manner as the original appointment for the unexpired portion of the term vacated.~~

~~The board shall consist of the following 11 members:~~

- ~~(1) The secretary of agriculture, food and markets or his or her designee.~~
- ~~(2) The secretary of human services or his or her designee.~~
- ~~(3) The secretary of natural resources or his or her designee.~~
- ~~(4) The executive director of the Vermont housing finance agency or his or her designee.~~
- ~~(5) Three public members appointed by the governor who shall be residents of the state and who shall be experienced in creating affordable housing or conserving and protecting Vermont's agricultural land, historic properties, important natural areas or recreational lands, one of whom shall be a representative of lower income Vermonters and one of whom shall be a farmer as defined in subdivision 3752(7) of Title 32.~~
- ~~(6) One public member appointed by the speaker of the house, who shall not be a member of the general assembly at the time of appointment.~~
- ~~(7) One public member appointed by the senate committee on committees, who shall not be a member of the general assembly at the time of appointment.~~
- ~~(8) Two public members appointed jointly by the speaker of the house and the president pro tempore of the senate as follows:
 - ~~(A) One member from the nonprofit affordable housing organizations that qualify as eligible applicants under subdivision 303(4) of this title who shall not be an employee or board member of any of those organizations at the time of appointment.~~~~

(B) One member from the nonprofit conservation organizations whose activities are eligible under subdivision 303(3) of this title who shall not be an employee or member of the board of any of those organizations at the time of appointment.

(c) The public members shall serve terms of three years beginning July 1 of the year of appointment. However, two of the public members first appointed by the governor shall serve initial terms of one year; and the public members first appointed by the speaker and committee on committees shall serve initial terms of two years. A vacancy occurring among the public members shall be filled by the respective appointing authority for the balance of the unexpired term. A member may be reappointed.

~~(e)~~(d) Annually, the board shall elect from among its public members a chair and vicechair. The board may elect ~~such~~ officers as it may determine. Meetings shall be held at the call of the chair or at the request of three members. A majority of the sitting members shall constitute a quorum and action taken by the board under the provisions of this chapter may be authorized by a majority of the members present and voting at any regular or special meeting.

~~(d)~~(e) Members other than ex officio members shall be entitled to per diem authorized under 32 V.S.A. § 1010 for each day spent in the performance of their duties and each ~~such~~ member shall be reimbursed from the fund for his or her reasonable expenses incurred in carrying out his or her duties under this chapter.

~~(e)~~(f) The board shall employ an executive director to administer, manage and direct the affairs and business of the board, subject to the policies, control and direction of the members. The board may employ technical experts and ~~such~~ other officers, agents and employees as are necessary to effect the purposes of this chapter, and may fix their qualifications, duties and compensation. The board shall use the office of the attorney general for legal services.

Sec. E.813.1 10 V.S.A. § 321 is amended to read:

§ 321. GENERAL POWERS AND DUTIES

(a) The board shall have all the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided to a business corporation by ~~section 1852 of Title 11~~ Title 11A and including, without limiting the generality of the foregoing, the power to:

(1) upon application from an eligible applicant in a form prescribed by the board, provide funding in the form of grants or loans for eligible activities;

(2) enter into cooperative agreements with private organizations or individuals or with any agency or instrumentality of the United States or of this state to carry out the purposes of this chapter;

(3) issue rules in accordance with 3 V.S.A. chapter 25 for the purpose of administering the provisions of this chapter;

(4) transfer funds to the department of housing and community affairs to carry out the purposes of this chapter.

(b) The board shall seek out and fund not-for-profit organizations and municipalities that can assist any region of the state which has high housing prices, high unemployment and low per capita incomes in obtaining grants and loans under this chapter for perpetually affordable housing. The board shall administer the "HOME" affordable housing program which was enacted under Title II of the Cranston-Gonzalez National Affordable Housing Act (Title II, P.L. 101-625, 42 U.S.C. 12701-12839). The state of Vermont, as a participating jurisdiction designated by Department of Housing and Urban Development, shall enter into a written memorandum of understanding with the board, as subrecipient, authorizing the use of HOME funds for eligible activities in accordance with applicable federal law and regulations. HOME funds shall be used to implement and effectuate the policies and purposes of this chapter related to affordable housing. The memorandum of understanding shall include performance measures and outcomes that the board will annually report on to the Vermont department of housing and community affairs.

(c) On behalf of the state of Vermont, the board shall be the exclusive designated entity to seek and administer federal affordable housing funds available from the Department of Housing and Urban Development under the national Housing Trust Fund which was enacted under HR 3221, Title 1, Subtitle B, Section 1228 of the Federal Housing Finance Regulatory Reform Act of 2008 to increase perpetually affordable rental housing and home ownership for low and very low income families.

~~(e)~~(d) On behalf of the state of Vermont, the board shall seek and administer federal farmland protection funds to facilitate the acquisition of interests in land to protect and preserve in perpetuity important farmland for future agricultural use. Such funds shall be used to implement and effectuate the policies and purposes of this chapter.

~~(d)~~(e) The board shall inform all grant applicants and recipients of funds derived from the annual capital appropriations and state bonding act of the following: "The Vermont Housing and Conservation Trust Fund is funded by the taxpayers of the State of Vermont, at the direction of the General Assembly, through the annual Capital Appropriation and State Bonding Act."

An appropriate placard shall, if feasible, be displayed at the location of the proposed grant activity.

Sec. E.813.2 GRANT STATUS; JFO #2370

(a) In accordance with the legislature's authority under 32 V.S.A. § 5, the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP) grant (JFO #2370), in the amount of \$19,600,000 is accepted pursuant to and subject to a memorandum of understanding (MOU) reached between the agency of commerce and community development (ACCD) and the Vermont housing and conservation board (VHCB) dated May 7, 2009, for the use of NSP funds by the Vermont housing and conservation board (VHCB) to grant subgrants to eligible projects. Further, the general assembly concludes that the MOU shall include the reservation of actual costs of \$3,000,000 to be solicited and awarded by VHCB, and conveyed by a grant agreement to VHCB. The MOU shall also include, but is not limited to provisions that will allow VHCB to be reimbursed for the actual costs of its administration up to \$400,000; a requirement that owners of projects funded with grant funds shall execute housing subsidy covenants to ensure permanent affordability; a requirement that VHCB will act according to and ensure compliance with all applicable state and federal laws and regulations; and that ACCD will provide training and technical assistance to VHCB staff with regard to administration of the NSP grant. It is also understood that the total of the NSP funds awarded to the state of Vermont that are not allocated pursuant to the MOU shall be utilized consistent with the terms of the HUD approval of the NSP grant. The MOU between ACCD and VHCB shall be submitted to the house and senate committees on appropriations and the joint fiscal committee immediately upon its execution.

* * * Transportation * * *

Sec. E.900 19 V.S.A. § 11a is amended to read:

§ 11a. TRANSPORTATION FUNDS APPROPRIATED FOR SUPPORT OF GOVERNMENT THE DEPARTMENT OF PUBLIC SAFETY

(a) ~~The maximum amount of~~ No transportation funds ~~that may~~ shall be appropriated for the support of government; other than for the agency of transportation, the transportation board, transportation pay act funds, construction of transportation capital facilities used by the agency of transportation, and transportation debt service ~~shall not exceed \$32,852,807.00,~~ and the department of public safety. The amount of transportation funds appropriated to the department of public safety shall:

- (1) in fiscal year 2010 not exceed \$30,850,000.00;
- (2) in fiscal year 2011 not exceed \$28,350,000.00; and

(3) in fiscal year 2012 not exceed \$25,250,000.00.

Sec. E.910 Transportation – central garage (Sec. B.910, #8110000200)

(a) Of this appropriation, \$6,216,757 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.916 Transportation – town highway aid program (Sec. B.916, #810003000)

(a) This appropriation is authorized, notwithstanding 19 V.S.A. § 306(a).

* * * Miscellaneous * * *

Sec. E.1100 FISCAL YEAR 2010 NEXT GENERATION FUND ALLOCATIONS (Sec. B.1100(a))

(a) The \$3,293,000 appropriated in Sec. B.1100(a)(1) of this act from the next generation initiative fund, created in 16 V.S.A. § 2887, shall be as follows:

(1) Workforce development: \$1,415,500 as follows:

(A) Workforce Education Training Fund (WETF). The sum of \$1,415,500 is appropriated to the Vermont workforce education and training fund, which is administered by the department of labor, for workforce development. Up to seven percent of the funds may be used for administration of the program.

(B) Adult Technical Education Programs. The amount of \$410,500 is appropriated to the department of labor, working with the workforce development council. This appropriation is for the purpose of awarding grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) UVM Technology Transfer Program. The amount of \$118,750 is appropriated to the University of Vermont. This appropriation is for patent development and commercialization of technology created at the university for the purpose of creating employment opportunities for Vermont residents.

(D) Vermont center for emerging technologies. The amount of \$118,750 is appropriated to the agency of commerce and community development for a grant to the Vermont center for emerging technologies to enhance development of high technology businesses and next generation employment opportunities throughout Vermont.

(2) Loan repayment: The sum of \$300,000 is appropriated to the agency of human services Global Commitment for the department of health to use for

health care loan repayment. The department shall use these funds for a grant to the area health education centers (AHEC) for repayment of commercial or governmental loans for postsecondary health-care-related education or training owed by persons living and working in Vermont in the health care field.

(3) Scholarships and grants: \$929,500 as follows:

(A) Nondegree VSAC Grants. The amount of \$494,500 is appropriated to the Vermont student assistance corporation. This appropriation 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 this appropriation 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 this appropriation shall be used for administrative overhead.

(B) The sum of \$150,000 is appropriated to the Vermont student assistance corporation to fund the national guard educational assistance program established in 16 V.S.A. § 2856.

(C) Dual Enrollment Programs. The sum of \$285,000 is appropriated to the Vermont state colleges for dual enrollment programs. The state colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the state college system when programs at the other institution are better academically or geographically suited to student need.

Sec. E.1103. COST REDUCTION AUTHORIZATION

(a) Due to the current and continuing fiscal stress that will impact the Vermont state budget, the secretary of administration is authorized to develop a plan for submission to the legislative joint fiscal committee to make \$14,700,000 in general fund expenditure reductions and proportionate reductions in other funding sources through revisions to payroll and personnel services related expenditures as indicated below.

(b) First, the secretary of administration shall reduce budgeted contract expenditures for fiscal year 2010 by \$1,300,000 in general funds. In the event that such expenditure reductions are not identified by October 31, 2009, the secretary of administration shall submit a plan of recommendation to achieve this general fund savings target by alternate reductions in budgeted funds to the joint fiscal committee in November 2009.

(c) Second, the general assembly strongly urges the Vermont state employees' association and the secretary of administration to negotiate

contract changes and other personnel adjustments to achieve expenditure reductions of \$13,400,000 general funds and proportionate reductions in other funding sources to avoid job cuts. In negotiating contract revisions, the general assembly recommends the parties consider the following principles in achieving a contract modification to produce the savings:

(1) Any such changes or reductions shall include proportional impacts on exempt employees, classified confidential, and other employee classifications; and

(2) Changes should reflect the ability to pay with larger expected savings from higher paid employees.

(d) Third, in the event that the expenditure reductions are not achieved through subsection (c) of this section, the secretary of administration shall develop an alternate savings plan for submission to the legislative joint fiscal committee on or before June 10, 2009. In developing a plan, the secretary shall operate within the following parameters:

(1) Any such plan shall include proportional impacts on exempt employees, classified confidential, and other employee classifications;

(2) Impacts on service delivery, public health, safety, and cost transfers to other levels of government shall be minimized; and

(3) Departments shall have the option, to the extent allowable by contract, to avoid position elimination through reductions of working hours.

(e) No reductions in force shall take place or be effective unless and until they are part of a plan submitted to and approved by the legislative joint fiscal committee. The secretary may include alternatives to position reductions and shall not be limited to positions already submitted to the legislature in list development.

(f) The legislative joint fiscal committee shall treat any plan submitted for approval under the procedures outlined under 32 V.S.A. § 704.

(g) The recommendations in subsections (c) and (d) of this section shall apply to all state employees in all branches of government. Agency or department heads may adjust the salaries or furloughs of exempt employees who have already taken furloughs or salary reductions in excess of the impacts of the plan above to make them consistent with the proposals under subsections (c) and (d) of this section.

(h) The secretary of administration shall not plan to close or significantly reduce operations at any correctional facility unless approval to proceed with such closing or reduction plans is granted by both the joint committee on corrections oversight and the joint fiscal committee. Any plan submitted to the

committees shall include an analysis of the regional impact, including how the increased transportation costs will be funded.

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100, C.101, C.102, C.103, C.104, C.105, D.103, D.105, D.106, D.108, D.109, D.110, E.102.1, E.129, E.135.2, E.135.3, E.204(b), E.207(c), E.209(c), E.307.1, E.322.2, E.330(c), and E.813.2 shall take effect on passage.

(b) Sec. E.318.1 (33 V.S.A. § 3512(b)) shall take effect upon approval by the joint fiscal committee of the proposal provided for in Sec. E.318 of this act. If the proposal is not approved, 33 V.S.A. § 3512(b), as amended by Sec. E.318.1 of this act, shall revert to the language it contained before the passage of this act.

(c) Sec. E.813.2 shall take effect upon passage by the house and senate.

* * * Proposed Miscellaneous Tax Amendments * * *

Sec. H.1. INCREASING THE NUMBER OF COMPLIANCE PERSONNEL IN THE DEPARTMENT OF TAXES

(a) Of the funds appropriated to the department of taxes in this act, \$535,000 is for the purpose of hiring nine full-time limited service employees to augment the department's compliance division. The department shall use the funds so appropriated to hire four tax field examiners, two desk audit examiners, one collector, one desk audit supervisor, and either one attorney or a second collector.

(b) It is the intent of the general assembly that the funding of an additional \$935,000 be provided to the tax department in fiscal year 2011 for the purpose of retaining the nine full-time limited service employees hired pursuant to subsection (a) of this section and hiring six additional full-time limited service employees to further augment the department's compliance division. The department shall use the additional funds so appropriated to hire four tax field examiners and two desk audit examiners.

(c) It is the intent of the legislature to further augment the department's compliance efforts in fiscal year 2012 by appropriating additional funds for fiscal year 2012 for the purpose of retaining the 15 full-time limited service employees hired pursuant to subsections (a) and (b) of this section and hiring five additional limited service employees.

(d) The positions created pursuant to subsections (a) and (b) of this section shall not be new state employee positions but instead shall be transferred and converted from the vacant position pool as and only when such positions in the vacant position pool become available.

(e) Notwithstanding any other provision of law, the positions created by this section shall be created as limited service positions and shall not be funded for a period in excess of three years.

Sec. H.2. ADDING COMPLIANCE PERSONNEL TO THE DEPARTMENT OF LABOR

(a) Of the funds appropriated to the department of labor in this act, \$308,212 shall be for the purpose of hiring four full-time limited service employees as workers' compensation fraud staff who will investigate the classification of workers as either contractors or employees and enforce compliance of the proper classification by businesses.

(b) The positions created pursuant to subsection (a) of this section shall not be new state employee positions but instead shall be transferred and converted from the vacant position pool as and only when such positions in the vacant position pool become available.

(c) Notwithstanding any other provision of law, the positions created by this section shall be created as limited service positions and shall not be funded for a period in excess of three years.

* * * Tax Amnesty * * *

Sec. H.3. TAX AMNESTY

(a) Notwithstanding any law to the contrary, the commissioner of taxes shall establish a tax amnesty program during which all penalties that could be assessed by the commissioner may be waived without the need for any showing by the taxpayer of reasonable cause or the absence of willful neglect if the taxpayer, prior to the expiration of the amnesty period, files proper returns for any tax types and any period for which the taxpayer has or had a filing obligation and pays the full amount of tax shown on such return together with all interest due thereon. The amnesty program shall be established for a period of six consecutive weeks to be determined by the commissioner, to expire not later than October 2, 2009.

(b) The amnesty program shall apply to a tax liability of any tax type for any periods for which the due date of the return was before January 26, 2009 but shall not apply to those penalties which the commissioner would not have the sole authority to waive, including fuel taxes administered under the International Fuel Tax Agreement or under the local option portions of taxes.

(c)(1) The commissioner shall maintain records of the amnesty provided under this section, including:

(A) the number of taxpayers provided with amnesty;

(B) the types of tax liability for which amnesty was provided and, for each type of liability:

(i) the amount of tax liability collected by the commissioner; and

(ii) the amount of penalties forgone by virtue of the amnesty; and

(iii) the total outstanding tax liability due to the state, for the period through June 30, 2009, after the collection of all funds under this section.

(2) The commissioner shall file a report detailing the information required by subdivision (1) of this subsection with the clerk of the house of representatives and the secretary of the senate, the joint fiscal committee, the house committee on ways and means, and the senate committee on finance not later than December 15, 2009; provided, however, that the report shall not contain information sufficient to identify an individual taxpayer or the amnesty an individual taxpayer was provided under this section.

Sec. H.4. FUNDING FOR TAX AMNESTY

(a) Of the funds appropriated to the tax department in this act, \$132,000 is for the purpose of marketing the tax amnesty program provided for in Sec. H.3 of this act. In order to help stimulate the local economy, the legislature asks in determining what resources or marketing firms to use, the department give priority to Vermont-based firms.

