Senate Calendar

THURSDAY, APRIL 21, 2011

SENATE CONVENES AT: 10:00 A.M.

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UNFINISHED BUSINESS OF TUESDAY, APRIL 12, 2011

Second Reading

Favorable with Proposal of Amendment

H. 46.

An act relating to youth athletes with concussions participating in athletic activities.

PENDING QUESTION: Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Education?

(Text of Report of the Committee on Education)

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 2, 16 V.S.A. § 1431(a)(4)(D) at the end of the subparagraph by striking out the word "or" and in subparagraph (E) at the end of the subparagraph before the period by inserting the following: ; or

(F) a chiropractor licensed pursuant to chapter 10 of Title 26

Second: In Sec. 2, 16 V.S.A. § 1431(b) by striking out the words "and the Vermont School Boards Association" and by striking out the words "those associations" and inserting in lieu thereof the words that association

(For House amendments, see House Journal for February 9, 2011, page 207.)

PROPOSAL OF AMENDMENT TO H. 46 TO BE OFFERED BY SENATOR SEARS

Senator Sears moves that the Senate propose to the House that the bill be amended in Sec. 2, 16 V.S.A. § 1431, by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read as follows:

(d) Participation in athletic activity. A coach shall not permit a youth athlete to train or compete with a school athletic team if the athlete has been removed, prohibited, or otherwise discontinued from participating in any training session or competition associated with a school athletic team due to symptoms of a concussion or other head injury, until the athlete has been examined by and received written permission to participate in athletic activities from a licensed health care provider trained in the evaluation and management of concussions and other head injuries.

UNFINISHED BUSINESS OF MONDAY, APRIL 18, 2011

Second Reading

Favorable with Proposal of Amendment

H. 411.

An act relating to the application of Act 250 to agricultural fairs.

Reported favorably with recommendation of proposal of amendment by Senator Baruth for the Committee on Agriculture.

The Committee recommends that the Senate propose to the House to amend the bill in: Sec. 2, 10 V.S.A. § 6001(34), by striking out subdivision (C) in its entirety and inserting in lieu thereof the following:

(C) conducting contests, displays, and demonstrations designed to advance farming, advance the local food economy, or train or educate farmers, youth, or the public regarding agriculture.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 22, 2011, page 510.)

UNFINISHED BUSINESS OF WEDNESDAY, APRIL 20, 2011

Second Reading

Favorable with Proposal of Amendment

H. 436.

An act relating to tax changes, including income taxes, property taxes, economic development credits, health care-related tax provisions, and miscellaneous tax provisions.

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

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 32 V.S.A. § 3113b, in the last sentence, by striking out the word "second" and inserting in lieu thereof the word third, and after the following: "15 V.S.A. § 792" by inserting the following: and the offset of lottery winnings for restitution pursuant to 13 V.S.A. § 7043

Second: By inserting a new section to be Sec. 3a to read as follows:

Sec. 3a. 32 V.S.A. § 5823(a)(8) is added to read:

(8) The amount paid by the state of Vermont pursuant to chapter 181 of Title 20 to the extent that such amount is included in the federal adjusted gross income of the taxpayer for the taxable year.

Third: In Sec. 12, Examination of Renewable Energy Property Tax Issues, in subsection (b), by striking the designation "(1)" in subdivision (1) and by striking out subdivisions (2)–(7) in their entirety.

Fourth: By inserting a new section to be numbered Sec. 13a to read as follows:

Sec. 13a. 32 V.S.A. § 3757(a) is amended to read:

(a) Land which has been classified as agricultural land or managed forest land pursuant to this chapter shall be subject to a land use change tax either upon the development of that land, as defined in section 3752 of this chapter, or two years after the issuance of all permits legally required for any action constituting development. Said tax shall be at the rate of 20 percent of the full fair market value of the changed land determined without regard to the use value appraisal; or the tax shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of the director that the parcel has been enrolled continuously more than 10 years. If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land prorated on the basis of acreage, divided by the common level of appraisal. Such fair market value shall be determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

Fifth: By inserting a new section to be numbered Sec. 13b to read as follows:

Sec. 13b. 32 V.S.A. § 6066(i) is added to read:

(i) Adjustments under subsection (a) of this section shall be calculated without regard to any exemption under section 3802(11) of this title.

Sixth: By inserting a new section to be numbered Sec. 13c to read as follows:

Sec. 13c. 32 V.S.A. § 5401(12) is amended to read:

(12) "Excess spending" means:

(A) the per equalized pupil amount of~~:~~

~~(i)~~ the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b); ~~minus~~

~~(ii) the portion of education spending which is approved school capital construction spending or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future approved school capital construction costs, including that portion of tuition paid to an independent school designated as the public high school of the school district pursuant to 16 V.S.A. § 827 for capital construction costs by the independent school which has received approval from the state board of education, using the processes for preliminary approval of public school construction costs pursuant to 16 V.S.A. § 3448(a)(2); and minus~~

~~(iii) the portion of education spending attributable to the district's share of special education spending in excess of $50,000.00 for any one student in the fiscal year occurring two years prior; and minus~~

~~(iv) a budget deficit in a district that pays tuition to a public school for all of its students in one or more grades in any year in which the deficit is solely attributable to tuition paid for one or more new students who moved into the district after the budget for the year creating the deficit was passed;~~

(B) in excess of 125 percent of the statewide average district education spending per equalized pupil in the prior fiscal year, as determined by the commissioner of education on or before November 15 of each year based on the passed budgets to date.

Seventh: By inserting a new section to be numbered Sec. 13d to read as follows:

Sec. 13d. 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.

* * *

(B) For purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12~~,~~), "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 that is approved school capital construction spending or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future approved school capital construction costs, including that portion of tuition paid to an independent school designated as the public high school of the school district pursuant to section 827 of this title for capital construction costs by the independent school that has received approval from the state board of education, using the processes for preliminary approval of public school construction costs pursuant to subdivision 3448(a)(2) of this title.

(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 special education spending in excess of $50,000.00 for any one student in the fiscal year occurring two years prior.

(vi) A budget deficit in a district that pays tuition to a public school or an approved independent school or both for all of its resident students in any year in which the deficit is solely attributable to tuition paid for one or more new students who moved into the district after the budget for the year creating the deficit was passed.

(vii) For a district that pays tuition for all of its resident students and into which additional students move after the end of the census period defined in subdivision (1)(A) of this section, the number of students that exceeds the district's most recent average daily membership and for whom the district will pay tuition in the subsequent year multiplied by the district's average rate of tuition paid in that year.

Eighth: By striking out Sec. 15, 24 V.S.A. § 1894(a)(2) in its entirety and inserting in lieu thereof a new Sec. 15 to read as follows:

Sec. 15. 32 V.S.A. § 5404a(l) is amended to read:

(l) ~~The state auditor of accounts shall review and audit all active tax increment financing districts every three years.~~

(1) Audits of a tax increment financing district under this subsection shall be performed only if the total value of the education tax increment is projected to exceed $1,000,000. Notwithstanding this threshold, the department of taxes or the Vermont economic progress council shall retain the authority to require an independent audit firm to conduct an audit of any tax increment financing district.

(2) An audit of a tax increment financing district under this subsection shall be conducted by an independent audit firm hired by a municipality and paid for by the municipality, and the amount paid for the audit shall be considered a "related cost" as defined in 24 V.S.A. § 1981(6). An audit of a tax increment financing district may be incorporated into a regular comprehensive municipal audit conducted by an independent firm.

(3) An audit of a tax increment financing district that exceeds the threshold established in subdivision (1) of this subsection shall be performed at three separate stages, may be incorporated into a regular comprehensive municipal audit conducted by an independent firm, and shall include the following:

(A) At completion of construction of public infrastructure improvements or five years after the commencement of construction, whichever is earlier, an audit shall be performed and the audit shall, at a minimum, validate that expenditures were for public infrastructure improvements approved by the Vermont economic progress council;

(B) Halfway through the debt repayment period, an audit shall be performed and shall, at a minimum, confirm that appropriate amounts of incremental tax revenue were retained and that those amounts were utilized to pay for authorized debt;

(C) Upon termination of the tax increment financing district, an audit shall be performed and shall, at a minimum, confirm that appropriate amounts of incremental tax revenue were retained for the second half of the debt repayment period and that those amounts were utilized to pay for authorized debt and shall validate that any excess education tax increment was distributed to the education fund in accordance with 24 V.S.A. § 1900. Incremental tax revenue retained by the municipality that was not used to repay debt or to pay for improvements in the tax increment financing district shall be returned to the requisite taxing authority.

(4) The municipality shall share the results of the audits required under this subsection with the office of the auditor of accounts, the department of taxes, and the Vermont economic progress council.

(5) The provisions of this section shall not apply to audits initiated by the auditor of accounts prior to the passage of this act. Municipalities with tax increment financing districts that have been subject to audit by the auditor of accounts are responsible only for those parts of the audits under this subsection that were not addressed by the auditor of accounts.

Ninth: By inserting a new section to be numbered Sec. 17a to read as follows:

Sec. 17a. 32 V.S.A. 5930y(b) is amended to read:

(b) A credit against the income tax liability is available as follows:

(1) A credit of two percent of the wages paid in the taxable year by an employer for services performed in the designated counties associated with the manufacture of finished wood products. The credit shall be available to the employer in any year the counties qualify and for one year after a qualification ends. For purposes of this section, "finished wood products" means wood products that are manufactured into the form in which they are offered for sale to consumers.

* * *

Tenth: In Sec. 24, 33 V.S.A. § 1953(a), in subdivision (1), by striking out the word "budgeted" and removing the striking from the word "full", and by striking out the words "approved by" and removing the striking from the words "reported to"

Eleventh: In Sec. 27, 32 V.S.A. § 7771, in subsection (d), by striking out the following: "125.5" and inserting in lieu thereof the following: 162, and in Sec. 27a, 32 V.S.A. § 7814(b), in subdivision (b), by striking out the following: "$0.25" and inserting lieu thereof the following: $1.00

Twelfth: In Sec. 28, 8 V.S.A. § 4089l(a), in subdivision (1), by striking out the following: "0.80" and inserting lieu thereof the following: "0.65"

Thirteenth: In Sec. 28, 8 V.S.A. § 4089l, in subsection (c)(1), after the following: "hospital indemnity," in the third sentence, by striking out the following: "dental care,"

Fourteenth: By inserting a new section to be numbered Sec. 32a to read as follows:

Sec. 32a. 33 V.S.A. § 2503(e) is amended to read:

(e) Fuel sellers, which are regulated "companies" as defined in ~~subsection~~ 30 V.S.A. § 201(a) ~~of Title 30~~, which provide conservation programs that meet the goals of the weatherization program in a manner approved by the public service board, and which enhance the weatherization program's capacity to serve low income households may be eligible for rebates from the fuel gross

receipts tax imposed under this section. To establish rebate eligibility, such a company shall file with the public service board, on or before August 15 of each year, a request for approval of rebates based on the company's activities during the prior fiscal year. The public service board shall make a determination of the amount of rebate for each applicant on or before January 15 of each year, and such amount shall be rebated by the state economic opportunity office under the provisions of subsection (g) of this section. The public service board shall authorize rebates equal to the expenditures undertaken by the regulated utilities provided that such expenditures were prudently incurred and cost-effective, that they provided weatherization services following a comprehensive energy audit and work plan, except in cases where the fuel seller and weatherization staff jointly conclude that the need for weatherization services can be determined without a comprehensive energy audit, and that they were targeted to households ~~at or below 150 percent of the federally established poverty guidelines~~ that meet the eligibility criteria for low income weatherization services as determined by the office of economic opportunity.

