Journal of the House

Monday, May 8, 2023

At one o'clock in the afternoon, the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Rep. Gabrielle Stebbins of Burlington.

Pledge of Allegiance

The Speaker led the House in the Pledge of Allegiance.

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the 8th day of May 2023, he signed bills originating in the House of the following titles:

H. 41 An act relating to referral of domestic and sexual violence cases to community justice centers

H. 76 An act relating to captive insurance

H. 146 An act relating to amendments to the charter of the Northeast Kingdom Waste Management District

Message from the Senate No. 53

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

Madam Speaker:

I am directed to inform the House that:

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

H. 165. An act relating to school food programs and universal school meals.

H. 492. An act relating to setting the homestead property tax yields and the nonhomestead property tax rate.

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

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

S. 91. An act relating to competency to stand trial and insanity as a defense.

And has concurred therein.

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

S. 17. An act relating to sheriff reforms.

S. 99. An act relating to miscellaneous changes to laws related to vehicles.

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

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

H. 473. An act relating to radiologist assistants.

And has concurred therein.

The Governor has informed the Senate that on the 18th day of April, he approved and signed a bill originating in the Senate of the following title:

S. 54. An act relating to individual and small group insurance markets.

The Governor has informed the Senate that on May 4, 2023, he returned without signature and *vetoed* a bill originating in the Senate of the following title:

S. 5. An act relating to affordably meeting the mandated greenhouse gas reductions for the thermal sector through efficiency, weatherization measures, electrification, and decarbonization.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **Senate Bill No. S. 5**, to the Senate is as follows:

May 4, 2023

The Honorable John Bloomer, Jr.
Secretary of the Senate
115 State House
Montpelier, VT 05633-5401

Dear Secretary Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I'm returning S.5, *An act relating to affordably meeting the mandated greenhouse gas reductions for the thermal sector through efficiency, weatherization measures, electrification, and decarbonization,* without my signature because of my objections described herein:

As Governor, I believe we must make Vermont more affordable by helping Vermonters keep more of what they earn, while we simultaneously make transformative, strategic investments in important areas like community revitalization, climate action, housing, childcare, clean water, and broadband.

I also believe government transparency is essential to maintaining faith and trust in our democracy. When we pass laws, we must clearly communicate both the burdens and the benefits to Vermonters. From my perspective, S.5 conflicts with these principles, and I cannot support it.

It's important to note despite significant concerns with the policy, I would not veto a bill that directs the Public Utilities Commission (PUC) to design a potential clean heat standard – provided it's returned to the Legislature, in bill form with all the details, and debated, amended, and voted on with the transparency Vermonters deserve.

The so-called "check back" in S.5 does not achieve my simple request. Instead, the "check back" language in the bill is confusing, easily misconstrued, and contradictory to multiple portions of the bill.

As I have repeatedly stated publicly, this veto could have been avoided had the Legislature eliminated the confusion and spelled out, in plain language, that the proposed plan would return to the Legislature to be considered for codification and voted on in bill form.

Again, I continue to fully support efforts to reduce greenhouse gas emissions. As the Legislature is well aware, more than any previous governor, I have proposed, supported, and invested hundreds of millions of dollars to reduce emissions in the transportation and thermal sectors. I'm also committed to following through on the work outlined in our thermal sector action plan.

Here's the bottom line: The risk to Vermonters and our economy throughout the state is too great; the confusion around the language and the unknowns are too numerous; and we are making real and measurable progress

reducing emissions with a more thoughtful, strategic approach that is already in motion.

For these reasons I cannot allow this bill to go into law. It's my sincere hope that members of the Legislature will have the courage to put their constituents ahead of party politics and sustain this veto.

Sincerely,

/s/Philip B. Scott
Governor

The Governor has informed the Senate that on the 8th day of May, he approved and signed a bill originating in the Senate of the following title:

S. 3. An act relating to prohibiting paramilitary training camps.

House Bills Introduced

House bills of the following titles were severally introduced, read the first time, and referred to committee as follows:

H. 522

By Reps. Donahue of Northfield and Brumsted of Shelburne,

House bill, entitled

An act relating to establishing a maximum speed limit of not more than 55 miles per hour on limited access and controlled access highways in Vermont

To the Committee on Transportation.

H. 523

By Reps. Stone of Burlington, Conlon of Cornwall, Brady of Williston, Austin of Colchester, Brown of Richmond, Buss of Woodstock, McCann of Montpelier, Minier of South Burlington, Taylor of Milton, Toof of St. Albans Town, and Williams of Granby,

House bill, entitled

An act relating to harassment, hazing, and bullying in schools

To the Committee on Education.

Pending Entry on the Notice Calendar
Bill Referred to Committee on Ways and Means

H. 72

House bill, entitled

An act relating to a harm-reduction criminal justice response to drug use

Pending entry on the Notice Calendar, and pursuant to House Rule 35(a), affecting the revenue of the State or materially affecting the revenue of one or more municipalities, was referred to the Committee on Ways and Means.

House Resolution Referred to Committee

H.R. 12

House resolution, entitled

House resolution condemning the forced harvesting of organs from prisoners and detainees in the People's Republic of China

Offered by: Representatives Williams of Barre City, Arsenault of Williston, Carroll of Bennington, Cole of Hartford, Krasnow of South Burlington, Nicoll of Ludlow, and White of Bethel

Whereas, the China Tribunal (Tribunal) is an independent panel established to examine forced organ harvesting in the People's Republic of China (PRC), and

Whereas, although the Tribunal encountered "a pervasive culture of secrecy, silence, and obfuscation" on the part of the Chinese government, the Tribunal's conclusions were reached with great certainty, and it issued a final report in March 2020, and

Whereas, the Tribunal found persuasive evidence "that in China forced organ harvesting from prisoners of conscience has been practiced for a substantial period of time involving a very substantial number of victims," and

Whereas, it reached a number of conclusions, including "that there were extraordinarily short waiting times (promised by PRC doctors and hospitals) for organs to be available for transplantation," "[t]hat there was torture of Falun Gong and Uyghurs," and "[t]hat there was a massive infrastructure development of facilities and medical personnel for organ transplant operations, often started before any voluntary donor system was even planned," and

Whereas, in June 2021, the Office of the United Nations High Commissioner for Human Rights reported that "[f]orced organ harvesting in China appears to be targeting specific ethnic, linguistic, or religious minorities held in detention, often without [any explanation of] the reasons for arrest or [the issuance of] arrest warrants," and

Whereas, on May 5, 2022, the European Parliament adopted a resolution "on the reports of continued organ harvesting in China" that found that "the People's Republic of China has extremely low rates of voluntary organ donation," and

Whereas, the continued existence of regulations permitting the harvesting of organs from executed prisoners, despite the Chinese government's 2015 edict to the contrary, is appalling, and

Whereas, the resolution expressed "its serious concerns about the reports of persistent, systematic, inhumane and state-sanctioned organ harvesting from prisoners in the People's Republic of China, and, more specifically, from Falun Gong practitioners and other minorities such as Uyghurs, Tibetans and Christians," and called "on the Chinese authorities to promptly respond to the allegations of organ harvesting," and

Whereas, on March 27, 2023, the U.S. House of Representatives passed H.R. 1154, the Stop Forced Organ Harvesting Act of 2023, "impos[ing] sanctions on persons (individuals and entities) involved in forced organ trafficking and authoriz[ing] the Department of State to revoke the passports of individuals convicted of certain crimes related to organ trafficking," and

Whereas, companion legislation, designated as S.761, has been introduced in the U.S. Senate, now therefore be it

Resolved by the House of Representatives:

That this legislative body condemns the forced harvesting of organs from prisoners and detainees in the People's Republic of China, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to the Chinese Ambassador to the United States, President Joseph R. Biden, and the Vermont Congressional Delegation.

Was read by title, treated as a bill, and referred to the Committee on General and Housing pursuant to House Rule 52.

Action on Bill Postponed

H. 127

House bill, entitled

An act relating to sports wagering

Was taken up and, pending consideration of the Senate proposal of amendment, on motion of **Rep. Birong of Vergennes**, action on the bill was postponed until May 9, 2023.

Action on Bill Postponed

H. 305

House bill, entitled

An act relating to professions and occupations regulated by the Office of Professional Regulation

Was taken up and, pending consideration of the Senate proposal of amendment, on motion of **Rep. Nugent of South Burlington**, action on the bill was postponed until May 9, 2023.

Third Reading; Bill Passed

H. 21

House bill, entitled

An act relating to landlord notice of utility disconnections

Was taken up, read the third time, and passed.

Third Reading; Bills Passed in Concurrence With Proposal of Amendment

Senate bills of the following titles were severally taken up, read the third time, and passed in concurrence with proposal of amendment.

S. 47

Senate bill, entitled

An act relating to the transport of individuals requiring psychiatric care

S. 95

Senate bill, entitled

An act relating to banking and insurance

Third Reading; Joint Resolution Adopted in Concurrence

J.R.S. 17

Joint Senate resolution, entitled

Joint resolution urging U.S. Citizenship and Immigration Services to comply with the expedited asylum hearing provisions of the Afghan Supplemental Appropriations Act of 2022

Was taken up, read the third time, and adopted in concurrence.

Second Reading; Consideration Interrupted; Proposal of Amendment Agreed to; Proposal of Amendment Amended; Third Reading Ordered

S. 100

Rep. Stevens of Waterbury, for the Committee on General and Housing, to which had been referred Senate bill, entitled

An act relating to housing opportunities made for everyone

Recommended that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Municipal Zoning * * *

Sec. 1. 24 V.S.A. § 4414 is amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

* * *

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading, which may vary by district and by uses within each district. For residential uses, a municipality shall not require more than one parking space per dwelling unit or accessory dwelling unit. However, a municipality may require 1.5 parking spaces per dwelling unit if the development is located more than one-quarter of a mile away from public parking or the need for parking cannot be reasonably met through the use of on-street parking, public parking, or shared parking. Municipalities may round up to the nearest whole parking space. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining the number of parking spaces for nonresidential uses and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or availability of employer "transit pass" and rideshare programs, public transit routes, and public parking spaces in the vicinity of the development. ~~However, a municipality shall not require an accessory dwelling unit to have more than one parking space per bedroom.~~

* * *

Sec. 2. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:

(1) Equal treatment of housing and required provisions for affordable housing.

* * *

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be an allowed use with the same dimensional standards as a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be an allowed use.

(E) Except for flood hazard and fluvial erosion area bylaws adopted pursuant to section 4424 of this title, no bylaw shall have the effect of excluding as a permitted use one accessory dwelling unit that is located within or appurtenant to a single-family dwelling on an owner-occupied lot. A bylaw ~~may~~ shall require a single-family dwelling with an accessory dwelling unit to be subject to the same review, dimensional, or other controls as required for a single-family dwelling without an accessory dwelling unit. The criteria for conversion of an existing detached nonresidential building to habitable space for an accessory dwelling unit shall not be more restrictive than the criteria used for a single-family dwelling without an accessory dwelling unit. An "accessory dwelling unit" means a distinct unit that is clearly subordinate to a single-family dwelling~~,~~ and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following:

(i) The property has sufficient wastewater capacity.

(ii) The unit does not exceed 30 percent of the total habitable floor area of the single-family dwelling or 900 square feet, whichever is greater.

* * *

(H) No bylaw shall have the effect of prohibiting or penalizing a hotel from renting rooms to provide housing assistance through the State of Vermont's General Assistance program, or to any person whose room is rented with public funds. The term "hotel" has the same meaning as in 32 V.S.A. 9202(3).

* * *

(12) In any district served by municipal sewer and water infrastructure that allows residential development, bylaws shall establish lot and building dimensional standards that allow five or more dwelling units per acre for each allowed residential use, and density standards for multiunit dwellings shall not be more restrictive than those required for single-family dwellings.

(13) In any district served by municipal sewer and water infrastructure that allows residential development, any mixed-use developments and affordable housing developments, as defined in subdivision 4303(2) of this title, may exceed building height limitations by one additional habitable floor beyond the maximum height, and using that additional floor may exceed density limitations for residential developments by an additional 40 percent, provided that the structure complies with the Vermont Fire and Building Safety Code.

(14) No bylaw shall have the effect of limiting the square footage of a duplex that otherwise complies with the applicable building code.

(15)(A) As used in this section, an area "served by municipal water and sewer infrastructure" means:

(i) that residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and not prohibited by:

(I) State regulations or permits;

(II) identified capacity constraints; or

(III) municipally adopted service and capacity agreements; or

(ii) areas established by the municipality by ordinance or bylaw that:

(I) exclude flood hazard or inundation areas as established by statute, river corridors or fluvial erosion areas as established by statute, shorelands, and wherever year-round residential development is not allowed;

(II) reflect identified service limits established by State regulations or permits, identified capacity constraints, or municipally adopted service and capacity agreements;

(III) exclude areas served by water and sewer to address an identified community-scale public health hazard or environmental hazard;

(IV) exclude areas serving a mobile home park that is not within an area planned for year-round residential growth;

(V) exclude areas serving an industrial site or park;

(VI) exclude areas where service lines are located to serve the areas described in subdivisions (III)–(V) of this subdivision (ii), but no connections or expansions are permitted; or

(VII) modify the zoning provisions allowed under this chapter in areas served by indirect discharge designed for less than 100,000 gallons per day.

(B) Municipally adopted areas served by municipal water and sewer infrastructure that limit water and sewer connections and expansions shall not result in the unequal treatment of housing by discriminating against a year-round residential use or housing type otherwise allowed in this chapter.

Sec. 3. 24 V.S.A. § 4413 is amended to read:

§ 4413. LIMITATIONS ON MUNICIPAL BYLAWS

(a)(1) The following uses may be regulated only with respect to location, size, height, building bulk, yards, courts, setbacks, density of buildings, off-street parking, loading facilities, traffic, noise, lighting, landscaping, and screening requirements, and only to the extent that regulations do not have the effect of interfering with the intended functional use:

(A) State- or community-owned and ~~operated~~ -operated institutions and facilities;

(B) public and private schools and other educational institutions certified by the Agency of Education;

(C) churches and other places of worship, convents, and parish houses;

(D) public and private hospitals;

(E) regional solid waste management facilities certified under 10 V.S.A. chapter 159;

(F) hazardous waste management facilities for which a notice of intent to construct has been received under 10 V.S.A. § 6606a; and

(G) emergency shelters.

(2) Except for State-owned and -operated institutions and facilities, a municipality may regulate each of the land uses listed in subdivision (1) of this subsection for compliance with the National Flood Insurance Program and for compliance with a municipal ordinance or bylaw regulating development in a flood hazard area or river corridor, consistent with the requirements of

subdivision 2291(25) and section 4424 of this title. These regulations shall not have the effect of interfering with the intended functional use.

(3) For purposes of this subsection, regulating the daily or seasonal hours of operation of an emergency shelter shall constitute interfering with the intended functional use.

* * *

Sec. 4. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

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

* * *

(38) "Accessory dwelling unit" has the same meaning as in subdivision 4412(E) of this title.

(39) "Duplex" means a residential building that has two dwelling units in the same building and neither unit is an accessory dwelling unit.

(40) "Emergency shelter" means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and that does not require occupants to sign leases or occupancy agreements.

(41) "Multiunit or multifamily dwelling" means a building that contains three or more dwelling units in the same building.

Sec. 5. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(c) When considering an amendment to a bylaw, the planning commission shall prepare and approve a written report on the proposal. A single report may be prepared so as to satisfy the requirements of this subsection concerning bylaw amendments and subsection 4384(c) of this title concerning plan amendments. ~~The Department of Housing and Community Development shall provide all municipalities with a form for this report.~~ The report shall provide a brief explanation of the proposed bylaw, amendment, or repeal and shall include a statement of purpose as required for notice under section 4444 of this title~~,~~ and shall include findings regarding how the proposal:

(1) ~~Conforms~~ conforms with or furthers the goals and policies contained in the municipal plan, including the effect of the proposal on the availability of safe and affordable housing~~.~~, and sections 4412, 4413, and 4414 of this title;

(2) ~~Is~~ is compatible with the proposed future land uses and densities of the municipal plan~~.~~; and

(3) ~~Carries~~ carries out, as applicable, any specific proposals for any planned community facilities.

* * *

(h) Upon adoption or amendment of a bylaw, the planning commission shall prepare an adoption report in form and content provided by the Department of Housing and Community Development that:

(1) demonstrates conformity with sections 4412, 4413, and 4414 of this title; and

(2) provides information on the municipal application of subchapters 7 (bylaws), 9 (administration), and 10 (panels) of this chapter for the Municipal Planning Data Center and the prospective development of a statewide zoning atlas.

Sec. 6. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

(a) An interested person may appeal any decision or act taken by the administrative officer in any municipality by filing a notice of appeal with the secretary of the board of adjustment or development review board of that municipality or with the clerk of that municipality if no such secretary has been elected. This notice of appeal must be filed within 15 days ~~of~~ following the date of that decision or act, and a copy of the notice of appeal shall be filed with the administrative officer.