* * * Sale of State-Owned Personal Property * * *

Sec. H.5. SALE OF STATE-OWNED SURPLUS PERSONAL PROPERTY

In order to raise capital and to free space in buildings owned or leased by the state, the commissioner of buildings and general services is authorized and directed to conduct a "spring cleaning" to identify and sell surplus personal property of the state. Each department and agency of the state shall, in accordance with section 1556 of Title 29, transfer all surplus personal property to the commissioner, who is authorized to sell such surplus personal property pursuant to subdivision 1556(6). Notwithstanding section 1557 of Title 29, the proceeds of such sale, net of the commissioner's administrative costs, shall be deposited into the general fund.

* * * Department of Revenue * * *

Sec. H.6. DEPARTMENT OF TAXES; DEPARTMENT OF REVENUE; TRANSITION

(a) In accordance with the report of the commissioner of taxes dated January 22, 2007, the department of taxes shall be converted into a department of revenue no later than June 30, 2012.

(b) To accomplish the requirement set out in subsection (a) of this section, there is hereby established a revenue transition committee to review and approve the commissioner's plan to transition the department of taxes to a department of revenue, which shall be responsible for collecting taxes, fees, levies, and other assessments as determined pursuant to subsection (c) of this section. The revenue transition committee shall be composed of the following seven members:

(1) The commissioner of finance and management or designee;

(2) The state treasurer or designee;

(3) A member of the house committee on ways and means, appointed by the speaker of the house;

(4) A member of the house committee on government operations, appointed by the speaker of the house;

(5) A member of the senate committee on finance, appointed by the committee on committees;

(6) A member of the senate committee on government operations, appointed by the committee on committees;

(7) The court administrator or designee.

(c) The commissioner shall review each state revenue source and determine whether the management of such revenue source should:

(1) remain substantially as is;

(2) be transferred to the treasurer's lockbox services contract;

(3) be transferred to the department of taxes, which shall ultimately be redesignated the department of revenue; or

(4) be transferred to another entity.

(d) The revenue transition committee shall meet as needed to review and approve the commissioner's implementation plan for the transition to a revenue department. The commissioner shall report to the revenue transition committee the findings and recommendations required pursuant to subsection (c) of this section, and the commissioner will implement any changes upon the approval of the revenue transition committee.

(e) No later than February 15 of each of the three years following the effective date of this act, the committee shall issue a report to the general assembly on its findings and containing specific recommendations concerning the implementation of the transition, efficiencies, technology, staffing issues, and recommendations with respect to subsection (c) of this section.

(f) The legislative members shall be entitled to per diem compensation and reimbursement of necessary expenses as provided to members of standing committees under 2 V.S.A. § 406 for attendance at a meeting when the general assembly is not in session.

Sec. H.7. STATUTORY REVISION

After June 30, 2012, the legislative council is directed to revise the Vermont Statutes Annotated to reflect the redesignation of the department of taxes as the department of revenue. When applicable, the term “commissioner of taxes” shall be replaced by the term “commissioner of revenue”; and when applicable, the term “department of taxes” shall be replaced by the term “department of revenue.”

* * * Education Property Tax Rates * * *

Sec. H.8. FISCAL YEAR 2010 EDUCATION PROPERTY TAX RATE REDUCTION

(a) For fiscal year 2010 only, the education property tax imposed under subsection 5402(a) of Title 32 shall be reduced from the rate of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.35 per \$100.00; and

(2) the tax rate for homestead property shall be \$0.86 multiplied by the district spending adjustment for the municipality, per \$100.00 of equalized property value as most recently determined under section 5405 of Title 32.

(b) For claims filed in 2010 only, “applicable percentage” in subdivision 6066(a)(2) of Title 32 shall be reduced from 2.0 percent and instead shall be 1.80 percent multiplied by the fiscal year 2010 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.80 percent.

* * * Fiscal Year 2010 Education Base Payment Amount * * *

Sec. H.9. FISCAL YEAR 2010 EDUCATION BASE PAYMENT AMOUNT

Notwithstanding subsection 4011(b) of Title 16 or any other provision of law, the base education payment for fiscal year 2010 only shall be \$8,485.00.

* * * Electronic Filing of Property Transfer Tax * * *

Sec. H.10. DEVELOPMENT OF ELECTRONIC SYSTEM FOR FILING AND PAYING PROPERTY TRANSFER TAXES

No later than August 1, 2009, the department of taxes shall file with the joint fiscal committee an implementation plan for the electronic filing of

property transfer tax returns and the electronic payment of property transfer taxes.

* * * VHFA: Moral Obligation for Pledged Equity Funds * * *

Sec. H.11. FINDINGS AND INTENT

Moral obligation of the state is used by municipal bond insurers, such as the Vermont Housing and Finance Agency (VHFA), as a discretionary capitalization obligation. By expanding VHFA's ability to pledge the state's existing commitment of moral obligation without increasing the amount of the state's existing potential obligation, the general assembly can provide VHFA with another tool to increase confidence and attract new financial partners so that the agency can continue its housing programs for low and moderate income Vermonters, even in these challenging economic times.

Sec. H.12. 10 V.S.A. § 631(f) is amended to read:

(f) The agency, subject to such agreements with noteholders or bondholders as may then exist, shall have power out of any funds available therefor to purchase notes or bonds of the agency, ~~which shall thereupon be cancelled,~~ at a price ~~not exceeding:~~

~~(1) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment thereon, or~~

~~(2) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date.~~

as shall be determined in the economic best interests of the agency.

Sec. H.13. REPEAL

10 V.S.A. § 632 (authorizing the Vermont housing and finance agency to establish reserve funds) is repealed.

Sec. H.14. 10 V.S.A. § 632a is added to read:

§ 632a. RESERVE AND PLEDGED EQUITY FUNDS

(a) The agency may create and establish one or more special funds, herein referred to as "debt service reserve funds" or "pledged equity funds."

(b) The agency shall pay into each debt service reserve fund:

(1) Any moneys appropriated and made available by the state for the purpose of such fund.

(2) Any proceeds of the sale of notes, bonds, or other debt instruments to the extent provided in the resolution or resolutions of the agency authorizing their issuance.

(3) Any other moneys or financial instruments such as surety bonds, letters of credit, or similar obligations which may be made available to the agency for the purpose of such fund from any other source or sources. All moneys or financial instruments held in any debt service reserve fund created and established under this section except as hereinafter provided shall be used, as required, solely for the payment of the principal of the bonds, notes, or other debt instruments secured in whole or in part by such fund or of the payments with respect to the bonds, notes, or other debt instruments specified in any resolution of the agency as a sinking fund payment, the purchase or redemption of the bonds, the payment of interest on the bonds, notes, or other debt instruments, or the payment of any redemption premium required to be paid when the bonds, notes, or other debt instruments are redeemed prior to maturity, or to reimburse the issuer of a liquidity or credit facility, bond insurance, or other credit enhancement for the payment by such party of any of the foregoing amounts on the agency's behalf; provided, however, that the moneys or financial instruments in any such debt reserve fund shall not be drawn upon or withdrawn therefrom at any time in such amounts as would reduce the amount of such funds to less than the debt service reserve requirement established by resolution of the agency for such fund as provided in this section except for the purpose of paying, when due, with respect to bonds secured in whole or in part by such fund, the principal, interest, redemption premiums, and sinking fund payments and of reimbursing, when due, the issuer of any credit enhancement for any such payments made by it, for the payment of which other moneys of the agency are not available. Any income or interest earned by or increment to any debt service reserve fund due to the investment thereof may be transferred by the agency to other funds or accounts of the agency to the extent it does not reduce the amount of such debt service reserve fund below the debt service reserve requirement for such fund.

(c) The agency shall pay into each pledged equity fund:

(1) Any moneys appropriated and made available by the state for the purpose of such fund.

(2) Any proceeds of the sale of notes, bonds, or other debt instruments to the extent provided in the resolution or resolutions of the agency authorizing the issuance thereof.

(3) Any other moneys or financial instruments such as surety bonds, letters of credit, or similar obligations which may be made available to the agency for the purpose of such fund from any other source or sources. All

moneys or financial instruments held in any pledged equity fund created and established under this section except as provided in this section shall be used, as required, solely to provide pledged equity or over-collateralization of any trust estate of the agency to the issuer of a liquidity or credit facility, bond insurance, or other credit enhancement obtained by the agency; provided, however, that the moneys or financial instruments in any pledged such equity fund shall not be drawn upon or withdrawn from such fund at any time in such amounts as would reduce the amount of such funds to less than the pledged equity requirement established by resolution of the agency for such fund as provided in this section except for the purposes set forth in and in accordance with the governing resolution. Any income or interest earned by or increment to any pledged equity fund due to the investment thereof may be transferred by the agency to other funds or accounts of the agency to the extent it does not reduce the amount of such pledged equity fund below the requirement for such fund. Anything in this subdivision to the contrary notwithstanding, upon the defeasance of the bonds, notes, or other debt instruments with respect to which the pledged equity requirement was established, the agency may transfer amounts in such fund to another fund or account of the agency proportionately to the amount of such defeasance; provided that the agency shall repay to the state any amount appropriated by the state pursuant to subsection (f) of this section.

(d) The debt service reserve and pledged equity requirements for any fund established under this section shall be established by resolution of the agency prior to the issuance of any bonds, notes, or other debt instruments secured in whole or in part by a debt service reserve fund or prior to entering into any credit enhancement agreement and shall be the amount determined by the agency to be reasonably required in light of the facts and circumstances of the particular debt issue or credit enhancement; provided that the maximum amount of the state's commitment with respect to any pledged equity fund shall be determined by the agency at or prior to entering into any credit enhancement agreement related to such pledged equity fund. The agency shall not at any time issue bonds, notes, or other debt instruments secured in whole or in part by a debt service reserve fund or enter into any credit enhancement agreement that requires establishment of a pledged equity fund created and established under this section unless:

(1) the agency at the time of such issuance or execution shall deposit in such fund from the proceeds of such bonds, notes, or other debt instruments or from other sources an amount which, together with the amount then in such fund, will not be less than the requirement established for such fund at that time;

(2) the agency has made a determination at the time of the authorization of the issuance of such bonds, notes, or other debt instruments or at the time of entering into such credit enhancement agreement that the agency will derive revenues or other income from the mortgage loans that secure such bonds, notes, or other debt instruments or that relate to any credit enhancement agreement sufficient to provide, together with all other available revenues and income of the agency other than any amounts appropriated by the state pursuant to this section for the payment or purchase of such bonds, notes, and other debt instruments and reimbursement to the issuer of any credit enhancement the payment of any expected deposits into any pledged equity fund established with respect to such credit enhancement, and the payment of all costs and expenses incurred by the agency with respect to the program or purpose for which such bonds, notes, or other debt instruments are issued; and

(3) the state treasurer or his or her designee has provided written approval to the agency that the agency may issue such bonds, notes, or other debt instruments and enter into any related credit enhancement agreement.

(e) In computing the amount of the debt service reserve or pledged equity funds for the purpose of this section, securities in which all or a portion of such funds shall be invested shall be valued at par if purchased at par or at amortized value, as that term is defined by resolution of the agency, if purchased at other than par.

(f) In order to assure the maintenance of the debt service reserve fund requirement in each debt service reserve fund established by the agency under this section, there may be appropriated annually and paid to the agency for deposit in each fund a sum as shall be certified by the chair of the agency to the governor, the president of the senate, and the speaker of the house as is necessary to establish or restore each such debt service reserve fund to an amount equal to the requirement for each such fund. The chair shall annually, on or about February 1, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house a certificate stating the sum required to restore each such fund to the amount required by this section, and the sum so certified may be appropriated and, if appropriated, shall be paid to the agency during the then-current state fiscal year. In order to assure the funding of the pledged equity fund requirement in each pledged equity fund established by the agency under this section at the time and in the amount determined at the time of entering into any credit enhancement agreement related to a pledged equity fund, there may be appropriated and paid to the agency for deposit in each fund a sum as shall be certified by the chair of the agency to the governor, the president of the senate, and the speaker of the house as is necessary to establish each pledged equity fund to an amount equal to the amount determined by the agency at the time of entering into any credit

enhancement agreement related to a pledged equity fund; provided that the amount requested, together with any amounts previously appropriated pursuant to this subsection for a particular pledged equity fund, shall not exceed the maximum amount of the state's commitment as determined by the agency pursuant to subsection (d) of this section. The chair shall, on or about the February 1 next following the designated date for fully funding a pledged equity fund, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house a certificate stating the sum required to bring each fund to the amount required by this section or to otherwise satisfy the state's commitment with respect to each fund, and the sum so certified may be appropriated and, if appropriated, shall be paid to the agency during the then-current state fiscal year. The combined principal amount of bonds, notes, and other debt instruments outstanding at any time and secured in whole or in part by a debt service reserve fund established under this section and the aggregate commitment of the state to fund pledged equity funds pursuant to this subsection shall not exceed \$155,000,000.00 at any time, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the agency in contravention of the Constitution of the United States. Notwithstanding anything in this section to the contrary, the state's obligation with respect to funding any pledged equity fund shall be limited to its maximum commitment, as determined by the agency pursuant to subsection (d) of this section, and the state shall have no other obligation to replenish or maintain any pledged equity fund.

Sec. H.15. SAVINGS CLAUSE

Nothing in Sec. H.14 of this act shall be construed to impair the obligation of any preexisting contract or contracts entered into by the agency or by the state.

* * * Tax Expenditure Reporting Requirement * * *

Sec. H.16. 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.

(b) The governor shall also submit to the general assembly, not later than the third Tuesday of each session of every biennium, a tax expenditure budget which shall embody his or her estimates, requests, and recommendations. The

tax expenditure budget shall be provided to the house committee on ways and means and the senate committee on finance, which committees shall review the tax expenditure budget and shall report their recommendations in bill form.

Sec. H.17. 32 V.S.A. § 307 is amended to read:

§ 307. FORM OF BUDGET

(a) The budget shall be arranged and classified so as to show separately the following estimates and recommendations:

(1) Expenses of state administration.

(2) Deficiencies, overdrafts, and unexpended balances in appropriations of former years.

(3) Bonded debt, loans and interest charges.

(4) All requests and proposals for expenditures for new projects, new construction, additions, improvements, and other capital outlay.

(5) With respect to the tax expenditure budget required under subsection 306(b) of this chapter, all requests and proposals for new, amended, or continued tax expenditures as defined in section 312 of this chapter.

* * *

* * * Vermont State-Sponsored Affinity Card Program * * *

Sec. H.18. 32 V.S.A. § 584 is added to read:

§ 584. VERMONT STATE-SPONSORED AFFINITY CARD PROGRAM

(a) The state treasurer is hereby authorized to sponsor and participate in an affinity card program for the benefit of the residents of this state upon his or her determination that such a program is feasible and may be procured at rates and terms in the best interest of the cardholders. In selecting an affinity card issuer, the treasurer shall consider the issuer's record of investments in the state and shall take into consideration program features which will enhance the promotion of the state-sponsored affinity card, including consumer-friendly terms, favorable interest rates, annual fees, and other fees for using the card.

(b) The treasurer shall consult with other state agencies about potential public purpose projects to be designated for the program and shall allow cardholders to designate that funds be used either to support sustainable agricultural programs, renewable energy programs, state parks and forestland programs, or any combination of these. The net proceeds of the state fees or royalties generated by this program shall be transmitted to the state and shall be deposited in a state-sponsored affinity card fund and subsequently transferred to the designated state programs and purposes as selected by the

cardholders. The funds received shall be held by the treasurer until transferred for the purposes directed by participating state-sponsored affinity cardholders in accordance with the trust fund provisions of section 462 of this title.

(c) All program balances at the end of the fiscal year shall be carried forward and shall not revert to the general fund. Interest earned shall remain in the program. The treasurer's annual financial report to the governor and the general assembly shall contain an accounting of receipts, disbursements, and earnings of the state-sponsored affinity card program.

(d) The state shall not assume any liability for lost or stolen credit cards nor any other legal debt owed to the financial institutions.

(e) The state treasurer is authorized to adopt such rules as may be necessary to implement the Vermont state-sponsored affinity card program.

* * * Government Licenses and Employment * * *

Sec. H.19. 32 V.S.A. § 3113 is amended to read:

§ 3113. REQUIREMENT FOR OBTAINING LICENSE OR, GOVERNMENTAL CONTRACT, OR EMPLOYMENT

* * *

(c) Every agency shall, upon request of the commissioner, furnish a list of licenses and contracts issued or renewed by such agency during the reporting period; provided, however, that the secretary of state shall, with respect to certificates of authority to transact business issued to foreign corporations, furnish to the commissioner only those certificates originally issued by the secretary of state during the reporting period and not renewals of such certificates. ~~The lists should~~ shall include the name, address, ~~social security~~ Social Security or federal identification number of such licensee or provider, and such other information as the commissioner may require.

* * *

(i) No agency of the state shall hire any person as a full-time, part-time, temporary, or contractual employee unless the person shall first sign a written declaration under the pains and penalties of perjury that the person is in good standing with respect to or in full compliance with a plan to pay any and all taxes due as of the date such declaration is made. This requirement applies only to the initial hire of an individual into a position that is paid using the state of Vermont federal taxpayer identification number, other than as a county employee, and not to an employee serving in such position or who returns to any position in state government as a result of a placement right or reduction in force recall right.

* * * Unclaimed Property * * *

Sec. H.20. 32 V.S.A. § 3113a is added to read:

§ 3113a. ABANDONED PROPERTY; SATISFACTION OF TAX LIABILITIES

The commissioner may request from the office of the treasurer the names and Social Security or federal identification numbers of owners of unclaimed property prior to notice being given to such persons pursuant to section 1249 of Title 27. If any such owner owes taxes to the state, the commissioner, after notice to the owner, may request and the treasurer shall transfer the abandoned property of such owner to the department for setoff of the taxes owed. The notice shall advise the owner of the action being taken and the right to appeal the setoff if the tax debt is not the owner's debt; or if the debt has been paid; or if the tax debt was appealed within 60 days from the date of the assessment and the appeal has not been finally determined; or if the debt was discharged in bankruptcy.