Fifteenth: In Sec. 36, 32 V.S.A. § 9743, in subdivision (7), by striking out the following: "subdivisions (3) and (5)" and inserting in lieu thereof the following: subdivision (3)

Sixteenth: By inserting a new section to be numbered Sec. 36a to read as follows:

Sec. 36a. 32 V.S.A. § 9783 is added to read:

§ 9783. NOTICE OF USE TAX DUE

(a) As used in this section:

(1) "De minimis online auction website" means an online auction website that facilitated total gross sales in Vermont in the prior calendar year of less than $100,000.00 and reasonably expects to facilitate total gross sales in Vermont in the current calendar year of less than $100,000.00.

(2) "De minimis retailer" means any noncollecting retailer that made total gross sales in Vermont in the prior calendar year of less than $100,000.00 and reasonably expects total gross sales in Vermont in the current calendar year to be less than $100,000.00.

(3) "Noncollecting retailer" means any retailer not currently registered to collect and remit Vermont sales and use tax who makes sales of tangible personal property, services, and products transferred electronically from a place of business outside Vermont to be shipped to Vermont for use, storage, or consumption and who is not required to collect Vermont sales or use taxes.

(4) "Online auction website" means a collection of web pages on the Internet that allows any person to display tangible personal property, services, or products transferred electronically for sale which is purchased through a competitive process in which a participant places a bid, with the highest bidder purchasing the property, service, or product when the bidding period ends.

(5) "Vermont purchaser" means any purchaser who purchases tangible personal property, services, or products transferred electronically to be shipped or transferred to Vermont.

(b) Each noncollecting retailer shall give notice that Vermont use tax is due on nonexempt purchases of tangible personal property, services, or products transferred electronically and shall be paid by the Vermont purchaser. The notice in this subsection shall be readily visible and contain the information as follows:

(1) The noncollecting retailer is not required and does not collect Vermont sales and use tax;

(2) The purchase is subject to state use tax unless it is specifically exempt from taxation;

(3) The purchase is not exempt merely because the purchase is made over the Internet, by catalogue, or by other remote means;

(4) The state requires each Vermont purchaser to report any purchase that was not taxed and to pay tax on the purchase. The tax may be reported and paid on the Vermont use tax form; and

(5) The use tax form and corresponding instructions are available on the department of taxes website.

(c) Notice requirements.

(1) The notice required by subsection (b) of this section to be displayed on a website shall occur on a page necessary to facilitate the applicable transaction. The notice shall be sufficient if the noncollecting retailer provides a prominent linking notice that reads as follows: "See important Vermont sales and use tax information regarding the tax you may owe directly to the state of Vermont." The prominent linking notice shall direct the purchaser to the principal notice information required by subsection (b) of this section.

(2) The notice required in a catalogue by subsection (b) of this section shall be part of the order form. The notice shall be sufficient if the noncollecting retailer provides a prominent reference to a supplemental page that reads as follows: "See important Vermont sales and use tax information regarding the tax you may owe directly to the state of Vermont on page __." The notice on the order form shall direct the purchaser to the page that includes the principal notice required by subsection (b) of this section.

(3) For any Internet purchase made pursuant to this section, the invoice notice shall occur on the electronic order confirmation. The notice shall be sufficient if the noncollecting retailer provides a prominent linking notice that reads as follows: "See important Vermont sales and use tax information regarding the tax you may owe directly to the state of Vermont." The invoice notice link shall direct the purchaser to the principal notice required by subsection (b) of this section. If the noncollecting retailer does not issue an electronic order confirmation, the complete notice shall be placed on the purchase order, bill, receipt, sales slip, order form, or packing statement.

(4) For any catalogue or telephone purchase made pursuant to this section, the complete notice required by subsection (b) of this section shall be placed on the purchase order, bill, receipt, sales slip, order form, or packing statement.

(5) For any Internet purchase made pursuant to this section, notice on the check-out page fulfills simultaneously both the website and invoice notice requirements of subdivisions (1) and (3) of this subsection. The notice shall be sufficient if the noncollecting retailer provides a prominent linking notice that reads as follows: "See important Vermont sales and use tax information regarding the tax you may owe directly to the state of Vermont." The check-out page notice link shall direct the purchaser to the principal notice required by subsection (b) of this section.

(d) Exemptions and limitations.

(1) If a retailer is required to provide a similar notice for another state in addition to Vermont, the retailer may provide a consolidated notice so long as the notice includes the information contained in subsection (b) of this section, specifically references Vermont, and meets the placement requirements of this section.

(2) A noncollecting retailer may not state or display or imply that no tax is due on any Vermont purchase unless the display is accompanied by the notice required by subsection (b) of this section each time the display appears. If a summary of the transaction includes a line designated "sales tax" and shows the amount of sales tax as zero, this constitutes a display implying that no tax is due on the purchase. This display shall be accompanied by the notice required by subsection (b) of this section each time it appears.

(3) Notwithstanding the limitation in this section, if a noncollecting retailer knows that a purchase is exempt from Vermont tax pursuant to Vermont law, the noncollecting retailer may display or indicate that no sales or use tax is due even if the display is not accompanied by the notice required by subsection (b) of this section.

(4) With the exception of notification on an invoice, the provisions of this section apply to online auction websites.

(5) A de minimis retailer and a de minimis online auction website are exempt from the notice requirements provided by this section.

(6) No criminal penalty or civil liability may be applied or assessed for failure to comply with the provisions of this section.

Seventeenth: By inserting a new section to be numbered Sec. 36b to read as follows:

Sec. 36b. LINK-BASED USE TAX RETURNS

The department of taxes shall evaluate the feasibility of providing a voluntary Internet-based use tax reporting and payment system in conjunction with the notice required under Sec. 36a of this act. The department of taxes shall communicate its findings to the senate committee on finance and the house committee on ways and means by memorandum no later than January 15, 2012.

Eighteenth: By inserting a new section to be numbered Sec. 36c to read as follows:

Sec. 36c. REPEAL

Sec. H.6 of No. 1 of the Acts of 2009 (Sp. Sess.) (transition to department of revenue) is repealed.

Nineteenth: By inserting a new section to be numbered Sec. 36d to read as follows:

Sec. 36d. 7 V.S.A. § 422 is amended to read:

§ 422. TAX ON SPIRITUOUS LIQUOR

A tax ~~of 25 percent of the gross revenues~~ is assessed on the gross revenue on the retail sale of spirituous liquor, including fortified wine, sold by ~~or through~~ the liquor control board or sold by a manufacturer or rectifier of spirituous liquor in accordance with the provisions of this title. The tax shall be at the following rates based on the gross revenue of the retail sales by the seller in the previous year:

(1) if the gross revenue of the seller is $250,000.00 or lower a year, the rate of tax is five percent;

(2) if the gross revenue of the seller is between $250,000.00 and $450,000.00, the rate of tax is $12,500.00 plus 15 percent of gross revenues over $200,000.00;

(3) if the gross revenue of the seller is over $450,000.00, the rate of tax is 25 percent.

Twentieth: By adding a new section to be numbered Sec. 36e to read as follows:

Sec. 36e. TAXPAYER OUTREACH EDUCATION

The department of taxes shall develop a plan for education outreach to taxpayers in specific classes to insure that taxpayers in those classes are aware of their obligations under law.

Twenty-first: By striking out Sec. 30, Data Collection for Provider Taxes, in its entirety and inserting in lieu thereof a new Sec. 30 to read as follows:

Sec. 30. DATA COLLECTION FOR PROVIDER TAXES

The secretary of administration shall develop systems to identify and collect the data necessary to administer any health-care-related tax under 42 C.F.R. part 433.50 et seq. that is permitted by federal law but that Vermont does not currently levy, including an analysis of the base to which such a tax would apply and mechanisms for collection.

Twenty-second: In Sec. 37 (Effective Dates), in subdivision (4), after "(definition of household income)" by inserting the following: and Sec. 13b (veteran's exemption adjustment), and by striking out the following: "tax year" and inserting in lieu thereof the following: claim year

Twenty-third: In Sec. 37 (Effective Dates), in subdivision (7), before "22" by striking out the following: "Sec." and inserting in lieu thereof the following: Secs., and after "(cigar tax)" by inserting the following: , 36a (sales and use tax notification), 36b (link-based use tax reporting), and 36d (tax in spirits)

Twenty-fourth: In Sec. 37 (Effective Dates) by adding a new subdivision (11) to read as follows:

(11) Sec. 13a shall take effect on January 1, 2012.

Twenty-fifth: In Sec. 37 (Effective Dates) by adding a new subdivision (12) to read as follows:

(12) Secs. 13c and 13d of this act shall take effect on passage and shall apply to tax rates calculated for fiscal year 2012 school budgets and after.

(Committee vote: 5-1-1)

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

(For House amendments, see House Journal for March 22, 2011, pages 502-506 and March 23, 2011, pages 516-524.)