(b) ~~For the purposes of~~ As used in this chapter, an "interested person" means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.

(4) Any ~~ten~~ 10 persons who allege a common injury to a particularized interest protected by this chapter, who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. For purposes of this subdivision, a particularized interest shall not include the character of the area affected. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal.

(5) Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

* * * Subdivisions * * *

Sec. 7. 24 V.S.A. § 4463 is amended to read:

§ 4463. SUBDIVISION REVIEW

(a) Approval of plats. Before ~~any~~ a plat for a subdivision is approved, a public hearing on the plat ~~shall~~ may be held by the appropriate municipal panel after public notice. A bylaw may provide for when a public hearing is required. A copy of the notice shall be sent to the clerk of an adjacent municipality, in the case of a plat located within 500 feet of a municipal boundary, at least 15 days prior to the public hearing.

(b) Plat; record. The approval of the appropriate municipal panel or administrative officer, if the bylaws provide for their approval of subdivisions, shall expire 180 days from that approval or certification unless, within that 180-day period, that plat shall have been duly filed or recorded in the office of the clerk of the municipality. After an approved plat or certification by the clerk is filed, no expiration of that approval or certification shall be applicable.

(1) The bylaw may allow the administrative officer to extend the date for filing the plat by an additional 90 days~~,~~ if final local or State permits or approvals are still pending.

(2) No plat showing a new street or highway may be filed or recorded in the office of the clerk of the municipality until it has been approved by the appropriate municipal panel, or administrative officer if allowed under the bylaws, pursuant to subsection (a) of this section, and that approval is endorsed in writing on the plat, or the certificate of the clerk of the municipality showing the failure of the appropriate municipal panel to take action within the 45-day period is attached to the plat and filed or recorded with the plat. After that filing or recording, the plat shall be a part of the official map of the municipality.

* * *

Sec. 8. 24 V.S.A. § 4418 is amended to read:

§ 4418. SUBDIVISION BYLAWS

* * *

(2) Subdivision bylaws may include:

(A) ~~Provisions~~ provisions allowing the appropriate municipal panel to waive or modify, subject to appropriate conditions, the provision of any or all improvements and requirements as in its judgment of the special circumstances of a particular plat or plats are not requisite in the interest of the public health, safety, and general welfare, or are inappropriate because of inadequacy or lack of connecting facilities adjacent or in proximity to the subdivision~~.~~;

(B) ~~Procedures~~ procedures for conceptual, preliminary, partial, and other reviews preceding submission of a subdivision plat, including any administrative reviews~~.~~;

(C) ~~Specific~~ specific development standards to promote the conservation of energy or to permit the utilization of renewable energy resources, or both~~.~~;

(D) State standards and criteria under 10 V.S.A. § 6086(a); and

(E) provisions to allow the administrative officer to approve subdivisions.

* * * Appeals * * *

Sec. 9. 24 V.S.A. § 4471 is amended to read:

§ 4471. APPEAL TO ENVIRONMENTAL DIVISION

* * *

(e) ~~Neighborhood development area~~ Designated areas. Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel that a residential development will not result in an undue adverse effect on the character of the area affected shall not be subject to appeal if the ~~determination is that a~~ proposed residential development seeking conditional use approval under subdivision 4414(3) of this title is within a designated downtown development district, designated growth center, ~~designated Vermont neighborhood,~~ or designated neighborhood development area ~~seeking conditional use approval will not result in an undue adverse effect on the character of the area affected under subdivision 4414(3) of this title~~. Other elements of the determination made by the appropriate municipal panel may be appealed.

* * * By Right * * *

Sec. 10. 24 V.S.A. § 4464(b) is amended to read:

(b) Decisions.

* * *

(7)(A) A decision rendered by the appropriate municipal panel for a housing development or the housing portion of a mixed-use development shall not:

(i) require a larger lot size than the minimum as determined in the municipal bylaws;

(ii) require more parking spaces than the minimum as determined in the municipal bylaws and in section 4414 of this title;

(iii) limit the building size to less than that allowed in the municipal bylaws, including reducing the building footprint or height;

(iv) limit the density of dwelling units to below that allowed in the municipal bylaws; and

(v) otherwise disallow a development to abide by the minimum or maximum applicable municipal standards;

(B) However, a decision may require adjustments to the applicable municipal standards listed in subdivision (A) of this subdivision (7) if the panel or officer issues a written finding stating:

(i) why the modification is necessary to comply with a prerequisite State or federal permit, municipal permit, or a nondiscretionary

standard in a bylaw or ordinance, including requirements related to wetlands, setbacks, and flood hazard areas and river corridors; and

(ii) how the identified restrictions do not result in an unequal treatment of housing or an unreasonable exclusion of housing development otherwise allowed by the bylaws.

Sec. 11. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

* * *

(9) A housing element that identifies the regional and community-level need for housing ~~for all economic groups in the region and communities. In establishing the identified need, due consideration shall be given to~~ that will result in an adequate supply of building code and energy code compliant homes where most households spend not more than 30 percent of their income on housing and no more than 15 percent on transportation. To establish housing needs, the Department of Housing and Community Development shall publish statewide and regional housing targets or ranges as part of the Statewide Housing Needs Assessment. The regional planning commission shall consult the Statewide Housing Needs Assessment; current and expected demographic data; the current location, quality, types and cost of housing; other local studies related to housing needs; and data gathered pursuant to subsection 4382(c) of this title. If no such data has been gathered, the regional planning commission shall gather it. The regional planning commission's assessment shall estimate the total needed housing investments in terms of price, quality, unit size or type, and zoning district as applicable and shall disaggregate regional housing targets or ranges by municipality. The housing element shall include a set of recommended actions to satisfy the established needs.

* * *

Sec. 12. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality ~~may~~ shall be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

* * *

(10) A housing element that shall include a recommended program for ~~addressing low and moderate income persons'~~ public and private actions to address housing needs as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The program should include specific actions to address the housing needs of persons with low income and persons with moderate income and account for permitted accessory dwelling units, as defined in subdivision 4412(1)(E) of this title, ~~which provide affordable housing~~ as well as any material impact of short-term rental units.

* * *

* * * Energy Codes * * *

Sec. 13. 24 V.S.A. § 3101(a) is amended to read:

(a) The mayor and board of aldermen of a city, the selectboard of a town, or the trustees of an incorporated village~~,~~ may, in accordance with this chapter, establish codes and regulations for the construction, maintenance, repair, and alteration of buildings and other structures within the municipality. Such codes and regulations may include provisions relating to building materials, structural design, passageways, stairways and exits, heating systems, fire protection procedures, and such other matters as may be reasonably necessary for the health, safety, and welfare of the public, but excluding electrical installations subject to regulation under 26 V.S.A. chapter 15. Any energy codes and regulations adopted after July 1, 2023 shall not be more restrictive than the Residential Building Energy Standards or the stretch code adopted under 30 V.S.A. § 51 or the Commercial Building Energy Standards adopted under 30 V.S.A. § 53, except where enabled by a municipal charter.

Sec. 14. [Deleted.]

Sec. 15. [Deleted.]

Sec. 16. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

* * *

(3)(A) "Development" means each of the following:

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction ~~or maintenance~~ of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

* * *

(xi) Until July 1, 2026, the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more units, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district, a designated neighborhood development area, or a designated growth center, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years.

* * *

(D) The word "development" does not include:

* * *

(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.

(II) If the construction of a priority housing project in this subdivision (3)(D)(viii) involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.

(III) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of a priority housing project located entirely within a designated downtown development district, designated neighborhood development area, or a designated growth center.

* * *

Sec. 16a. 10 V.S.A. § 6086b is amended to read:

§ 6086b. DOWNTOWN DEVELOPMENT; FINDINGS; MASTER PLAN PERMITS

(a) Findings and conclusions. Notwithstanding any provision of this chapter to the contrary, each of the following shall apply to a development or subdivision that is completely within a downtown development district designated under 24 V.S.A. chapter 76A and for which a permit or permit amendment would otherwise be required under this chapter:

(1) In lieu of obtaining a permit or permit amendment, a person may request findings and conclusions from the District Commission, which shall approve the request if it finds that the development or subdivision will meet

subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water available), (3) (burden on existing water supply), (4) (soil erosion), (5) (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas), (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy conservation), and (9)(K) (public facilities, services, and lands) of this title.

* * *

(b) Master plan permits.

(1) Any municipality within which a downtown development district or neighborhood development area has been formally designated pursuant to 24 V.S.A. chapter 76A may apply to the District Commission for a master plan permit for that area or any portion of that area pursuant to the rules of the Board. Municipalities making an application under this subdivision are not required to exercise ownership of or control over the affected property.

(2) Subsequent development of an individual lot within the area of the master plan permit that requires a permit under this chapter shall take the form of a permit amendment.

(3) In neighborhood development areas, subsequent master plan permit amendments may only be issued for development that is housing.

(4) In approving a master plan permit and amendments, the District Commission may include specific conditions that an applicant for an individual project permit will be required to meet.

(5) For a master plan permit issued pursuant to this section, an application for an amendment may use the findings issued in the master plan permit as a rebuttable presumption to comply within any applicable criteria under subsection 6086(a) of this title.

Sec. 16b. ACT 250 EXEMPTION REQUIREMENTS

In order to qualify for the exemptions established in 10 V.S.A. § 6001 (3)(A)(xi) and (3)(D)(viii)(III) and 10 V.S.A. § 6081(y), a person shall apply for a jurisdictional opinion under 10 V.S.A. § 6007 by July 1, 2026. The jurisdictional opinion shall require the project to substantially complete construction by June 30, 2029 in order to remain exempt.

* * * Enhanced Village Centers * * *

Sec. 17. 24 V.S.A. § 2793a is amended to read:

§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

* * *

(e)(1) A village center designated by the State Board pursuant to subsection (a) of this section is eligible to apply to the State Board to receive an enhanced designation. This enhanced designation allows a priority housing project with 50 or fewer units located entirely within the village center to be exempt from 10 V.S.A. chapter 151.

(2) To receive enhanced designation under this subsection, a village center shall have:

(A) duly adopted permanent zoning and subdivision bylaws;

(B) at least one of the following: municipal sewer infrastructure, a community or alternative wastewater system approved by the Agency of Natural Resources, or a public community water system; and

(C) adequate municipal staff to support coordinated comprehensive and capital planning, development review, and zoning administration.

Sec. 17a. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(y) Notwithstanding any other provision of law to the contrary, until July 1, 2026, no permit or permit amendment is required for a priority housing project with 50 or fewer units that is located entirely within a village center that has received enhanced designation under 24 V.S.A. § 2793a(e).

Sec. 17b. 24 V.S.A. § 2793e is amended to read:

§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF NEIGHBORHOOD DEVELOPMENT AREAS

* * *

(c) Application for designation of a neighborhood development area. The State Board shall approve a neighborhood development area if the application demonstrates and includes all of the following elements:

* * *

(6) The neighborhood development area is served by at least one of the following:

(A) municipal sewer infrastructure;

(B) a community or alternative wastewater system approved by the Agency of Natural Resources; or

(C) a public community water system.

* * *

Sec. 17c. 2022 Acts and Resolves No. 182, Sec. 41 is amended to read:

Sec. 41. REPORT; NATURAL RESOURCES BOARD

(a) On or before December 31, 2023, the Chair of the Natural Resources Board shall report to the House Committees on Natural Resources, Fish, and Wildlife and on Ways and Means and the Senate Committees on Finance and on Natural Resources and Energy on necessary updates to the Act 250 program.

(b) The report shall include:

(1) How to transition to a system in which Act 250 jurisdiction is based on location, which shall encourage development in designated areas, the maintenance of intact rural working lands, and the protection of natural resources of statewide significance, including biodiversity. Location-based jurisdiction would adjust the threshold for Act 250 jurisdiction based on the characteristics of the location. This section of the report shall consider whether to develop thresholds and tiers of jurisdiction as recommended in the Commission on Act 250: the Next 50 Years Report.

(2) How to use the Capability and Development Plan to meet the statewide planning goals.

(3) An assessment of the current level of staffing of the Board and District Commissions, including whether there should be a district coordinator located in every district.

(4) Whether the permit fees are sufficient to cover the costs of the program and, if not, a recommendation for a source of revenue to supplement the fees.

(5) Whether the permit fees are effective in providing appropriate incentives.

(6) Whether the Board should be able to assess its costs on applicants.

(7) Whether increasing jurisdictional thresholds for housing development to 25 units under 10 V.S.A. § 6001(3)(A)(iv) would affect housing affordability, especially for primary homeownership, and what the potential impact of increasing those thresholds to 25 units would have on natural and community resources addressed under existing Act 250 criteria.

* * * Enhanced Designation * * *

Sec. 18. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(z) No permit or permit amendment is required for any subdivision or development located in an enhanced designation area. If the enhanced designation is terminated, a development or subdivision within the designated center must receive a permit, if applicable.

Sec. 19. 24 V.S.A. § 2793f is added to read:

§ 2793f. ENHANCED DESIGNATION

(a) Application and approval. A municipality, by resolution of its legislative body, may apply to the Natural Resources Board for an enhanced designation for any designated area. The Natural Resources Board shall issue an affirmative determination on finding that the municipality meets the requirements of subsection (c) of this section.

(b) Enhanced designation requirements. To obtain an enhanced designation under this section, a municipality must demonstrate that it has each of the following:

(1) an approved designated area;

(2) municipal bylaws that are identical or are determined to be consistent with the model bylaws written by the Natural Resources Board pursuant to subsection (f) of this section;

(3) municipal bylaws that do not include broad exemptions excluding significant private or public land development from requiring a municipal land use permit; and

(4) adequate municipal staff to support coordinated comprehensive and capital planning, development review, and zoning administration.

(c) Process for issuing enhanced designation.

(1) A preapplication meeting shall be held with Department staff to review the program requirements. The meeting shall be held in the municipality unless another location is agreed to by the municipality.

(2) An application by the municipality shall include the information and analysis required by the Department's guidelines established pursuant to section 2792 of this title on how to meet the requirements of subsection (b) of this section.

(3) The Department shall establish a procedure for submission of a draft application that involves review and comment by all the parties to be noticed in subdivision (4)(A) of this subsection and shall issue a preapplication memo

incorporating the comments to the applicant after receipt of a draft preliminary application.

(4) After receipt of a complete final application, the Natural Resources Board shall convene a public hearing in the municipality to consider whether to issue a determination of enhanced designation under this section.

(A) Notice.

(i) At least 35 days in advance of the Natural Resources Board's meeting, the Department shall provide notice to the municipality and post it on the Agency's website.

(ii) The municipality shall publish notice of the meeting at least 30 days in advance of the Natural Resources Board's meeting in a newspaper of general circulation in the municipality, and deliver physically or electronically, with proof of receipt or by certified mail, return receipt requested to the Agency of Natural Resources; the State Downtown Board; the Division for Historic Preservation; the Agency of Agriculture, Food and Markets; the Agency of Transportation; the regional planning commission; the regional development corporations; and the entities providing educational, police, and fire services to the municipality.

(iii) The notice shall also be posted by the municipality in or near the municipal clerk's office and in at least two other designated public places in the municipality and on the websites of the municipality and the Agency of Commerce and Community Development.

(iv) The municipality shall also certify in writing that the notice required by subdivision (4)(A) of this subsection (c) has been published, delivered, and posted within the specified time.

(B) No defect in the form or substance of any requirements of this subsection (c) shall invalidate the action of the Natural Resources Board where reasonable efforts are made to provide adequate posting and notice. However, the action shall be invalid when the defective posting or notice was materially misleading in content. If an action is ruled to be invalid by the Superior Court or by the Natural Resources Board itself, the Department shall provide and the municipality shall issue new posting and notice, and the Board shall hold a new hearing and take a new action.

(5) The Natural Resources Board may recess the proceedings on any application pending submission of additional information. The Board shall close the proceedings promptly after all parties have submitted the requested information.

(6) The Board shall issue its determination in writing. The determination shall include explicit findings on each of the requirements in subsection (b) of this section.

(d) Review of enhanced designation status.

(1) Initial determination of an enhanced designation may be made at any time. Thereafter, review of the enhanced designation shall be concurrent with the next periodic review of the underlying designated area.

(2) The Natural Resources Board, on its motion, may review compliance with the enhanced designation requirements at more frequent intervals.

(3) If at any time the Board determines that the enhanced designation area no longer meets the standards for the designation, it shall take one of the following actions:

(A) require corrective action within a reasonable time frame; or

(B) terminate the enhanced designation.

(4) If the underlying designation is terminated, the enhanced designation also shall terminate.

(e) Appeal.

(1) An interested person may appeal any act or decision of the Board under this section to the Environmental Division of the Superior Court within 30 days following the act or decision.

(2) As used in this section, an "interested person" means any one of the following:

(A) a person owning a title to or occupying property within or abutting the designated area;

(B) the municipality making the application or a municipality that adjoins the municipality making the application; and

(C) the regional planning commission for the region that includes the designated area or a regional planning commission whose region adjoins the municipality in which the designated center is located.