* * * Mapping Program * * *

Sec. H.21. 32 V.S.A. § 3409 is amended to read:

§ 3409. PREPARATION OF PROPERTY MAPS

Consistent with available resources and pursuant to a memorandum of understanding entered into between the commissioner and the Vermont center for geographic information, the ~~director shall prepare~~ center shall provide regional planning commissions, state agencies, and the general public with orthophotographic maps of the state at a scale appropriate for the production and revision of town property maps. Periodically, such maps shall be revised and updated to reflect land use changes, new settlement patterns and such additional information as may have become available to the director or the center.

(1) The ~~director~~ center shall supply to the clerk and to the listers or assessors of each town such maps as have been prepared by ~~the director~~ it of the total area of that town. Any map shall be available, without charge, for public inspection both in the office of the Vermont mapping program and in the office of the town clerk to whom the map was supplied.

(2) The ~~director~~ may state of Vermont shall retain the copyright of any map prepared under this section by the Vermont mapping program, and the center and the Vermont mapping program shall jointly own the copyright to any map prepared on or after the effective date of this act.

(3) A person, who, without the written authorization of the director and the center, copies, reprints, duplicates, sells, or attempts to sell any map prepared under this chapter shall be fined an amount not to exceed \$1,000.00.

(4) At a reasonable charge to be established by the center and the director, the ~~director~~ center shall supply to any person or agency other than a town clerk or lister a copy of any map prepared under this section.

* * * Unorganized Towns and Gores and Unified Towns and Gores * * *

Sec. H.22. 32 V.S.A. § 4408 is amended to read:

§ 4408. HEARING BY BOARD

(a) On the date so fixed by the town clerk and from day to day thereafter, the board of civil authority shall hear such appellants as appear in person or by agents or attorneys, until all such objections have been heard and considered. All objections filed in writing with the board of civil authority at or prior to the time fixed for hearing appeals shall be determined by the board notwithstanding that the person filing the objections fails to appear in person, or by agent or attorney.

(b) Ad hoc board for unorganized towns and gores and unified towns and gores. For purposes of hearing appeals under this subchapter only, the supervisor shall create an ad hoc board composed of:

(1) the supervisor; and

(2) one member from each adjoining municipality's board of civil authority, to be appointed by each respective board of civil authority, representing no fewer than three and no more than five of the adjoining municipalities, at the discretion of the supervisor.

(c) The ad hoc board provided for in subsection (b) of this section shall, for purposes of hearing appeals under this subchapter only, act as a board of civil authority, and an aggrieved party shall have further appeal rights as though the party had appealed to a board of civil authority.

* * * Education Property Tax Information Insert * * *

Sec. H.23. 32 V.S.A. § 5402(b)(1) is amended to read:

(1) The commissioner of taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonresidential rate determined by the commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonresidential property and without regard

to any other tax classification of the property. Tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list value of the property to be taxed. ~~Each homestead property tax bill shall include a copy of the document entitled "About Your 20XX Taxes "The more you spend the more you pay", updated annually for each town by the commissioner of taxes.~~

* * * Unsigned Declaration of Homestead * * *

Sec. H.24. 32 V.S.A. § 5410(c) is added to read:

(c) In the event that an unsigned but otherwise completed homestead declaration is filed with the declarant's signed state income tax return, the commissioner may treat such declaration as signed by the declarant.

* * * Unrelated Business Income of Nonprofit Corporations * * *

Sec. H.25. 32 V.S.A. § 5811(3) and (18) are amended to read:

(3) "Corporation" means any business entity subject to income taxation as a corporation, and any entity qualified as a small business corporation, under the laws of the United States, with the exception of the following entities which are exempt from taxation under this chapter:

(A) Railroad and insurance, ~~surety and guaranty~~ companies, ~~mutual or otherwise that are taxed under chapter 211 of this title;~~

(B) ~~Life, fire and marine insurance companies and mutual life, fire and marine insurance companies;~~

~~(C) Farmers' or other mutual hail, cyclone, fire or life insurance companies, mutual water, mutual or cooperative telephone companies or similar organizations of a purely local character, the income of which companies consists solely of assessments, dues and fees collected from the members for the sole purpose of meeting the expenses of the company;~~

~~(D) Farmers', fruit growers', or like associations organized and operated on a cooperative basis:~~

~~(i) for the purpose of processing, preparing for market, handling or marketing the farm products of members or other producers and turning back to them the proceeds of sales, less the necessary marketing, handling and processing expenses, on the basis of either quantity or the value of the products furnished by them;~~

~~(ii) for the purpose of purchasing supplies and equipment for the use of the members and other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses; or~~

~~(iii) for the purpose of processing, preparing for market, or marketing handcraft products as defined in section 991 of Title 11 of members or other producers and turning back to them the proceeds of sales, less the necessary marketing, handling and processing expenses;~~

~~(E) Credit unions organized under chapter 71 of Title 8 and federal credit unions;~~

~~(F)(C) Nonprofit hospital service corporations organized under chapter 123 of Title 8;~~

~~(G)(D) Nonprofit medical service corporations organized under chapter 125 of Title 8;~~

~~(H) Free public library corporations organized under chapter 3 of Title 22;~~

~~(I) Cemetery corporations and associations, labor, agricultural or horticultural organizations, fraternal beneficiary societies, no part of the net earnings of which inures to any member or stockholder;~~

~~(J) Sanitary corporations and corporations organized for religious, charitable, scientific or educational purposes, no part of the net earnings of which inures to the benefit of any private stockholder or individual member;~~

~~(K) Business organizations, chambers of commerce or boards of trade and area development organizations not organized for profit, no part of the net earnings of which inures to the benefit of any private stockholder or individual member;~~

~~(L) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare;~~

~~(M) Clubs organized and operated exclusively for pleasure and recreation and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private stockholder or individual member; or~~

~~(N) Any political organization which is exempt from or does not owe any federal income taxes as provided in the federal internal revenue code.~~

* * *

(18) "Vermont net income" means, for any taxable year and for any corporate taxpayer:

* * *

(D) For a corporation with federal exempt status, "Vermont net income" means all income that is subject to federal income tax, including unrelated business income under Section 511 of the Internal Revenue Code and

any income arising from debt-financed property subject to taxation under Section 514 of the Internal Revenue Code.

* * * Annual Update of Links to Federal Law * * *

Sec. H.26. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2007~~ 2008, but without regard to federal income tax rates under Section 1 of the Internal Revenue Code, are hereby adopted for the purpose of computing the tax liability under this chapter.

* * * Trustee Process * * *

Sec. H.27. 32 V.S.A. § 5892 is amended to read:

§ 5892. ACTION TO COLLECT TAXES; LIMITATIONS

(a) Action may be brought by the attorney general of the state at the instance of the commissioner in the name of the state to recover the amount of the tax liability of any taxpayer, if the action is brought within six years after the date the tax liability was collectible under section 5886 of this title. The action shall be returnable in the county where the taxpayer resides or has a place of business, and if the taxpayer neither resides nor has a place of business in this state, the action shall be returnable in Washington ~~county~~ County.

(b) Notwithstanding sections 3167 and 3168 of Title 12, a motion may be brought by the attorney general of the state at the instance of the commissioner in the name of the state for issuance of trustee process at the same time as an action is brought under subsection (a) of this section, and, if judgment is granted in that action, the court may proceed immediately to hear and render a decision on the trustee process.

* * * Repeal of Certain Tax Credits * * *

Sec. H.28. REPEAL

(a) 32 V.S.A. § 5930v (providing an income tax credit for eligible venture capital investment) is repealed effective for tax years beginning on or after January 1, 2010.

(b) 32 V.S.A. § 3802(13) (exempting fallout shelters from property tax) is repealed for grand lists prepared for April 1, 2010 and after.

* * * Property Tax Adjustments * * *

Sec. H.29. 32 V.S.A. § 6066a is amended to read:

§ 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

* * *

(c) The commissioner shall notify the municipality of any claim and refund amounts unresolved by September 15 at the time of final resolution, including adjudication if any; provided, however, that towns will not be notified of any additional adjustment amounts after ~~December 31~~ September 15 of the claim year, and such amounts shall be paid to the claimant by the commissioner.

* * *

(f) Property tax bills.

* * *

(4) If the property tax adjustment amount as described in subsection ~~(b)~~(e) of this section exceeds the property tax, penalties and interest, due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification by the commissioner of education, whichever is later.

* * *

* * * Clarifying the Homestead Declaration Requirements * * *

Sec. H.30. DECLARATION OF HOMESTEAD

The commissioner of taxes shall ensure that the homestead declaration form clearly informs taxpayers that a homestead declaration must be filed each year regardless of whether or not the taxpayer is applying for an income sensitivity adjustment and that homestead declarations must be timely filed even if the taxpayer is granted an extension of time to file his or her return.

* * * Estate Tax * * *

Sec. H.31. 32 V.S.A. § 7442a is amended to read:

§ 7442a. IMPOSITION OF A VERMONT ESTATE TAX AND RATE OF TAX

(a) A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was a resident of this state. The base amount of this tax shall be a sum equal to the amount ~~by which~~ of the credit for state death taxes allowable to a decedent's estate under Section 2011, ~~as in effect on January 1, 2001,~~ of the Internal

~~Revenue Code, hereinafter sometimes referred to as the "credit," exceeds the lesser of as in effect on January 1, 2001. This base amount shall be reduced by the lesser of the following:~~

(1) The total amount of all constitutionally valid state death taxes actually paid to other states; or

(2) A sum equal to the proportion of the credit which the value of the property taxed by other states bears to the value of the decedent's total gross estate for federal estate tax purposes.

(b) A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was not a resident of this state. The amount of this tax shall be a sum equal to the proportion of the ~~credit~~ base amount of tax under subsection (a) of this section which the value of Vermont real and tangible personal property taxed in this state bears to the value of the decedent's total gross estate for federal estate tax purposes.

(c) The Vermont estate tax shall not exceed the amount of the tax imposed by Section 2001 of the Internal Revenue Service Code calculated using the applicable credit amount under Section 2010 as in effect on January 1, 2008, with no deduction under Section 2058.

(d) All values shall be as finally determined for federal estate tax purposes.

Sec. H.32. 32 V.S.A. § 7444 is amended to read:

§ 7444. RETURN BY EXECUTOR

In all cases where ~~the federal gross estate at the time of the death of the decedent exceeds the applicable federal exclusion amount or where the estate is subject to federal estate tax~~ a tax is imposed upon the estate under section 7442a of this chapter, the executor shall make a return with respect to the estate tax imposed by this chapter. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he or she shall include in his or her return (to the extent of his or her knowledge or information) a description of such part and the name of every person holding a legal or beneficial interest therein. Upon notice from the commissioner such person shall in like manner make a return as to such part of the gross estate. A return made by one of two or more joint fiduciaries shall be sufficient compliance with the requirements of this section. A return made pursuant to this section shall contain a statement that the return is, to the best of the knowledge and belief of the fiduciary, true and correct.

Sec. H.33. 32 V.S.A. § 7445 is amended to read:

§ 7445. COPIES OF FEDERAL ESTATE TAX RETURNS TO BE FILED

It shall be the duty of the executor of every person who may die a resident of Vermont or a nonresident with real estate or tangible personal property having an actual situs in Vermont to file with the commissioner a duplicate of all federal estate tax returns which he or she is required to make to the federal authorities, or, if no federal estate tax return is required, a pro forma federal estate tax return for the estate of a decedent with a Vermont estate tax liability shall be filed with the commissioner.

Sec. H.34. 32 V.S.A. § 7446 is amended to read:

§ 7446. WHEN RETURNS TO BE FILED

The estate tax return required under section 7444 of this title shall be filed ~~at the time the federal estate tax return is required to be filed under the laws of the United States, including any extensions of time for filing granted by the federal authorities~~ within nine months of the death of the decedent. Prior to expiration of the filing period, executors may apply for a six-month extension.

Sec. H.35. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States, relating to federal estate and gift taxes as in effect on January 1, ~~2008~~ 2009, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) ~~with~~ the credit for state death taxes shall remain as provided for under Section 2011 and 2604 of the Internal Revenue Code as in effect on January 1, 2001;

(2) the applicable credit amount shall remain as provided for under Section 2010 of the Internal Revenue Code, as in effect on January 1, 2008;
and

(3) ~~without any the~~ deduction for state death taxes under Section 2058 of the Internal Revenue Code shall not apply.

* * * Cigarette and Tobacco Taxes * * *

Sec. H.36. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

The following words and phrases, as used in this chapter, shall have the following meanings, unless the context otherwise requires:

* * *

(13) “Snuff” means any finely cut, ground, or powdered tobacco that is not intended to be smoked, has a moisture content of no less than 45 percent, and is not offered in individual single-dose tablets or other discrete single-use units.

* * *

(15) “Tobacco products” means ~~eigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff, snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking~~ any product manufactured from, derived from, or containing tobacco that is intended for human consumption by smoking, chewing, or in any other manner; but shall not include cigarettes, little cigars, roll-your-own tobacco, moist snuff, or new smokeless tobacco as defined in this section.

* * *

(20) “New smokeless tobacco” means any tobacco product manufactured from, derived from, or containing tobacco that is not intended to be smoked, has a moisture content of less than 45 percent, or is offered in individual single-dose tablets or other discrete single-use units.

Sec. H.37. 32 V.S.A. § 7771(c) is amended to read:

(c) The tax imposed under this section shall be at the rate of ~~89.5~~ 112 mills per cigarette or little cigar and for each 0.09 ounces of roll-your-own tobacco. The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. H.38. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all tobacco products except roll-your-own tobacco and little cigars taxed under section 7771 of this title possessed in the state of Vermont by any person for sale on and after July 1, 1959 which were imported into the state or manufactured in the state after said date, except that no tax shall be imposed on tobacco products sold under such circumstances that this state is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the armed forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. Such tax ~~on~~ is intended to be imposed only once upon the wholesale sale of any tobacco products product and shall be at the

rate of ~~41~~ 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at \$1.66 per ounce, or fractional part thereof, ~~and is intended to be imposed only once upon any tobacco product and new smokeless tobacco, which shall be taxed at the greater of \$1.66 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of \$1.99 per package.~~ Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all tobacco products within the state are subject to tax until the contrary is established and the burden of proof that any tobacco products are not taxable hereunder shall be upon the person in possession thereof. Wholesalers of tobacco products shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. H.39. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

* * *

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco in this state who is either a wholesaler, or a retailer who at 12:01 a.m. ~~on July 1, 2006~~ following enactment of this act, has more than 10,000 cigarettes or little cigars or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or retailer at 12:01 a.m. ~~on July 1, 2006~~ following enactment of this act, and on which cigarette stamps have been affixed before July 1, ~~2006~~ following enactment of this act. A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. ~~on July 1, 2006~~ following enactment of this act, and not yet affixed to a cigarette package, and the tax shall be at the rate of ~~\$0.60~~ \$0.25 per stamp. Each wholesaler and retailer subject to the tax shall, on or before July 25, ~~2006~~ following enactment of this act, file a report to the commissioner in such form as the commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. ~~on July 1, 2006~~ following enactment of this act, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before July 25, ~~2006~~ following enactment of this act, and thereafter shall bear interest at the rate established under section

3108 of this title. In case of timely payment of the tax, the wholesaler or retailer may deduct from the tax due two and three-tenths of one percent of the tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

* * *

* * * Sales and Use Tax on Digital Downloads * * *

Sec. H.40. 32 V.S.A. § 9701(45), (46), and (47) are added to read:

(45) Transferred electronically: means obtained by the purchaser by means other than tangible storage media.

(46) Specified digital products: means digital audio-visual works, digital audio works, digital books, or ringtones that are transferred electronically.

(A) Digital audio-visual works: means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any;

(B) Digital audio works: means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones;

(C) Digital books: means works that are generally recognized in the ordinary and usual sense as “books.”

(D) Ringtones: means digitized sound files that are downloaded onto a device and that may be used to alert the customer with respect to a communication.

(47) End user: means any person other than a person who received by contract a product transferred electronically for further commercial broadcast, rebroadcast, transmission, retransmission, licensing, relicensing, distribution, redistribution, or exhibition of the product, in whole or in part, to another person or persons.

Sec. H.41. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this state. The tax shall be paid at the rate of six percent of the sales price charged for but in no case shall any one transaction be taxed under more than one of the following:

* * *

(8) Specified digital products transferred electronically to an end user.