PROPOSAL OF AMENDMENT TO H. 436 TO BE OFFERED BY SENATOR POLLINA

Senator Pollina moves that the Senate propose to the House to amend the bill by adding a Sec. 3b to read as follows:

Sec. 3b. Sec. 20 of No. 2 of the Acts of 2009 Spec. Sess. is amended to read:

Sec. 20. PERSONAL INCOME TAX RATES

(a) For taxable year 2009 only, 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:

For taxable income which, without the passage of this act, would be subject to tax at the following rate (%):	That taxable income shall instead be taxed at the following rate (%):
3.60	3.55
7.20	7.00
8.50	8.25
9.00	8.90
9.50	9.40

(b) For taxable year 2010 ~~and after~~ only, 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:

For taxable income which, without the passage of this act, would be subject to tax at the following rate (%):	That taxable income shall instead be taxed at the following rate (%):
3.60	3.55
7.20	6.80
8.50	7.80
9.00	8.80
9.50	8.95

(c) For taxable years 2011, 2012, and 2013, 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:

For taxable income which, without	That taxable income

the passage of this act, would be subject to tax at the following rate (%):	That taxable income shall instead be taxed at the following rate (%):
3.60	3.55
7.20	6.80
8.50	7.80
9.00	9.80
9.50	10.45

(d) For taxable year 2014 and after, 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:

For taxable income which, without the passage of this act, would be subject to tax at the following rate (%):	That taxable income shall instead be taxed at the following rate (%):
3.60	3.55
7.20	6.80
8.50	7.80
9.00	8.80
9.50	8.95

AMENDMENT TO PROPOSAL OF AMENDMENT OF THE COMMITTEE ON FINANCE TO H. 436 TO BE OFFERED BY SENATOR BROCK

Senator Brock moves to amend the proposal of amendment of the Committee on Finance in the *eighth* proposal of amendment in Sec. 15, 32 V.S.A. § 5404a(l), in subdivision (2), after the following: "regular comprehensive municipal audit conducted by an independent firm." by inserting the following: Any audit conducted under this subsection shall comply with generally accepted government auditing standards.

PROPOSAL OF AMENDMENT TO H. 436 TO BE OFFERED BY SENATOR BROCK

Senator Brock moves that the Senate propose to the House to amend the bill as follows

First: By striking out Sec. 8 in its entirety and inserting a new Sec. 8 to read:

Sec. 8. STATE REVENUE SYSTEM REVIEW COMMISSION

(a) There is hereby established a state revenue system review commission consisting of five members to be appointed as follows:

(1) The governor, the lieutenant governor, the president pro tempore of the senate, and the speaker of the house shall each appoint one member; and

(2) The governor, the president pro tempore of the senate, and the speaker of the house shall together appoint one additional member with experience in and understanding of the current education finance system to be the chair of the commission.

(b) The commission members shall be appointed on or before July 1, 2011.

(c) The commission shall prepare a structural analysis and offer recommendations for improvements and modernization of the state revenue system. In doing so, the commission shall review the report of the Blue Ribbon Tax Structure Commission and the data upon which that report was based. The commission shall integrate the analysis and recommendations of the Blue Ribbon Tax Structure Commission into evaluation of the state's revenue system, including Vermont education finance system. The commission shall offer recommendations based on its analysis, with particular emphasis on recommendations related to Vermont's education finance system. The commission shall engage in public hearings and other activities for public involvement.

(d) The commission shall receive technical support from the department of taxes, the department of education, the joint fiscal office, and consultants.

(e) The joint fiscal office with the assistance of the legislative council, the department of education, 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 experience working in a public policy development process.

(f) Nonlegislative 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.

(g) The commission shall report its analysis and recommendations to the house and senate committees on education and on appropriations, the house committee on ways and means, and the senate committee on finance on or before January 15, 2012.

Second: By striking out Sec. 9 (authorization to spend) in its entirety and inserting in lieu thereof the following:

Sec. 9. AUTHORIZATION TO SPEND

The joint fiscal office is authorized to expend up to a total of $210,000.00 for the commission established by Sec. 8 of this act and related expenses by using funds from its existing budget, and, if necessary, the joint fiscal committee is authorized to transfer additional funds from other legislative departments to the joint fiscal office to cover the amount of the commission's expenses.

PROPOSAL OF AMENDMENT TO H. 436 TO BE OFFERED BY SENATOR BROCK

Senator Brock moves that the Senate propose to the House to amend the bill as follows

First: By adding a Sec. 36f to read:

Sec. 36f. 33 V.S.A. § 1955c is added to read:

§ 1955c. MEDICAL MARIJUANA DISPENSARY ASSESSMENT

There is imposed on any medical marijuana dispensary, as that term is defined under 18 V.S.A. § 4472(5), an assessment of six percent of the gross revenues resulting from the sale, transfer, dispensation, or supplying of marijuana, marijuana-infused products, and marijuana-related supplies and educational materials. Any revenue raised by this assessment shall be deposited in the health care resources fund established in section 1901d of this title. For the purpose of implementing this assessment, a medical marijuana dispensary, as defined in 18 V.S.A. § 4472(5), shall be treated as a health care provider, as defined in 18 V.S.A. § 1951(5).

Second: In Sec. 37, subdivision (4), after the words "(definition of household income)" by inserting the following: and Sec. 37f (medical marijuana dispensary assessment)

UNFINISHED BUSINESS OF TUESDAY, APRIL 12, 2011

House Proposal of Amendment

S. 2

An act relating to sexual exploitation of a minor and the sex offender registry.

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

Sec. 1. 13 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this subchapter:

* * *

(10) "Sex offender" means:

* * *

(B) A person who is convicted of any of the following offenses against a victim who is a minor, except that, for purposes of this subdivision, conduct which is criminal only because of the age of the victim shall not be considered an offense for purposes of the registry if the perpetrator is under the age of 18 and the victim is at least 12 years old:

* * *

(ix) sexual exploitation of a minor as defined in 13 V.S.A. § ~~3258(b)~~ 3258.

* * *

Sec. 2. 13 V.S.A. § 5411a is amended to read:

§ 5411a. ELECTRONIC POSTING OF THE SEX OFFENDER REGISTRY

(a) Notwithstanding 20 V.S.A. §§ 2056a-2056e, the department shall electronically post information on the Internet in accordance with subsection (b) of this section regarding the following sex offenders, upon their release from confinement:

(1) Sex offenders who have been convicted of:

* * *

(I) ~~Sexual~~ A felony violation of sexual exploitation of a minor (13 V.S.A. § ~~3258(b)~~ 3258(c)).

* * *

(b) The department shall electronically post the following information on sex offenders designated in subsection (a) of this section:

* * *

(6) ~~except as provided in subsection (l) of this section, the offender's address or, if the offender does not have a fixed address, other information about where the offender habitually lives, if:~~ the date and nature of the offender's conviction;

* * *

Sec. 3. 16 V.S.A. § 255 is amended to read:

§ 255. PUBLIC AND INDEPENDENT SCHOOL EMPLOYEES; CONTRACTORS

(a) Superintendents, headmasters of recognized or approved ~~Vermont~~ independent schools, and their contractors shall request criminal record information for the following:

(1) The person a superintendent or headmaster is prepared to recommend for any full-time, part-time or temporary employment.

(2) Any person directly under contract to an independent school or school district who may have unsupervised contact with school children.

(3) Any employee of a contractor under contract to an independent school or school district who is in a position that may result in unsupervised contact with school children.

(4) Any student working toward a degree in teaching who is a student teacher in a school within the superintendent's or headmaster's jurisdiction.

(b) After signing a user agreement, a superintendent or a headmaster shall make a request directly to the Vermont criminal information center. A contractor shall make a request through a superintendent or headmaster.

(c) A request made under subsection (b) of this section shall be accompanied by a set of the person's fingerprints and a fee established by the Vermont criminal information center which shall reflect the cost of obtaining the record from the FBI. The fee shall be paid in accordance with adopted school board policy.

* * *

(h) A superintendent or headmaster shall request and obtain information from the child protection registry maintained by the department for children and families and from the vulnerable adult abuse, neglect, and exploitation registry maintained by the department of disabilities, aging, and independent living (collectively, the "registries") for any person for whom a criminal record check is required under subsection (a) of this section. The department for children and families and the department of disabilities, aging, and independent living shall adopt rules governing the process for obtaining information from the registries and for disseminating and maintaining records of that information under this subsection.

(i) A person convicted of a sex offense that requires registration pursuant to chapter 167, subchapter 3 of Title 13 shall not be eligible for employment under this section.

(j) The board of trustees of a recognized or approved independent school shall request a criminal record check and a check of the registries pursuant to the provisions of this section prior to offering employment to a headmaster.

Sec. 4. 4 V.S.A. § 952 is amended to read:

§ 952. RULES OF COURT ADMINISTRATOR

(a) The court administrator, subject to the approval of the supreme court, shall make rules regarding the qualifications, lists, and selection of all jurors and prepare questionnaires for prospective jurors. Each superior court clerk shall, in conformity with the rules, prepare a list of jurors from residents of its unit. The rules shall be designed to assure that the list of jurors prepared by the ~~jury commission~~ superior court clerk shall be representative of the citizens of its unit in terms of age, sex, occupation, economic status, and geographical distribution.

(b) Rules adopted under this section shall be consistent with the provisions of this chapter.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

AMENDMENT TO S. 2 TO BE OFFERED BY SENATOR SEARS, ON BEHALF OF THE COMMITTEE ON JUDICIARY, BEFORE THIRD READING

Senator Sears, on behalf of the Committee on Judiciary, moves that the Senate concur in the House proposal of amendment with a further proposal of amendment by adding a new Sec. 5 to read as follows:

Sec 5. 20 V.S.A. § 2056b is amended to read:

§ 2056b. DISSEMINATION OF CRIMINAL HISTORY RECORDS TO PERSONS CONDUCTING RESEARCH

(a) The Vermont criminal information center may provide Vermont criminal history records as defined in section 2056a of this title to bona fide persons conducting research related to the administration of criminal justice, subject to conditions approved by the commissioner of public safety to assure the confidentiality of the information and the privacy of individuals to whom the information relates. Bulk criminal history data requested by descriptors other than the name and date of birth of the subject may only be provided in a format that excludes the subject's name and any unique numbers that may reference the identity of the subject, except that court docket numbers and the state identification number may be provided. Researchers ~~must~~ shall sign a user agreement which specifies data security requirements and restrictions on use of identifying information.

(b) No person shall confirm the existence or nonexistence of criminal history record information to any person other than the subject and properly designated employees of an organization who have a documented need to know the contents of the record.

(c) A person who violates the provisions of this section with respect to unauthorized disclosure of confidential criminal history record information obtained from the center under the authority of this section shall be fined not more than $5,000.00. Each unauthorized disclosure shall constitute a separate civil violation.

and by renumbering the remaining section to be numerically correct.

UNFINISHED BUSINESS OF THURSDAY, APRIL 14, 2011

Resolutions for Action

J.R.S. 28.

Joint resolution congratulating the Republic of China on its centennial anniversary and supporting its being granted observer or participation status in certain travel and tourism organizations.