(f) Model bylaws. The Natural Resources Board shall publish model bylaws that may be adopted by a municipality seeking an enhanced designation. These bylaws shall address all Act 250 criteria provided for in 10 V.S.A. § 6086(a)(1)–(10).

Sec. 20. 10 V.S.A. § 6001(45) is added to read:

(45) "Enhanced designation" means the process by which a designated area demonstrates that it has satisfied the requirements of 24 V.S.A. § 2793f. The term shall also refer to the resulting status.

Sec. 21. ENHANCED DESIGNATION BYLAW ADOPTION

On or before January 1, 2024, the Natural Resources Board shall publish model bylaws that a municipality may adopt in order to achieve an enhanced designation. These bylaws shall encompass all of the Act 250 criteria found in 10 V.S.A. § 6086(a)(1)–(10).

* * * Covenants * * *

Sec. 22. 27 V.S.A. § 545 is amended to read:

§ 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF SUBSTANTIAL PUBLIC INTEREST

(a) Deed restrictions, covenants, or similar binding agreements added after March 1, 2021 that prohibit or have the effect of prohibiting land development allowed under 24 V.S.A. § 4412(1)(E) and (2)(A) shall not be valid.

(b) Deed restrictions or covenants added after July 1, 2023 shall not be valid if they require a minimum dwelling unit size on the property or more than one parking space per dwelling unit.

(c) This section shall not affect the enforceability of any property interest held in whole or in part by a qualified organization or State agency as defined in 10 V.S.A. § 6301a, including any restrictive easements, such as conservation easements and historic preservation rights and interests defined in 10 V.S.A. § 822. This section shall not affect the enforceability of any property interest that is restricted by a housing subsidy covenant as defined by section 610 of this title and held in whole or in part by an eligible applicant as defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

* * * Road Disclosure * * *

Sec. 23. 27 V.S.A. § 617 is added to read:

§ 617. DISCLOSURE OF CLASS 4 ROAD

(a) Disclosure of maintenance on class 4 highway. Any property owner who sells property located on a class 4 highway or legal trail shall disclose to the buyer that the municipality is not required to maintain the highway or trail as described in 19 V.S.A. § 310.

(b) Marketability of title. Noncompliance with the requirements of this section shall not affect the marketability of title of a property.

* * * Building Energy Code Study Committee * * *

Sec. 24. FINDINGS

The General Assembly finds that:

(1) Vermont established the Residential Building Energy Standards (RBES) in 1997 and the Commercial Building Energy Standards (CBES) in 2007. The Public Service Department is responsible for adopting and updating these codes regularly but does not have the capacity to administer or enforce them.

(2) The RBES and CBES are mandatory, but while municipalities with building departments handle some aspects of review and inspection, there is no State agency or office designated to interpret, administer, and enforce them.

(3) The Division of Fire Safety in the Department of Public Safety is responsible for development, administration, and enforcement of building codes but does not currently have expertise or capacity to add administration or enforcement of energy codes in buildings.

(4) Studies in recent years show compliance with the RBES at about 54 percent and CBES at about 87 percent, with both rates declining. Both codes are scheduled to become more stringent with the goal of "net-zero ready" by 2030.

(5) In December 2022, the U.S. Department of Energy issued the Bipartisan Infrastructure Law: Resilient and Efficient Codes Implementation Funding Opportunity Announcement. The first $45 million of a five-year $225 million program is available in 2023. Vermont's increased code compliance plans should include contingencies for this potential funding.

Sec. 25. ENERGY CODE COMPLIANCE; STUDY COMMITTEE

(a) Creation. There is created the Building Energy Code Study Committee to recommend strategies for increasing compliance with the Residential Building Energy Standards (RBES) and Commercial Building Energy Standards (CBES).

(b) Membership. The Committee shall have 15 members with applicable expertise, to include program design and implementation, building code administration and enforcement, and Vermont's construction industry. The Speaker of the House shall appoint three members, including up to one legislator. The Committee on Committees shall appoint two members, including up to one legislator. The remaining members shall be the following:

(1) the Commissioner of Public Service, or designee;

(2) the Director of Fire Safety, or designee;

(3) a representative of Efficiency Vermont;

(4) a representative of American Institute of Architects–Vermont;

(5) a representative of the Vermont Builders and Remodelers Association;

(6) a representative of the Burlington Electric Department;

(7) a representative of Vermont Gas Systems;

(8) a representative of the Association of General Contractors of Vermont;

(9) a representative of the Vermont League of Cities and Towns; and

(10) a representative from a regional planning commission.

(c) Powers and duties. The Committee shall consider and recommend strategies to increase awareness of and compliance with the RBES and CBES, including the potential designation of the Division of Fire Safety (DFS) in the Department of Public Safety as the statewide authority having jurisdiction for administration, interpretation, and enforcement, in conjunction with DFS' existing jurisdiction, over building codes.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Public Service. The Department shall hire a third-party consultant to assist and staff the Committee which may be funded by monies appropriated by the General Assembly or any grant funding received.

(e) Report. On or before December 1, 2023, the Committee shall submit a written report to the General Assembly with its findings and recommendations for legislative action.

(f) Meetings.

(1) The Department of Public Service shall call the first meeting of the Committee to occur on or before July 15, 2023.

(2) The Committee shall elect a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The final meeting shall be held on or before October 31, 2023. The Committee shall cease to exist on December 1, 2023.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the legislator's

capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings.

(2) Other members of the Committee who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings.

(3) The payments under this subsection (g) shall be made from monies appropriated by the General Assembly or any grant funding received.

* * * ADU Jurisdiction * * *

Sec. 26. 20 V.S.A. § 2730 is amended to read:

§ 2730. DEFINITIONS

(a) As used in this subchapter, "public building" means:

(1)(A) a building owned or occupied by a public utility, hospital, school, house of worship, convalescent center or home for elders or persons who have an infirmity or a disability, nursery, kindergarten, or child care;

* * *

(D) a building in which people rent accommodations, whether overnight or for a longer term;

* * *

(b) The term "public building" does not include:

(1) An owner-occupied ~~single family~~ single-family residence, unless used for a purpose described in subsection (a) of this section.

* * *

(4) ~~A single family~~ An owner-occupied single-family residence with an accessory dwelling unit as permitted under 24 V.S.A. § 4412(1)(E), unless rented overnight or for a longer term as described in subdivision (1)(D) of subsection (a) of this section.

* * *

* * * Enforcement * * *

Sec. 27. HUMAN RIGHTS COMMISSION; POSITION; APPROPRIATION

(a) One new full-time, exempt litigator position is created in the Human Rights Commission to prosecute violations of Vermont's antidiscrimination laws, including the fair housing laws.

(b) In fiscal year 2024, $150,000.00 is appropriated from the General Fund to the Human Rights Commission for personal services related to the new litigator position.

Sec. 28. 9 V.S.A. § 4507 is amended to read:

§ 4507. CRIMINAL PENALTY

A person who violates a provision of this chapter shall be fined not more than ~~$1,000.00~~ $10,000.00 per violation.

* * * Building Safety * * *

Sec. 29. VERMONT FIRE AND BUILDING SAFETY CODE; POTENTIAL REVISIONS; REPORT

(a) On or before January 15, 2024, the Executive Director of the Division of Fire Safety shall submit a written report to the General Assembly that identifies and examines provisions from other jurisdictions' fire and life safety codes for residential buildings that:

(1) would facilitate in Vermont:

(A) the increased construction of new residential units;

(B) the conversion of existing space into new residential units; or

(C) both; and

(2) could be incorporated into the Vermont Fire and Building Safety Code.

(b) The report shall include recommendations for any legislative action necessary to enable the identified provisions to be incorporated into Vermont's Fire and Building Safety Code.

* * Eviction Rescue Fund * * *

Sec. 30. HOUSING RISK MITIGATION; EVICTION RESCUE FUND

In fiscal year 2024, the amount of $2,500,000.00 is appropriated from the General Fund to the Agency of Human Services to provide eviction rescue funding and programming for the benefit of tenants and landlords, including for rental arrears to prevent eviction for nonpayment of rent if such funding will preserve a tenancy.

* * * HomeShare * * *

Sec. 31. HOMESHARING OPPORTUNITIES; APPROPRIATION

In fiscal year 2024, the amount of $200,000.00 is appropriated from the General Fund to the Department of Housing and Community Development funding to expand home-sharing opportunities throughout the State.

* * * Mobile Homes and Mobile Home Parks * * *

Sec. 32. MOBILE HOMES; MOBILE HOME PARKS; APPROPRIATION

(a) Creation. There is created the Mobile Home Task Force.

(b) Membership. The Task Force is composed of the following members:

(1) one current member of the House of Representatives, appointed by the Speaker of the House;

(2) one current member of the Senate, appointed by the Committee on Committees;

(3) one member, appointed by the Department of Housing and Community Development;

(4) one member, appointed by the Champlain Valley Office of Economic Opportunity;

(5) one member, appointed by The Housing Foundation Inc.;

(6) one member, appointed by the Speaker of the House, representing mobile home cooperative owners; and

(7) one member, appointed by the Vermont Housing and Conservation Board.

(c) Powers and duties. The Task Force shall study the current landscape for mobile homes and mobile home parks in this State, including the following issues:

(1) the status of mobile homes and mobile home parks within Vermont's housing portfolio;

(2) the condition and needs for mobile home park infrastructure among parks of various sizes;

(3) the current statutory treatment of mobile homes either as personal or real property;

(4) modern construction, energy efficiency, and durability of manufactured housing, and the availability, affordability, and suitability of alternative types of manufactured, modular, or other housing;

(5) the type and scope of data and information collected concerning mobile home residents, mobile homes, and mobile home parks and opportunities to make the data and information more centralized, accessible, and useful for informing policy decisions; and

(6) conversion to cooperative ownership and technical assistance available to prospective and new cooperative owners, including the availability of guidance concerning governance structures, operation, and conflict resolution.

(d) Assistance. For purposes of scheduling meetings and preparing a report and recommendations, the Task Force shall have the assistance of the Office of Legislative Operations, the Office of Legislative Counsel, and the Joint Fiscal Office.

(e) Report. On or before January 15, 2024, the Task Force shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The House of Representatives' member shall call the first meeting of the Task Force to occur on or before September 1, 2023.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Task Force shall cease to exist on January 15, 2024.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings.

(2) Other members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings.

(3) Payments to members of the Task Force authorized under this subsection shall be made from monies appropriated to the General Assembly.

(h) In fiscal year 2024, the amount of $500,000.00 is appropriated from the General Fund to the Department of Housing and Community Development to

provide financial support for home repair, home improvement, housing transition, park infrastructure, legal assistance, and technical assistance.

* * * Vermont Housing Finance Agency * * *

Sec. 33. 2022 Acts and Resolves No. 182, Sec. 2 is amended to read:

Sec. 2. FIRST-GENERATION HOMEBUYER; IMPLEMENTATION; APPROPRIATION

(a) Guidelines. The Vermont Housing Finance Agency shall adopt guidelines and procedures for the provision of grants to first-generation homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the criteria of the Down Payment Assistance Program implemented pursuant to 32 V.S.A. § 5930u(b)(3) and with this section.

(b) As used in this section and 32 V.S.A. § 5930u(b)(3)(D), a "first-generation homebuyer" means ~~an applicant~~ a homebuyer who self-attests that the ~~applicant~~ homebuyer is an individual:

(1)~~(A)~~ whose parents or legal guardians:

(A) do not have and during the homebuyer's lifetime have not had any ~~present~~ residential ownership interest in any ~~State~~ state; ~~and~~ or

(B) ~~whose spouse, or domestic partner, and each member of whose household has not, during the three-year period ending upon acquisition of the eligible home to be acquired, had any present ownership interest in a principal residence in any State~~ lost ownership of a home due to foreclosure, short sale, or deed-in-lieu of foreclosure and have not owned a home since that loss; or

(2) ~~is an individual~~ who has at any time been placed in foster care.

* * *

Sec. 34. FIRST GENERATION HOMEBUYER; APPROPRIATION

In fiscal year 2024, the amount of $2,000,000.00 is appropriated from the General Fund to the Vermont Housing Finance Agency for grants through the First Generation Homebuyer Program.

* * * Middle-Income Homeownership Development Program * * *

Sec. 35. REPEAL

2022 Acts and Resolves No. 182, Sec. 11 is repealed.

Sec. 36. 10 V.S.A. § 629 is added to read:

§ 629. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT PROGRAM

(a) The Vermont Housing Finance Agency shall establish a Middle-Income Homeownership Development Program pursuant to this section.

(b) As used in this section:

(1) "Affordable owner-occupied housing" means owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont Housing Finance Agency criteria governing owner-occupied housing.

(2) "Income-eligible homebuyer" means a Vermont household with annual income that does not exceed 150 percent of area median income.

(c) The Agency shall use the funds appropriated in this section to provide subsidies for new construction or acquisition and substantial rehabilitation of affordable owner-occupied housing for purchase by income-eligible homebuyers.

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, which the Agency may allocate consistent with the following:

(1) Developer subsidy. The Agency may provide a direct subsidy to the developer, which shall not exceed the difference between the cost of development and the market value of the home as completed.

(2) Affordability subsidy. Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy for the benefit of the homebuyer to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy, or uses another legal mechanism, to ensure that, to the extent the home value has risen, the amount of the subsidy remains with the home to offset the cost to future homebuyers; or

(B) the subsidy is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, that preserves the affordability of the home for a period of 99 years or longer.

(3) The Agency shall allocate not less than 33 percent of the funds available through the Program to projects that include a housing subsidy covenant consistent with subdivision (2)(B) of this subsection.

(e) The Agency shall adopt a Program plan that establishes application and selection criteria, including:

(1) project location;

(2) geographic distribution;

(3) leveraging of other programs;

(4) housing market needs;

(5) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan;

(6) construction standards, including considerations for size;

(7) priority for plans with deeper affordability and longer duration of affordability requirements;

(8) sponsor characteristics;

(9) energy efficiency of the development; and

(10) the historic nature of the project.

(f)(1) When implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investments statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

(3) The Agency shall use its best efforts to ensure:

(A) that investments awarded are targeted to the geographic communities or regions with the most pressing economic and employment needs; and

(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.

(g) The Agency may assign its rights under any investment or subsidy made under this section to the Vermont Housing and Conservation Board or any State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3), provided such assignee acknowledges and agrees to comply with the provisions of this section.

(h) The Department shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

Sec. 37. MIDDLE-INCOME HOMEOWNERSHIP; APPROPRIATION

In fiscal year 2024, the amount of $20,000,000.00 is appropriated from the General Fund to the Vermont Housing Finance Agency for the Middle-Income Homeownership Development Program.

* * * Rental Housing Revolving Loan Program * * *

Sec. 38. 10 V.S.A. § 629a is added to read:

§ 629a. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

(1) The Agency shall adopt processes, procedures, and guidelines to implement the Program consistent with this section, including a simple application process that is accessible to small developers, builders, and contractors.

(2)(A) To be eligible for a subsidized loan through the Program, a project shall create two or more new rental housing units, which may include market rate and affordable units, provided that at least 25 percent of the units in the project are affordable to a household earning between 65 and 150 percent of the applicable area median income.

(B) Projects may include new construction, acquisition with substantial rehabilitation, and preservation of naturally occurring affordable housing.

(3) A loan is available only for the costs of the project allocable to the affordable units.

(4)(A) The Agency shall calculate the maximum amount of a loan, which shall not exceed the lesser of:

(i) 35 percent of the costs of the project allocable to the affordable units; or

(ii) the following amounts based on area median income bands:

(I) $150,000.00 per unit for each unit that is affordable to a household earning from 65 percent to 80 percent of area median income; and

(II) $100,000.00 per unit for each unit that is affordable to a household earning not from 81 to 150 percent of area median income.

(B) The Agency shall adopt and implement a method to adjust the values specified in this subdivision (b)(4)(A)(ii) of this section at least annually for inflation and may adopt a smoothing mechanism to adjust the maximum loan values within each band based on levels of affordability.

(5) The Agency shall determine the term and interest rate of a loan. The Agency may adopt one or more mechanisms to provide an enhanced subsidy to incentivize projects, including:

(A) a lower interest rate;

(B) an interest-only option with deferred principal repayment; and

(C) partial loan forgiveness.

(6) The Agency shall adopt a Program plan that allows for an enhanced subsidy for a project that meets one or more of the following:

(A) The project receives five percent or more of the total funding from an employer or employer-capitalized loan or grant.

(B) The project receives five percent or more of the total funding from a municipal or regional housing fund, local fiscal recovery fund, or other form of community investment.

(C) The project utilizes tax-exempt bond funding or federal low-income housing tax credits for at least 20 percent of the project's total units.

(D) The project is small in scale and provides infill development within a historic settlement pattern.

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent.

(c) Program design.

(1) When designing and implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investment statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

(3) The Agency shall use its best efforts to ensure:

(A) that investments are targeted to the geographic communities or regions with the most pressing economic and employment needs; and

(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.

(d) Revolving funds. The Agency shall retain payments of principal, interest, and any fees in a revolving loan fund, the amounts of which it shall use to issue future loans through the Program.