Sec. H.42. 32 V.S.A. § 9772 is amended to read:

§ 9772. AMOUNT OF TAX TO BE COLLECTED

(a) For the purpose of adding and collecting the tax imposed by this chapter, or an amount equal as nearly as possible or practicable to the average equivalent thereof, to be reimbursed to the vendor by the purchaser, the vendor shall use ~~either the calculation in subdivision (1) of this subsection or the formula in subdivision (2). The tax required to be remitted shall be the rate specified in section 9771 of this title multiplied by the total sales price of all the taxable transactions; provided, however, the tax required to be remitted shall be no more than the amount required to be collected. The vendor shall be entitled to retain any amount lawfully collected by the person in excess of the tax imposed by this chapter.~~

~~(1) The multiply the total sales price of all the transaction multiplied transactions taxable by the rate specified in section 9771 of this title carried to the third decimal place and rounded up to the nearest whole cent if the third decimal point is greater than four and rounded down to the nearest whole cent if the third decimal point is four or less. The tax may be computed on either the total invoice amount or on each taxable item.~~

Amount of Sale	Amount of Tax
\$0.01-0.10	No Tax
0.11-0.16	\$.01
0.17-0.33	.02
0.34-0.50	.03
0.51-0.66	.04
0.67-0.83	.05
0.84-1.00	.06

~~In addition to a tax of \$0.06 on each full dollar, a tax shall be collected on each part of a dollar in excess of a full dollar in accordance with the following formula:~~

\$0.01-0.16	\$.01
0.17-0.33	.02
0.34-0.50	.03
0.51-0.66	.04
0.67-0.83	.05
0.84-0.99	.06

* * *

Sec. H.43. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six percent for the use within this state, except as otherwise exempted under this chapter:

* * *

(2) Of any tangible personal property manufactured, processed or assembled by the user, if items of the same kind of tangible personal property are offered for sale by him or her in the regular course of business, but the mere storage, keeping, retention or withdrawal from storage of tangible personal property or the use for demonstrational or instructional purposes of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him or her; and for purposes of this section only, the sale of electrical power generated by the taxpayer shall not be considered a sale by him or her in the regular course of business if at least 60 percent of the electrical power generated annually by the taxpayer is used by the taxpayer in his or her trade or business; ~~and~~

(3) Of any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any taxable services described in subdivision 9771(3) of this title have been performed; and

(4) Specified digital products transferred electronically to an end user.

* * * Sales Tax on Spirituous Liquor * * *

Sec. H.44. 32 V.S.A. § 9743(1) is amended to read:

(1) The state of Vermont, or any of its agencies, instrumentalities, public authorities, public corporations (including a public corporation created pursuant to agreement or compact with another state) or political subdivisions when it is the purchaser, user or consumer, or when it is a vendor of services or property of a kind not ordinarily sold by private persons, or when it charges for admission to any amusement; except that a performance jointly produced or presented by it and another person shall not be exempt from amusement tax unless it meets the joint production requirements imposed on a qualified organization under subdivision (3)(B) of this section and sales of alcoholic beverages shall not be exempt from sales tax.

* * * Returns Upon Business Closing * * *

Sec. H.45. 32 V.S.A. § 9775 is amended to read:

§ 9775. RETURNS

(a) Except as otherwise provided in this section, every person required to collect or pay tax under this chapter shall, where the sales and use tax liability under this chapter for the immediately preceding calendar year has been (or would have been in cases when the business was not operating for the entire year) \$500.00 or less, pay the tax imposed by this chapter in one annual payment on or before the 25th day of January of each year. Every person required to collect or pay tax under this chapter shall, where the sales and use tax liability under this chapter for the immediately preceding calendar year has been (or would have been in cases when the business was not operating for the entire year) more than \$500.00 but less than \$2,500.00, pay the tax imposed by this chapter in quarterly installments on or before the 25th day of the calendar month succeeding the quarter ending on the last day of March, June, September, and December of each year. In all other cases, except as provided in ~~subsection~~ subsections (e) and (g) of this section, the tax imposed by this chapter shall be due and payable monthly on or before the 25th (23rd of February) day of the month following the month for which the tax is due. Payment by electronic funds transfer does not affect the requirement to file returns. The return of a vendor of tangible personal property shall show such information as the commissioner may require.

* * *

(g) A person required to report sales and use tax annually who cancels his, her, or its sales and use tax account shall file a final return not later than 60 days after such cancellation.

* * * Land Gains Tax * * *

Sec. H.46. 32 V.S.A. § 10009(b) is amended to read:

(b) All the administrative provisions of chapter 151 of this title, including those relating to the collection and enforcement by the commissioner of the withholding tax and the income tax, and of chapter 103, including those relating to interest and penalty charges, shall apply to the tax imposed by this chapter.

* * * Capital Gains Exemption and Partial Exclusion of Deduction for State
Income Taxes * * *

Sec. H.47. 32 V.S.A. § 5811(21) is amended to read:

(21) "Taxable income" means federal taxable income determined without regard to Section 168(k) of the Internal Revenue Code and:

(A) Increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations;
and

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; and

(iii) the amount in excess of \$5,000.00 of state and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from United States government obligations; and

~~(ii) 40 percent of adjusted net capital gain income as defined in Section 1(h) of the Internal Revenue Code, but the total amount of decrease under this subdivision (ii) shall not exceed 40 percent of federal taxable income~~ the first \$5,000.00 of adjusted net capital gain income as defined in Section 1(h) of the Internal Revenue Code; and

(iii) recapture of state and local income tax deductions not taken against Vermont income tax.

* * * Deduction for Vehicle Purchase Sales Tax * * *

Sec. H.47b. INCLUSION IN INCOME OF AMOUNT OF DEDUCTION TAKEN FOR SALES AND USE TAX ON PURCHASE OF NEW VEHICLE

(a) For taxable year 2009 only, a taxpayer shall increase his or her taxable income calculated pursuant to Section 5811(21) by the amount of any deduction taken pursuant to Section 164(a)(6) of the Internal Revenue Code.

(b) The \$100,000 appropriation in Sec. B 1101 (a) (10) of the this act is to fund the joint legislative government accountability committee established in Sec. 5 of No. 206 of the Acts of the 2008 General Assembly (adj. sess.) for the purpose of hiring consultants to make recommendations for further efficiencies in state government.

* * * Reduction of Income Tax Rates * * *

Sec. H.48. REDUCTION OF PERSONAL INCOME TAX RATES

For taxable year 2009 and subsequent taxable years, income tax rates under 32 V.S.A. § 5822, after taking into account any inflation adjustments to taxable income as required under subdivision 5822(b)(2), shall be as follows:

<u>For taxable income which, without</u>	<u>That taxable income</u>
<u>the passage of this act, would be</u>	<u>shall instead be taxed</u>

<u>subject to tax at the following rate:</u>	<u>at the following rate:</u>
<u>3.60%</u>	<u>3.55%</u>
<u>7.20%</u>	<u>6.80%</u>
<u>8.50%</u>	<u>7.80%</u>
<u>9.00%</u>	<u>8.80%</u>
<u>9.50%</u>	<u>8.95%</u>

Sec. H.48a. STATUTORY REVISION

The legislative council is directed to revise the Vermont Statutes Annotated to reflect the income tax rate changes in Sec. H.48 of this act.

Sec. H.49. HEALTH CARE REFORM PROPERTY TAX EXEMPTION

In fiscal years 2010 and 2011, the following two properties shall be exempt from education property tax under chapter 135 of Title 32: Buildings and land owned and occupied by a health, recreation, and fitness organization which is exempt under Section 501(c)(3) of the Internal Revenue Code, the income of which is entirely used for its exempt purpose, one of which is designated by the Springfield Hospital and the other designated by the North Country Hospital, to promote exercise and healthy lifestyles for the community and to serve citizens of all income levels in this mission. This exemption shall apply, notwithstanding the provisions of subdivision 3832(7) of Title 32.

* * * Digital Business Entities * * *

Sec. H.50. LEGISLATIVE INTENT

The purpose of the following sections of this act concerning digital business entities is to build on the momentum created by Secs. 74 through 100 of No. 190 of the Acts of the 2007 Adj. Sess. (2008), which provided for Vermont companies to conduct much of their statutorily required corporate affairs using electronic media, including e-mail, facsimile, and web-based filings.

Sec. H.51. 32 V.S.A. § 5811(26) is added to read:

(26) "Digital business entity" means a business entity which, during the entire taxable year:

(A) was not a member of an affiliated group or engaged in a unitary business with one or more members of an affiliated group that is subject to Vermont income taxation; did not have any Vermont property, payroll, or sales and did not perform any activities in this state which would constitute doing business for purposes of income taxation except activities described in subdivisions (15)(C)(i) (fulfillment operations) and (C)(ii) (web page or Internet site maintenance) of this section; and

(B) used mainly computer, electronic, and telecommunications technologies in its formation and in the conduct of its business meetings, in its interaction with shareholders, members, and partners, in executing any other formal requirements.

Sec. H.52. 32 V.S.A. § 5832(2) is amended to read:

(2)(A) \$75.00 for small farm corporations. “Small farm corporation” means any corporation organized for the purpose of farming, which during the taxable year is owned solely by active participants in that farm business and receives less than \$100,000.00 gross receipts from that farm operation, exclusive of any income from forest crops; or

(B) An amount determined in accordance with section 5832a of this title for a corporation which qualifies as and has elected to be taxed as a digital business entity for the taxable year; or

(C) \$250.00 for all other corporations.

Sec. H.53. 32 V.S.A. § 5832a is added to read:

§ 5832a. DIGITAL BUSINESS ENTITY FRANCHISE TAX

(a) There is imposed upon every business entity which qualifies as and has elected to be taxed as a digital business entity an annual franchise tax equal to:

(1) the greater of 0.02 percent of the current value of the tangible and intangible assets of the company or \$250.00, but in no case more than \$500,000.00; or

(2) where the authorized capital stock does not exceed 5,000 shares, \$250.00; where the authorized capital stock exceeds 5,000 shares but is not more than 10,000 shares, \$500.00; and the further sum of \$250.00 on each 10,000 shares or part thereof.

(b) In no case shall the tax on any corporation for a full taxable year, whether computed under subdivision (a)(1) or (2) of this section, be more than \$500,000.00 or less than \$250.00.

(c) In the case of a corporation that has not been in existence during the whole year, the amount of tax due, at the foregoing rates and as provided, shall be prorated for the portion of the year during which the corporation was in existence.

(d) In the case of a corporation changing during the taxable year the amount of its authorized capital stock, the total annual franchise tax payable at the foregoing rates shall be arrived at by adding together the franchise taxes calculated pursuant to subdivision (a)(2) of this section as prorated for the

several periods of the year during which each distinct authorized amount of capital stock was in effect.

(e) For the purpose of computing the taxes imposed by this section, the authorized capital stock of a corporation shall be considered to be the total number of shares that the corporation is authorized to issue without regard to whether the number of shares that may be outstanding at any one time is limited to a lesser number.

(f) The franchise tax under this section shall be reported and paid in the same manner as the tax under subdivision 5832(2)(B) of this title; provided, however, that an electing corporation shall also provide the commissioner with a copy of its federal tax return.

Sec. H.54. 32 V.S.A. § 5838 is added to read:

§ 5838. DIGITAL BUSINESS ENTITY ELECTION

A corporation shall not be subject to the tax imposed by section 5832 of this title if the corporation qualifies as and elects to be taxed as a digital business entity for the taxable year.

Sec. H.55. REPORT TO THE GENERAL ASSEMBLY ON DIGITAL BUSINESS ENTITY INCOME

Beginning in 2011 and every year thereafter, by January 15, the commissioner of taxes shall report to the house committee on ways and means and to the senate committee on finance on the amount of income reported to date to the department by businesses electing to be taxed as digital businesses, an estimate of the amount of income taxes exempted as a result, and details as to the size of businesses reporting. The committees shall review the report and make their recommendation to the general assembly as to whether to continue the taxpayer option of a digital business election and whether to extend the option to pass-through entities. If the digital business election is repealed, the commissioner's reporting requirement of this section shall no longer apply.

* * * Blue Ribbon Tax Structure Commission * * *

Sec. H.56. BLUE RIBBON TAX STRUCTURE COMMISSION

(a) Composition of commission. There is hereby established a blue ribbon tax structure commission composed of three to five members to be selected as follows:

(1) The speaker of the house, the president pro tempore of the senate, and the governor shall each appoint one member; and

(2) The three members appointed pursuant to subdivision (1) of this subsection may select one or two additional members.

(b) The commission shall be appointed as soon as possible after the effective date of this act. The panel shall elect a chair and a vice chair from among its members.

(c) Purpose and goals. The commission shall prepare a structural analysis of the state's revenue system and offer recommendations for improvements and modernization and provide a long-term vision for the tax structure. The commission shall have as its goal a tax system that provides sustainability, appropriateness, and equity. For guidance, the commission may use the Principles of a High-Quality State Revenue System as prepared by the National Conference of State Legislatures as of June 2007. A high-quality revenue system:

(1) Comprises elements that are complementary, including the finances of both state and local governments.

(2) Produces revenue in a reliable manner. Reliability involves stability, certainty, and sufficiency.

(3) Relies on a balanced variety of revenue sources.

(4) Treats individuals equitably. Minimum requirements of an equitable system are that it imposes similar tax burdens on people in similar circumstances, it minimizes regressivity, and it minimizes taxes on low income individuals.

(5) Facilitates taxpayer compliance. It is easy to understand and minimizes compliance costs.

(6) Promotes fair, efficient, and effective administration. It is as simple as possible to administer, raises revenue efficiently, is administered professionally, and is applied uniformly.

(7) Is responsive to interstate and international economic competition.

(8) Minimizes its involvement in spending decisions and makes any such involvement explicit.

(9) Is accountable to taxpayers.

(d) The blue ribbon commission shall receive technical support from the department of taxes, the legislative joint fiscal office, and consultants. From data provided from the tax department the following reports will be provided to the commission:

(1) Changes in personal income, arranged by decile, over the last five years;

(2) House site and homestead value arranged by adjusted gross income (AGI) and, where available, household income;

(3) Gross and net school taxes paid, arranged by adjusted gross income and, where available, by household income.

(e) The joint fiscal office with the assistance of the legislative council and the department of taxes may contract with one or more consultants to provide assistance with achieving the goals for the commission. The consultants shall have extensive experience with state tax systems and shall have participated in at least one other study of a state tax system.

(f) Work Plan.

(1) Year 1 – Examine Vermont’s income tax structure and analyze, among other things, whether the principles of sustainability, appropriateness, and equity would be better met by using adjusted gross income rather than federal taxable income. This shall include an examination of personal exemptions, deductions, brackets, credits, and other adjustments to income.

The commission shall prepare a work plan by September 15, 2009, preliminary findings by November 1, 2009, and a final report due January 1, 2010 submitted to the governor, the speaker, the president pro tempore, the house committee on ways and means and the senate committee on finance.

(2) Year 2 – The commission, by February 1, 2010, shall also present a proposed work plan which shall include a delivery date prior to February 1, 2011 for examining tax expenditures, fees, consumption taxes, and business taxes. The work plan shall include examining whether fees are being used to fund general responsibilities of government and whether such use is sustainable, appropriate, and equitable. The work plan shall include an analysis of the process for reviewing tax expenditures under section 312 of Title 32.

(g) Of the funds appropriated to the joint fiscal office, \$200,000 is for the purpose of hiring consultants and other support for the commission.

(h) Non-legislative members of the commission shall be entitled to compensation as provided under 32 V.S.A. § 1010. Any legislative members of the commission shall be entitled to the same per diem compensation and reimbursement of necessary expenses for attendance at a meeting when the general assembly is not in session as provided to members of standing committees under 2 V.S.A. § 406.

* * * Financing and Effectiveness of the Vermont Education System * * *

SEC. H.57. FINANCING AND EFFECTIVENESS OF THE VERMONT EDUCATION SYSTEM IN THE 21ST CENTURY; COMMITTEE

(a) Findings.

(1) The future of Vermont's economic and social well-being is dependent on a strong, efficient public education system.

(2) Pressures on Vermont's education funding system, the state's general fund, and the Vermont economy as a whole make it increasingly difficult to ensure that Vermonters will continue to have access to the high quality education they have come to expect.

(b) Committee created. There is created a committee to examine potential improvements to the structure and funding of the Vermont educational system in light of the state's limited financial resources. When performing the duties assigned to it, the committee shall consider the work of the committee convened by the governor, the speaker of the house, and the president pro tempore during the 2009 legislative session. Among other issues, the committee shall:

(1) Examine the role and the effectiveness of the policy-making, management, and administrative structure that creates and implements Vermont education policy, including consideration of the functions of the legislature, the governor, the state board of education, the department of education, supervisory unions, local school boards, parents, students, community members, and other entities and individuals.

(2) Consider the types of decisions the identified entities and individuals make and how these decisions influence decisions made by others, with a focus on how they shape educational outcomes and drive funding requirements.

(3) Identify and evaluate the long-range sustainability of current and potential funding sources and mechanisms.

(4) Determine whether and to what extent each identified funding source and mechanism advances the mission of Vermont's educational system, including whether it complies with Brigham v. State, 166 Vt. 246 (1997).

(c) Committee membership. The committee shall have 15 members who shall be:

(1) The chairs of the house committees on education, on appropriations, and on ways and means or their designees, plus one additional member of the house of representatives appointed by the speaker of the house.

(2) The chairs of the senate committees on education, on appropriations, and on finance or their designees, plus one additional member of the senate appointed by the committee on committees.

(3) The commissioner of education or the commissioner's designee.

(4) Six members from constituencies such as the business community, superintendents, school boards, teachers, parents, and community members to be selected by July 15, 2009 as follows: two by the speaker of the house, two by the committee on committees, and two by the governor.

(d) Committee's overall composition. Persons making appointments under subsection (c) of this section shall consider the overall composition of the committee and shall attempt to ensure both that committee members have a broad understanding of the current education funding system and that the committee includes both supporters and critics of the system.

(e) Initial meeting. The commissioner of education shall convene the first meeting of the committee on or before July 30, 2009. The committee shall select a chair from among its members at the first meeting.

(f) Committee staff. The department of education and the joint fiscal office shall provide administrative and fiscal services to the committee. The committee shall rely upon the legislative council to draft all proposed legislation.

(g) Compensation for legislators. For attendance at a meeting when the general assembly is not in session, legislative members of the committee shall be entitled to compensation for services and reimbursement of expenses as provided in 2 V.S.A. § 406(a).