(For text of resolution, see Senate Journal of April 13, 2011, page 401.)

NEW BUSINESS

Third Reading

H. 11.

An act relating to the discharge of pharmaceutical waste to state waters.

H. 26.

An act relating to limiting the application of fertilizer containing phosphorus or nitrogen to nonagricultural turf.

H. 91.

An act relating to the management of fish and wildlife.

AMENDMENT TO SENATE PROPOSAL OF AMENDMENT TO H. 91 TO BE OFFERED BY SENATOR STARR BEFORE THIRD READING

Senator Starr moves to amend the Senate proposal of amendment as follows

First: In Sec. 5(c)(2)(B), by striking out the following: "a three-year period" and inserting in lieu thereof the following: an eight-year period

Second: In Sec. 5(c)(2)(B)(i)(II), by striking out the following: "three years" and inserting in lieu thereof the following: eight years and by striking out the following: "third year" and inserting in lieu thereof the following: eighth year

Third: In Sec. 5(c)(2)(B)(i)(III) by striking out the following: "three-year period" and inserting in lieu thereof the following: eight-year period

Second Reading

Favorable

H. 426.

An act relating to extending the state's reporting concerning transportation of children in state custody and transportation of individuals in the custody of the commissioner of mental health.

Reported favorably by Senator Fox for the Committee on Health and Welfare.

(Committee vote: 5-0-0)

(No House amendments.)

NOTICE CALENDAR

Favorable

H. 428.

An act relating to requiring supervisory unions to perform common duties.

Reported favorably by Senator Kittell for the Committee on Education.

(Committee vote: 5-0-0)

H. 442.

An act relating to amending the charter of the city of Rutland.

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

(Committee vote: 5-0-0)

Favorable with Recommendation of Amendment

S. 95.

An act relating to exemptions for newspaper deliverers from the unemployment statutes; relieving an employer's experience rating record of charges; studying the receipt of unemployment compensation between academic terms; allowing school employees to be paid wages over the course of a year; and requiring employers to furnish required work apparel.

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

The Committee recommends that the bill be amended as follows:

First: By striking out Sec. 2 in its entirety and inserting in lieu thereof a new Sec. 2 to read:

Sec. 2. STUDY

(a) The commissioner of labor in consultation with the Vermont school boards association and any other interested parties shall study the issue of allowing the receipt of unemployment benefits between academic terms for noninstructional employees. The study shall consider the costs of allowing receipt of such benefits, the employees who would be eligible for benefits, and any other relevant issues. In addition, the study shall consider the potential benefit to those employees of school-district-coordinated job placement services for the months between academic terms.

(b) The commissioner shall also study the issue of whether wages paid by an elderly individual for in-home assistance should be subject to the unemployment insurance statutes.

(c) The commissioner shall report his or her findings and any recommendations to the senate committee on economic development, housing and general affairs and the house committee on commerce and economic development by January 15, 2012.

Second: By striking out Sec. 3 in its entirety and inserting in lieu thereof a new Sec. 3 to read:

Sec. 3. 21 V.S.A. § 1301 is amended to read:

§ 1301. DEFINITIONS

The following words and phrases, as used in this chapter, shall have the following meanings unless the context clearly requires otherwise:

* * *

(6)(A)(i) "Employment," subject to the other provisions of this subdivision (6), means service within the jurisdiction of this state, performed prior to January 1, 1978, which was employment as defined in this subdivision prior to such date and, subject to the other provisions of this subdivision, service performed after December 31, 1977, by an employee, as defined in subsections 3306(i) and (o) of the Federal Unemployment Tax Act, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, expressed or implied. Services partly within and partly without this state may by election as hereinbefore provided be treated as if wholly within the jurisdiction of this state. And whenever an employing unit shall have elected to come under the provisions of a similar act of a state where a part of the services of an employee are performed, the commissioner, upon his or her approval of said election as to any such employee, may treat the

services covered by said approved election as having been performed wholly without the jurisdiction of this state.

* * *

(C) The term "employment" shall not include:

* * *

(xxi) Service performed by a direct seller if the individual is in compliance with all the following:

(I) The individual is engaged in:

(aa) the trade or business of selling or soliciting the sale of consumer products, including services or other intangibles, in the home or a location other than in a permanent retail establishment, including whether the sale or solicitation of a sale is to any buyer on a buy-sell basis, a deposit-commission basis, or any similar basis for resale by the buyer or any other person.

(bb) the trade or business of the delivery or distribution of weekly or monthly newspapers, including any services directly related to such trade or business.

(II) Substantially all the remuneration, whether or not received in cash, for the performance of the services described in subdivision (I) of this subdivision (C)(xxi) is directly related to sales or other output, including the performance of services, rather than to the number of hours worked.

(III) The services performed by the individual are performed pursuant to a written contract between the individual and the person for whom the services are performed, and the contract provides that the individual will not be treated as an employee for federal and state tax purposes.

* * *

Third: By striking out Sec. 7 in its entirety and inserting in lieu thereof a new Sec. 7 to read:

Sec. 7. 21 V.S.A. § 385a is added to read:

§ 385a. REQUIRED APPAREL

An employer that requires its employees to wear apparel which displays the employer's trademark, logo, or other identifying characteristic, or that requires its employees to wear apparel sold or produced by the employer shall furnish and replace as necessary at least one week's worth of apparel free of charge to the employees. An employee shall be responsible for maintaining the apparel in good condition.

Fourth: By adding a Sec. 8 to read:

Sec. 8. 21 V.S.A. § 1453 is amended to read:

§ 1453. APPROVAL OR REJECTION; RESUBMISSION

The commissioner shall approve or reject a plan in writing within ~~15~~ 30 days of its receipt, and in the case of rejection shall state the reasons therefor. The reasons for rejection shall be final and nonappealable, but the employer shall be allowed to submit another plan for approval.

(Committee vote: 6-0-1)

Favorable with Proposal of Amendment

H. 38.

An act relating to ensuring educational continuity for children of military families.

Reported favorably with recommendation of proposal of amendment by Senator Mullin for the Committee on Education.

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

TO THE HONORABLE SENATE

The Committee on Education to which was referred House Bill No. H. 38, entitled "An act relating to ensuring educational continuity for children of military families"

respectfully reports that it has considered the same and recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following::

Sec. 1. 16 V.S.A. chapter 19 is added to read:

CHAPTER 19. INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN

§ 806. PURPOSE – ARTICLE I

It is the purpose of this compact to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents by:

A. Facilitating the timely enrollment of children of military families and ensuring that they are not placed at a disadvantage due to difficulty in the transfer of education records from the previous school district or variations in entrance or age requirements.

B. Facilitating the student placement process through which children of military families are not disadvantaged by variations in attendance requirements, scheduling, sequencing, grading, course content, or assessment.

C. Facilitating the qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities.

D. Facilitating the on-time graduation of children of military families.

E. Providing for the promulgation and enforcement of administrative rules implementing the provisions of this compact.

F. Providing for the uniform collection and sharing of information between and among member states, schools, and military families under this compact.

G. Promoting coordination between this compact and other compacts affecting military children.

H. Promoting flexibility and cooperation between the educational system, parents and the student in order to achieve educational success for the student.

§ 806a. DEFINITIONS – ARTICLE II

As used in this compact, unless the context clearly requires a different construction:

A. "Active duty" means: full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. Chapter 1209 and 1211.

B. "Children of military families" means: a school-aged child or children, enrolled in Kindergarten through Twelfth (12th) grade, in the household of an active duty member.

C. "Compact commissioner" means: the voting representative of each compacting state appointed pursuant to Article VIII of this compact.

D. "Deployment" means: the period one (1) month prior to the service members' departure from their home station on military orders though six (6) months after return to their home station.

E. "Education(al) records" means: those official records, files, and data directly related to a student and maintained by the school or local education agency, including but not limited to records encompassing all the material kept in the student's cumulative folder such as general identifying data, records of attendance and of academic work completed, records of achievement and results of evaluative tests, health data, disciplinary status, test protocols, and individualized education programs.

F. "Extracurricular activities" means: a voluntary activity sponsored by the school or local education agency or an organization sanctioned by the local education agency. Extracurricular activities include, but are not limited to, preparation for and involvement in public performances, contests, athletic competitions, demonstrations, displays, and club activities.

G. "Interstate Commission on Educational Opportunity for Military Children" means: the commission that is created under Article IX of this compact, which is generally referred to as Interstate Commission.

H. "Local education agency" means: a public authority legally constituted by the state as an administrative agency to provide control of and direction for Kindergarten through Twelfth (12th) grade public educational institutions.

I. "Member state" means: a state that has enacted this compact.

J. "Military installation" means: a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility, which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Northern Marianas Islands and any other U.S. Territory. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

K. "Nonmember state" means: a state that has not enacted this compact.

L. "Receiving state" means: the state to which a child of a military family is sent, brought, or caused to be sent or brought.

M. "Rule" means: a written statement by the Interstate Commission promulgated pursuant to Article XII of this compact that is of general applicability, implements, interprets, or prescribes a policy or provision of the compact, or an organizational, procedural, or practice requirement of the Interstate Commission, and has the force and effect of a rule promulgated under the Vermont Administrative Procedure Act as found in 3 V.S.A. chapter 25, and includes the amendment, repeal, or suspension of an existing rule.

N. "Sending state" means: the state from which a child of a military family is sent, brought, or caused to be sent or brought.

O. " State" means: a state of the United States, the District 1 of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Northern Marianas Islands and any other U.S. Territory.

P. "Student" means: the child of a military family for whom the local education agency receives public funding and who is formally enrolled in Kindergarten through Twelfth (12th) grade.

Q. "Transition" means: 1) the formal and physical process of transferring from school to school or 2) the period of time in which a student moves from one school in the sending state to another school in the receiving state.

R. "Uniformed service" means: the Army, Navy, Air Force, Marine Corps, Coast Guard as well as the Commissioned Corps of the National Oceanic and Atmospheric Administration, and Public Health Services.

S. "Veteran" means: a person who served in the uniformed services and who was discharged or released there from under conditions other than dishonorable.

§ 806b. APPLICABILITY – ARTICLE III

A. Except as otherwise provided in Section B, this compact shall apply to the children of:

1. active duty members of the uniformed services as defined in this compact, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. Chapter 1209 and 1211;

2. members or veterans of the uniformed services who are severely injured and medically discharged or retired for a period of one (1) year after medical discharge or retirement; and

3. members of the uniformed services who die on active duty or as a result of injuries sustained on active duty for a period of one (1) year after death.