(e) The Agency shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

Sec. 39. RENTAL HOUSING REVOLVING LOAN PROGRAM; APPROPRIATION

In fiscal year 2024, the amount of $20,000,000.00 is appropriated from the General Fund to the Vermont Housing Finance Agency to implement the Rental Housing Revolving Loan Program created in 10 V.S.A. § 629.

* * * Vermont Rental Housing Improvement Program * * *

Sec. 40. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

(1) The Department of Housing and Community Development shall design and implement the Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization and accessibility improvements, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(3) A landlord shall not offer a unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301, for the period a grant or loan agreement is in effect.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant.

(A) The unit is an existing unit, whether or not occupied, that does not comply with the requirements of applicable building, housing, or health laws.

(B) If the unit is occupied, the grant or forgivable loan agreement shall include terms:

(i) that prohibit permanent, involuntary displacement of the current residents;

(ii) that provide for the temporary relocation of the current residents if necessary to perform the rehabilitation; and

(iii) that ensure that the landlord complies with the affordability requirements of the Program following the rehabilitation.

(2) New ~~accessory dwelling~~ units. The unit will be:

(A) a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E);

(B) a newly created unit within an existing structure;

(C) a newly created residential structure that is a single unit; or

(D) a newly created unit within a newly created structure that contains five or fewer residential units.

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grant and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed $50,000.00 per unit. In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit and whether the unit is being rehabilitated or newly created.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(e) Program requirements applicable to grants. For a grant awarded ~~under subdivision (b)(1) of this section for a unit that is non-code compliant~~ through

the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is exiting homelessness or actively working with an immigrant or refugee resettlement program.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10-percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded ~~under subdivision (b)(1) of this section for a unit that is non-code compliant~~ through the Program, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) ~~Requirements for an accessory dwelling unit.~~

~~(1) For a grant or forgivable loan awarded under subdivision (b)(2) of this section for a unit that is a new accessory dwelling unit the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(2) A landlord shall not offer an accessory dwelling unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301.~~ [Repealed.]

(h) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Sec. 41. VHIP; APPROPRIATION

In fiscal year 2024 the amount of $20,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development for the Vermont Rental Housing Improvement Program.

Sec. 42. VERMONT HOUSING AND CONSERVATION BOARD; APPROPRIATION

In fiscal year 2024, the amount of $50,000,000.00 is appropriated from the General Fund to the Vermont Housing and Conservation Board to provide affordable mixed-income income rental housing and homeownership units; improvements to manufactured homes and communities; recovery residences; and, if determined eligible, housing available to farm workers and refugees. VHCB shall also use the funds for shelter and permanent homes for those experiencing homelessness in consultation with the Secretary of Human Services.

* * * Housing Permitting and Approval Process; Performance Audit * * *

Sec. 43. [Reserved.]

* * * Effective Dates * * *

Sec. 44. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that Secs. 1 (24 V.S.A. § 4414), 2 (24 V.S.A. § 4412) except for subdivision (D), 3 (24 V.S.A. § 4413), and 4 (24 V.S.A. § 4303) shall take effect on December 1, 2024 and Secs. 18–20 (enhanced designation) shall take effect on January 1, 2024.

Rep. Bongartz of Manchester, for the Committee on Environment and Energy, recommended that the report of the Committee on General and Housing be amended as follows:

First: By striking out Secs. 1–25 and their reader assistance headers in their entireties and inserting in lieu thereof the following:

* * * Municipal Zoning * * *

Sec. 1. 24 V.S.A. § 4414 is amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

* * *

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading, which may vary by district and by uses within each district. In any district that is served by municipal sewer and water infrastructure that allows residential uses, a municipality shall not require more than one parking space per dwelling unit. However, a municipality may require 1.5 parking spaces for duplexes and multi-unit dwellings in areas not served by sewer and water and in areas that are located more than one-quarter mile away from public parking rounded up to the nearest whole number when calculating the total number of spaces. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining the number of parking spaces for nonresidential uses and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or availability of employer "transit pass" and rideshare programs, public transit routes, and public parking spaces in the vicinity of the development. ~~However, a municipality shall not require an accessory dwelling unit to have more than one parking space per bedroom.~~

* * *

Sec. 2. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:

(1) Equal treatment of housing and required provisions for affordable housing.

* * *

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be an allowed use with the same dimensional standards as a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use, unless that district specifically requires multiunit structures to have more than four dwelling units.

(E) Except for flood hazard and fluvial erosion area bylaws adopted pursuant to section 4424 of this title, no bylaw shall have the effect of excluding as a permitted use one accessory dwelling unit that is located within or appurtenant to a single-family dwelling on an owner-occupied lot. A bylaw ~~may~~ shall require a single-family dwelling with an accessory dwelling unit to be subject to the same review, dimensional, or other controls as required for a single-family dwelling without an accessory dwelling unit. ~~An accessory dwelling unit means a distinct unit that is clearly subordinate to a single-family dwelling, and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following:~~ The criteria for conversion of an existing detached nonresidential building to habitable space for an accessory dwelling unit shall not be more restrictive than the criteria used for a single-family dwelling without an accessory dwelling unit.

~~(i) The property has sufficient wastewater capacity.~~

~~(ii) The unit does not exceed 30 percent of the total habitable floor area of the single-family dwelling or 900 square feet, whichever is greater.~~

* * *

(H) No bylaw shall have the effect of prohibiting or penalizing a hotel from renting rooms to provide housing assistance through the State of Vermont's General Assistance program, or to any person whose room is rented

with public funds. In this subsection, the term "hotel" has the same meaning as in 32 V.S.A. 9202(3).

* * *

(12) In any area served by municipal sewer and water infrastructure that allows residential development, bylaws shall establish lot and building dimensional standards that allow five or more dwelling units per acre for each allowed residential use, and density standards for multiunit dwellings shall not be more restrictive than those required for single-family dwellings.

(13) In any area served by municipal sewer and water infrastructure that allows residential development, bylaws shall permit any affordable housing development, as defined in subdivision 4303(2) of this title, including mixed-use development, to exceed density limitations for residential developments by an additional 40 percent, which shall include exceeding maximum height limitations by one floor, provided that the structure complies with the Vermont Fire and Building Safety Code.

Sec. 3. 24 V.S.A. § 4413 is amended to read:

§ 4413. LIMITATIONS ON MUNICIPAL BYLAWS

(a)(1) The following uses may be regulated only with respect to location, size, height, building bulk, yards, courts, setbacks, density of buildings, off-street parking, loading facilities, traffic, noise, lighting, landscaping, and screening requirements, and only to the extent that regulations do not have the effect of interfering with the intended functional use:

(A) State- or community-owned and ~~operated~~ -operated institutions and facilities;

(B) public and private schools and other educational institutions certified by the Agency of Education;

(C) churches and other places of worship, convents, and parish houses;

(D) public and private hospitals;

(E) regional solid waste management facilities certified under 10 V.S.A. chapter 159;

(F) hazardous waste management facilities for which a notice of intent to construct has been received under 10 V.S.A. § 6606a; and

(G) emergency shelters.

(2) Except for State-owned and -operated institutions and facilities, a municipality may regulate each of the land uses listed in subdivision (1) of this

subsection for compliance with the National Flood Insurance Program and for compliance with a municipal ordinance or bylaw regulating development in a flood hazard area or river corridor, consistent with the requirements of subdivision 2291(25) and section 4424 of this title. These regulations shall not have the effect of interfering with the intended functional use.

(3) For purposes of this subsection, regulating the daily or seasonal hours of operation of an emergency shelter shall constitute interfering with the intended functional use.

* * *

Sec. 4. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

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

* * *

(38) "Accessory dwelling unit" means a distinct unit that is clearly subordinate to a single-family dwelling and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following:

(A) the property has sufficient wastewater capacity; and

(B) the unit does not exceed 30 percent of the total habitable floor area of the single-family dwelling or 900 square feet, whichever is greater.

(39) "Duplex" means a residential building that has two dwelling units in the same building and neither unit is an accessory dwelling unit.

(40) "Emergency shelter" means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and that does not require occupants to sign leases or occupancy agreements.

(41) "Multiunit or multifamily dwelling" means a building that contains three or more dwelling units in the same building.

(42)(A) An area "served by municipal sewer and water infrastructure" means:

(i) an area where residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and not prohibited by:

(I) State regulations or permits;

(II) identified capacity constraints; or

(III) municipally adopted service and capacity agreements; or

(ii) an area established by the municipality by ordinance or bylaw where residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and which may exclude:

(I) flood hazard or inundation areas as established by statute, river corridors or fluvial erosion areas as established by statute, shorelands, areas within a zoning district or overlay district the purpose of which is natural resource protection, and wherever year-round residential development is not allowed;

(II) areas with identified service limits established by State regulations or permits, identified capacity constraints, or municipally adopted service and capacity agreements;

(III) areas served by sewer and water to address an identified community-scale public health hazard or environmental hazard;

(IV) areas serving a mobile home park that is not within an area planned for year-round residential growth;

(V) areas serving an industrial site or park;

(VI) areas where service lines are located to serve the areas described in subdivisions (III)–(V) of this subdivision (ii), but no connections or expansions are permitted; or

(VII) areas that, through an approved Planned Unit Development under section 4417 of this title or Transfer of Development Rights under section 4423 of this title, prohibit year-round residential development.

(B) Municipally adopted areas served by municipal sewer and water infrastructure that limit sewer and water connections and expansions shall not result in the unequal treatment of housing by discriminating against a year-round residential use or housing type otherwise allowed in this chapter.

Sec. 5. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(c) When considering an amendment to a bylaw, the planning commission shall prepare and approve a written report on the proposal. A single report may be prepared so as to satisfy the requirements of this subsection concerning

bylaw amendments and subsection 4384(c) of this title concerning plan amendments. ~~The Department of Housing and Community Development shall provide all municipalities with a form for this report.~~ The report shall provide a brief explanation of the proposed bylaw, amendment, or repeal and shall include a statement of purpose as required for notice under section 4444 of this title~~,~~ and shall include findings regarding how the proposal:

(1) ~~Conforms~~ conforms with or furthers the goals and policies contained in the municipal plan, including the effect of the proposal on the availability of safe and affordable housing~~.~~, and sections 4412, 4413, and 4414 of this title;

(2) ~~Is~~ is compatible with the proposed future land uses and densities of the municipal plan~~.~~; and

(3) ~~Carries~~ carries out, as applicable, any specific proposals for any planned community facilities.

* * *

(h) Upon adoption or amendment of a bylaw, the planning commission shall prepare an adoption report in form and content provided by the Department of Housing and Community Development that:

(1) confirms that zoning districts' GIS data has been submitted to the Department and that the data complies with the Vermont Zoning GIS Data Standard adopted pursuant to 10 V.S.A. § 123;

(2) confirms that the complete bylaw has been uploaded to the Municipal Plan and Bylaw Database;

(3) demonstrates conformity with sections 4412, 4413, and 4414 of this title; and

(4) provides information on the municipal application of subchapters 7 (bylaws), 9 (administration), and 10 (panels) of this chapter for the Municipal Planning Data Center and the prospective development of a statewide zoning atlas.

Sec. 6. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

(a) An interested person may appeal any decision or act taken by the administrative officer in any municipality by filing a notice of appeal with the secretary of the board of adjustment or development review board of that municipality or with the clerk of that municipality if no such secretary has been elected. This notice of appeal must be filed within 15 days ~~of~~ following the date of that decision or act, and a copy of the notice of appeal shall be filed with the administrative officer.

(b) ~~For the purposes of~~ As used in this chapter, an "interested person" means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.

(4) Any ~~ten persons who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality~~ person aggrieved as defined in 10 V.S.A. § 8502(7). ~~This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal.~~ For purposes of this subdivision, a particularized interest shall not include the character of the area affected if the project has a residential component that includes affordable housing.

(5) Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

Sec. 6a. 10 V.S.A. § 8502(7) is amended to read:

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, or in 24 V.S.A. chapter 117, attributable to an act or decision by a district coordinator, District Commission, the Secretary, or in the case of an act or decision related to 24 V.S.A. chapter 117, an appropriate municipal panel,

administrative officer, or municipal official, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

* * * Subdivisions * * *

Sec. 7. 24 V.S.A. § 4463 is amended to read:

§ 4463. SUBDIVISION REVIEW

(a) Approval of plats. Before ~~any~~ a plat for a major subdivision is approved, a public hearing on the plat shall be held by the appropriate municipal panel after public notice. A bylaw may provide for the administrative officer to approve minor subdivisions. A copy of the notice shall be sent to the clerk of an adjacent municipality, in the case of a plat located within 500 feet of a municipal boundary, at least 15 days prior to the public hearing.

(b) Plat; record. The approval of the appropriate municipal panel or administrative officer, if the bylaws provide for their approval of minor subdivisions, shall expire 180 days from that approval or certification unless, within that 180-day period, that plat shall have been duly filed or recorded in the office of the clerk of the municipality. After an approved plat or certification by the clerk is filed, no expiration of that approval or certification shall be applicable.

(1) The bylaw may allow the administrative officer to extend the date for filing the plat by an additional 90 days~~,~~ if final local or State permits or approvals are still pending.

(2) No plat showing a new street or highway may be filed or recorded in the office of the clerk of the municipality until it has been approved by the appropriate municipal panel, or administrative officer if allowed under the bylaws, pursuant to subsection (a) of this section, and that approval is endorsed in writing on the plat, or the certificate of the clerk of the municipality showing the failure of the appropriate municipal panel to take action within the 45-day period is attached to the plat and filed or recorded with the plat. After that filing or recording, the plat shall be a part of the official map of the municipality.

* * *

Sec. 8. 24 V.S.A. § 4418 is amended to read:

§ 4418. SUBDIVISION BYLAWS

* * *

(2) Subdivision bylaws may include:

(A) ~~Provisions~~ provisions allowing the appropriate municipal panel to waive or modify, subject to appropriate conditions, the provision of any or all improvements and requirements as in its judgment of the special circumstances of a particular plat or plats are not requisite in the interest of the public health, safety, and general welfare, or are inappropriate because of inadequacy or lack of connecting facilities adjacent or in proximity to the subdivision~~.~~;

(B) ~~Procedures~~ procedures for conceptual, preliminary, partial, and other reviews preceding submission of a subdivision plat, including any administrative reviews~~.~~;

(C) ~~Specific~~ specific development standards to promote the conservation of energy or to permit the utilization of renewable energy resources, or both~~.~~;

(D) State standards and criteria under 10 V.S.A. § 6086(a); and

(E) provisions to allow the administrative officer to approve minor subdivisions.

* * * Appeals * * *

Sec. 9. 24 V.S.A. § 4471 is amended to read:

§ 4471. APPEAL TO ENVIRONMENTAL DIVISION

* * *

(e) ~~Neighborhood development area~~ Designated areas. Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel that a residential development will not result in an undue adverse effect on the character of the area affected shall not be subject to appeal if the ~~determination is that a~~ proposed residential development seeking conditional use approval under subdivision 4414(3) of this title is within a designated downtown development district, designated growth center, ~~designated Vermont neighborhood,~~ or designated neighborhood development area ~~seeking conditional use approval will not result in an undue adverse effect on the character of the area affected under subdivision 4414(3) of this title~~. Other elements of the determination made by the appropriate municipal panel may be appealed.

* * * By Right * * *

Sec. 10. 24 V.S.A. § 4464(b) is amended to read:

(b) Decisions.

* * *

(7)(A) A decision rendered by the appropriate municipal panel for a housing development or the housing portion of a mixed-use development shall not:

(i) require a larger lot size than the minimum as determined in the municipal bylaws;

(ii) require more parking spaces than the minimum as determined in the municipal bylaws and in section 4414 of this title;

(iii) limit the building size to less than that allowed in the municipal bylaws, including reducing the building footprint or height;

(iv) limit the density of dwelling units to below that allowed in the municipal bylaws; and

(v) otherwise disallow a development to abide by the minimum or maximum applicable municipal standards.

(B) However, a decision may require adjustments to the applicable municipal standards listed in subdivision (A) of this subdivision (7) if the panel or officer issues a written finding stating:

(i) why the modification is necessary to comply with a prerequisite State or federal permit, municipal permit, or a nondiscretionary standard in a bylaw or ordinance, including requirements related to wetlands, setbacks, and flood hazard areas and river corridors; and

(ii) how the identified restrictions do not result in an unequal treatment of housing or an unreasonable exclusion of housing development otherwise allowed by the bylaws.

Sec. 11. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

* * *

(9) A housing element that identifies the regional and community-level need for housing ~~for all economic groups in the region and communities. In establishing the identified need, due consideration shall be given to~~ that will result in an adequate supply of building code and energy code compliant homes where most households spend not more than 30 percent of their income on housing and not more than 15 percent on transportation. To establish housing needs, the Department of Housing and Community Development shall

publish statewide and regional housing targets or ranges as part of the Statewide Housing Needs Assessment. The regional planning commission shall consult the Statewide Housing Needs Assessment; current and expected demographic data; the current location, quality, types, and cost of housing; other local studies related to housing needs; and data gathered pursuant to subsection 4382(c) of this title. If no such data has been gathered, the regional planning commission shall gather it. The regional planning commission's assessment shall estimate the total needed housing investments in terms of price, quality, unit size or type, and zoning district as applicable and shall disaggregate regional housing targets or ranges by municipality. The housing element shall include a set of recommended actions to satisfy the established needs.