(h) Compensation for private citizens. Committee members who are not full-time state employees shall be entitled to expenses as provided in 32 V.S.A. § 1010 from money appropriated for this purpose by the general assembly.

(i) Number of meetings authorized. The committee shall meet no more than six times unless specifically authorized by the speaker of the house and the president pro tempore of the senate.

(j) Report. On or before December 15, 2009, the committee shall present detailed written findings and recommendations to the members of the house and senate committees on education, the house committee on ways and means, the senate committee on finance, and the governor. It shall provide draft legislation designed to implement its recommendations to the same parties by January 15, 2010.

Sec. H.58. EFFECTIVE DATES

This section. and Secs. H.1–H.57 of this act shall take effect upon passage, except:

(1) Sec. H.22 (establishing an ad hoc board of civil authority for unorganized towns and gores and unified towns and gores) shall apply to appeals filed on or after July 1, 2009.

(2) Sec. H.23 (repealing tax information insert) shall apply to homestead property tax bills mailed in 2009 and after.

(3) Sec. H.24 (unsigned declaration of homestead) shall apply to declarations filed in calendar year 2010 and after.

(4) Sec. H.25 (taxation of unrelated business income of nonprofit corporations) shall take effect for taxable years beginning on and after January 1, 2010.

(5) Sec. H.26 (update of link to federal income tax laws) shall apply to taxable years beginning on and after January 1, 2008.

(6) Sec. H.29 (deadline for notice from department to towns regarding adjustment amounts) shall apply to homestead declarations filed in 2009 and after.

(7) Secs. H.31–H.35 (estate taxes) shall apply to estates of individuals dying on or after January 1, 2009.

(8) Secs. H.36–H.39 (tax on cigarettes and other tobacco products) shall take effect on July 1, 2009.

(9) Secs. H.40–H.43 (sales and use tax on digital downloads) shall take effect on July 1, 2009.

(10) Sec. H.44 (sales tax on spirituous liquor) shall take effect on July 1, 2009).

(11) Sec. H.45 (cancellation of sales and use tax account) shall take effect with respect to cancellations on or after July 1, 2009.

(12) Sec. H.47 (capital gains exemption and state income tax deduction) shall apply to taxable years beginning on or after January 1, 2009.

(13) Secs. H.50–H.55 (digital business entities) shall take effect on January 1, 2010.

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.

SUSAN J. BARTLETT
RICHARD W. SEARS, JR.
DIANE B. SNELLING

Committee on the part of the Senate

MARTHA P. HEATH

MARK LARSON

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 18, Nays 10.

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

Roll Call

Those Senators who voted in the affirmative were: Bartlett, Campbell, Carris, *Choate, Cummings, Giard, Hartwell, Illuzzi, Kitchel, Kittell, Mazza, Miller, Nitka, Sears, Shumlin, Snelling, Starr, White.

Those Senators who voted in the negative were: Ashe, Brock, Doyle, Flanagan, MacDonald, Maynard, McCormack, Mullin, Racine, Scott.

Those Senators absent and not voting were: Ayer, Lyons.

*Senator Choate explained his vote as follows:

“Mr. President:

“I’ve said many times that I was not in favor of raising more revenues. However, I believe the conference committee has done due diligence to make this a balanced package. Because it holds facilities open, tries to preserve some jobs and spreads the burden evenly, I support this measure.”

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate**H. 427.**

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to making miscellaneous amendments to education law.

Was taken up for immediate consideration.

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

To the Senate and House of Representatives:

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

H. 427. An act relating to making miscellaneous amendments to education law.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Cross-References * * *

Sec. 1. 16 V.S.A. § 11(a)(30) is amended to read:

(30) “Hazing” means any act committed by a person, whether individually or in concert with others, against a student in connection with pledging, being initiated into, affiliating with, holding office in, or maintaining membership in any organization which is affiliated with an educational institution; and which is intended to have the effect of, or should reasonably be expected to have the effect of, humiliating, intimidating or demeaning the student or endangering the mental or physical health of a student. Hazing also includes soliciting, directing, aiding, or otherwise participating actively or passively in the above acts. Hazing may occur on or off the campus of an educational institution. Hazing shall not include any activity or conduct that furthers legitimate curricular, extracurricular, or military training program goals, provided that:

(1) the goals are approved by the educational institution; and

(2) the activity or conduct furthers the goals in a manner that is appropriate, contemplated by the educational institution, and normal and customary for similar programs at other educational institutions.

The definitions of ~~educational institution, organization, pledging, and student~~ “educational institution,” “organization,” “pledging,” and “student” shall be the same as those in section ~~154~~ 140a of this title.

* * * Audits and Auditors * * *

Sec. 2. 16 V.S.A. § 261a(10) is amended to read:

(10) submit to the town auditors of each member school district or to the person authorized to perform the duties of an auditor for the school district, on or before January 15 of each year, a summary report of financial operations of the supervisory union for the preceding school year, an estimate of its financial operations for the current school year, and a preliminary budget for the supervisory union for the ensuing school year. This requirement shall not apply to a supervisory district. For each school year, the report shall show the actual or estimated amount ~~of state aid for special education awarded to~~

expended by the supervisory union for special education-related services, including the amount generated by, and the amount allocated to;

(A) A breakdown of that figure showing the amount paid by each school district within the supervisory union.

(B) A summary of the services provided by the supervisory union's use of the expended funds.

Sec. 3. 16 V.S.A. § 323 is amended to read:

§ 323. AUDIT BY PUBLIC ACCOUNTANT

Annually, the supervisory union board shall employ a public accountant to audit the financial statement of the supervisory union. The audit shall be conducted in accordance with generally accepted government auditing standards, including the issuance of a report of internal controls over financial reporting that shall be provided to recipients of the financial statements. Any annual report of the supervisory union to member districts shall include notice that an audit has been performed.

Sec. 4. 16 V.S.A. § 563(17) is amended to read:

(17) Shall employ a public accountant at least once in each period of three years to audit the financial statements of the school district. However, if the town has voted to eliminate the office of auditor under section 2651b of Title 17, the school board shall employ a public accountant annually to audit the financial statements of the school district pursuant to that section. Audits performed by public accountants shall be conducted in accordance with generally accepted government auditing standards, including the issuance of a report of internal controls over financial reporting that shall be provided to recipients of the financial statements. The school board may authorize an audit in conjunction with another school district or a supervisory union.

Sec. 5. 17 V.S.A. § 2647 is amended to read:

§ 2647. INCOMPATIBLE OFFICES

(a) An auditor shall not be town clerk, town treasurer, selectman, first constable, collector of current or delinquent taxes, trustee of public funds, town manager, road commissioner, water commissioner, sewage system commissioner, sewage disposal commissioner, or town district school director; nor shall a spouse of or any person assisting any of these officers in the discharge of ~~their~~ official duties be eligible to hold office as auditor. A selectman or school director shall not be first constable, collector of taxes, town treasurer, auditor, or town agent. A selectman shall not be lister. A town manager shall not hold any elective office in the town or town school district.

Election officers at local elections shall be disqualified as provided in section 2456 of this title.

(b) Notwithstanding subsection (a) of this section, if a school district prepares and reports its budget independently from the budget of the town and the school district is audited by an independent public accountant, a person shall be eligible to hold office as auditor even if that person's spouse holds office as a school director.

* * * School District Budgets * * *

Sec. 6. 16 V.S.A. § 563(11)(B)(ii) is amended to read:

(ii) ~~Form of vote.~~ The ballot shall be in the following form:

~~“School Budget Question #1:~~

~~Shall the voters of the School District approve a total budget in the amount of [\$ _____], which includes the Maximum Inflation Amount of education spending?~~

~~“School Budget Question #2:~~

~~If Question #1 is approved, shall the voters of the School District also approve additional education spending of [\$ _____]?”~~

“The total proposed budget of \$ _____ is the amount determined by the school board to be necessary to support the school district's educational program. State law requires the vote on this budget to be divided because (i) the school district's spending per pupil last year was more than the statewide average and (ii) this year's proposed budget is greater than last year's budget adjusted for inflation.

“Article #1 (School Budget):

Part A. Shall the voters of the school district authorize the school board to expend \$ _____, which is a portion of the amount the school board has determined to be necessary?

Part B. If Part A is approved by the voters, shall the voters of the school district also authorize the school board to expend \$ _____, which is the remainder of the amount the school board has determined to be necessary?”

Sec. 7. EFFECTS ON EXISTING LAW

Nothing in Sec. 6 of this act shall repeal or amend the application of the provisions of Sec. 6 of No. 82 of the Acts of 2007 to 16 V.S.A. § 563(11).

Sec. 8. 16 V.S.A. § 563(11)(C) is amended to read:

(C) At a school district's annual or special meeting, the electorate may vote to provide notice of availability of the school budget required by this subdivision to the electorate in lieu of distributing the budget. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual meeting. The proposed budget shall be prepared and distributed at least ten days before a sum of money is voted on by the electorate. Any proposed budget shall show the following information in a format prescribed by the commissioner of education:

(i) all revenues from all sources, and expenses, including as separate items any assessment for ~~a union school district or~~ a supervisory union of which it is a member, and any tuition to be paid to a technical center;

(ii) the specific amount of any deficit incurred in the most recently closed fiscal year and how the deficit was or will be remedied;

(iii) the anticipated homestead tax rate and the percentage of household income used to determine income sensitivity in the district as a result of passage of the budget; including those portions of the tax rate attributable to ~~the union school and~~ supervisory union assessments; and

(iv) ~~in the case of a school district:~~

~~(I) other than a union school district, the definition of "education spending," the number of pupils and number of equalized pupils in the school district, and the district's education spending per equalized pupil in the proposed budget and in each of the prior three years; or~~

~~(II) in the case of a union school district, the amount of the assessment to each of the member districts and the amount of the assessments per equalized pupil in the proposed budget and for the past three years.~~

Sec. 9. 16 V.S.A. § 563(10) is amended to read:

(10) Shall prepare and distribute to the electorate, not less than ten days prior to the district's annual meeting, a report of the conditions and needs of the district school system, including the superintendent's, supervisory union treasurer's, and school district treasurer's annual report for the previous school year, the balance of any reserve funds established pursuant to 24 V.S.A. § 2804, a summary of the town auditor's report as to fiscal years which are audited by town auditors as required by 24 V.S.A. § 1681, a summary of the public accountant's report as to fiscal years which are audited by a public accountant, and a notice of the time and place where the full report of the town

auditor or the public accountant will be available for inspection and copying at cost. Each town auditor's and public accountant's report shall comply with 24 V.S.A. § 1683(a). At a school district's annual meeting, the electorate may vote to provide notice of availability of the report required by this subdivision to the electorate in lieu of distributing the report. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual or special meeting.

* * * Union Districts; Consolidation * * *

Sec. 10. 16 V.S.A. § 706f is amended to read:

§ 706f. CONTENTS OF WARNING ON VOTE TO ESTABLISH THE UNION

The warning for each school district meeting shall contain two articles in substantially the following form:

WARNING

The voters of the town (city, union, etc.) school district of _____ are hereby notified and warned to meet at _____ on the _____ day of _____, _____, to vote by Australian ballot between the hours of _____, at which time the polls will open, and, at which time the polls will close, upon the following articles of business:

Article I

Shall the town (city, union, etc.) school district of _____ which the State Board of Education has found (necessary or advisable) to include in the proposed union school district, join with the school districts of _____ and _____, which the State Board of Education has found necessary to include in the proposed union school district, and the school districts of _____ and _____, which the State Board of Education has found advisable to include in the proposed union school district, for the purpose of forming a union school district, as provided in Title 16, Vermont Statutes Annotated, upon the following conditions and agreements:

(a) Grades. The union school district shall operate and manage a school offering instruction in grades _____ through _____.

* * *

Sec. 11. 16 V.S.A. § 721a(b) is amended to read:

(b) When a majority of the voters of a school district present and voting at a school district meeting duly warned for that purpose votes to withdraw from a union school district the vote shall be certified by the clerk of the school district to the secretary of state who shall record the certificate in his or her

office and give notice of the vote to the commissioner of education and to the other member districts of the union school district. ~~Those~~ Within 90 days after receiving notice, those member districts shall vote by Australian ballot on the same day during the same hours whether to ratify withdrawal of the member district. Withdrawal by a member district shall be effective only if approved by an affirmative vote of each of the other member school districts within the union school district.

Sec. 12. SCHOOL DISTRICT CONSOLIDATION

School districts that have entered into a contract to operate schools jointly pursuant to 16 V.S.A. chapter 11, subchapter 1, shall be eligible through June 30, 2010 for any transition aid that is available under Sec. 168a of No. 122 of the Acts of the 2003 Adj. Sess. (2004) as amended by Sec. 23 of No. 66 of the Acts of 2007 under the same terms and conditions as a union, unified union, or interstate school district.

* * * Tuition; Designation; Maintain School * * *

Sec. 13. 16 V.S.A. chapter 21 is amended to read:

CHAPTER 21. MAINTENANCE OF PUBLIC SCHOOLS

§ 821. SCHOOL DISTRICT TO MAINTAIN PUBLIC ELEMENTARY SCHOOLS OR PAY TUITION

(a) Elementary school. Each school district shall provide, furnish, and maintain one or more approved schools within the district in which elementary education for its pupils is provided unless:

(1) The electorate authorizes the school board to provide for the elementary education of the pupils residing in the district by paying tuition in accordance with law to one or more public elementary schools in one or more school districts.

* * *

(b) Kindergarten program. Each school district shall provide public kindergarten education within the district. However, a school district may pay tuition for the kindergarten education of its pupils:

(1) at one or more public schools under subdivision (a)(1) of this section; or

(2) if the electorate authorizes the school board to pay tuition to one or more approved independent schools ~~approved by the state board or independent schools meeting school quality standards~~, but only if the school district did not operate a kindergarten on September 1, 1984, and has not done so afterward.

(c) Notwithstanding subsection (a) of this section, a school board without previous authorization by the electorate may pay tuition for elementary pupils who reside near a public elementary school in an adjacent district upon request of the pupil's parent or guardian, if in the board's judgment the pupil's education can be more conveniently furnished there due to geographic considerations. ~~The board's decision shall be final in regard to the institution the pupil may attend.~~ Within 30 days of the board's decision, a parent or guardian who is dissatisfied with the decision of the board under this subsection may request a determination by the commissioner, who shall have authority to direct the school board to pay all, some, or none of the pupil's tuition and whose decision shall be final.

(d) Notwithstanding subsection (a) of this section, the electorate of a school district that does not maintain an elementary school may grant general authority to the school board to pay tuition for an elementary pupil at an approved independent nonresidential elementary school upon request of a notice given by the pupil's parent or legal guardian, if in the board's judgment the pupil's educational interests can be better served there. ~~The board's decision shall be final in regard to the institution the pupil may attend before April 15 for the next academic year; provided the board shall pay tuition for the pupil in an amount not to exceed the least of:~~

(1) The statewide average announced tuition of Vermont union elementary schools.

(2) The average per-pupil tuition the district pays for its other resident elementary pupils in the year in which the pupil is enrolled in the approved independent school.

(3) The tuition charged by the approved independent school in the year in which the pupil is enrolled.

§ 822. SCHOOL DISTRICTS TO MAINTAIN HIGH SCHOOLS OR PAY TUITION

(a) Each school district shall provide, furnish, and maintain one or more approved high schools in which high school education is provided for its pupils unless:

(1) The electorate authorizes the school board to close an existing high school and to provide for the high school education of its pupils by paying tuition in accordance with law. Tuition for its pupils shall be paid to ~~an approved a public or high school, an approved independent high school, or an independent school meeting school quality standards,~~ to be selected by the parents or guardians of the pupil, within or without the state; or

* * *

(c) The school board may both maintain a high school and furnish high school education by paying tuition to a public school as in the judgment of the board may best serve the interests of the pupils, or to an approved independent school or an independent school meeting school quality standards if the board judges that a pupil has unique educational needs that cannot be served within the district or at a nearby public school. Its judgment shall be final in regard to the institution the pupils may attend at public cost.

§ 823. ELEMENTARY TUITION

* * *

(b) The tuition paid to an approved independent elementary school or an independent school meeting school quality standards shall not exceed the lesser of: (1) the average announced tuition of Vermont union elementary schools for the year of attendance; or (2) the tuition charged by the independent school. However, the electorate of a school district may authorize the payment of a higher amount at an annual or special meeting warned for the purpose.

§ 824. HIGH SCHOOL TUITION

(a) Tuition for high school pupils shall be paid by the school district in which the pupil is a resident.

(b) Except as otherwise provided for technical students, the district shall pay the full tuition charged its pupils attending a public high school in Vermont or an adjoining state; or a public or approved independent school in Vermont functioning as an approved area technical center, or an independent school meeting school quality standards; provided:

(1) If a payment made to a public high school or an independent school meeting school quality standards is three percent more or less than the calculated net cost per secondary pupil in the receiving school district or independent school for the year of attendance then the district or school shall be reimbursed, credited, or refunded pursuant to section 836 of this title.

(2) Notwithstanding the provisions of this subsection or of subsection 825(b) of this title, the ~~boards~~ board of the receiving ~~and sending districts or independent schools~~ public school district, public or approved independent school functioning as an area technical center, or independent school meeting school quality standards may enter into tuition agreements with the boards of sending districts that have terms differing from the provisions of those subsections, provided that the receiving district or school must offer identical terms to all sending districts, and further provided that the statutory provisions apply to any sending district that declines the offered terms.

(c) ~~For students in grades 7-12, the~~ The district shall pay an amount not to exceed the average announced tuition of Vermont union high schools for ~~students in grades 7-12 for~~ the year of attendance for its pupils enrolled in an approved independent school not functioning as a Vermont area technical center, or any higher amount approved by the electorate at an annual or special meeting warned for that purpose.