B. The provisions of this interstate compact shall only apply to local education agencies as defined in this compact.

C. The provisions of this compact shall not apply to the children of:

1. inactive members of the national guard and military reserves;

2. members of the uniformed services now retired, except as provided in Section A;

3. veterans of the uniformed services, except as provided in Section A; and

4. other U.S. Dept. of Defense personnel and other federal agency civilian and contract employees not defined as active duty members of the uniformed services.

§ 806c. EDUCATIONAL RECORDS AND ENROLLMENT – ARTICLE IV

A. Unofficial or "hand-carried" education records – In the event that official education records cannot be released to the parents for the purpose of transfer, the custodian of the records in the sending state shall prepare and

furnish to the parent a complete set of unofficial educational records containing uniform information as determined by the Interstate Commission. Upon receipt of the unofficial education records by a school in the receiving state, the school shall enroll and appropriately place the student based on the information provided in the unofficial records pending validation by the official records, as quickly as possible.

B. Official education records and transcripts – Simultaneous with the enrollment and conditional placement of the student, the school in the receiving state shall request the student's official education record from the school in the sending state. Upon receipt of this request, the school in the sending state will process and furnish the official education records to the school in the receiving state within ten (10) days or within such time as is reasonably determined under the rules promulgated by the Interstate Commission.

C. Immunizations – Compacting states shall give thirty (30) days from the date of enrollment or within such time as is reasonably determined under the rules promulgated by the Interstate Commission, for students to obtain any immunizations required by the receiving state. For a series of immunizations, initial vaccinations must be obtained within thirty (30) days or within such time as is reasonably determined under the rules promulgated by the Interstate Commission.

D. Kindergarten and first grade entrance age – Students shall be allowed to continue their enrollment at grade level in the receiving state commensurate with their grade level (including Kindergarten) from a local education agency in the sending state at the time of transition, regardless of age. A student that has satisfactorily completed the prerequisite grade level in the local education agency in the sending state shall be eligible for enrollment in the next highest grade level in the receiving state, regardless of age. A student transferring after the start of the school year in the receiving state shall enter the school in the receiving state on their validated level from an accredited school in the sending state.

§ 806d. PLACEMENT AND ATTENDANCE – ARTICLE V

A. Course placement – When the student transfers before or during the school year, the receiving state school shall initially honor placement of the student in educational courses based on the student's enrollment in the sending state school or educational assessments conducted at the school in the sending state if the courses are offered or both. Course placement includes but is not limited to Honors, International Baccalaureate, Advanced Placement, vocational, technical and career pathways courses. Continuing the student's academic program from the previous school and promoting placement in academically and career challenging courses should be paramount when

considering placement. This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement and continued enrollment of the student in the courses.

B. Educational program placement – The receiving state school shall initially honor placement of the student in educational programs based on current educational assessments conducted at the school in the sending state or participation or placement in like programs in the sending state. Such programs include, but are not limited to: 1) gifted and talented programs; and 2) English as a second language (ESL). This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement of the student.

C. Special education services – 1) In compliance with the federal requirements of the Individuals with Disabilities Education Act (IDEA), 20 U.S.C.A. Section 1400 et seq., the receiving state shall initially provide comparable services to a student with disabilities based on his or her current Individualized Education Program (IEP); and 2) in compliance with the requirements of Section 504 of the Rehabilitation Act, 29 U.S.C.A. Section 794, and with Title II of the Americans with Disabilities Act, 42 U.S.C.A. Sections 12131-12165, the receiving state shall make reasonable accommodations and modifications to address the needs of incoming students with disabilities, subject to an existing 504 or Title II Plan, to provide the student with equal access to education. This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement of the student.

D. Placement flexibility – Local education agency administrative officials shall have flexibility in waiving course and program prerequisites, or other preconditions for placement in courses and programs offered under the jurisdiction of the local education agency.

E. Absence as related to deployment activities – A student whose parent or legal guardian is an active duty member of the uniformed services, as defined by the compact, and has been called to duty for, is on leave from, or immediately returned from deployment to a combat zone or combat support posting, shall be granted additional excused absences at the discretion of the local education agency superintendent to visit with his or her parent or legal guardian relative to such leave or deployment of the parent or guardian.

§ 806e. ELIGIBILITY – ARTICLE VI

A. Eligibility for enrollment.

1. Special power of attorney, relative to the guardianship of a child of a military family and executed under applicable law shall be sufficient for the

purposes of enrollment and all other actions requiring parental participation and consent.

2. A local education agency shall be prohibited from charging local tuition to a transitioning military child placed in the care of a noncustodial parent or other person standing in loco parentis who lives in a jurisdiction other than that of the custodial parent.

3. A transitioning military child, placed in the care of a noncustodial parent or other person standing in loco parentis who lives in a jurisdiction other than that of the custodial parent, may continue to attend the school in which he or she was enrolled while residing with the custodial parent.

B. Eligibility for extracurricular participation – State and local education agencies shall facilitate the opportunity for transitioning military children's inclusion in extracurricular activities, regardless of application deadlines, to the extent they are otherwise qualified.

§ 806f. GRADUATION – ARTICLE VII

In order to facilitate the on-time graduation of children of military families states and local education agencies shall incorporate the following procedures:

A. Waiver requirements – Local education agency administrative officials shall waive specific courses required for graduation if similar course work has been satisfactorily completed in another local education agency or shall provide reasonable justification for denial. Should a waiver not be granted to a student who would qualify to graduate from the sending school, the local education agency shall provide an alternative means of acquiring required coursework so that graduation may occur on time.

B. Exit exams – States shall accept: 1) exit or end-of-course exams required for graduation from the sending state; or 2) national norm-referenced achievement tests; or 3) alternative testing, in lieu of testing requirements for graduation in the receiving state. In the event the above alternatives cannot be accommodated by the receiving state for a student transferring in his or her senior year, then the provisions of Article VII, Section C shall apply.

C. Transfers during senior year – Should a military student transferring at the beginning or during his or her senior year be ineligible to graduate from the receiving local education agency after all alternatives have been considered, the sending and receiving local education agencies shall ensure the receipt of a diploma from the sending local education agency, if the student meets the graduation requirements of the sending local education agency. In the event that one of the states in question is not a member of this compact, the member state shall use best efforts to facilitate the on-time graduation of the student in accordance with Sections A and B of this Article.

§ 806g. STATE COORDINATION – ARTICLE VIII

A. Each member state shall, through the creation of a State Council or use of an existing body or board, provide for the coordination among its agencies of government, local education agencies, and military installations concerning the state's participation in, and compliance with, this compact and Interstate Commission activities. While each member state may determine the membership of its own State Council, its membership must include at least: the state superintendent of education, superintendent of a school district with a high concentration of military children, representative from a military installation, one representative each from the legislative and executive branches of government, and other offices and stakeholder groups the State Council deems appropriate. A member state that does not have a school district deemed to contain a high concentration of military children may appoint a superintendent from another school district to represent local education agencies on the State Council.

B. The State Council of each member state shall appoint or designate a military family education liaison to assist military families and the state in facilitating the implementation of this compact.

C. The compact commissioner responsible for the administration and management of the state's participation in the compact shall be appointed by the Governor or as otherwise determined by each member state.

D. The compact commissioner and the military family education liaison designated herein shall be ex-officio members of the State Council, unless either is already a full voting member of the State Council.

§ 806h. INTERSTATE COMMISSION ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN – ARTICLE IX

The member states hereby create the "Interstate Commission on Educational Opportunity for Military Children." The activities of the Interstate Commission are the formation of public policy and are a discretionary state function. The Interstate Commission shall:

A. Be a body corporate and joint agency of the member states and shall have all the responsibilities, powers and duties set forth herein, and such additional powers as may be conferred upon it by a subsequent concurrent action of the respective legislatures of the member states in accordance with the terms of this compact.

B. Consist of one Interstate Commission voting representative from each member state who shall be that state's compact commissioner.

1. Each member state represented at a meeting of the Interstate Commission is entitled to one vote.

2. A majority of the total member states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Interstate Commission.

3. A representative shall not delegate a vote to another member state. In the event the compact commissioner is unable to attend a meeting of the Interstate Commission, the Governor or State Council may delegate voting authority to another person from their state for a specified meeting.

4. The bylaws may provide for meetings of the Interstate Commission to be conducted by telecommunication or electronic communication.

C. Consist of ex-officio, nonvoting representatives who are members of interested organizations. Such ex-officio members, as defined in the bylaws, may include but not be limited to, members of the representative organizations of military family advocates, local education agency officials, parent and teacher groups, the U.S. Department of Defense, the Education Commission of the States, the Interstate Agreement on the Qualification of Educational Personnel and other interstate compacts affecting the education of children of military members.

D. Meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a simple majority of the member states, shall call additional meetings.

E. Establish an executive committee, whose members shall include the officers of the Interstate Commission and such other members of the Interstate Commission as determined by the bylaws. Members of the executive committee shall serve a one-year term. Members of the executive committee shall be entitled to one vote each. The executive committee shall have the power to act on behalf of the Interstate Commission, with the exception of rulemaking, during periods when the Interstate Commission is not in session. The executive committee shall oversee the day-to-day activities of the administration of the compact including enforcement and compliance with the provisions of the compact, its bylaws and rules, and other such duties as deemed necessary. The U.S. Dept. of Defense, shall serve as an ex-officio, nonvoting member of the executive committee.

F. Establish bylaws and rules that provide for conditions and procedures under which the Interstate Commission shall make its information and official records available to the public for inspection or copying. The Interstate Commission may exempt from disclosure information or official records to the extent they would adversely affect personal privacy rights or proprietary interests.

G. Give public notice of all meetings and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact.

The Interstate Commission and its committees may close a meeting, or portion thereof, where it determines by two-thirds vote that an open meeting would be likely to:

1. Relate solely to the Interstate Commission's internal personnel practices and procedures;

2. Disclose matters specifically exempted from disclosure by federal and state statute;

3. Disclose trade secrets or commercial or financial information which is privileged or confidential;

4. Involve accusing a person of a crime, or formally censuring a person;

5. Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

6. Disclose investigative records compiled for law enforcement purposes; or

7. Specifically relate to the Interstate Commission's participation in a civil action or other legal proceeding.

H. Shall cause its legal counsel or designee to certify that a meeting may be closed and shall reference each relevant exemptible provision for any meeting, or portion of a meeting, which is closed pursuant to this provision. The Interstate Commission shall keep minutes which shall fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed and the record of a roll call vote. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Interstate Commission.