* * *

Sec. 12. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality ~~may~~ shall be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

* * *

(10) A housing element that shall include a recommended program for ~~addressing low and moderate income persons'~~ public and private actions to address housing needs as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The program should use data on year-round and seasonal dwellings and include specific actions to address the housing needs of persons with low income and persons with moderate income and account for permitted ~~accessory dwelling units, as defined in subdivision 4412(1)(E) of this title, which provide affordable housing~~ residential development as described in section 4412 of this title.

* * *

Sec. 13. 24 V.S.A. § 4442 is amended to read:

§ 4442. ADOPTION OF BYLAWS AND RELATED REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(c) Routine adoption.

~~(1)~~ A bylaw, bylaw amendment, or bylaw repeal shall be adopted by a majority of the members of the legislative body at a meeting that is held after the final public hearing, and shall be effective 21 days after adoption unless, by action of the legislative body, the bylaw, bylaw amendment, or bylaw repeal is warned for adoption by the municipality by Australian ballot at a special or regular meeting of the municipality.

~~(2) However, a rural town as defined in section 4303 of this chapter, by vote of that town at a special or regular meeting duly warned on the issue, may elect to require that bylaws, bylaw amendments, or bylaw repeals shall be adopted by vote of the town by Australian ballot at a special or regular meeting duly warned on the issue. That procedure shall then apply until rescinded by the voters at a regular or special meeting of the town.~~

* * *

Sec. 14. 24 V.S.A. § 4306 is amended read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING FUND

* * *

(b)(1) Allocations for performance contract funding to regional planning commissions shall be determined according to a formula to be adopted by rule under 3 V.S.A. chapter 25 by the Department for the assistance of the regional planning commissions. Disbursement of funding to regional planning commissions shall be predicated upon meeting performance goals and targets pursuant to the terms of the performance contract.

(2) Disbursement to municipalities shall be awarded annually on or before December 31 through a competitive program administered by the Department providing the opportunity for any eligible municipality or municipalities to compete regardless of size, provided that to receive funds, a municipality:

(A) shall be confirmed under section 4350 of this title; or

(B)(i) shall use the funds for the purpose of developing a municipal plan to be submitted for approval by the regional planning commission, as required for municipal confirmation under section 4350 of this title; and

(ii) shall have voted at an annual or special meeting to provide local funds for municipal and regional planning purposes.

(3) Of the annual disbursement to municipalities, an amount not to exceed 20 percent of the total may be disbursed to the Department to administer a program providing direct technical consulting assistance under

retainer on a rolling basis to any eligible municipality to meet the requirements for designated neighborhood development area under chapter 76A of this title, provided that the municipality is eligible for funding under subdivision (2) and meets funding guidelines established by the Department to ensure accessibility for lower capacity communities, municipal readiness, and statewide coverage.

(4) Of the annual disbursement to municipalities, the Department may allocate funding as bylaw modernization grants under 4307.

* * *

~~(d) New funds allocated to municipalities under this section may take the form of Municipal Bylaw Modernization Grants in accordance with section 4307 of this title.~~

* * * Regional Planning * * *

Sec. 15. REGIONAL PLANNING REPORT

(a) On or before December 15, 2023, the Vermont Association of Planning and Development Agencies shall report on statutory recommendations to better integrate and implement municipal, regional, and State plans, policies, and investments by focusing on regional future land use maps and policies.

(b) The recommendations shall address how to accomplish the following:

(1) Aligning policies and implementation between municipalities, regional planning commissions, and State entities to better address climate change, climate resiliency, natural resources, housing, transportation, economic development, and other place-based issues.

(2) Building upon municipal and regional enhanced energy plans and their implementation.

(3) Evaluating place-based policy and project decisions by the State, regional planning commissions, and municipalities related to implementing regional future land use maps and policies and recommending changes to which of those governmental levels those decisions should occur, if necessary.

(4) Ensuring that State agency investment and policy decisions that relate to land development are consistent with regional and local plans. The investments assessed should include, at a minimum:

(A) drinking water;

(B) wastewater;

(C) stormwater;

(D) transportation;

(E) community and economic development;

(F) housing;

(G) energy; and

(H) telecommunications.

(5) Achieving statewide consistency of future land use maps and policies to better support Act 250 and 30 V.S.A. § 248.

(6) How Act 250 and 30 V.S.A. § 248 could better support implementation of regional future land use maps and policies.

(7) Better support implementation of regional future land use maps and policies in the State designation program under 24 V.S.A. chapter 76A.

(8) Improving the quality and effectiveness of future land use maps in regional and municipal plans through changes to 24 V.S.A. chapter 117 including:

(A) future land use map area delineations, definitions, statements, and policies;

(B) existing settlement definitions and their relationship to future land use maps;

(C) the role of regional plans in the review and approval of municipal plans and planning processes; and

(D) a review mechanism to ensure bylaws are consistent with municipal plans.

(c) The report should also discuss how best to implement the recommendations, including the following:

(1) how best to phase in the recommendations;

(2) how to establish a mechanism for the independent review of regional plans to ensure consistency with statutory requirements;

(3) what guidance and training will be needed to implement the recommendations; and

(4) what incentives and accountability mechanisms are necessary to accomplish these changes at all levels of government.

(d) The Vermont Association of Planning and Development Agencies shall consult with the Agency of Transportation, the Agency of Natural Resources, the Agency of Commerce and Community Development, the Department of Public Service, Vermont Emergency Management, the Natural Resources Board, the regional development corporations, the Vermont League of Cities

and Towns, statewide environmental organizations, and other interested parties in developing the report and shall summarize comments.

(e) On or before December 15, 2023, the Vermont Association of Planning and Development Agencies shall submit the report to the following committees: the Senate Committees on Economic Development, Housing and General Affairs, on Government Operations, on Natural Resources and Energy, and on Transportation and the House Committees on Commerce and Economic Development, on Environment and Energy, on General and Housing, on Government Operations and Military Affairs, and on Transportation.

(f) The Vermont Association of Planning and Development Agencies shall be funded in fiscal year 2023 and fiscal year 2024 for this study through the regional planning grant established in 24 V.S.A. § 4306.

Sec. 15a. HOUSING RESOURCE NAVIGATOR FOR REGIONAL PLANNING COMMISSIONS

(a) The Vermont Association of Planning and Development Agencies shall hire Housing Resource Navigators to work with municipalities, regional and local housing organizations, and private developers to identify housing opportunities, match communities with funding resources, and provide project management support.

(b) There is appropriated the sum of $300,000.00 in fiscal year 2024 to the Vermont Association of Planning and Development Agencies for the purpose of hiring the Housing Navigators as described in subsection (a) of this section.

* * * Act 250 * * *

Sec. 16. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(3)(A) "Development" means each of the following:

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, ~~or~~ dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

* * *

(xi) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more units, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district, a designated neighborhood development area, a designated village center with permanent zoning and subdivision bylaws, or a designated growth center, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. For purposes of this subsection, the construction of four units or fewer of housing in an existing structure shall only count as one unit towards the total number of units

* * *

(D) The word "development" does not include:

* * *

(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.

(II) If the construction of a priority housing project in this subdivision (3)(D)(viii) involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.

(III) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of a priority housing project located entirely within a designated downtown development district, designated neighborhood development area, or a designated growth center.

* * *

Sec. 16a. ACT 250 EXEMPTION REQUIREMENTS

In order to qualify for the exemptions established in 10 V.S.A. § 6001 (3)(A)(xi) and (3)(D)(viii)(III), a person shall request a jurisdictional opinion under 10 V.S.A. § 6007 on or before June 30, 2026. The jurisdictional opinion shall require the project to substantially complete construction on or before June 30, 2029 in order to remain exempt.

Sec. 17. 10 V.S.A. § 6086b is amended to read:

§ 6086b. DOWNTOWN DEVELOPMENT; FINDINGS; MASTER PLAN PERMITS

(a) Findings and conclusions. Notwithstanding any provision of this chapter to the contrary, each of the following shall apply to a development or subdivision that is completely within a downtown development district designated under 24 V.S.A. chapter 76A and for which a permit or permit amendment would otherwise be required under this chapter:

(1) In lieu of obtaining a permit or permit amendment, a person may request findings and conclusions from the District Commission, which shall approve the request if it finds that the development or subdivision will meet subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water available), (3) (burden on existing water supply), (4) (soil erosion), (5) (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas), (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy conservation), and (9)(K) (public facilities, services, and lands) of this title.

* * *

(b) Master plan permits.

(1) Any municipality within which a downtown development district or neighborhood development area has been formally designated pursuant to 24 V.S.A. chapter 76A may apply to the District Commission for a master plan permit for that area or any portion of that area pursuant to the rules of the Board. Municipalities making an application under this subdivision are not required to exercise ownership of or control over the affected property.

(2) Subsequent development of an individual lot within the area of the master plan permit that requires a permit under this chapter shall take the form of a permit amendment.

(3) In neighborhood development areas, subsequent master plan permit amendments shall only be issued for development that is housing.

(4) In approving a master plan permit and amendments, the District Commission may include specific conditions that an applicant for an individual project permit shall be required to meet.

(5) For a master plan permit issued pursuant to this section, an application for an amendment may use the findings issued in the master plan permit as a rebuttable presumption to comply within any applicable criteria under subsection 6086(a) of this title.

Sec. 18. 10 V.S.A. § 6083a is amended to read:

§ 6083a. ACT 250 FEES

(a) All applicants for a land use permit under section 6086 of this title shall be directly responsible for the costs involved in the publication of notice in a newspaper of general circulation in the area of the proposed development or subdivision and the costs incurred in recording any permit or permit amendment in the land records. In addition, applicants shall be subject to each of the following fees for the purpose of compensating the State of Vermont for the direct and indirect costs incurred with respect to the administration of the Act 250 program:

(1) For applications for projects involving construction, $6.65 for each $1,000.00 of the first $15,000,000.00 of construction costs, and $3.12 for each $1,000.00 of construction costs above $15,000,000.00. An additional $0.75 for each $1,000.00 of the first $15,000,000.00 of construction costs shall be paid to the Agency of ~~National~~ Natural Resources to account for the Agency of Natural Resources' review of Act 250 applications.

(2) For applications for projects involving the creation of lots, $125.00 for each lot.

(3) For applications for projects involving exploration for or removal of oil, gas, and fissionable source materials, a fee as determined under subdivision (1) of this subsection or $1,000.00 for each day of Commission hearings required for such projects, whichever is greater.

(4) For applications for projects involving the extraction of earth resources, including sand, gravel, peat, topsoil, crushed stone, or quarried material, the greater of: a fee as determined under subdivision (1) of this subsection; or a fee equivalent to the rate of $0.02 per cubic yard of the first million cubic yards of the total volume of earth resources to be extracted over the life of the permit, and $.01 per cubic yard of any such earth resource extraction above one million cubic yards. Extracted material that is not sold or does not otherwise enter the commercial marketplace shall not be subject to the fee. The fee assessed under this subdivision for an amendment to a permit shall be based solely upon any additional volume of earth resources to be extracted under the amendment.

(5) For applications for projects involving the review of a master plan, a fee equivalent to $0.10 per $1,000.00 of total estimated construction costs in current dollars in addition to the fee established in subdivision (1) of this subsection for any portion of the project seeking construction approval.

~~(6) In no event shall a permit application fee exceed $165,000.00.~~

(b) Notwithstanding the provisions of subsection (a) of this section, there shall be a minimum fee of $187.50 for original applications and $62.50 for amendment applications, in addition to publication and recording costs. These costs shall be in addition to any other fee established by statute, unless otherwise expressly stated. In addition, in no event shall the fee for an individual permit or permit amendment application, including each individual permit or permit amendment application seeking approval for any portion of a project involving a master plan, exceed $165,000.00.

* * *

Sec. 18a. REPORT; ACT 250 MUNICIPAL DELEGATION

(a) The Vermont Association of Planning and Development Agencies, in consultation with the Natural Resources Board, shall develop a proposed framework for delegating administration of Act 250 permits to municipalities. They shall consult with other relevant stakeholders, including those with experience issuing Act 250 permits under 10 V.S.A. chapter 151, environmental organizations, State agencies, and municipal planning and zoning officials. Each regional planning commission shall hold one public meeting on the framework.

(b) On or before December 31, 2023, the Vermont Association of Planning and Development Agencies shall report to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy on the proposed framework to delegate Act 250 permit administration to municipalities.

Sec. 19. 2022 Acts and Resolves No. 182, Sec. 41 is amended to read:

Sec. 41. REPORT; NATURAL RESOURCES BOARD

(a) On or before December 31, 2023, the Chair of the Natural Resources Board shall report to the House Committees on ~~Natural Resources, Fish, and Wildlife~~ Environment and Energy and on Ways and Means and the Senate Committees on Finance and on Natural Resources and Energy on necessary updates to the Act 250 program.

(b) The report shall include:

(1) How to transition to a system in which Act 250 jurisdiction is based on location, which shall encourage development in designated areas~~,~~; the maintenance of intact rural working lands~~,~~; and the protection of natural resources of statewide significance, including biodiversity. Location-based jurisdiction would adjust the threshold for Act 250 jurisdiction based on the characteristics of the location. This section of the report shall consider

whether to develop thresholds and tiers of jurisdiction as recommended in the Commission on Act 250: the Next 50 Years Report.

(2) How to use the Capability and Development Plan to meet the statewide planning goals.

(3) An assessment of the current level of staffing of the Board and District Commissions, including whether there should be a district coordinator located in every district.

(4) Whether the permit fees are sufficient to cover the costs of the program and, if not, a recommendation for a source of revenue to supplement the fees.

(5) Whether the permit fees are effective in providing appropriate incentives.

(6) Whether the Board should be able to assess its costs on applicants.

(7) Whether increasing jurisdictional thresholds for housing development to 25 units under 10 V.S.A. § 6001(3)(A)(iv) would affect housing affordability, especially for primary homeownership, and what the potential impact of increasing those thresholds to 25 units would have on natural and community resources addressed under existing Act 250 criteria.

Sec. 19a. 2022 Acts and Resolves No. 182, Sec. 40 is amended to read:

Sec. 40. DESIGNATED AREA REPORT; APPROPRIATION

* * *

(3) On or before ~~July 15, 2023,~~ December 31, 2023, the consultant shall submit a written report to the General Assembly with its findings and any recommendations for legislative action.

* * * Covenants * * *

Sec. 20. 27 V.S.A. § 545 is amended to read:

§ 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF SUBSTANTIAL PUBLIC INTEREST

(a) Deed restrictions, covenants, or similar binding agreements added after March 1, 2021 that prohibit or have the effect of prohibiting land development allowed under 24 V.S.A. § 4412(1)(E) and (2)(A) shall not be valid.

(b) Deed restrictions or covenants added after July 1, 2023 shall not be valid if they require a minimum dwelling unit size on the property or more than one parking space per dwelling unit if the property is located in an area served by municipal sewer and water infrastructure as defined in 24 V.S.A.

§ 4303 that allows residential uses or more than 1.5 parking spaces for duplexes and multi-unit dwellings in areas not served by sewer and water and in areas that are located more than one-quarter mile away from public parking rounded up to the nearest whole number when calculating the total number of spaces.

(c) This section shall not affect the enforceability of any property interest held in whole or in part by a qualified organization or State agency as defined in 10 V.S.A. § 6301a, including any restrictive easements, such as conservation easements and historic preservation rights and interests defined in 10 V.S.A. § 822. This section shall not affect the enforceability of any property interest that is restricted by a housing subsidy covenant as defined by section 610 of this title and held in whole or in part by an eligible applicant as defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

* * * Road Disclosure * * *

Sec. 21. 27 V.S.A. § 617 is added to read:

§ 617. DISCLOSURE OF CLASS 4 ROAD

(a) Disclosure of maintenance on class 4 highway. Any property owner who sells property located on a class 4 highway or legal trail shall disclose to the buyer that the municipality is not required to maintain the highway or trail as described in 19 V.S.A. § 310.

(b) Marketability of title. Noncompliance with the requirements of this section shall not affect the marketability of title of a property.

* * * Building Energy Code Study Committee * * *

Sec. 22. FINDINGS

The General Assembly finds that:

(1) Vermont established the Residential Building Energy Standards (RBES) in 1997 and the Commercial Building Energy Standards (CBES) in 2007. The Public Service Department is responsible for adopting and updating these codes regularly but does not have the capacity to administer or enforce them.

(2) The RBES and CBES are mandatory, but while municipalities with building departments handle some aspects of review and inspection, there is no State agency or office designated to interpret, administer, and enforce them.