* * *

§ 826. NOTICE OF TUITION RATES; SPECIAL EDUCATION CHARGES

(a) A school board, or the board of trustees of an independent school meeting school quality standards ~~which~~ that proposes to increase tuition charges shall notify the school board of the school district from which its nonresident pupils come, and the commissioner, of the proposed increase on or before ~~February 1~~ January 15 in any year; such increases shall not become effective without the notice and not until the following school year.

* * *

§ 827. DESIGNATION OF A PUBLIC HIGH SCHOOL OR AN APPROVED INDEPENDENT HIGH SCHOOL AS THE SOLE PUBLIC HIGH SCHOOL OF A SCHOOL DISTRICT

(a) A school district not maintaining an approved public high school may vote on such terms or conditions as it deems appropriate, to designate an approved independent school or a public school as the public high school of the district.

(b) ~~When~~ Except as otherwise provided in this section, if the board of trustees or the school board of ~~such~~ the designated school votes to accept this designation the school shall be regarded as a public school for tuition purposes under subsection 824(b) of this title and the sending school district shall pay tuition to ~~the~~ that school only, until such time as the sending school district or the ~~board of trustees of the~~ designated school votes to rescind the designation.

(c) A parent or legal guardian who is dissatisfied with the instruction provided at the designated school or who cannot obtain for his or her child the kind of course or instruction desired there, or whose child can be better accommodated in an approved independent or public high school nearer his or her home during the next academic year, may request on or before April 15 that the school board ~~to~~ pay tuition to another approved independent or public high school selected by the parent or guardian.

(d) The school board may pay tuition to another approved high school as requested by the parent or legal guardian if in its judgment that will best serve the interests of the pupil. Its decision shall be final in regard to the institution

the pupil may attend. If the board approves the parent's request, the board shall pay tuition for the pupil in an amount not to exceed the least of:

(1) The statewide average announced tuition of Vermont union high schools.

(2) The per-pupil tuition the district pays to the designated school in the year in which the pupil is enrolled in the nondesignated school.

(3) The tuition charged by the approved nondesignated school in the year in which the pupil is enrolled.

§ 828. TUITION TO APPROVED SCHOOLS, AGE, APPEAL

A school district shall not pay the tuition of a pupil except to a public ~~or~~ school, an approved independent school or, an independent school meeting school quality standards, a tutorial program approved by the state board, an approved education program, or an independent school in another state or country approved under the laws of that state or country, nor shall payment of tuition on behalf of a person be denied on account of age. Unless otherwise provided, a person who is aggrieved by a decision of a school board relating to eligibility for tuition payments, the amount of tuition payable, or the school he or she may attend, may appeal to the state board and its decision shall be final.

* * *

* * * State-Placed Students * * *

Sec. 14. 16 V.S.A. § 11(a)(28) is amended to read:

(28) "State-placed student" means:

(A) a Vermont pupil who has been placed in a school district other than the district of residence of the pupil's parent, parents or guardian or in an approved residential facility by a Vermont state agency, a Vermont licensed child placement agency, a designated community mental health agency, or any other agency as defined by the commissioner; or

(B) a Vermont pupil who:

(i) is 18 years of age or older;

(ii) is living in a community residence as a result of placement by a Vermont state agency, a Vermont licensed child placement agency or a designated community mental health agency, and whose residential costs are paid for in whole or in part by one of these agencies; and

(iii) resides in a school district other than the district of the pupil's parent or parents; or

~~(C) a pregnant or postpartum pupil attending school at an approved education program in a residential facility or outside the school district of residence pursuant to subsection 1073(b) of this title~~

(D) A Vermont pupil who:

(i) Is in either:

(I) The legal custody of the commissioner for children and families; or

(II) The temporary legal custody of an individual pursuant to subdivision 5308(b)(3) or (4) of Title 33, until a disposition order has been entered pursuant to section 5318 of that title; and

(ii) Is determined by the commissioner of education to be in particular need of educational continuity by attending a school in a district other than the pupil's current district of residence;

~~(E) "State-placed student" But does not include pupils mean a pupil placed within a correctional facility or in the Woodside Juvenile Rehabilitation Center or The Eldred School operated by the Vermont State Hospital.~~

Sec. 15. 16 V.S.A. § 1075(b) and (c) are amended to read:

(b) The commissioner shall determine the legal residence of all state-placed students pursuant to the provisions of this section. In all other cases, the pupil's legal residence shall be determined by the board of school directors of the district in which the pupil is seeking enrollment or, if the pupil is seeking payment of tuition, the board of directors from which the pupil is seeking tuition payment. If a pupil is denied enrollment at any stage, the pupil and his or her parent or guardian shall be notified in writing, within 24 hours, of the provisions of this section. If the pupil is not in attendance as a result of a preliminary decision by school officials and a decision from the board of school directors will not be available by the end of the second school day after the request for enrollment is made, the commissioner may issue a temporary order requiring enrollment. Any interested person or taxpayer who is dissatisfied with the decision of the board as to the pupil's legal residence may appeal to the commissioner of education, who shall determine the pupil's legal residence, and the decision of the commissioner shall be final. Pending appeal under this subsection, the commissioner shall issue a temporary order requiring enrollment.

(c) State-placed students.

(1) A state-placed student, other than one placed in a 24-hour residential facility and except as otherwise provided in this subsection, shall be educated by the school district in which the pupil is living, unless an alternative plan or

facility for the education of the pupil is agreed upon by the commissioner of education. In the case of a dispute as to where a state-placed student is living, the commissioner shall conduct a hearing to determine which school district is responsible for educating the pupil. The commissioner's decision shall be final.

(2) If a pupil is a state-placed student pursuant to subdivision 11(a)(28)(D)(i)(I) of this title, then the department for children and families shall assume responsibility for the pupil's transportation to and from school, unless the receiving district chooses to provide transportation.

(3) A pupil who is in temporary legal custody pursuant to subdivision 5308(b)(3) or (4) of Title 33 and is a state-placed student pursuant to subdivision 11(a)(28)(D)(i)(II) of this title, shall be enrolled, at the temporary legal custodian's discretion, in the district in which the pupil's parents reside, the district in which either parent resides if the parents live in different districts, the district in which the pupil's legal guardian resides, or the district in which the temporary legal custodian resides. If the pupil enrolls in the district in which the temporary legal custodian resides, the district shall provide transportation in the same manner and to the same extent it is provided to other students in the district. In all other cases, the temporary legal custodian is responsible for the pupil's transportation to and from school, unless the receiving district chooses to provide transportation.

(4) If a pupil who had been a state-placed student pursuant to subdivision 11(a)(28) of this title is returned to live in the district in which one or more of the pupil's parents or legal guardians reside, then, at the request of the pupil's parent or legal guardian, the commissioner of education may order the pupil to continue his or her enrollment for the remainder of the academic year in the district in which the pupil resided prior to returning to the parent's or guardian's district and the pupil will continue to be funded as a state-placed student. Unless the receiving district chooses to provide transportation:

(A) If the pupil remains in the legal custody of the commissioner for children and families, then the department for children and families shall assume responsibility for the pupil's transportation to and from school.

(B) In all other instances under this subdivision (4), the parent or legal guardian is responsible for the pupil's transportation.

* * * Base Education Payment; Base Education Amount * * *

Sec. 16. 16 V.S.A. § 4001(13) is amended to read:

(13) "Base education ~~payment~~ amount" means a number used to calculate tax rates. The base education amount is \$6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.

Sec. 17. 16 V.S.A. § 4011 is amended to read:

§ 4011. EDUCATION PAYMENTS

(a) Annually, the general assembly shall appropriate funds to pay for statewide education spending and a portion of a base education ~~payment~~ amount for each adult diploma student.

(b) For each fiscal year, the base education ~~payment~~ amount shall be \$6,800.00, increased by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services from fiscal year 2005 through the fiscal year, for which the ~~payment~~ amount is being determined, plus an additional one-tenth of one percent.

* * *

(e) The commissioner shall pay an amount equal to 87 percent of the base education ~~payment~~ amount to the Vermont Academy of Science and Technology for each Vermont resident, 12th grade student enrolled.

(f) Annually, the commissioner shall pay to a department or agency which provides an adult diploma program, an amount equal to 26 percent of the base education ~~payment~~ amount for each student who completed the diagnostic portion of the program, based on an average of the previous two years.

(g) The commissioner shall pay to a school district a percentage of the base education ~~payment~~ amount for each resident student for whom the district is paying a technical tuition to a regional technical center but who is not enrolled in the district and therefore not counted in the average daily membership of the district. The percentage of the base education ~~payment~~ amount to be paid shall be the percentage of the student's full-time equivalent attendance at technical center multiplied by 87 percent.

* * *

Sec. 18. 16 V.S.A. § 1561 is amended to read:

§ 1561. TUITION REDUCTION

* * *

(b) On behalf of a sending school district within Vermont, a technical center shall receive from the education fund for each full-time equivalent student from the district 87 percent of the base education ~~payment~~ amount and an equivalent amount shall be subtracted from the amount due to the sending district under section 4011 of this title. The amount sent to the technical center and subtracted from the sending district shall be considered a revenue and an

expenditure of the district and shall be reported as such in appropriate accounts and in the district's annual budget.

(c) Annually, the general assembly shall appropriate funds to pay for a supplemental assistance grant per full-time equivalent student. The amount of the grant shall be equal to 35 percent of the base education ~~payment~~ amount for that year.

(d) In any year following a year in which fall semester full-time equivalent enrollment of students at a technical center increased by 20 percent or more over the previous fall semester, in addition to other aid, the technical center shall receive an extra supplemental assistance grant equal to two-thirds of the 35 percent of the base education ~~payment~~ amount for that year, multiplied by the actual full-time equivalent enrollment increase. The next year, if the increase in fall semester full-time equivalent enrollment is less than 20 percent, in addition to other aid, the technical center shall receive an extra supplemental assistance grant equal to one-third of the 35 percent of the base education ~~payment~~ amount for the year multiplied by the actual full-time equivalent increase of the previous fall semester.

Sec. 19. CONSISTENT USE OF TERM

Pursuant to its statutory revision authority at 2 V.S.A. § 424, the legislative council is directed to change the phrase "base education payment" wherever it may appear in the Vermont Statutes Annotated to "base education amount."

* * * School Construction Spending; Planning for Merger; Tuition;
Programs for At-Risk Students; 21st Century After-School Programs * * *

Sec. 20. 16 V.S.A. § 4001(6) is amended to read:

(6) "Education spending" means the amount of the school district budget, any assessment for a joint contract school, technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) which is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fund raising, federal funds, nongovernmental grants, or other state funds such as special education funds paid under chapter 101 of this title.

(A) For purposes of determining whether a proposed budget shall be presented by means of a divided question pursuant to subdivision 563(11)(A) of this title, "education spending" shall not include:

(i) Spending during the budget year for approved school capital construction for a project that received preliminary approval under section 3448 of this title, including interest paid on the debt; provided the district shall

not be reimbursed or otherwise receive state construction aid for the approved school capital construction.

(ii) For a project that received final approval for state construction aid under chapter 123 of this title:

(I) Spending for approved school capital construction during the budget year that represents the district's share of the project, including interest paid on the debt;

(II) Payment during the budget year of interest on funds borrowed under subdivision 563(21) of this title in anticipation of receiving state aid for the project.

(iii) For a district that provides for the education of its resident pupils in one or more grades by paying tuition and does not maintain a school that includes the grade or grades, in the district's discretion, the district's anticipated spending for tuition in the year for which the budget is proposed; alternatively, the district may choose to include within its definition of "education spending" its estimated tuition expenditures for the budget year.

(iv) Spending attributable to the cost of planning the merger of a small school, which for purposes of this subdivision means a school with an average grade size of 20 or fewer students, with one or more other schools.

(v) Spending attributable to the district's share of spending for 21st Century Community Learning Centers after-school programs.

(vi) Spending during the budget year attributable to the costs of providing alternative educational opportunities designed to encourage at-risk high school students to remain enrolled in and to graduate from high school, whether offered by the district or a contracting entity.

(B) For purposes of calculating excess spending pursuant to subdivision 5401(12) of Title 32, "education spending" shall not include:

(i) Spending during the budget year for approved school capital construction for a project that received preliminary approval under section 3448 of this title, including interest paid on the debt; provided the district shall not be reimbursed or otherwise receive state construction aid for the approved school capital construction.

(ii) For a project that received final approval for state construction aid under chapter 123 of this title:

(I) Spending for approved school capital construction during the budget year that represents the district's share of the project, including interest paid on the debt;

(II) Payment during the budget year of interest on funds borrowed under subdivision 563(21) of this title in anticipation of receiving state aid for the project.

(iii) Spending attributable to the cost of planning the merger of a small school, which for purposes of this subdivision means a school with an average grade size of 20 or fewer students, with one or more other schools.

* * * Higher Education * * *

Sec. 21. 6 V.S.A. § 20 is added to read:

§ 20. VERMONT LARGE ANIMAL VETERINARIAN EDUCATIONAL LOAN REPAYMENT FUND

(a) There is created a special fund to be known as the Vermont large animal veterinarian educational loan repayment fund that shall be used for the purpose of ensuring a stable and adequate supply of large animal veterinarians throughout the state. The fund shall be established and held separate and apart from any other funds or monies of the state and shall be used and administered exclusively for the purpose of this section. The money in the fund shall be invested in the same manner as permitted for investment of funds belonging to the state or held in the treasury.

(b) The fund shall consist of:

(1) Sums appropriated or transferred to it from time to time by the general assembly, the state emergency board, or the joint fiscal committee when the general assembly is not in session.

(2) Interest earned from the investment of fund balances.

(3) Sums from any other public or private source accepted for the benefit of the fund.

(c) The agency shall administer the fund and make sums available for loan repayment awards. The agency may contract with a Vermont nonprofit entity for administration of the program, which shall administer awards in compliance with the requirements of Section 108(f) of the Internal Revenue Code.

Sec. 22. LARGE ANIMAL VETERINARIANS; EDUCATIONAL LOAN REPAYMENT PROGRAM; PROPOSAL AND REPORT

(a) There is created a committee to explore the development of a loan repayment program to recruit and retain licensed veterinarians to meet the existing need for large animal veterinarians throughout the state. The committee shall also consider other incentives and outreach efforts to ensure that Vermonters are able to obtain the necessary education or training to work

in this field. The committee shall review available Vermont veterinarian workforce data and consider priorities and criteria on which to base awards. It shall develop recommendations for a loan repayment program, including details concerning the proposed application process. The committee shall identify potential funding sources.

(b) The members of the committee shall be:

(1) The secretary of agriculture, food and markets or the secretary's designee, who shall serve as chair and shall call the first meeting of the committee on or before July 1, 2009.

(2) The Vermont state veterinarian or the state veterinarian's designee.

(3) The president of the Vermont veterinary medical association or the president's designee.

(4) The secretary of commerce and community development or the secretary's designee.

(5) A member of the Vermont workforce development council to be selected by the governor.

(6) A representative of the higher education community to be jointly selected by the speaker of the house and the senate committee on committees.

(7) The director of the area health education centers program of the University of Vermont or the director's designee.

(8) The president of the Vermont student assistance corporation or the president's designee.

(c) On or before December 1, 2009, the committee shall present a detailed proposal to the senate and house committees on education and on agriculture outlining recommendations designed to promote the purposes of this section.

Sec. 23. EDUCATIONAL LOAN REPAYMENT; 2009 INTERIM

(a) If private funds are deposited into the Vermont large animal veterinarian educational loan repayment fund created in Sec. 21 of this act before a loan repayment program is developed and implemented under Sec. 22 of this act, then notwithstanding any provision of law to the contrary, the secretary of agriculture, food and markets may use the money to repay a portion of the outstanding educational loans of one or more licensed veterinarians in exchange for the service commitment to work in the large animal veterinary field in Vermont for a defined number of years, which shall be defined by contract; provided the secretary shall not divulge the identity of the private source or sources of funding to the award recipient. The secretary may enter into a contract with an entity, such as the area health education

centers program of the University of Vermont, to help administer the provisions of this section, and may pay the entity for its administrative costs from fund monies. Payment of awards shall be made directly to the educational loan creditor of the award recipient and shall be available only to a veterinarian who:

(1) Is licensed in Vermont;

(2) Provides large animal veterinarian services in Vermont; and

(3) Has outstanding educational debt acquired in the pursuit of an undergraduate or graduate degree from an accredited college or that exceeds the amount of the loan repayment award.

(b) For purposes of this section, "large animal veterinarian" means a doctor of veterinary medicine accredited by the United States Department of Agriculture who spends at least 60 percent of his or her working veterinary hours in Vermont treating or otherwise servicing food animals, including beef or dairy cows, sheep, pigs, poultry, and others identified by the secretary.

(c) The secretary shall report to the senate and house committees on education and on agriculture regarding:

(1) Private monies received under subsection (a) of this section, within 14 days after receiving the money.

(2) The decision to make some or all of the private monies available for educational loan repayment under this section and the criteria on which the award decisions will be made, at least 14 days prior to announcing publicly the availability of the funds.

(3) The payment of awards, within 14 days after making payment to the creditor of the award recipient.

(d) This section shall take effect on passage and shall remain in effect until June 30, 2010.