I. Shall collect standardized data concerning the educational transition of the children of military families under this compact as directed through its rules which shall specify the data to be collected, the means of collection and data exchange and reporting requirements. Such methods of data collection, exchange and reporting shall, in so far as is reasonably possible, conform to current technology and coordinate its information functions with the appropriate custodian of records as identified in the bylaws and rules.

J. Shall create a process that permits military officials, education officials and parents to inform the Interstate Commission if and when there are alleged violations of the compact or its rules or when issues subject to the jurisdiction of the compact or its rules are not addressed by the state or local education agency. This section shall not be construed to create a private right of action

against the Interstate Commission, any member state, or any local education agency.

§ 806i. POWERS AND DUTIES OF THE INTERSTATE COMMISSION – ARTICLE X

The Interstate Commission shall have the following powers:

A. To provide for dispute resolution among member states.

B. To promulgate rules and take all necessary actions to effect the goals, purposes and obligations as enumerated in this compact. The rules shall have the force and effect of a rule promulgated under the Vermont Administrative Procedure Act as found in 3 V.S.A. chapter 25 and shall be binding in the compact states to the extent and in the manner provided in this compact.

C. To issue, upon request of a member state, advisory opinions concerning the meaning or interpretation of the interstate compact, its bylaws, rules, and actions.

D. To monitor compliance with the compact provisions, the rules promulgated by the Interstate Commission, and the bylaws. Any action to enforce compliance with the compact provisions by the Interstate Commission shall be brought against a member state only.

E. To establish and maintain offices which shall be located within one or more of the member states.

F. To purchase and maintain insurance and bonds.

G. To borrow, accept, hire, or contract for services of personnel.

H. To establish and appoint committees including, but not limited to, an executive committee as required by Article IX, Section E, which shall have the power to act on behalf of the Interstate Commission in carrying out its powers and duties hereunder.

I. To elect or appoint such officers, attorneys, employees, agents, or consultants, and to fix their compensation, define their duties, and determine their qualifications; and to establish the Interstate Commission's personnel policies and programs relating to conflicts of interest, rates of compensation, and qualifications of personnel.

J. To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of it.

K. To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve or use any property, real, personal, or mixed.

L. To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal or mixed.

M. To establish a budget and make expenditures.

N. To adopt a seal and bylaws governing the management and operation of the Interstate Commission.

O. To report annually to the legislatures, governors, judiciary, and state councils of the member states concerning the activities of the Interstate Commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the Interstate Commission.

P. To coordinate education, training, and public awareness regarding the compact, its implementation and operation for officials and parents involved in such activity.

Q. To establish uniform standards for the reporting, collecting, and exchanging of data.

R. To maintain corporate books and records in accordance with the bylaws.

S. To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.

T. To provide for the uniform collection and sharing of information between and among member states, schools, and military families under this compact.

§ 806j. ORGANIZATION AND OPERATION OF THE INTERSTATE COMMISSION – ARTICLE XI

A. The Interstate Commission shall, by a majority of the members present and voting, within 12 months after the first Interstate Commission meeting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact, including, but not limited to:

1. Establishing the fiscal year of the Interstate Commission;

2. Establishing an executive committee, and such other committees as may be necessary;

3. Providing for the establishment of committees and for governing any general or specific delegation of authority or function of the Interstate Commission;

4. Providing reasonable procedures for calling and conducting meetings of the Interstate Commission, and ensuring reasonable notice of each such meeting;

5. Establishing the titles and responsibilities of the officers and staff of the Interstate Commission;

6. Providing a mechanism for concluding the operations of the Interstate Commission and the return of surplus funds that may exist upon the termination of the compact after the payment and reserving of all of its debts and obligations; and

7. Providing "start up" rules for initial administration of the compact.

B. The Interstate Commission shall, by a majority of the members, elect annually from among its members a chairperson, a vice chairperson, and a treasurer, each of whom shall have such authority and duties as may be specified in the bylaws. The chairperson or, in the chairperson's absence or disability, the vice chairperson, shall preside at all meetings of the Interstate Commission. The officers so elected shall serve without compensation or remuneration from the Interstate Commission; provided that, subject to the availability of budgeted funds, the officers shall be reimbursed for ordinary and necessary costs and expenses incurred by them in the performance of their responsibilities as officers of the Interstate Commission.

C. Executive Committee, Officers, and Personnel.

1. The executive committee shall have such authority and duties as may be set forth in the bylaws, including but not limited to:

a. Managing the affairs of the Interstate Commission in a manner consistent with the bylaws and purposes of the Interstate Commission;

b. Overseeing an organizational structure within, and appropriate procedures for the Interstate Commission to provide for the creation of rules, operating procedures, and administrative and technical support functions; and

c. Planning, implementing, and coordinating communications and activities with other state, federal, and local government organizations in order to advance the goals of the Interstate Commission.

3. The executive committee may, subject to the approval of the Interstate Commission, appoint or retain an executive director for such period, upon such terms and conditions, and for such compensation, as the Interstate Commission may deem appropriate. The executive director shall serve as secretary to the Interstate Commission, but shall not be a Member of the Interstate Commission. The executive director shall hire and supervise such other persons as may be authorized by the Interstate Commission.

D. The Interstate Commission's executive director and its employees shall be immune from suit and liability, either personally or in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused or arising out of or relating to an actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred, within the scope of Interstate Commission employment, duties, or

responsibilities; provided, that such person shall not be protected from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

1. The liability of the Interstate Commission's executive director and employees or Interstate Commission representatives, acting within the scope of such person's employment or duties for acts, errors, or omissions occurring within such person's state may not exceed the limits of liability set forth under the Constitution and laws of that state for state officials, employees, and agents. The Interstate Commission is considered to be an instrumentality of the states for the purposes of any such action. Nothing in this subsection shall be construed to protect such person from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

2. The Interstate Commission shall defend the executive director and its employees and, subject to the approval of the Attorney General or other appropriate legal counsel of the member state represented by an Interstate Commission representative, shall defend such Interstate Commission representative in any civil action seeking to impose liability arising out of an actual or alleged act, error or omission that occurred within the scope of Interstate Commission employment, duties, or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such person.

3. To the extent not covered by the state involved, member state, or the Interstate Commission, the representatives or employees of the Interstate Commission shall be held harmless in the amount of a settlement or judgment, including attorney's fees and costs, obtained against such persons arising out of an actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

§ 806k. RULEMAKING FUNCTIONS OF THE INTERSTATE COMMISSION – ARTICLE XII

A. Rulemaking Authority – The Interstate Commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of this Compact. Notwithstanding the foregoing, in the event the Interstate Commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of this Act, or the powers granted hereunder, then such

an action by the Interstate Commission shall be invalid and have no force or effect.

B. Rulemaking Procedure – Rules shall be made pursuant to a rulemaking process that substantially conforms to the "Model State Administrative Procedure Act," of 1981 Act, Uniform Laws Annotated, Vol. 15, p.1 (2000) as amended, as may be appropriate to the operations of the Interstate Commission.

C. Not later than thirty (30) days after a rule is promulgated, any person may file a petition for judicial review of the rule; provided, that the filing of such a petition shall not stay or otherwise prevent the rule from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. The court shall give deference to the actions of the Interstate Commission consistent with applicable law and shall not find the rule to be unlawful if the rule represents a reasonable exercise of the Interstate Commission's authority.

D. If a majority of the legislatures of the compacting states rejects a rule by enactment of a statute or resolution in the same manner used to adopt the compact, then such rule shall have no further force and effect in any compacting state.

§ 806l. OVERSIGHT, ENFORCEMENT, AND DISPUTE RESOLUTION – ARTICLE XIII

A. Oversight.

1. Each member state shall enforce this compact to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as a rule promulgated under the Vermont Administrative Procedure Act as found in 3 V.S.A. chapter 25.

2. All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the Interstate Commission.

3. The Interstate Commission shall be entitled to receive all service of process in any such proceeding, and shall have standing to intervene in the proceeding for all purposes. Failure to provide service of process to the Interstate Commission shall render a judgment or order void as to the Interstate Commission, this compact or promulgated rules.

B. Default, Technical Assistance, Suspension and Termination – If the Interstate Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact, or the bylaws or promulgated rules, the Interstate Commission shall:

1. Provide written notice to the defaulting state and other member states, of the nature of the default, the means of curing the default and any action taken by the Interstate Commission. The Interstate Commission shall specify the conditions by which the defaulting state must cure its default.

2. Provide remedial training and specific technical assistance regarding the default.

3. If the defaulting state fails to cure the default, the defaulting state shall be terminated from the compact upon an affirmative vote of a majority of the member states and all rights, privileges and benefits conferred by this compact shall be terminated from the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of the default.

4. Suspension or termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Interstate Commission to the Governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

5. The state which has been suspended or terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of suspension or termination, not to exceed $100 per year as provided in Article XIV, Subsection E, of this chapter for each year that the state of Vermont is a member of the compact.

6. The Interstate Commission shall not bear any costs relating to any state that has been found to be in default or which has been suspended or terminated from the compact, unless otherwise mutually agreed upon in writing between the Interstate Commission and the defaulting state.

7. The defaulting state may appeal the action of the Interstate Commission by petitioning the U.S. District Court for the District of Columbia or the federal district where the Interstate Commission has its principal offices. The prevailing party shall be awarded all costs of such litigation including reasonable attorney's fees.

C. Dispute Resolution.

1. The Interstate Commission shall attempt, upon the request of a member state, to resolve disputes which are subject to the compact and which may arise among member states and between member and non-member states.

2. The Interstate Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

§ 806m. FINANCING OF THE INTERSTATE COMMISSION –

ARTICLE XIV

A. The Interstate Commission shall pay, or provide for the payment of the reasonable expenses of its establishment, organization and ongoing activities.

B. The Interstate Commission may levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the Interstate Commission and its staff which must be in a total amount sufficient to cover the Interstate Commission's annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Interstate Commission, which shall promulgate a rule binding upon all member states.

C. The Interstate Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Interstate Commission pledge the credit of any of the member states, except by and with the authority of the member state.

D. The Interstate Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Interstate Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Interstate Commission shall by audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Interstate Commission.

E. The Interstate Commission may not assess, levy, or collect from Vermont in its annual assessment more than $100 per year. Other funding sources may be accepted and used to offset expenses related to the state's participation in the compact.

§ 806n. MEMBER STATES, EFFECTIVE DATE AND AMENDMENT – ARTICLE XV

A. Any state is eligible to become a member state.

B. The compact shall become effective and binding upon legislative enactment of the compact into law by no less than ten (10) of the states. The effective date shall be no earlier than December 1, 2007. Thereafter it shall become effective and binding as to any other member state upon enactment of the compact into law by that state. The governors of non-member states or their designees shall be invited to participate in the activities of the Interstate Commission on a non-voting basis prior to adoption of the compact by all states.