(3) The Division of Fire Safety in the Department of Public Safety is responsible for development, administration, and enforcement of building codes but does not currently have expertise or capacity to add administration or enforcement of energy codes in buildings.

(4) Studies in recent years show compliance with the RBES at about 54 percent and CBES at about 87 percent, with both rates declining. Both codes are scheduled to become more stringent with the goal of "net-zero ready" by 2030.

(5) In December 2022, the U.S. Department of Energy issued the Bipartisan Infrastructure Law: Resilient and Efficient Codes Implementation Funding Opportunity Announcement. The first $45 million of a five-year $225 million program is available in 2023. Vermont's increased code compliance plans should include contingencies for this potential funding.

Sec. 23. ENERGY CODE COMPLIANCE; STUDY COMMITTEE

(a) Creation. There is created the Building Energy Code Study Committee to recommend strategies for increasing compliance with the Residential Building Energy Standards (RBES) and Commercial Building Energy Standards (CBES).

(b) Membership. The Committee shall have 15 members with applicable expertise, to include program design and implementation, building code administration and enforcement, and Vermont's construction industry. The Speaker of the House shall appoint three members, including up to one legislator. The Committee on Committees shall appoint two members, including up to one legislator. The remaining members shall be the following:

(1) the Commissioner of Public Service or designee;

(2) the Director of Fire Safety or designee;

(3) a representative of Efficiency Vermont;

(4) a representative of American Institute of Architects–Vermont;

(5) a representative of the Vermont Builders and Remodelers Association;

(6) a representative the Burlington Electric Department;

(7) a representative of Vermont Gas Systems;

(8) a representative of the Association of General Contractors of Vermont;

(9) a representative of the Vermont League of Cities and Towns; and

(10) a representative from a regional planning commission.

(c) Powers and duties. The Committee shall:

(1) consider and recommend strategies to increase awareness of and compliance with the RBES and CBES, including the potential designation of

the Division of Fire Safety (DFS) in the Department of Public Safety as the statewide authority having jurisdiction for administration, interpretation, and enforcement, in conjunction with DFS' existing jurisdiction, over building codes;

(2) evaluate current cost-effectiveness analyses for the RBES and the CBES, whether they include or should include nonenergy benefits such as public health benefits and the cost of carbon, and how that impacts the affordability of housing projects and provide recommendations; and

(3) assess how the building energy codes interact with the fire and building safety codes.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Public Service. The Department shall hire a third-party consultant to assist and staff the Committee, which may be funded by monies appropriated by the General Assembly or any grant funding received.

(e) Report. On or before December 1, 2023, the Committee shall submit a written report to the General Assembly with its findings and recommendations for legislative action.

(f) Meetings.

(1) The Department of Public Service shall call the first meeting of the Committee to occur on or before July 15, 2023.

(2) The Committee shall elect a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The final meeting shall be held on or before October 31, 2023. The Committee shall cease to exist on December 1, 2023.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the legislator's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings.

(2) Other members of the Committee who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings.

(3) The payments under this subsection (g) shall be made from monies appropriated by the General Assembly or any grant funding received.

Sec. 24. RURAL RECOVERY COORDINATION COUNCIL

(a) Goals. The Rural Recovery Coordination Council is created to study and make recommendations on how to strengthen coordination between agencies and stakeholders involved in rural community development.

(b) Purposes. The Council shall consider and identify strategies to:

(1) prioritize areas of investment into Vermont's rural communities in order to ensure necessary resources to meet Vermont's climate goals, rural community development objectives, and environmental sustainability requirements;

(2) build long-term emergency and disaster preparedness and recovery;

(3) ensure intergovernmental and regional communications and coordination; and

(4) improve access to technical assistance and support from regional and statewide agencies and programs.

(c) Powers and duties. The Council shall identify structural changes and improve coordination across all levels of government to support rural community development, including addressing the following issues:

(1) a permanent structure for ensuring rural community development programming within State government;

(2) how to better include rural voices in regional collaboration and prioritization projects;

(3) how municipal, regional, and State plans, policies, and investments can be integrated and mutually supportive;

(4) where to establish an office of Rural Community Development and how long the office should be authorized for; and

(5) how to support capacity at the municipal level and how to support multitown coordination and collaboration.

(d) Report. On or before December 15, 2023, the Council shall report to the General Assembly and to the Agency of Administration with its findings, recommendations, and draft legislation.

(e) Members. The Council shall comprise the following members:

(1) the Vermont Chief Performance Officer or designee;

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

(3) the Commissioner of Public Service or designee;

(4) the Secretary of Transportation or designee;

(5) the Director of Racial Equity or designee;

(6) one or more representatives from the regional planning commissions appointed by the Vermont Association of Planning and Development Agencies;

(7) one or more representatives from the regional development corporations appointed by the Regional Development Corporations of Vermont;

(8) the Executive Director of the Vermont League of Cities and Towns or designee;

(9) a member, appointed by the Vermont Communications Union Districts Association;

(10) the Secretary of Natural Resources or designee;

(11) a member, appointed by the University of Vermont Office of Engagement;

(12) a member, appointed by the Vermont Housing and Conservation Board;

(13) a member of the House of Representatives, appointed by the Speaker of the House; and

(14) a member of the Senate, appointed by the Committee on Committees.

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Council shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23.

(2) Other members of the Council shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010.

(g) Meetings; administration.

(1) The Council shall meet at least five times and take testimony from a variety of stakeholders, including from representatives from municipalities of variety of sizes and from those with experience in state land use planning,

regional planning, municipal planning, economic planning, or strategic planning.

(2) The Vermont Council on Rural Development shall convene the first meeting the Rural Recovery Coordination Council, facilitate the meetings, and provide administrative support.

(3) The Committee shall cease to exist on March 31, 2024.

(h) Appropriation. In fiscal year 2024, the amount of $40,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to provide funding for the Council as follows:

(1) $30,000.00 to the Vermont Council on Rural Development to convene meetings of the Council and provide administrative and policy support; and

(2) $10,000.00 to provide per diem compensation and reimbursement of expenses for members of the Council.

Sec. 25. ANR REVIEW OF PERMITTING OF POTABLE WATER AND WASTEWATER CONNECTION PERMITS

(a) The Agency of Natural Resources (ANR) shall review the statutory requirements, regulatory requirements, and ANR processes governing ANR's issuance of potable water and wastewater connection permits in order to identify approaches for reducing the administrative burden and costs incurred by municipalities and permit applicants. In conducting its review, ANR shall consult with the Agency of Commerce and Community Development, representatives of municipalities, professional engineers and licensed designers, and environmental organizations regarding alternatives for improving permitting of potable water and wastewater connections.

(b) In conducting the review required by this section, ANR shall:

(1) review and analyze the permitting standards and permit processes for potable water and wastewater connections in other jurisdictions;

(2) identify any State permitting requirements or ANR processes that may be duplicated under State and local permits and propose how to eliminate such redundancies;

(3) assess how to simplify and expedite the permitting process for potable water and wastewater connection permits;

(4) identify data and document sharing and management solutions for potable water and wastewater connections connection permits, including how

to make municipal and State permits available to the public in an electronic format or on a statewide platform; and

(5) propose revised criteria for the issuance of potable water and wastewater connections connection permits, including criteria to address public interest, public health and safety, and environmental impacts of connections.

(c) ANR shall complete the review required by this section on or before July 1, 2025. The Agency is authorized to implement or revise any permitting processes or criteria that do not require or conflict with statutory or regulatory authority. On or before January 31, 2025, the Agency shall present to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy a written report or oral testimony on the status of the review required under this section, including potential recommended statutory or regulatory changes.

Second: By striking out Sec. 44 in its entirety and inserting in lieu thereof the following:

Sec. 44. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that Secs. 1 (24 V.S.A. § 4414), 2 (24 V.S.A. § 4412) except for subdivision (1)(D), and 3 (24 V.S.A. § 4413), shall take effect on December 1, 2024. Sec. 2, 24 V.S.A. § 4412, subdivision (1)(D) shall take effect on July 1, 2023.

Rep. Demrow of Corinth, for the Committee on Ways and Means, recommended that the House propose to the Senate that the bill be amended as recommended by the Committee on General and Housing, and when further amended as recommended by the Committee on Environment and Energy.

Rep. Lanpher of Vergennes, for the Committee on Appropriations, recommended that the House propose to the Senate that the bill be amended as recommended by the Committee on General and Housing, and when further amended as recommended by the Committee on Environment and Energy, and when further amended as follows:

First: In Sec. 15a (Housing Resource Navigator for Regional Planning Commissions) by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read:

(b) The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Vermont Association of Planning and Development Agencies for the purpose of hiring the Housing Navigators as described in subsection (a) of this section.

Second: In Sec. 24 (Rural Recovery Coordination Council) by striking out subsection (h) in its entirety and inserting in lieu thereof a new subsection (h) to read:

(h) The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Agency of Commerce and Community Development to provide funding for the Council as follows:

(1) an appropriation to the Vermont Council on Rural Development to convene meetings of the Council and provide administrative and policy support; and

(2) an appropriation to provide per diem compensation and reimbursement of expenses for members of the Council.

Third: By striking out Sec. 27 (Human Rights Commission; position; appropriation) in its entirety and inserting in lieu thereof:

Sec. 27. [Deleted.]

Fourth: By striking out Sec. 30 (Housing Risk Mitigation Fund; Eviction Rescue Fund) in its entirety and inserting in lieu thereof:

Sec. 30. [Deleted.]

Fifth: By striking out Sec. 31 (homesharing opportunities; appropriation) in its entirety and inserting in lieu thereof a new Sec. 31 to read:

Sec. 31. HOMESHARING OPPORTUNITIES

In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Department of Housing and Community Development funding to expand home-sharing opportunities throughout the State.

Sixth: In Sec. 32 (mobile homes; mobile home parks; appropriation) by striking out subsection (h) in its entirety and inserting a new subsection (h) to read:

(h) In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Department of Housing and Community Development to provide financial support for home repair, home improvement, housing transition, park infrastructure, legal assistance, and technical assistance.

Seventh: By striking out Sec. 34 (First Generation Homebuyer; appropriation) in its entirety and inserting a new Sec. 34 to read:

In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Vermont Housing Finance Agency for grants through the First Generation Homebuyer Program.

Eighth: By striking out Secs. 36 and 37 (Middle-Income Homeownership Development Program) in their entireties and inserting in lieu thereof new Secs. 36 and 37 to read:

Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT PROGRAM

(a) The Vermont Housing Finance Agency shall establish a Middle-Income Homeownership Development Program pursuant to this section.

(b) As used in this section:

(1) "Affordable owner-occupied housing" means owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont Housing Finance Agency criteria governing owner-occupied housing.

(2) "Income-eligible homebuyer" means a Vermont household with annual income that does not exceed 150 percent of area median income.

(c) The Agency shall use the funds appropriated in this section to provide subsidies for new construction or acquisition and substantial rehabilitation of affordable owner-occupied housing for purchase by income-eligible homebuyers.

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, which the Agency may allocate consistent with the following:

(1) Developer subsidy. The Agency may provide a direct subsidy to the developer, which shall not exceed the difference between the cost of development and the market value of the home as completed.

(2) Affordability subsidy. Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy for the benefit of the homebuyer to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy, or uses another legal mechanism, to ensure that, to the extent the home value has risen, the amount of the subsidy remains with the home to offset the cost to future homebuyers; or

(B) the subsidy is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, that preserves the affordability of the home for a period of 99 years or longer.

(3) The Agency shall allocate not less than 33 percent of the funds available through the Program to projects that include a housing subsidy covenant consistent with subdivision (2)(B) of this subsection.

(e) The Agency shall adopt a Program plan that establishes application and selection criteria, including:

(1) project location;

(2) geographic distribution;

(3) leveraging of other programs;

(4) housing market needs;

(5) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan;

(6) construction standards, including considerations for size;

(7) priority for plans with deeper affordability and longer duration of affordability requirements;

(8) sponsor characteristics;

(9) energy efficiency of the development; and

(10) the historic nature of the project.

(f)(1) When implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investments statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

(3) The Agency shall use its best efforts to ensure:

(A) that investments awarded are targeted to the geographic communities or regions with the most pressing economic and employment needs; and

(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.

(g) The Agency may assign its rights under any investment or subsidy made under this section to the Vermont Housing and Conservation Board or any State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3), provided such assignee acknowledges and agrees to comply with the provisions of this section.

(h) The Department shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

Sec. 37. MIDDLE-INCOME HOMEOWNERSHIP; IMPLEMENTATION

The duty to implement Sec. 36 of this act is contingent upon an appropriation of funds in fiscal year 2024 from the General Fund to the Department of Housing and Community Development for a subgrant to the Vermont Housing Finance Agency for the Middle-Income Homeownership Development Program.

Ninth: By striking out Secs. 38 and 39 in their entireties and inserting in lieu thereof new Secs. 38 and 39 to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

(1) The Agency shall adopt processes, procedures, and guidelines to implement the Program consistent with this section, including a simple application process that is accessible to small developers, builders, and contractors.

(2)(A) To be eligible for a subsidized loan through the Program, a project shall create two or more new rental housing units, which may include market rate and affordable units, provided that at least 25 percent of the units in the project are affordable to a household earning between 65 and 150 percent of the applicable area median income.

(B) Projects may include new construction, acquisition with substantial rehabilitation, and preservation of naturally occurring affordable housing.

(3) A loan is available only for the costs of the project allocable to the affordable units.

(4)(A) The Agency shall calculate the maximum amount of a loan, which shall not exceed the lesser of:

(i) 35 percent of the costs of the project allocable to the affordable units; or

(ii) the following amounts based on area median income bands:

(I) $150,000.00 per unit for each unit that is affordable to a household earning from 65 percent to 80 percent of area median income; and

(II) $100,000.00 per unit for each unit that is affordable to a household earning from 81 to 150 percent of area median income.

(B) The Agency shall adopt and implement a method to adjust the values specified in subdivision (A)(ii) of this subdivision (4) at least annually for inflation and may adopt a smoothing mechanism to adjust the maximum loan values within each band based on levels of affordability.

(5) The Agency shall determine the term and interest rate of a loan. The Agency may adopt one or more mechanisms to provide an enhanced subsidy to incentivize projects, including:

(A) a lower interest rate;

(B) an interest-only option with deferred principal repayment; and

(C) partial loan forgiveness.

(6) The Agency shall adopt a Program plan that allows for an enhanced subsidy for a project that meets one or more of the following:

(A) The project receives five percent or more of the total funding from an employer or employer-capitalized loan or grant.

(B) The project receives five percent or more of the total funding from a municipal or regional housing fund, local fiscal recovery fund, or other form of community investment.

(C) The project utilizes tax-exempt bond funding or federal low-income housing tax credits for at least 20 percent of the project's total units.

(D) The project is small in scale and provides infill development within a historic settlement pattern.

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent.

(c) Program design.

(1) When designing and implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investment statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

(3) The Agency shall use its best efforts to ensure:

(A) that investments are targeted to the geographic communities or regions with the most pressing economic and employment needs; and

(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.

(d) Revolving funds. The Agency shall retain payments of principal, interest, and any fees in a revolving loan fund, the amounts of which it shall use to issue future loans through the Program.

(e) The Agency shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

Sec. 39. RENTAL HOUSING REVOLVING LOAN PROGRAM;

IMPLEMENTATION

The duty to implement Sec. 38 of this act is contingent upon an appropriation of funds in fiscal year 2024 from the General Fund to the Department of Housing and Community Development for a subgrant to the Vermont Housing Finance Agency for the Rental Housing Revolving Loan Program.

Tenth: By striking out Sec. 41 (VHIP; appropriation) in its entirety and inserting in lieu thereof a new Sec. 41 to read:

Sec. 41. VHIP; IMPLEMENTATION

In fiscal year 2024 it is the intent of the General Assembly to appropriate funding, if available, from the General Fund to the Department of Housing and Community Development for the Vermont Rental Housing Improvement Program.

Eleventh: By striking out Sec. 42 (Vermont Housing and Conservation Board; appropriation) in its entirety and inserting in lieu thereof a new Sec. 42 to read:

Sec. 42. VERMONT HOUSING AND CONSERVATION BOARD;

APPROPRIATION OF AVAILABLE FUNDING

In fiscal year 2024, it is the intent of the General Assembly to appropriate additional funding, if available, from the General Fund to the Vermont Housing and Conservation Board to provide affordable mixed-income income rental housing and homeownership units; improvements to manufactured homes and communities; recovery residences; and, if determined eligible, housing available to farm workers and refugees. VHCB shall also use the funds for shelter and permanent homes for those experiencing homelessness in consultation with the Secretary of Human Services.

Twelfth: By striking out Secs. 43 (Reserved) and 44 (Effective Dates) and their reader assistance headings in their entireties and inserting in lieu thereof new Secs. 43–47 and reader assistance headings as follows:

* * * Housing Stabilization * * *

Sec. 43. RENTAL HOUSING STABILIZATION SERVICES

(a) Creation; purpose. The Champlain Valley Office of Economic Opportunity shall create and administer a Rental Housing Stabilization Services Program to provide tenants and landlords with access to services and programs that assist in preserving a tenancy and avoid eviction, including eligibility screening, direct referral, and follow-up services.