* * * Adequate Yearly Progress * * *

Sec. 24. Secs. 13 and 14 of No. 182 of the Acts of the 2005 Adj. Sess. (2006), as amended by Sec. 35 of No. 154 of the Acts of the 2007 Adj. Sess. (2008) are further amended to read:

~~Sec. 35. Secs. 13 and 14 of No. 182 of the Acts of the 2005 Adj. Sess. (2006) are amended to read:~~

Sec. 13. Sec. 2 of No. 64 of the Acts of 2003, as amended by Sec. 4 of No. 114 of the Acts of the 2003 Adj. Sess. (2004), is amended to read:

Sec. 2. COMPLIANCE WITH FEDERAL REQUIREMENTS; MEASURING ADEQUATE YEARLY PROGRESS TOWARD ACHIEVING STATE STANDARDS; CONSEQUENCES

16 V.S.A. § 165 authorizes the commissioner of education to determine how well schools and students are meeting state standards every two years and to impose certain consequences if schools are failing to meet standards after specific time periods. Notwithstanding the provisions of that section, in order to comply with the provisions of Public Law 107-110, known as the No Child Left Behind Act of 2001, during school years 2003–2004 through 2008–2009 as amended from time to time (the “Act”), while it is in effect, the commissioner is authorized to determine whether schools and school districts are meeting state standards annually and the state board of education is authorized to impose on schools and school districts consequences allowed in state law and required by the Act within the time frame required in the Act. However, consistent with Title IX, Part E, Subpart 2, Sec. 9527 of the No Child Left Behind Act, neither the state nor any subdivision thereof shall be required to spend any funds or incur any costs not paid for under the Act in order to comply with the provisions of the Act. The state or any subdivision thereof may expend other funds for activities they were already conducting consistent with the Act, or for activities authorized in a state or local fiscal year 2004 budget. It is the intent of the general assembly to continue to study the provisions of the federal law and to seek guidance from the federal government in order to determine permanent changes to Title 16 that will be necessary to comply with federal law and to avoid having federal law cause state and local governments to absorb the cost of unfunded mandates.

Sec. 14. Subsections (b), (c), and (e) of Sec. 3 of No. 64 of the Acts of 2003, as amended by Sec. 5 of No. 114 of the Acts of the 2003 Adj. Sess. (2004), are amended to read:

(b) Notwithstanding the provisions of 16 V.S.A. §§ 1075(e), 1093, and 1128(b) which stipulate that a child of parents who become homeless shall be educated in the school district in which the child is found and that a school district may choose not to accept nonresident pupils, in order to comply with the provisions of Public Law 107-110, known as the No Child Left Behind Act of 2001, as amended from time to time (the “Act”), the provisions of this section shall apply to children who are homeless during ~~school years 2003–2004 through 2008–2009~~ those school years in which the Act is in effect. It is the intent of the general assembly to continue to study the provisions of the federal law and to seek guidance from the federal government in order to determine permanent changes to Title 16 that will be necessary to comply with federal law.

(c) If a child becomes homeless during a school year ~~2005–2006, 2006–2007, 2007–2008, or 2008–2009~~ in which the Act is in effect, the child shall either be educated: in the school of origin for the duration of the homelessness or for the remainder of the academic year if the child becomes permanently housed outside the district of origin; or in the school district in which the child is actually living. The determination as to which school the child shall attend shall be made by the school board of the school district in which the child is living according to the best interests of the child.

(e) Notwithstanding the provisions of 16 V.S.A. § 4001(1)(A) which stipulate that a pupil must be a legal resident of the district attending a school owned and operated by the district in order to be counted in the average daily membership of the district, during the ~~2003–2004 through 2008–2009~~ school years in which the Act is in effect, a child who is homeless during the census period shall be counted in the school district or districts in which the child is enrolled. However, if at any time a homeless child enrolls, pursuant to this section, in a school district other than the district in which the child was counted, the district in which the child is enrolled shall become responsible for the education of the child, including payment of education services and, if appropriate, development and implementation of an individualized education plan.

* * * Miscellaneous * * *

Sec. 25. WAIVERS; SCHOOL QUALITY STANDARDS

(a) The general assembly:

(1) Is committed to promoting the flexibility needed to transform Vermont's educational system.

(2) Takes notice of the state board of education rule enabling school boards to request and, under circumstances protecting school quality, obtain variances from school quality standards.

(3) Authorizes the commissioner of education to act directly on a variance request, if the state board of education fails to render a decision at its first regularly scheduled meeting following receipt of a request for a variance.

(4) Encourages school district and supervisory union boards to request variances pursuant to subdivision (2) of this subsection.

(b) On or before March 1, 2010, the commissioner shall report to the senate and house committees on education regarding variances requested and granted under this section. The report shall highlight innovative approaches for which variances were granted and describe the manner in which the commissioner has informed other districts and supervisory unions of these innovations.

Sec. 26. 33 V.S.A. § 3502 is amended to read:

§ 3502. CHILD CARE FACILITIES; SCHOOL AGE CARE IN PUBLIC SCHOOLS; 21ST CENTURY FUND

(a) Unless exempted under subsection (b) of this section, a person shall not operate a child care facility without a license, or operate a family child care home without registration from the department.

(b) The following persons are exempted from the provisions of subsection (a) of this section:

* * *

(5) An after-school program that serves students in one or more grades from kindergarten through secondary school, that receives funding through the 21st Century Community Learning Centers program, and that is overseen by the department of education, unless the after-school program asks to participate in the child care subsidy program.

* * *

~~(g) In order to facilitate school districts and supervisory unions to apply for and receive federal funds provided by the United States 21st Century Fund, on or before September 1, 2001, the agency of human services for programs that are in and operated by public schools and provide schoolage care before and after school hours shall:~~

~~(1) Accept existing permits and certificates obtained and plans developed by the school as satisfying licensing requirements without further application or review, including permits, certificates, and plans relating to water and wastewater disposal permit, asbestos abatement, insurance, and occupancy.~~

~~(2) Waive compliance with No. 165 of the Acts of 1996 or No. 37 of the Acts of 1997 relating to the abatement of lead paint hazards if the program serves no children who are less than five years old.~~

~~(3) Require screening of all program staff members against the child abuse registry, and require a criminal records check of any program staff member who is not currently a school employee or an employee of a school contractor already subject to a criminal record check as part of the hiring process.~~

* * *

Sec. 27. CODIFY EXISTING SESSION LAW RELATING TO REGIONAL SCHOOL CHOICE FOR PUBLIC SCHOOL STUDENTS IN GRADES 9 THROUGH 12

Pursuant to its statutory revision authority in 2 V.S.A. § 424, the legislative council is directed to codify Secs. 1 and 2 of No. 150 of the Acts of the 1999 Adj. Sess. (2000) (regional school choice for public school students in grades 9 through 12) as amended by Sec. 21 of No. 182 of the Acts of the 2005 Adj. Sess. (2006) (repealing the date on which the original act was scheduled to be repealed). Act 150, as amended, shall be codified as 16 V.S.A. §§ 1621–1622 in a new chapter 41 entitled “Chapter 41. Public High School Choice.”

* * *

Sec. 28. REPEAL

Secs. 2 and 3 of No. 31 of the Acts of 2007 (statewide calendar; committee; effective date) are repealed.

Sec. 29. UPDATING STATUTES TO REFLECT CURRENT NAMES OF PROGRAMS AND DEPARTMENTS

Pursuant to its statutory revision authority in 2 V.S.A. § 424, the legislative council is directed to amend Title 16:

(1) By replacing the term “adult basic education” with the term “adult education and literacy” wherever it appears.

(2) By updating references to the names of departments, divisions, programs, and other subgroups within the agency of human services wherever they appear.

Sec. 30. REPEAL

(a) Sec. 17 of No. 66 of the Acts of 2007 (using a 40-day census period for calculating average daily membership) is repealed.

(b) Sec. 18(b) of No. 66 of the Acts of 2007 (effective date for Sec. 17 of No. 66 of 2007) is repealed.

Sec. 31. 16 V.S.A. § 1422 is amended to read:

§ 1422. ~~TESTS~~ PERIODIC HEARING AND VISION SCREENING; GUIDELINES

~~(a) Each year the superintendent shall cause a qualified person to test the hearing of all the pupils under his supervision in grades 1, 2, 3, 5, 7, and 9, using tests recommended by the state department of education in consultation with the department of health, and to keep a record of such tests according to the instructions furnished and to notify in writing the person having legal~~

~~responsibility for a pupil who is found to have defective hearing. All aspects of hearing testing and hearing conservation programs shall be under the supervision and regulation of the commissioners of education and health.~~

~~(b) The superintendent shall also cause a qualified person to test the vision of all pupils under his supervision in grades 1, 3, 5, 7, and 9 or 10, each year, using tests recommended by the state department of education in consultation with the department of health, and to keep a record of such tests according to the instructions furnished and to notify in writing the person having legal responsibility for a pupil who is found to have defective vision.~~

~~(c) The superintendent shall also cause to be tested the sight and hearing of any pupil who appears to have defective vision or hearing, at any time there appears to be a need for such test.~~

~~(d) [Repealed.]~~

~~(e) No child shall be obliged to submit to any test referred to in this section whose parent or guardian objects to the same in writing. Said written notice shall be delivered to the child's teacher or to any person who orders or conducts such test or tests.~~

Periodic hearing and vision screening of school-aged children shall be conducted by school districts and primary care providers pursuant to research-based guidelines developed by the commissioner of health in consultation with the commissioner of education. School districts and primary care providers will attempt to avoid duplicating services provided by the other and will share information as practicable and allowable by law.

* * * Teen Parent Education Programs * * *

Sec. 32. 16 V.S.A. § 11(a)(28)(C) is amended to read:

~~(C) a pregnant or postpartum pupil attending school at an approved education program in a residential facility or outside the school district of residence pursuant to subsection 1073(b) of this title.~~

Sec. 33. 16 V.S.A. § 11(a)(33), (34), and (35) are added to read:

(33)(A) "Pregnant or parenting pupil" means a legal pupil of any age who is not a high school graduate and who:

(i) is pregnant; or

(ii) has given birth, has placed a child for adoption, or has experienced a miscarriage, if any of these has occurred within one year before the public or approved independent school or the approved education program receives a request for enrollment or attendance; or

(iii) is the parent of a child.

(B) “Pregnant or parenting pupil” does not include a person whose parental rights have been terminated, except if the pupil has placed the child for adoption or has voluntarily relinquished parental rights, within one year before the public or approved independent school or the approved education program receives a request for enrollment or attendance.

(34) “Approved education program” means a program that is evaluated and approved by the state board pursuant to written standards, that is neither an approved independent school nor a public school, and that provides educational services to one or more pupils in collaboration with the pupil’s or pupils’ school district of residence. An “approved education program” includes an “approved teen parent education program.”

(35) “Teen parent education program” means a program designed to provide educational and other services to pregnant pupils or parenting pupils or both.

Sec. 34. 16 V.S.A. § 1073(b) is amended to read:

(b) Access to school.

(1) Right to a public education. No legal pupil attending school at public expense, including a married, pregnant, or ~~postpartum~~ parenting pupil, shall be deprived of or denied the opportunity to participate in or complete ~~an elementary and secondary~~ a public school education.

(2) Right to enroll in a public or independent school. Notwithstanding the provisions of sections 822 and 1075 of this title, ~~for reasons related to the pregnancy or birth,~~ a pregnant or ~~postpartum~~ parenting pupil may ~~attend~~ enroll in any approved public school in Vermont or an adjacent state, any approved independent school in Vermont, or any other educational program approved by the state board in which any other legal pupil in Vermont may enroll.

(3) Teen parent education program.

(A) Residential teen parent education programs. The commissioner shall pay the educational costs for a pregnant or ~~postpartum~~ parenting pupil attending a state board approved ~~educational~~ teen parent education program in a 24-hour residential facility for up to eight months after the birth of the child. The commissioner may approve extension of payment of educational costs based on a plan for reintegration of the student into the community or for exceptional circumstances as determined by the commissioner. The district of residence of a pupil in a 24-hour residential facility shall remain responsible for coordination of the pupil’s educational program and for planning and facilitating her subsequent educational program.

(B) Nonresidential teen parent education programs.

(i) The pregnant or parenting pupil's district of residence or the approved independent or public school to which that district pays tuition for its students ("the enrolling school") shall be responsible for planning, coordinating, and assessing the enrolled pupil's education plan while attending a teen parent education program and for planning, assessing, and facilitating the pupil's subsequent education plan, including the pupil's transition back to the public or approved independent school. As determined by the district of residence or the enrolling school, as appropriate, the pupil's educational plan while attending a teen parent education program shall include learning experiences that are the substantial equivalent of the learning experiences required by the district of residence or the enrolling school to obtain a high school diploma.

(ii) A pregnant or parenting pupil may attend a nonresidential teen parent education program for a length of time to be determined by agreement of the pupil's district of residence, the enrolling school, the teen parent education program, and the pupil.

(iii) In the event of a dispute regarding any aspect of this subdivision (B), the district of residence, the enrolling school, the teen parent education program, or the pupil or any combination of these may request a determination from the commissioner whose decision shall be final; any determination by the commissioner regarding "substantial equivalency" pursuant to subdivision (i) of this subdivision (b)(3)(B) shall be based on the commissioner's analysis of the course syllabus or the course description provided by the district of residence or enrolling school.

Sec. 35. 16 V.S.A. § 1121 is amended to read:

§ 1121. ATTENDANCE BY CHILDREN OF SCHOOL AGE REQUIRED

A person having the control of a child between the ages of six and 16 years shall cause the child to attend a public school, an approved or recognized independent school, an approved education program, or a home study program for the full number of days for which that school is held, unless the child:

* * *

Sec. 36. CONFORMING LANGUAGE

To ensure consistency of No. 192 of the Acts of the 2007 Adj. Sess. (2008) with this act, the following amendments shall be made to Sec. 5.304.1 of that act:

(1) In subdivision (a)(2), by striking the word "coordinating" and inserting in lieu thereof the following: "planning, coordinating, and assessing".

(2) In subdivision (a)(2), after the word “planning” and before the words “and facilitating” by adding the following: “, assessing,”.

(3) In subdivision (b)(3), by striking the final sentence.

Sec. 37. TRANSITIONAL PROVISION

It is the intent of the general assembly that until July 1, 2010, a teen parent education program that has been recognized by the department for children and families shall be considered “an approved education program.”

Sec. 38. Sec. 9.0001(d) of No. 192 of the Acts of the 2007 Adj. Sess. (2008) (sunset; teen parent education) is amended to read:

(d) Sec. 5.304.1 of this act shall take effect on July 1, 2008 ~~and shall remain in effect until July 1, 2009.~~

* * *High School Completion; Policy * * *

Sec. 39. ONE HUNDRED PERCENT BY 2020 INITIATIVE; POLICY

It is a priority of the general assembly and the department of education to take all necessary measures to increase the Vermont secondary school completion rate to 100 percent by the year 2020.

* * * Early Identification of Students Who Require Additional Assistance to Successfully Complete Secondary School * * *

Sec. 40. 16 V.S.A. chapter 99 is amended to read:

CHAPTER 99. GENERAL POLICY

§ 2901. SUCCESS FOR ALL STUDENTS IN THE GENERAL EDUCATION ENVIRONMENT

(a) It is the policy of the state that each local school district develop and maintain, in consultation with parents, a comprehensive system of education that will result, to the extent appropriate, in all students succeeding in the general education environment. A comprehensive system of education includes a full range of services and accommodations ~~which~~ that are needed by students in the district. These services could include a separate alternative program if the district finds that some of its students could be better served in an environment outside the classroom, or if the district finds that separate placement is the best way to provide services to a student who is disrupting the class or having difficulty learning in a traditional school setting for educational, emotional, or personal reasons and thereby impairing the ability of the classroom teacher to provide quality services to that student or to ~~the other pupils~~ students. This chapter does not replace or expand entitlements created by federal law, nor is it the intent of this chapter to create a higher standard for maintaining a student in the general classroom than the standard created in the

following federal laws: 20 U.S.C. § 1401 et seq., Individuals with Disabilities Act; 29 U.S.C. § 794, Section 504 of the Rehabilitation Act; and 42 U.S.C. § 12101 et seq., Americans with Disabilities Act.

(b) [Repealed.]

(c) No individual entitlement or private right of action is created by this section.

§ 2902. EDUCATIONAL SUPPORT SYSTEM AND EDUCATIONAL SUPPORT TEAM

(a) Within each school district's comprehensive system of educational services, each public school shall develop and maintain an educational support system for ~~children~~ students who require additional assistance in order to succeed or to be challenged in the general education environment. For each school it maintains, a school district board shall assign responsibility for developing and maintaining the educational support system either to the superintendent pursuant to a contract entered into under section 267 of this title; or to the principal. The educational support system shall, at a minimum, include an educational support team and a range of support and remedial services, including instructional and behavioral interventions and accommodations.

(b) The educational support system shall:

(1) Be integrated to the extent appropriate with the general education curriculum.

(2) Be designed to increase the ability of the general education system to meet the needs of all students.

(3) Be designed to provide students the support needed regardless of eligibility for categorical programs.

(4) Provide clear procedures and methods for ~~handling a student who~~ addressing student behavior that is disruptive to the learning environment and shall include provision of educational options, support services, and consultation or training for staff where appropriate. Procedures may include ~~provision for~~ removal of ~~the~~ a student from the classroom or the school building for as long as appropriate, consistent with state and federal law and the school's policy on student discipline, ~~and~~ after reasonable effort has been made to support the student in the regular classroom environment.

(5) Ensure collaboration with families, community supports, and the system of health and human services.