C. The Interstate Commission may propose amendments to the compact for enactment by the member states. No amendment shall become effective and

binding upon the Interstate Commission and the member states unless and until it is enacted into law by unanimous consent of the member states.

§ 806o. WITHDRAWAL AND DISSOLUTION – ARTICLE XVI

A. Withdrawal.

1. Once effective, the compact shall continue in force and remain binding upon each and every member state; provided that a member state may withdraw immediately from the compact by specifically repealing the statute which enacted the compact into law.

2. Withdrawal from this compact shall be by the enactment of a statute repealing the same.

3. The withdrawing state shall immediately notify the chairperson of the Interstate Commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The Interstate Commission shall notify the other member states of the withdrawing state's intent to withdraw within sixty (60) days of its receipt thereof.

4. The withdrawing state is responsible for all assessments, obligations, and liabilities incurred through the effective date of withdrawal, not to exceed $100 per year as provided in Article XIV, Subsection E, of this chapter for each year that the state of Vermont is a member of the compact.

5. Reinstatement following withdrawal of a member state shall occur upon the withdrawing state reenacting the compact or upon such later date as determined by the Interstate Commission.

B. Dissolution of Compact.

1. This compact shall dissolve effective upon the date of the withdrawal or default of the member state which reduces the membership in the compact to one (1) member state.

2. Upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the Interstate Commission shall be concluded and surplus funds shall be distributed in accordance with the bylaws.

§ 806p. SEVERABILITY AND CONSTRUCTION – ARTICLE XVII

A. The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

B. The provisions of this compact shall be liberally construed to effectuate its purposes.

C. Nothing in this compact shall be construed to prohibit the applicability of other interstate compacts to which the states are members.

§ 806q. BINDING EFFECT OF COMPACT AND OTHER LAWS – ARTICLE XVIII

A. Other Laws. Nothing herein prevents the enforcement of any other law of a member state.

B. Binding Effect of the Compact.

1. All lawful actions of the Interstate Commission, including all rules and bylaws promulgated by the Interstate Commission, are binding upon the member states.

2. All agreements between the Interstate Commission and the member states are binding in accordance with their terms.

3. In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any member state, such provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2011.

and that after passage the title of the bill be amended to read: "An act relating to adopting the interstate compact on educational opportunity for military children"

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

(For House amendments, see House Journal for March 9, 2011, page 383.)

Reported favorably by Senator Starr for the Committee on Appropriations.

(Committee vote: 7-0-0)

H. 202.

An act relating to a universal and unified health system.

Reported favorably with recommendation of proposal of amendment by Senator Ayer for the Committee on Health and Welfare.

(For text of Report, see Senate Calendar Addendum of April 20, 2011)

(For House amendments, see House Journal for March 23, 2011, page 577; March 24, 2011, page 634.)

PROPOSAL OF AMENDMENT TO H. 202 TO BE OFFERED BY SENATORS BENNING AND BROCK

Senators Benning and Brock move that the Senate propose to the House to amend the bill in Sec. 8, Integration Plan, in subdivision (a)(1), by adding a subdivision (6) to read:

(6) How to fully align the administration of Medicaid, Medicare, Dr. Dynasaur, the Catamount Health premium assistance program, the Vermont health access program, and other public or private health benefit programs in order to simplify the administrative aspects of health care delivery. In his or her recommendations, the secretary or designee shall estimate the cost-savings associated with such administrative simplification and identify any federal waivers or other agreements needed to accomplish the purposes of this subdivision (6).

PROPOSAL OF AMENDMENT TO H. 202 TO BE OFFERED BY SENATORS BENNING AND BROCK

Senators Benning and Brock move that the Senate propose to the House that the bill as amended be further amended by adding a Sec. 31a to read:

Sec. 31a. HEALTH PROGRAM APPLICATIONS

(a) The secretary of human services shall adopt rules pursuant to chapter 25 of Title 3 to require hospitals and other health care facilities licensed in this state to ask individuals without health care coverage who request or receive services at the facility to fill out a provided application for the state's health programs, including Medicaid, Dr. Dynasaur, the Vermont health access plan, and Catamount Health. The rules shall permit an individual to refuse to complete the application and shall not impose a penalty for such refusal, but shall require facilities to request at each visit that the individual complete the application.

(b) For purposes of this section, "health care facility" means any institution, whether public or private, proprietary or nonprofit, which offers diagnosis, treatment, or inpatient or ambulatory care to two or more unrelated persons, and the buildings in which those services are offered. The term shall not apply to any facility operated by a religious group relying solely on spiritual means or prayer to achieve healing.

PROPOSAL OF AMENDMENT TO H. 202 TO BE OFFERED BY SENATOR GALBRAITH

Senator Galbraith moves that the Senate propose to the House to amend the bill in Sec. 9, Financing Plans, by adding a subsection (e) to read:

(e) The secretary of administration or designee shall allow an individual to be exempt from participation in the financing mechanisms for Green Mountain Care if the individual:

(1) receives health coverage as a retirement benefit;

(2) proves eligibility for and enrollment in the coverage received as a retirement benefit; and

(3) affirmatively chooses neither to participate in the financing for Green Mountain Care nor to be eligible to receive benefits under Green Mountain Care.

PROPOSAL OF AMENDMENT TO H. 202 TO BE OFFERED BY SENATOR GALBRAITH

Senator Galbraith moves that the Senate propose to the House to amend the bill in Sec. 9, Financing Plans, by adding a subsection (e) to read:

(e) The secretary of administration or designee shall allow an individual to be exempt from participation in the financing mechanisms for Green Mountain Care if the individual:

(1) receives health coverage through the Veterans' Administration or TRICARE;

(2) proves eligibility and enrollment if applicable for coverage through the Veterans' Administration or TRICARE; and

(3) affirmatively chooses neither to participate in the financing for Green Mountain Care nor to be eligible to receive benefits under Green Mountain Care.

PROPOSAL OF AMENDMENT TO H. 202 TO BE OFFERED BY SENATOR GALBRAITH

Senator Galbraith moves that the Senate propose to the House to amend the bill in Sec. 9, Financing Plans, by adding a subsection (e) to read:

(e) The secretary of administration or designee shall allow an individual to be exempt from participation in the financing mechanisms for Green Mountain Care if the individual:

(1)(A) is a foreign national, including a dual national, who receives health coverage from the government of a foreign nation; or

(B) is a Vermont resident living outside the United States who receives health coverage from a program sponsored by the U.S. government, from the government of a foreign nation, from an international organization, from a foreign employer, or from another foreign source;

(2) proves eligibility and enrollment if applicable for coverage through one or more of the programs described in subdivisions (1)(A) and (B) of this subsection; and

(3) affirmatively chooses neither to participate in the financing for Green Mountain Care nor to be eligible to receive benefits under Green Mountain Care.

PROPOSAL OF AMENDMENT TO H. 202 TO BE OFFERED BY SENATOR GALBRAITH

Senator Galbraith moves that the bill be amended as recommended by the Committee on Health and Welfare with further amendments thereto:

First: In Sec. 4, 33 V.S.A. chapter 18, in § 1802, by adding a subdivision (9) to read:

(9) "Vermont Health" means the Vermont Health Insurance Corporation established in 8 V.S.A. chapter 118.

Second: In Sec. 4, 33 V.S.A. chapter 18, in § 1803(b)(1)(A), by inserting the words and plans offered by Vermont Health following the words "the Affordable Care Act"

Third: By inserting a Sec. 4c to read as follows:

Sec. 4c. 8 V.S.A. chapter 118 is added to read:

CHAPTER 118. VERMONT HEALTH INSURANCE CORPORATION
§ 4401. VERMONT HEALTH INSURANCE CORPORATION

Vermont Health is established as a private, nonprofit corporation owned by the people of Vermont for the purpose of providing qualified health benefit plans to Vermont residents.

§ 4402. PURPOSE

Vermont Health shall have as its primary goal ensuring that all Vermont residents have access to health care, including treatment by qualified physicians, necessary surgery and surgical procedures, hospitalization, and prescribed medicines. All qualified Vermont residents shall have the right to participate in a qualified health benefit plan offered by Vermont Health, and no person shall be denied the right to participate because of illness, preexisting condition, or age. Vermont Health shall guarantee issuance of a qualified health plan to all qualified Vermont residents and their dependents.

§ 4403. DEFINITIONS

As used in this chapter:

(1) "Affordable Care Act" means the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), and as further amended.

(2) "Commissioner" means the commissioner of banking, insurance, securities, and health care administration.

(3) "Health benefit plan" means a policy, contract, certificate, or agreement offered or issued by a health insurer to provide, deliver, arrange for, pay for, or reimburse any of the costs of health services. This term does not include coverage only for accident or disability income insurance, liability insurance, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, automobile medical payment insurance, credit-only insurance, coverage for on-site medical clinics, or other similar insurance coverage where benefits for health services are secondary or incidental to other insurance benefits as provided under the Affordable Care Act. The term also does not include stand-alone dental or vision benefits; long-term care insurance; specific disease or other limited benefit coverage; Medicare supplemental health benefits; Medicare Advantage plans; or other similar benefits excluded under the Affordable Care Act.

(4) "Health care professional" means an individual, partnership, corporation, facility, or institution licensed or certified or otherwise authorized by law to provide professional health services.

(5) "Health service" means any medically necessary treatment or procedure to maintain an individual's physical or mental health or to diagnose or treat an individual's physical or mental health condition, including services ordered by a health care professional and medically necessary services to assist in activities of daily living.

(6) "Qualified health benefit plan" means a health benefit plan which meets the requirements set forth in 33 V.S.A. § 1806 and Section 1301 of the Affordable Care Act.

(7) "Qualified Vermont resident" means an individual, including a minor, who is a Vermont resident and at the time of enrollment:

(A) is not incarcerated or is only incarcerated awaiting disposition of charges; and

(B) is or is reasonably expected to be during the time of enrollment a citizen or national of the United States or an immigrant lawfully present in the United States as defined by federal law.

(8) "Vermont Health Insurance Corporation" or "Vermont Health" means a private, nonprofit health insurance corporation owned by the people of Vermont and providing qualified health benefit plans to Vermont residents.

(9) "Vermont resident" means an individual domiciled in Vermont as evidenced by an intent to maintain a principal dwelling place in Vermont indefinitely and to return to Vermont if temporarily absent, coupled with an act or acts consistent with that intent.