(b) Eligibility. A tenant or landlord is eligible to contact the Office at any time prior to the filing of a summons and complaint for eviction or through court referral.

(c) Screening. The Office shall employ resource specialists who shall assess landlords and tenants for availability and eligibility for statewide or local assistance, including:

(1) repair funds;

(2) the Rent Arrears Assistance Fund established;

(3) Housing Opportunity Grant Program funds;

(4) the Vermont Housing Improvement Program;

(5) existing State or federally funded project- or tenant-based subsidies;

(6) existing Economic Service Division programs;

(7) legal counsel at Vermont Legal Aid or Legal Services Vermont for tenants and through the Vermont Lawyer Referral Service for tenants or landlords;

(8) voluntary mediation;

(9) housing education and skills-building programs; and

(10) other available housing resources as needed.

(d) Referral. The Office shall:

(1) assist callers in contacting organizations operating programs or available resources for which the caller may be eligible; and

(2) provide support and follow-up services and work with partner organizations to ensure effective participation in identified programs and services.

(e) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Office of Economic Opportunity within the Department for Children and Families for a

subgrant to Champlain Valley Office of Economic Opportunity to administer the Rental Housing Stabilization Services Program pursuant to this section.

Sec. 44. TENANT REPRESENTATION PILOT PROGRAM

(a) Creation; purpose. Vermont Legal Aid shall create and administer a two-year Tenant Representation Pilot Program:

(1) to provide full representation to eligible and consenting tenants in Lamoille and Windsor counties who have been served with a summons and complaint for eviction; and

(2) to determine the impact of representation on the issuance of writs of possession and homelessness prevention.

(b) Tenant eligibility. Vermont Legal Aid may enter a notice of appearance on behalf of a residential tenant in Lamoille or Windsor County who is served with a summons and complaint in an ejectment action, consents to the representation, and meets the following criteria:

(1) household income equals or is less than 120 percent of State area median income;

(2) the cost of rent equals or exceeds 30 percent of household income; or

(3) household expenses exceed income.

(c) Scope of representation.

(1) Full representation through the Program is limited to eviction.

(2) The pursuit of counterclaims shall be at the discretion of appointed counsel.

(d) Conflicts of interest.

(1) Vermont Legal Aid may subcontract to Legal Services Vermont if it is unable to provide tenant representation due to a conflict of interest as defined by the Vermont Rules of Professional Conduct.

(2) If Legal Services Vermont also has a conflict of interest, Vermont Legal Aid may subcontract to one or more private counsels who are members in good standing of the Vermont Bar.

(e) Report. Vermont Legal Aid shall provide interim reports on the progress of the Program on or before November 15, 2023 and November 15, 2024 and a final report on or before July 30, 2025, which shall describe:

(1) the number of tenants represented;

(2) case outcomes, including:

(A) the number of cases fully or partially resolved through access to the Rent Arrears Assistance Fund;

(B) the number of cases fully or partially resolved through the Vermont Landlord's Association mediation program; and

(C) the number of cases fully or partially resolved through access to another resource identified through the Rental Housing Stabilization Services Program; and

(3) recommendations for policy changes and for pilot expansion.

(f) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Agency of Human Services for a subgrant to Vermont Legal Aid to provide representation in eligible eviction cases in the two pilot counties of Lamoille and Windsor beginning on July 1, 2023.

Sec. 45. RENT ARREARS ASSISTANCE FUND

(a) Creation; purpose. The Vermont State Housing Authority shall create and administer a Rent Arrears Assistance Fund to provide funds to prevent eviction in cases involving nonpayment of rent from residential rental units subject to 9 V.S.A. chapter 137 and mobile home lot rentals subject to 10 V.S.A. chapter 153.

(b) Tenant eligibility. The Vermont State Housing Authority shall establish eligibility guidelines for the Fund that ensure a streamlined application process, including certification of past due rent and that tenants are at risk of eviction, which shall address the following:

(1) Eligibility. Financial eligibility criteria that consider area median income, rent burden, and ratio of household expenses to income up to 100 percent of area median income for the current federal fiscal year.

(2) Sustainability. Standards for assessing whether the tenancy is sustainable while retaining a simple and straightforward application.

(3) Referral. If the tenancy is not sustainable, the parties shall be referred to the Rental Housing Stabilization Services Program for assistance in exploring other resources or services and to apply for a housing choice voucher.

(c) Funds available.

(1) The Fund shall disburse only the amount necessary to cure the tenant's rent arrears, and, if necessary, court costs, and attorney's fees capped at an amount set by the Authority.

(2) The Fund is available on a first-come, first-served basis to eligible tenants until the Fund is exhausted.

(d) Application.

(1) The Authority shall create a plain language form to collect only information necessary to assess eligibility and provide clear instructions to help tenants and landlords apply.

(2) The tenant shall certify all information on the application.

(3) The Authority shall provide assistance in completing the application, either directly or through referral to Vermont Legal Aid.

(4) The Authority shall adopt guidelines and implement a process that ensures:

(A) equitable and prompt approval of applications;

(B) notice of grant decisions within 10 days; and

(C) decisions on appeals within 10 days.

(e) Status of eviction pending application.

(1) If an eviction case is filed, the tenant or the landlord shall notify the court when an application for Fund assistance is pending.

(2) Upon receiving notice that an application for Fund assistance is pending, the court shall set a status conference within 30 days.

(3) While the application is pending, the landlord shall not issue a new notice to quit or file or serve a new summons and complaint.

(f) Disbursement. The Authority shall disburse amounts from the Fund directly to the landlord.

(g) Conditions for disbursement of funds. The Authority shall establish guidelines for ensuring habitability, limitation on rent increases, documentation for direct deposit, and dismissal of cases, including the following:

(1) Habitability. The Authority shall adopt guidelines for identifying violations of the Rental Housing Health Code and certifying that necessary repairs to remediate the violations will be completed within 30 days or pursuant to a plan developed for the remediation and approved by the Authority.

(2) Documentation for direct deposit. The landlord shall provide the Authority, on a form provided by the Authority, necessary banking information to enable direct deposit of monies from the Fund.

(3) Dismissal. The Authority shall adopt guidelines for disbursement to ensure that complaints based on nonpayment of rent and complaints for no cause are dismissed, whether there is a single or multiple pending complaints.

(4) Notification form.

(A) The Authority shall adopt and provide to landlords and tenants a standardized notification form that shows amounts paid for each category of disbursement and date of payment.

(B) The form shall allow the landlord or tenant to easily notify the court and request a dismissal due to payment.

(C) The form shall outline any certifications established in Authority guidance that both parties have made as a part of their application, along with the date of those certifications.

(h) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Vermont State Housing Authority to create and administer the Rent Arrears Assistance Fund pursuant to this section.

* * * Lead Inspectors; Financial Responsibility * * *

Sec. 46. 18 V.S.A. § 1764 is amended to read:

§ 1764. LEAD INSPECTORS; FINANCIAL RESPONSIBILITY

(a) The Commissioner shall require that a licensee or an applicant for a license under subsection 1752(e) of this chapter provide evidence of ability to indemnify properly a person who suffers damage from lead-based paint activities or RRPM activities such as proof of effective liability insurance coverage or a surety bond in an amount to be determined by the Commissioner, which shall not be less than $300,000.00. This section shall not restrict or enlarge the liability of any person under any applicable law.

(b) Owners of rental target housing who personally perform all work under this chapter on properties in which they have an interest shall be exempt from subsection (a) of this section.

* * * Effective Dates * * *

Sec. 47. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that:

(1) Secs. 1 (24 V.S.A. § 4414), 2 (24 V.S.A. § 4412) except for subdivision (1)(D), and 3 (24 V.S.A. § 4413) shall take effect on December 1, 2024.

(2) Sec. 46 (lead inspectors) shall take effect on passage.

The bill, having appeared in the Notice Calendar, was taken up and read the second time.

At two o'clock and thirty-four minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At four o'clock and twelve minutes in the afternoon, the Speaker called the House to order.

Thereafter, the report of the Committee on General and Housing was amended as recommended by the Committee on Environment and Energy and then further amended as recommended by the Committee on Appropriations.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on General and Housing, as amended?, **Reps. Bongartz of Manchester, Clifford of Rutland City, Morris of Springfield, Patt of Worcester, Satcowitz of Randolph, Sheldon of Middlebury, Sibilia of Dover, Smith of Derby, Stebbins of Burlington, and Torre of Moretown** moved to further amend the report of the Committee on General and Housing as follows:

First: By striking out Secs. 6 and 6a in their entireties and inserting in lieu thereof the following:

Sec. 6. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

(a) An interested person may appeal any decision or act taken by the administrative officer in any municipality by filing a notice of appeal with the secretary of the board of adjustment or development review board of that municipality or with the clerk of that municipality if no such secretary has been elected. This notice of appeal must be filed within 15 days ~~of~~ following the date of that decision or act, and a copy of the notice of appeal shall be filed with the administrative officer.

(b) ~~For the purposes of~~ As used in this chapter, an "interested person" means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.

(4) Any ~~ten~~ 10 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.

(5) Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

Second: In Sec. 16, 10 V.S.A. § 6001, in subdivision (3)(A), by striking out subdivision (iv) in its entirety and inserting in lieu thereof the following:

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

* * *

Third: By adding a Sec. 19b to read as follows:

Sec. 19b. 10 V.S.A. § 6081(y) is added to read:

(y) No permit or permit amendment is required for a retail electric distribution utility's rebuilding of existing electrical distribution lines and related facilities to improve reliability and service to existing customers, through overhead or underground lines in an existing corridor, road, or State or town road right-of-way. Nothing in this section shall be interpreted to exempt

projects under this subsection from other required permits or the conditions on lands subject to existing permits required by this section.

Fourth: By adding a Sec. 19c to read as follows:

Sec. 19c. EXEMPTION REPEAL

10 V.S.A. § 6081(y) is repealed on January 1, 2026.

Fifth: By adding a Sec. 19d to read as follows:

Sec. 19d. ELECTRIC DISTRIBUTION UTILITY PROJECT REPORT

On or before January 15, 2024, and annually until 2026, any distribution utility that takes an action exempt under 10 V.S.A. § 6081(y) shall report to the House Committee on Environment and Energy and the Senate Committees on Finance and on Natural Resources and Energy on the projects completed pursuant to that exemption in the preceding year. The report shall address: the location of the projects, including whether it is located in a "1-acre town" or a "10-acre town"; how many customers are affected by the project; whether the project involved lines being hardened in place, buried underground, or relocated to the right-of-way; how many poles were removed and how many poles were set; and what permits the projects were required to receive.

Which was agreed to. Thereupon, the House proposed to the Senate to amend the bill as recommended by the Committee on General and Housing, as amended.

Pending the question, Shall the bill be read a third time?, **Rep. Parsons of Newbury** moved to amend the House proposal of amendment by adding Sec. 25a to read as follows:

Sec. 25a. UTILITY DISCONNECTION; LANDLORD NOTIFICATION; PUBLIC UTILITY COMMISSION; RULEMAKING

(a) For the purpose of promoting safety, the protection of property, and providing assistance to tenants, the Public Utility Commission shall revise its rules concerning utility service disconnection to:

(1) require that a utility provide notice to the property owner of residential or nonresidential rental property if utility service to the property has been disconnected, even if the tenant is the ratepayer; and

(2) allow a utility to disconnect utility service remotely.

(b) As used in this section, "utility service" means gas, electric, water, and wastewater service subject to the jurisdiction of the Public Utility Commission.

(c) The rules adopted pursuant to subdivision (a)(1) of this section shall:

(1) establish the form, content, time, and manner of the notification required by subdivision (a)(1) of this section;

(2) include a process whereby a property owner can request that the notification is provided to a property manager or other appropriate third party; and

(3) ensure that the notification does not include personal or confidential information pertaining to the tenant or the tenant's account, except that the utility may disclose information necessary to enable the property owner or other applicable third party to reconnect utility service to the property.

(d) On or before January 1, 2024, the Public Utility Commission shall submit to the House Committees on General and Housing and on Environment and Energy and the Senate Committees on Economic Development, Housing and General Affairs and on Finance a proposal in the form of draft legislation that incorporates, as the Commission deems appropriate, the rules adopted by the Commission pursuant to this section and that applies to utility disconnections not subject to the jurisdiction of the Commission, including water and sewer service provided by a water or sewer system owned by a municipality, fire district, or private company subject to the uniform water and sewer disconnection requirements in 24 V.S.A. chapter 129.

Which was agreed to and third reading was ordered.

Second Reading; Proposal of Amendment Agreed to; Amendment Offered and Withdrawn; Third Reading Ordered

S. 138

Rep. Conlon of Cornwall, for the Committee on Education, to which had been referred Senate bill, entitled

An act relating to school safety

Recommended that the House propose to the Senate that the bill be amended as follows:

First: In Sec. 1, 16 V.S.A. § 1481, in subsection (a), by striking out "The policy shall require options-based response drills, including fire drills, to be conducted following the guidance issued by the Vermont School Safety Center jointly with the Vermont School Crisis Planning Team" and inserting in lieu thereof "The policy shall require age-appropriate options-based response drills, including fire drills, to be conducted following the guidance issued by the Vermont School Safety Center jointly with the Vermont School Crisis Planning Team and shall require notification to parents and guardians not later than one school day before an options-based response drill is conducted"

Second: By striking out Sec. 4, 16 V.S.A. § 1485, in its entirety and inserting in lieu thereof a new Sec. 4 to read as follows:

Sec. 4. 16 V.S.A. § 1485 is added to read:

§ 1485. BEHAVIORAL THREAT ASSESSMENT TEAMS

(a) Legislative intent.

(1) It is the intent of the General Assembly that behavioral threat assessment teams be used for the purpose of preventing instances of severe and significant targeted violence against schools and school communities, such as threats related to weapons and mass casualties and bomb threats. The goal of these teams is to assess and appropriately respond to potential reported threats to school communities.

(2) It is the intent of the General Assembly that use of behavioral threat assessment teams shall not contribute to increased school exclusion or unnecessary referrals of students to the criminal justice and school discipline systems and shall not disproportionately impact students from historically marginalized backgrounds, including students with disabilities.

(b) Policy.

(1) As used in this section, "behavioral threat assessment" means a fact-based, systematic process designed to identify, gather information about, assess, and manage dangerous or violent situations.

(2) The Secretary of Education, in consultation with stakeholder groups, including the Commissioner of the Department for Children and Families, Vermont School Boards Association, and Vermont Legal Aid Disability Law Project, shall develop, and from time to time update, a model behavioral threat assessment team policy and procedures. In developing the model policy and procedures, the Secretary shall follow guidance issued by the Vermont School Safety Center on best practices in the use of behavioral threat assessment teams. The model policy and procedure shall require law enforcement contact in the case of imminent danger to individuals or the school community and shall address the following:

(A) the criteria that shall be used to assess a student's threatening behavior;

(B) the process for reporting threatening behavior;

(C) the civil rights and due process protections to which students are entitled in school settings;

(D) when and how to refer to or involve law enforcement in the limited instances when such referral is appropriate, which shall not include

student behavior that is a violation of the school conduct code but that is not also a crime; and

(E) the support resources that shall be made available, including mental health first aid, counseling, and safety plans.

(3) Each school district and each approved or recognized independent school shall develop, adopt, and ensure implementation of a policy and procedures for use of behavioral threat assessment teams that is consistent with and at least as comprehensive as the model policy and procedures developed by the Secretary. Any school board or independent school that fails to adopt such a policy or procedures shall be presumed to have adopted the most current model policy and procedures published by the Secretary.

(4) The Vermont School Safety Center shall issue guidance on the best practices of behavioral threat assessment teams. The guidance shall include best practices on bias and how to reduce incidents of bias, developed in consultation with the Office of Racial Equity.

(c) Discipline and student support.

(1) Consistent with the legislative intent in subsection (a) of this section, if a behavioral threat assessment team recommends, in addition to providing support resources, any action that could result in removal of a student from the student's school environment pending or after a behavioral threat assessment, the recommendation shall only be carried out in a manner consistent with existing law, regulation, and associated procedures on student discipline pursuant to section 1162 of this title and Agency of Education, Pupils (CVR 22-000-009), as well as federal and State law regarding students with disabilities or students who require additional support.

(2) Behavioral threat assessments shall be structured and used in a way that is intended to minimize interaction with the criminal justice system. Law enforcement referral and involvement may be appropriate only in cases involving threats, which shall not include student behavior that is a violation of the school conduct code but that is not also a crime.

(d) Training.

(1) Each supervisory union, supervisory district, and approved or recognized independent school shall ensure behavioral threat assessment team members receive training at least annually in best practices of conducting behavioral threat assessments, as well as bias training. The annual training shall include the following topics:

(A) the rules governing exclusionary discipline, Agency of Education, Pupils (CVR 22-000-009);

(B) the purpose, use, and proper implementation of the manifestation determination review process;

(C) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; and other civil rights laws;

(D) the negative consequences of exclusion from school;

(E) the impact of trauma on brain development; and

(F) group bias training, specifically focused on bias in carrying out the duties of the behavioral threat assessment team.