~~(c) Each educational support system shall include an~~ The educational support team which for each public school in the district shall be composed of staff from a variety of teaching and support positions and shall:

~~(1) Provide a procedure for timely referral for evaluation for special education eligibility when warranted~~ Determine which enrolled students require additional assistance to be successful in school or to complete secondary school based on indicators set forth in guidelines developed by the commissioner, such as academic progress, attendance, behavior, or poverty. The educational support team shall pay particular attention to students during times of academic or personal transition.

~~(2) Be composed of staff from a variety of teaching and support services positions~~ Identify the classroom accommodations, remedial services, and other supports that have been provided to the identified student.

~~(3) Screen referrals to determine what classroom accommodations and remedial services have been tried.~~

~~(4) Assist teachers in planning and providing~~ to plan for and provide services and accommodations to students in need of classroom supports or enrichment activities.

~~(4) Develop an individualized strategy, in collaboration with the student's parents or legal guardian whenever possible, to assist the identified student to succeed in school and to complete his or her secondary education.~~

(5) Maintain a written record of its actions.

~~(6) Report no less than annually to the commissioner, in a form the commissioner prescribes, on the ways in which the educational support system has addressed the needs of students who require additional assistance in order to succeed in school or to complete secondary school and on the additional financial costs of complying with this subsection (c).~~

(d) No individual entitlement or private right of action is created by this section.

(e) The commissioner shall establish guidelines for teachers and administrators in following federal laws relating to provision of services for children with disabilities and the implementation of this section.

(f) It is the intent of the general assembly that a gifted and talented student shall be able to take advantage of services that an educational support team can provide. It is not the intent of the general assembly that funding under chapter 101 of this title shall be available for a gifted and talented student unless the student has been otherwise determined to be a student for whom funding under that chapter is available.

§ 2903. PREVENTING EARLY SCHOOL FAILURE; READING INSTRUCTION

(a) Statement of policy. The ability to read is critical to success in learning. Children who fail to read by the end of the first grade will likely fall further behind in school. The personal and economic costs of reading failure are enormous both while the student remains in school and long afterward. All students need to receive systematic reading instruction in the early grades from a teacher who is skilled in teaching reading through a variety of instructional strategies that take into account the different learning styles and language backgrounds of the students. Some students may require intensive supplemental instruction tailored to the unique difficulties encountered.

(b) Foundation for literacy. The state board of education, in collaboration with the agency of human services, higher education, literacy organizations, and others, shall develop a plan for establishing a comprehensive system of services for early education in the first three grades to ensure that all students learn to read by the end of the third grade. The plan shall be ~~submitted to the general assembly by January 15, 1998 and shall be~~ updated at least once every five years following its initial submission in 1998.

(c) Reading instruction. A public school ~~which~~ that offers instruction in grades one, two, or three shall provide highly effective, research-based reading instruction to all students. In addition, ~~for~~ a school shall provide:

(1) Supplemental reading instruction to any enrolled student in grade four whose reading performance falls below the level expected in order to achieve third grade reading proficiency falls below third grade reading expectations, as defined under subdivision 164(9) of this title, the school shall work to improve the student's reading skills by providing additional research-based reading instruction to the student, and by providing support.

(2) Supplemental reading instruction to any enrolled student in grades 5-12 whose reading proficiency creates a barrier to the student's success in school.

(3) Support and information to parents and other family members legal guardians.

§ 2904. REPORTS

Annually, each superintendent shall report to the commissioner in a form prescribed by the commissioner, on the status of the educational support systems in each school in the supervisory union. The report shall describe the services and supports that are a part of the education support system, how they are funded, and how building the capacity of the educational support system has been addressed in the school action plans, and shall be in addition to the

report required of the educational support team in subdivision 2902(c)(6) of this chapter. The superintendent's report shall include a description and justification of how funds received due to Medicaid reimbursement under section 2959a of this title were used.

Sec. 41. 16 V.S.A. § 2959a(e) is amended to read:

(e) School districts shall utilize funds received under this section to pay for reasonable costs of administering the Medicaid claims process, and for prevention and intervention programs in grades pre-K through 12. The programs shall be designed to facilitate early identification of and intervention with children with disabilities and to ensure all students achieve rigorous and challenging standards adopted in the Vermont framework of standards and learning opportunities or locally adopted standards. A school district shall provide an annual written justification to the commissioner of education of the use of the funds. Such annual submission shall show how the funds' use is expressly linked to those provisions of the school district's action plan that directly relate to improving student performance. A school district shall include in its annual report the amount of the prior year's Medicaid reimbursement revenues and the use of Medicaid funds consistent with the purposes set forth in this subsection.

* * * High School Completion Program * * *

Sec. 42. 16 V.S.A. § 1049a is amended to read:

§ 1049a. HIGH SCHOOL COMPLETION PROGRAM

(a) In this section:

(1) "Graduation education plan" means a written plan leading to a high school diploma for a person who is 16 to 22 years of age; and has not received a high school diploma, and is not who may or may not be enrolled in a public or approved independent school. The plan shall define the scope and rigor of services necessary for the student to attain a high school diploma, and may describe educational services to be provided by a public high school, an approved independent high school, an approved provider, or a combination of these.

(2) "Approved provider" means an agency entity approved by the commissioner to provide educational services which may be counted for credit toward a high school diploma.

(3) "Contracting agency" means an agency that has entered into a contract with the department of education to provide adult education services in Vermont.

(b) ~~The commissioner shall assign~~ If a student person who wishes to work on a graduation education plan is not enrolled in a public or approved independent school, then the commissioner shall assign the prospective student to a high school district, which shall be the district of residence whenever possible. Upon assignment, the ~~The school district in which a student is enrolled or to which an non-enrolled student is assigned shall work with an agency which has entered into contract with the department of education to provide adult education services in Vermont~~ the contracting agency and the student to develop a graduation education plan. The school district shall award a high school diploma upon successful completion of the plan.

(c) The commissioner shall reimburse, and net cash payments where possible, a ~~town school district, city school district, union school district, unified union school district, incorporated school district, or member school district of an interstate school district which~~ that has agreed to a graduation education plan in an amount:

(1) established by the commissioner for development of the graduation education plan and for other educational services typically provided by the assigned district or an approved independent school pursuant to the plan, such as counseling, health services, participation in ~~co-curricular~~ cocurricular activities, and participation in academic or other courses, provided this amount shall not be available to a district that provides services under this section to an enrolled student; and

(2) negotiated by the commissioner and the contracting agency ~~which has entered into contract with the department of education to provide adult education services in Vermont,~~ with the approved provider, for services and outcomes purchased from the approved provider on behalf of the student pursuant to the graduation education plan.

(d) On or before January 30 of each year, ~~beginning in 2008,~~ the commissioner shall report to the senate and house committees on education on the number of students participating in a graduation education plan, the number completing a plan, and the amount paid. The commissioner shall present the information organized by school district, approved independent school, and approved provider.

Sec. 43. HIGH SCHOOL COMPLETION PROGRAM; GRADUATION EDUCATION PLAN; GUIDELINES

(a) The graduation education plan for each 16- and 17-year-old student shall include services relevant to the student's goals, such as:

(1) Career exploration.

(2) Workforce training.

(3) Workplace readiness training.

(4) Preparation for postsecondary training or education and transitioning assistance.

(b) The graduation education plan for each student who is 18 years of age or older should include services relevant to the student's goals, such as those listed in subsection (a) of this section.

(c) The commissioner shall develop and publish guidelines to assist in the implementation of this section.

* * * Commissioner of Education * * *

Sec. 44. MEASURING SECONDARY SCHOOL COMPLETION RATES

(a) On or before December 31, 2009, the commissioner of education shall develop an accurate, uniform, and reliable method for defining and measuring secondary school completion rates on a school-by-school basis, including appropriate cohort identification, and shall set benchmarks for assessing individual school performance relative to the goal of increasing the secondary school completion rate to 100 percent by the year 2020.

(b) On or before January 15 of each year through January 2020, the commissioner shall report to the senate and house committees on education regarding the state's progress in achieving the goal of a 100 percent secondary school completion rate. At the time of the report, the commissioner shall also recommend other initiatives, if any, to improve both graduation rates and secondary school success for all Vermont students.

(c) Annually through 2020, each school district operating one or more secondary schools shall report to the taxpayers at the time school budgets are presented for approval regarding the district's progress in achieving the goal of a 100 percent secondary school completion rate.

Sec. 45. FLEXIBLE PATHWAYS TO GRADUATION

On or before January 15, 2010,

(1) The commissioner of education shall evaluate the prevalence and efficacy of flexible practices and programs currently used by Vermont schools to identify and support students who require additional assistance or alternative methods to be successful in school or to complete secondary school and shall identify schools that need assistance to begin or enhance their practices.

(2) The commissioner of education shall develop and publish guidelines to assist school districts to identify and support elementary and secondary students who require additional assistance to succeed in school or who would

benefit from flexible pathways to graduation. Such guidelines may include strategies such as:

(A) Targeted assistance, including individual tutoring, evidence-based literacy instruction, alternative and extended scheduling, and opportunities to earn necessary credits necessary to obtain a high school diploma.

(B) Flexible programs designed to provide each student identified under 16 V.S.A. § 2902(c) in Sec. 2 of this act with the supports and accommodations necessary to succeed in school and to complete secondary school with the education and skills critical for success after graduation. Examples of flexible program components include:

(i) The assignment of one or more adults from within the school community to provide continuity to the student.

(ii) The development of a personalized education plan or strategy by the student, the assigned adult or adults or another representative of the district, and the student's parents or legal guardian.

(iii) The opportunity to acquire knowledge and skills through applied or work-based learning opportunities.

(iv) The opportunity to participate in dual enrollment courses with tutorial support provided as needed.

(v) Assessments that allow the student to demonstrate proficiency by applying his or her knowledge and skills to tasks that are of interest to that student.

(3) The commissioner of education shall report to the senate and house committees on education regarding implementation of this section and recommend additional legislation, if any, necessary to ensure effective implementation by all school districts in Vermont.

* * * Truancy * * *

Sec. 46. TRUANCY

(a) On or before September 30, 2009, and in consultation and coordination with the executive director of the department of state's attorneys and sheriffs, interested judges of the Vermont district courts, and school district personnel, the commissioner of education shall develop and publish on the department of education's website comprehensive model truancy protocols consistent with the provisions of 16 V.S.A. chapter 25, subchapter 3, that confront truancy on a statewide, countywide, and supervisory unionwide basis and include the

post-complaint involvement of both state's attorneys and the court system under 16 V.S.A. § 1127.

(b) On or before December 15, 2009, the commissioner shall propose to the house and senate committees on education any legislative amendments or additions necessary to implement the purposes of this section.

(c) The commissioner shall ensure that, on or before July 1, 2010, the supervisory unions in each county adopt truancy policies that are consistent with and carry forward the purposes of this section.

(d) On or before January 15, 2011, the commissioner shall report to the house and senate committees on education regarding implementation of this section.

Sec. 47. 16 V.S.A. § 261a is amended to read:

§ 261a. DUTIES OF SUPERVISORY UNION BOARD

The board of each supervisory union shall:

* * *

(11) on or before June 30 of each year, adopt a budget for the ensuing school year; and

(12) adopt supervisory unionwide truancy policies consistent with the model protocols developed by the commissioner.

* * * Effective Dates * * *

Sec. 48. EFFECTIVE DATES; APPLICATION

(a) This act shall take effect on passage.

(b) Sec. 13 of this act, 16 V.S.A. § 826, shall apply to tuition rates established for the 2010–2011 academic year and after.

(c) Sec. 20 of this act shall apply to proposed school budgets for the 2010–2011 academic year and after.

(d) Sec. 38 of this act shall supersede and replace any other amendments enacted in this legislative session to the provision amended in Sec. 38.

ROBERT A. STARR
WILLIAM T. DOYLE
ALICE W. NITKA

Committee on the part of the Senate

ANNE H. MOOK
PETER PELTZ
GREGORY S. CLARK

Committee on the part of the House

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

**Rules Suspended; Report of Committee of Conference Accepted and
Adopted on the Part of the Senate; Bill Messaged**

H. 83.

Pending entry on the Calendar for notice, on motion of Senator Shumlin, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to underground storage tanks and the petroleum cleanup fund.

Was taken up for immediate consideration.

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

To the Senate and House of Representatives:

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

H. 83. An act relating to underground storage tanks and the petroleum cleanup fund.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment, and that the bill be further amended as follows:

First: In Sec. 5, 10 V.S.A. § 1942, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) There is assessed against every seller receiving more than \$10,000.00 annually for the retail sale of heating oil ~~or~~, kerosene, or other dyed diesel fuel sold in this state and not used to propel a motor vehicle, a licensing fee of one-half cent per gallon of such heating oil ~~or~~, kerosene, or other dyed diesel fuel. This fee shall be subject to the collection, administration, and enforcement provisions of chapter 233 of Title 32, and the fees collected under this subsection by the commissioner of taxes shall be deposited into the petroleum cleanup fund. The secretary, in consultation with the Vermont Petroleum Association and the Vermont Fuel Dealers Association, Inc. shall

annually determine whether or not to assess the one-half cent licensing fee for the upcoming year. If the unencumbered balance of heating fuel account of the fund established under subsection 1941(a) of this title is equal to or greater than \$3,000,000.00, then the one-half cent licensing assessment for the upcoming year shall not be assessed. If the unencumbered balance in the fund is less than ~~\$3,000,000~~ \$3,000,000.00, then the annual fee may be assessed. The secretary shall notify all sellers assessing this fee of the status of the fee for the upcoming year. This fee provision shall terminate April 1, ~~2011~~ 2016.

Second: In Sec. 9, 10 V.S.A. § 1944, by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) The loans will be at a zero interest rate, except that a person who owns five or more facilities shall have an interest rate of ~~four~~ two percent. As used in this subsection, “facility” shall mean the property upon which a category one tank is located.

Third: By adding three new sections to be numbered Secs. 9a, 9b, and 9c to read as follows:

Sec. 9a. 33 V.S.A. § 2503 is amended to read:

§ 2503. FUEL GROSS RECEIPTS TAX

(a) There is imposed a gross receipts tax of 0.5 percent on the retail sale of the following types of fuel by sellers receiving more than \$10,000.00 annually for the sale of such fuels:

(1) ~~heating oil and kerosene not used to propel a motor vehicle~~ dyed diesel fuel used for heating;

(2) propane;

(3) natural gas;

(4) electricity;

(5) coal.

* * *

Sec. 9b. 10 V.S.A. § 583 is added to read:

§ 583. REPEAL OF STAGE II VAPOR RECOVERY REQUIREMENTS

(a) Effective January 1, 2013, all rules of the secretary pertaining to stage II vapor recovery controls at gasoline dispensing facilities are repealed. The secretary may not issue further rules requiring such controls. For purposes of this section, “stage II vapor recovery” means a system for gasoline vapor recovery of emissions from the fueling of motor vehicles as described in 42 U.S.C. § 7511a(b)(3).

(b) Prior to January 1, 2013, stage II vapor recovery rules shall not apply to:

(1) Any newly constructed gasoline dispensing facility that commences operation after May 1, 2009;

(2) Any existing gasoline dispensing facility that has an annual gasoline throughput of 400,000 gallons or more for the first time beginning with the 2009 calendar year;

(3) Any existing gasoline dispensing facility that, after May 1, 2009, commences excavation for the installation or repair of any below-ground component of the stage II vapor recovery system, including gasoline storage tanks, upon verification and approval by the secretary; or

(4) Any existing gasoline dispensing facility that, after May 1, 2009, replaces all of its existing gasoline dispensers with new gasoline dispensers that support triple data encryption standard (TDES) usage or replaces one or more of its gasoline dispensers pursuant to a plan to achieve full TDES compliance, upon verification and approval by the secretary.

(c) Within two years of January 1, 2013, or of the secretary's verification and approval that such stage II vapor recovery rules do not apply to a gasoline dispensing facility pursuant to subdivision (b)(3) or (4) of this section, whichever is earlier, each gasoline dispensing facility shall decommission its stage II vapor recovery systems, including below-ground components, pursuant to methods approved by the secretary.

Sec. 9c. 10 V.S.A. § 561(c) is amended to read:

(c) Any variance or renewal thereof shall be granted within the requirements of subsection (a) of this section and for time periods and under conditions consistent with the reasons therefore, and within the following limitations:

(1) If the variance is granted on the ground that there is no practicable means known or available for the adequate prevention, abatement, or control of the air pollution involved, it shall be only until the necessary practicable means for prevention, abatement, or control become known and available, and subject to the taking of any substitute or alternate measures that the secretary may prescribe.

(2) If the variance is granted on the ground that compliance with the particular requirement or requirements from which variance is sought will necessitate the taking of measures which, because of their extent or cost, must be spread over a considerable period of time, it shall be for a period not to exceed such reasonable time as, in the view of the secretary is requisite for the

taking of the necessary measures. A variance granted on the ground specified herein shall contain a time schedule for the taking of action in an expeditious manner and shall be conditioned on adherence to the time schedule.

(3) If the variance is granted on the ground that it is justified to relieve or prevent hardship of a kind other than that provided for in subdivisions (1) and (2) of this subsection, it shall be for not more than one year, except that a variance granted from the rules of the secretary pertaining to stage II vapor recovery controls at gasoline dispensing facilities shall be for a period that extends until January 1, 2013.

MARK A. MACDONALD
RICHARD J. MCCORMACK
DIANE SNELLING

Committee on the part of the Senate

PETER J. FAGAN
DAVID SHARPE

Committee on the part of the House

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

Rules Suspended; Bills Messaged

On motion of Senator Shumlin, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 83, H. 136, H. 427, H. 436, H. 438, H. 441.

Adjournment

On motion of Senator Shumlin, the Senate adjourned until eleven o'clock in the morning.