§ 4404. OWNERSHIP AND GOVERNANCE OF VERMONT HEALTH

(a) Vermont Health shall issue shares, all of which shall be owned by the people of Vermont and held in trust for them by the general assembly.

(b) The governor shall appoint, with the consent of the senate, a five-member board of Vermont Health, one of whom shall be designated by the governor as the chair. The board shall prepare the bylaws, regulations, and policies of Vermont Health. The general assembly, acting on behalf of the shareholders, shall approve by joint resolution the bylaws, regulations, and major policies of Vermont Health.

(c) The board shall appoint all officers of Vermont Health who shall be state employees and exempt from the state classified system. The board shall determine compensation for the officers and employees of Vermont Health, provided that no officer or employee shall receive more in compensation than the highest paid state employee.

§ 4405. CERTIFICATE OF AUTHORITY

Notwithstanding the provisions of chapters 101 and 107 of this title, upon petition of the secretary of administration, the commissioner shall issue to Vermont Health a certificate of authority to operate as a health insurance corporation for purposes of providing qualified health benefit plans to Vermont residents.

§ 4406. APPROVAL OF PREMIUMS AND FORMS

Notwithstanding the provisions of section 4062 of this title, the commissioner shall approve all forms and premium rates for Vermont Health that he or she determines to be in the best interests of the people of the state of Vermont.

§ 4407. VERMONT HEALTH QUALIFIED BENEFIT PLANS

Vermont Health shall offer only qualified health benefit plans that meet the requirements of the Affordable Care Act, 33 V.S.A. chapter 18, subchapter 1, and applicable state laws. In the event that the Affordable Care Act is repealed or held invalid, Vermont Health shall continue to offer health benefit plans that provide essential benefits packages that meet or exceed the elements described

in Section 1302(a) of the Affordable Care Act and that provide for all necessary medical care, including treatment by qualified health care professionals, hospital care, and prescription drugs. Plans offered by Vermont Health shall pay for all necessary medical expenses without annual or lifetime limits.

§ 4408. CHOICE OF PROVIDER

To the extent Vermont Health provides coverage for any particular type of health service or for any particular medical condition, it shall cover those health services and conditions when provided by any type of health care professional acting within the scope of practice authorized by law. Vermont Health may establish a term or condition that places a greater financial burden on an individual for access to treatment by the type of health care professional only if it is related to the efficacy or cost-effectiveness of the type of service.

§ 4409. REQUIRED CONTRACT PROVISIONS

Qualified health benefit plan contracts entered into by Vermont Health shall be in writing, one copy of which shall be furnished to the insured. The contract shall contain at least the following provisions:

(1) A statement of the amount payable to Vermont Health by the subscriber and the manner in which such amount is payable;

(2) A statement of the nature of the services to be furnished and the period during which they will be furnished and, if there are any services to be excepted, a detailed statement of such exceptions;

(3) A statement of the terms and conditions upon which the contract may be canceled or otherwise terminated at the option of either party;

(4) A statement that the contract includes the endorsements thereon and attached papers, if any, and contains the entire contract for services;

(5) A statement that no representation by the insured in his or her application shall void the contract or be used in any legal proceeding thereunder unless such application or an exact copy thereof is included in or attached to such contract and that no agent or representative of such corporation other than an officer or officers designated therein is authorized to change the contract or waive any of its provisions;

(6) A statement that if the insured defaults in making any payment under the contract, the subsequent acceptance of a payment by the corporation or by any of its duly authorized agents shall reinstate the contract;

(7) A statement of the period of grace which will be allowed the insured for making any payment due under the contract, to be not less than ten days;

(8) A statement that the insured shall be entitled to engage the services of a health care professional whom he or she chooses to perform services covered by the contract, provided that such health care professional is licensed or certified or otherwise authorized by law to provide professional health services in this state and agrees to be governed by the bylaws of the corporation with respect to payment of fees for his or her services.

Fourth: By adding a Sec. 4d to read:

Sec. 4d. 32 V.S.A. § 8556 is amended to read:

§ 8556. ~~EXEMPTION~~ EXEMPTIONS

(a) For the purposes of this subchapter, a continuing care retirement community certified under chapter 151 of Title 8 shall not be deemed to be an insurance company or other entity subject to the tax imposed by this subchapter.

(b) The Vermont Health Insurance Corporation established in chapter 118 of Title 8 shall be exempt from the tax imposed by this subchapter.

Fifth: By adding a Sec. 4e to read:

Sec. 4e. COST-EFFECTIVENESS EVALUATION

The secretary of administration or designee shall evaluate the cost-effectiveness of permitting a nonprofit insurance carrier licensed to do business in this state to provide some or all of the benefits and administration of the qualified health benefit plans offered by the Vermont Health Insurance Corporation in conjunction with, or in lieu of, involvement by state government. No later than February 15, 2012, the secretary or designee shall report to the house committee on health care and the senate committees on health and welfare and on finance on the advisability and cost-effectiveness of involving an insurance carrier in Vermont Health and shall propose the statutory modifications necessary to accomplish any such involvement.

Sixth: In Sec. 34, Effective Dates, in subsection (a), by inserting "Sec. 4e (cost-effectiveness study);" preceding the words "Secs. 8 (integration plan);" and by adding a subsection (h) to read:

(h) Secs. 4c (Vermont Health) and 4d (tax exemptions) shall take effect 180 days following a determination by the secretary of administration that Green Mountain Care will not become operational by July 1, 2017.

H. 441.

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

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

(For text of Report, see Senate Calendar Addendum of April 20, 2011)

(For House amendments, see House Journal for March 25, 2011, page 659.)

ORDERED TO LIE

S. 38.

An act relating to the Uniform Collateral Consequences of Conviction Act.

PENDING ACTION: Third Reading

CONCURRENT RESOLUTIONS FOR NOTICE

H.C.R. 142-155 (For text of Resolutions, see Addendum to Senate Calendar for April 21, 2011

CONFIRMATIONS

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

Kate Duffy of Williston – Commissioner of the Department of Human Resources– By Sen. Flory for the Committee on Government Operations. (1/25/11)

Jim Reardon of Essex Junction – Commissioner of the Department of Finance and Management – By Sen. White for the Committee on Government Operations. (1/28/11)

Chuck Ross of Hinesburg – Secretary of the Agency of Agriculture – By Sen. Kittell for the Committee on Agriculture. (1/28/11)

Robert D. Ide of Peacham – Commissioner of the Department of Motor Vehicles – By Sen. Kitchel for the Committee on Transportation. (1/28/11)

Jeb Spaulding of Montpelier – Secretary of the Agency of Administration – By Sen. Pollina for the Committee on Government Operations. (1/28/11)

Mary Peterson of Williston – Commissioner of the Department of Taxes – By Sen. Westman for the Committee on Finance. (1/28/11)

Steve Kimbell of Tunbridge – Commissioner of the Department of Banking, Insurance, Securities and Health Care Administration – By Sen. Cummings for the Committee on Finance. (1/28/11)

Brian Searles of Burlington – Secretary of the Agency of Transportation – By Sen. Mazza for the Committee on Transportation. (2/1/11)

Bruce Post of Essex Junction – Member of the Board of Libraries – By Sen. Baruth for the Committee on Education. (2/4/11)

Jason Gibbs of Duxbury – Member of the Community High School of Vermont Board – By Sen. Doyle for the Committee on Education. (2/15/11)

John Fitzhugh of West Berlin – Member of the Board of Libraries – By Sen. Doyle for the Committee on Education. (2/15/11)

Susan Wehry of Burlington – Commissioner of the Department of Disabilities, Aging and Independent Living – By Sen. Pollina for the Committee on Health and Welfare. (2/15/11)

Dave Yacavone of Morrisville – Commissioner of the Department of Children and Families – By Sen. Fox for the Committee on Health and Welfare. (2/15/11)

Christine Oliver of Montpelier – Commissioner of the Department of Mental Health – By Sen. Mullin for the Committee on Health and Welfare. (2/15/11)

Doug Racine of Richmond – Secretary of the Agency of Human Services – By Sen. Ayer for the Committee on Health and Welfare. (2/15/11)

Michael Obuchowski of Montpelier – Commissioner of the Department of Buildings and General Services – By Sen. Hartwell for the Committee on Institutions. (2/17/11)

Susan Besio of Jericho – Commissioner of the Department of Vermont Health Access – By Sen. Miller for the Committee on Health and Welfare. (2/18/11)

Susan Besio of Jericho – Commissioner of the Department of Vermont Health Access – By Sen. Miller for the Committee on Health and Welfare. (2/18/11)

Harry Chen of Mendon – Commissioner of the Department of Health – By Sen. Mullin for the Committee on Health and Welfare. (2/18/11)

Andrew Pallito of Jericho – Commissioner of the Department of Corrections – By Sen. Hartwell for the Committee on Institutions. (2/18/11)

Keith Flynn of Derby Line – Commissioner of the Department of Public Safety – By Sen. Flory for the Committee on Transportation. (2/22/11)

Elizabeth Strano of Bennington – Member of the State Board of Education – By Sen. Baruth for the Committee on Education. (2/24/11)

Amy W. Grillo of Dummerston – Member of the Community High School of Vermont Board – By Sen. Baruth for the Committee on Education. (2/24/11)

Deb Markowitz of Montpelier – Secretary of the Agency of Natural Resources – By Sen. Lyons for the Committee on Natural Resources and Energy. (3/17/11)

David Mears of Montpelier – Commissioner of the Department of Environmental Conservation – By Sen. Brock for the Committee on Natural Resources and Energy. (3/23/11)

Michael Snyder of Stowe – Commissioner of the Department of Forests, Parks and Recreation – By Sen. MacDonald for the Committee on Natural Resources and Energy. (3/23/11)

Annie Noonan of Montpelier – Commissioner of the Department of Labor – By Sen. Doyle for the Committee on Economic Development, Housing and General Affairs. (3/28/11)

Patrick Berry of Middlebury – Commissioner of the Department of Fish and Wildlife – By Sen. McCormack for the Committee on Natural Resources and Energy. (3/28/11)

Kathryn T. Boardman of Shelburne of Shelburne – Director of the Vermont Municipal Bond Bank – By Sen. Ashe for the Committee on Finance. (3/29/11)

David R. Coates of Colchester – Director of the Vermont Municipal Bond Bank – By Sen. Fox for the Committee on Finance. (3/29/11)

Thomas Pelletier of Montpelier – Member of the Vermont Housing Finance Agency – By Sen. Cummings for the Committee on Finance. (3/29/11)