(2) The Agency of Education, in consultation with the Department of Public Safety, shall develop guidance and resources to assist supervisory unions, supervisory districts, and independent schools in providing the annual training required under this subsection. In developing the guidance on bias training for behavioral threat assessment teams, the Agency and Department shall consult with the Vermont Office of Racial Equity.

(e) Data reporting and collection. Annually, each supervisory union, supervisory district, and approved or recognized independent school shall report data related to completion of and outcomes of all behavioral threat assessments and manifestation determination reviews to the Agency in a format approved by the Secretary. At a minimum, the annual report shall include:

(1) the names of the members of the behavioral assessment team;

(2) the number of behavioral threat assessments and manifestation determination reviews conducted in the preceding year and for each assessment or review conducted:

(A) a description of the behavior requiring an assessment;

(B) the age, grade, race, gender, disability status, and eligibility for free or reduced-price school meals of the student requiring the assessment; and

(C) the results of each assessment or review;

(3) the number of students subjected to more than one behavioral threat assessment or manifestation determination review;

(4) the amount of time a student is out of school pending completion of a behavioral threat assessment;

(5) information regarding whether a student subject to a behavioral threat assessment was also subject to exclusionary discipline for the same behavior, including the length of such discipline;

(6) information regarding whether law enforcement was involved in a behavioral threat assessment;

(7) information regarding whether the threatening behavior was also reported to law enforcement; and

(8) any additional data the Secretary of Education determines may be necessary.

Third: By striking out Sec. 5, effective dates, in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. BEHAVIORAL THREAT ASSESSMENT TEAMS; IMPLEMENTATION

(a) Creation of model policy.

(1) On or before November 1, 2023, the Agency of Education shall issue for public comment a draft model policy and procedures for use by behavioral threat assessment teams required pursuant to 16 V.S.A. § 1485(b)(2).

(2) On or before December 15, 2023, the Agency shall issue, publicly post, and communicate to school districts and independent schools the final model policy and procedures required pursuant to 16 V.S.A. § 1485(b)(2).

(3) School districts and independent schools currently using behavioral threat assessment teams shall update and implement a policy on the use of behavioral threat assessment teams consistent with the model policy created pursuant to 16 V.S.A. § 1485(b)(2) not later than the 2024–2025 school year.

(b) Establishment of behavioral threat assessment teams; training.

(1) School districts and independent schools not already using behavioral threat assessment teams shall take all actions necessary to establish a team not later than July 1, 2025, including:

(A) identifying and training team members, which shall include group bias training and the training requirements contained in 16 V.S.A. § 1485(d);

(B) adopting a behavioral threat assessment team policy;

(C) establishing procedures for proper, fair, and effective use of behavioral threat assessment teams;

(D) updating and exercising emergency operations plans; and

(E) providing education to the school community on the purpose and use of behavioral threat assessment teams.

(2) School districts and independent schools currently using behavioral threat assessment teams shall certify compliance with the training requirements contained in 16 V.S.A. § 1485(d) on or before the first day of the 2023–2024 school year.

(3) The Agency of Education and Department of Public Safety shall issue guidance and offer training necessary to assist school districts and independent schools with implementation of this subsection.

(c) The Agency of Education shall establish guidelines necessary to collect the data required pursuant to 16 V.S.A. § 1485(e). Each supervisory union, supervisory district, and independent school using behavioral threat assessment teams as of July 1, 2023 shall comply with the data collection requirements under 16 V.S.A. § 1485(e) beginning in the 2023–2024 school year.

(d) Reports.

(1) On or before January 15, 2024, the Agency of Education, in consultation with the Vermont School Safety Center, shall issue a written report on the status of the implementation of the duties and requirements established pursuant to 16 V.S.A. § 1485, including the status of:

(A) the development of the model policy;

(B) updates to training and guidance documents;

(C) updates on training and professional development requirements for behavioral threat assessment teams;

(D) data collected or voluntarily reported to the Agency or Center;

(E) the guidance issued, training developed, and measures implemented to prevent a disproportionate impact of behavioral threat assessments on historically marginalized students, including students with disabilities, to ensure that use of behavioral threat assessments does not increase use of school removals or law enforcement referrals for these populations, as well as plans for future training and guidance; and

(F) any grants or funding secured to support the implementation or proper use of behavioral threat assessment teams.

(2) On or before January 15, 2025, the Agency of Education, in consultation with the Vermont School Safety Center, shall issue a written report on the status of the implementation of the duties and requirements established pursuant to 16 V.S.A. § 1485, including the status of:

(A) data collected from supervisory unions, supervisory districts, and independent schools for the 2023–2024 school year;

(B) completion of the development of the model policy; and

(C) additional guidance, training, and other measures to prevent disproportionate impacts on historically marginalized students, including students with disabilities, as well as plans for future training and guidance.

(3) On or before January 15, 2024, the Agency of Education shall submit a written report with any recommended legislative language from the policy stakeholder work undertaken during the creation of the model policy and accompanying guidance and training materials required pursuant to 16 V.S.A. § 1485.

Fourth: By adding a new section to be Sec. 6 to read as follows:

Sec. 6. EFFECTIVE DATES

(a) This section and Sec. 5 shall take effect on July 1, 2023.

(b) Secs. 1 (16 V.S.A. § 1481) and 3 (16 V.S.A. § 1484) shall take effect on August 1, 2023.

(c) Sec. 2 (16 V.S.A. § 1480) shall take effect on July 1, 2024.

(d) Sec. 4 (16 V.S.A. § 1485) shall take effect on July 1, 2025.

The bill, having appeared on the Notice Calendar, was taken up and read the second time.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Education?, **Rep. Elder of Starksboro** moved to amend the report of the Committee on Education as follows:

First: By striking out Sec. 6 in its entirety and inserting in lieu thereof a new Sec. 6 to read:

Sec. 6. 16 V.S.A. § 11 is amended to read:

§ 11. CLASSIFICATIONS AND DEFINITIONS

(a) As used in this title, unless the context otherwise clearly requires:

* * *

(26)(A) "Harassment" means an incident or incidents of verbal, written, visual, or physical conduct, including any incident conducted by electronic means, based on or motivated by a student's or a student's family member's actual or perceived race, creed, color, national origin, marital status, sex, sexual orientation, gender identity, or disability that has the purpose or effect of objectively ~~and substantially~~ undermining and detracting from or interfering with a student's ~~educational performance~~ education or access to school

resources or creating an objectively intimidating, hostile, or offensive environment.

* * *

(C) Notwithstanding any judicial precedent to the contrary, the conduct described in this subdivision (26) need not be severe or pervasive to constitute harassment. In determining whether conduct constitutes harassment:

(i) The determination shall be made on the basis of the record as a whole, according to the totality of the circumstances, and a single incident may constitute harassment.

(ii) Incidents that may be harassment shall be considered in the aggregate with varying types of conduct and conduct based on multiple characteristics viewed in totality, rather than in isolation.

(iii) Conduct may constitute unlawful harassment, regardless of whether:

(I) the complaining student is the person being harassed;

(II) the complaining student acquiesced or otherwise submitted to or participated in the conduct;

(III) the conduct is also experienced by others outside the protected class involved in the conduct;

(IV) the complaining student was able to continue the student's education or access to school resources in spite of the conduct;

(V) the conduct resulted in a physical or psychological injury; or

(VI) the conduct occurred outside the complaining student's school.

(iv) Behavior that a reasonable person with the same protected characteristic would consider to be a petty slight or trivial inconvenience shall not constitute harassment pursuant to this subdivision (26).

* * *

Second: By adding a new section to be Sec. 7 to read:

Sec. 7. 16 V.S.A. § 570f is amended to read:

§ 570f. HARASSMENT; NOTICE AND RESPONSE

* * *

(c) To prevail in an action alleging unlawful harassment filed pursuant to this section and 9 V.S.A. chapter 139, the plaintiff shall prove ~~both of the following:~~

~~(1) The~~ that the student was subjected to unwelcome conduct based on the student's or the student's family member's actual or perceived membership in a category protected ~~by law by~~ pursuant to 9 V.S.A. § 4502.

~~(2) The conduct was either:~~

~~(A) for multiple instances of conduct, so pervasive that when viewed from an objective standard of a similarly situated reasonable person, it substantially and adversely affected the targeted student's equal access to educational opportunities or benefits provided by the educational institution; or~~

~~(B) for a single instance of conduct, so severe that when viewed from an objective standard of a similarly situated reasonable person, it substantially and adversely affected the targeted student's equal access to educational opportunities or benefits provided by the educational institution.~~

* * *

Third: By adding a new section to be Sec. 8 to read:

Sec. 8. EFFECTIVE DATES

(a) This section and Secs. 5 (behavioral threat assessment teams; implementation), 6 (16 V.S.A. § 11), and 7 (16 V.S.A. § 570f) shall take effect on July 1, 2023.

(b) Secs. 1 (16 V.S.A. § 1481) and 3 (16 V.S.A. § 1484) shall take effect on August 1, 2023.

(c) Sec. 2 (16 V.S.A. § 1480) shall take effect on July 1, 2024.

(d) Sec. 4 (16 V.S.A. § 1485) shall take effect on July 1, 2025.

Thereupon, **Rep. Elder of Starksboro** asked and was granted leave of the House to withdraw his amendment. Thereafter, the report of the Committee on Education was agreed to and third reading was ordered.

Senate Proposal of Amendment Concurred in

H. 94

The Senate proposed to the House to amend House bill, entitled

An act relating to removing the Reach Up ratable reduction

The Senate proposed to the House to amend the bill in Sec. 1, report; Reach Up; ratable reduction, in the first sentence, by striking out the word "January" and inserting in lieu thereof the word March

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in

H. 481

The Senate proposed to the House to amend House bill, entitled

An act relating to public health initiatives to address death by suicide

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

First: In Sec. 1, 18 V.S.A. chapter 192, in section 8151, by striking out the last sentence and inserting in lieu thereof the following:

The Director shall:

(1) expand partnerships, including with service members, veterans, and their families;

(2) implement innovative data-driven initiatives;

(3) coordinate suicide prevention programs across the State; and

(4) work to secure federal funding.

Second: In Sec. 2, statewide suicide prevention; strategic plan and school protocol, in subdivision (a)(1), after the second sentence, by inserting the following sentence: The plan shall consider emerging research on factors contributing to suicide.

Third: In Sec. 2, statewide suicide prevention; strategic plan and school protocol, in subdivision (a)(1), in the last sentence, after "schools," by inserting the phrase afterschool programs,

Fourth: In Sec. 2, statewide suicide prevention; strategic plan and school protocol, in subsection (b), by inserting a second sentence to read as follows: The model protocol shall:

(1) reflect preliminary data related to grants to expand mental health and well-being services to youth pursuant to 2022 Acts and Resolves No. 112, Sec. 3; and

(2) ensure that school employees receive education pertaining to the prevention of, use of language regarding, and identification of eating disorders in youth.

Fifth: By inserting a new Sec. 3 after Sec. 2 to read as follows:

Sec. 3. SUICIDE PREVENTION; HEALTH CARE FACILITIES; MODEL PROTOCOL

On or before July 1, 2024, the Director of Suicide Prevention, in collaboration with the Agency of Human Services, medical and professional

boards, and stakeholders, shall develop and submit a model protocol to the House Committee on Health Care and to the Senate Committee on Health and Welfare for health care facilities regarding suicide prevention and postvention services. This model protocol shall consider the recommendations of the report required pursuant to 2022 Acts and Resolves No. 115, Sec. 13.

And by renumbering the remaining sections to be numerically correct.

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in

H. 482

The Senate proposed to the House to amend House bill, entitled

An act relating to Vermont Criminal Justice Council recommendations for law enforcement officer training

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

* * * Fair and Impartial Policing Training; Advanced Roadside Impaired Driving Enforcement Training * * *

Sec. 1. PURPOSE

The purpose of this act is, in part, to amend the laws of Vermont regarding law enforcement officer training to emphasize achieving increased competency over prescribed minimum hours of training in fair and impartial policing. The change to a focus on skills and competency is meant to align with the goals of increasing transparency and accountability to historically stigmatized communities.

Sec. 2. 20 V.S.A. § 2358 is amended to read:

§ 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

* * *

(e)(1) The criteria for all minimum training standards under this section shall include anti-bias training approved by the Vermont Criminal Justice Council and training on the State, county, or municipal law enforcement agency's fair and impartial policing policy, adopted pursuant to subsection 2366(a) of this title.

(2) ~~On or before December 31, 2018, law enforcement officers shall receive a minimum of four hours of training as required by this subsection.~~ [Repealed.]

(3) In order to remain certified, law enforcement officers shall receive a refresher course on the training required by this subsection during every odd-numbered year in a program approved by the Vermont Criminal Justice Council designed to demonstrate achieved law enforcement officer competency in fair and impartial policing.

* * *

(f) ~~The criteria for all minimum training standards under this section shall include Advanced Roadside Impaired Driving Enforcement training as approved by the Vermont Criminal Justice Council. On or before December 31, 2021, law enforcement officers shall receive a minimum of 16 hours of training as required by this subsection.~~ [Repealed.]

* * *

Sec. 3. FAIR AND IMPARTIAL POLICING TRAINING; REPORT

On or before January 15, 2024, the Vermont Criminal Justice Council shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations on its efforts to update and implement fair and impartial policing training and whether the integrity of training standards has been maintained in the transition from using improved competency rather than fixed hours of training as a measure of completed training. The report shall describe how competency is being measured in fair and impartial policing and include precise metrics.

Sec. 4. 20 V.S.A. § 2355 is amended to read:

§ 2355. COUNCIL POWERS AND DUTIES

(a) The Council shall adopt rules with respect to:

* * *

(13) Advanced Roadside Impaired Driving Enforcement training programs and requirements for Levels I, II, and III law enforcement certification, including minimum hours of training, prerequisites, and time periods for completion.

* * *

* * * Roadside Stop Data Collection * * *

Sec. 5. 20 V.S.A. § 2366 is amended to read:

§ 2366. LAW ENFORCEMENT AGENCIES; FAIR AND IMPARTIAL POLICING POLICY; RACE DATA COLLECTION

* * *

(e)(1) ~~On or before September 1, 2014, every~~ Every State, county, and municipal law enforcement agency shall collect roadside stop data consisting of the following:

(A) the age, gender, and race of the driver;

(B) the grounds for the stop;

(C) the grounds for the search and the type of search conducted, if any;

(D) the evidence located, if any;

(E) the date, time, and location of the stop; and

(F) the outcome of the stop, including whether physical force was employed or threatened during the stop~~,~~ and, if so, the type of force employed and whether the force resulted in bodily injury or death, and whether:

* * *

* * * Duty to Contact Current or Former Agencies When Hiring Law Enforcement Officer * * *

Sec. 6. 20 V.S.A. § 2362a is amended to read:

§ 2362a. POTENTIAL HIRING AGENCY; DUTY TO CONTACT CURRENT OR FORMER ~~AGENCY~~ AGENCIES

(a)(1) Prior to hiring a law enforcement officer, the executive officer of a potential hiring law enforcement agency shall:

(A) require that officer to execute a written waiver that explicitly authorizes ~~the officer's~~:

(i) the officer's current law enforcement agency employer to disclose its analysis of the officer's performance at that agency, if the officer is still employed at that agency; or

(ii) ~~last~~ any previous law enforcement agency ~~employer~~ employers to disclose their analysis of the officer's performance at that agency and the reason that officer is no longer employed by that agency, ~~if~~ regardless of whether or not the officer is ~~not~~ currently employed at an agency; and

(B) contact ~~that agency~~ all known previous law enforcement agencies to obtain ~~that disclosure~~ the disclosures described in subdivisions (A)(i) and (ii) of this subdivision (1) and provide to ~~that~~ the previous law enforcement agency a copy of ~~that~~ the officer's written waiver.

(2) An officer who refuses to execute the written waiver shall not be hired by the potential hiring agency.

* * *

* * * Rule Adoption Deadline Modification * * *

Sec. 7. REPEAL

2020 Acts and Resolves No. 166, Sec. 8(b) (Rules) is repealed.

Sec. 8. RULE ADOPTION DEADLINE

On or before July 1, 2025, the Vermont Criminal Justice Council shall adopt the rules regarding alternate routes to the certification required by 20 V.S.A. § 2355(a)(1).

* * * Effective Date * * *

Sec. 9. EFFECTIVE DATE

This act shall take effect on passage.

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment to House Proposal of Amendment Concurred in

S. 48

The Senate concurred in the House proposal of amendment with further amendment thereto on Senate bill, entitled

An act relating to regulating the sale of catalytic converters

The Senate concurred in the House proposal of amendment with the following proposal of amendment thereto:

By striking out Sec. 5 (Criminal Justice Council annual legislative materials) in its entirety and by renumbering Sec. 6 to be Sec. 5.

Which proposal of amendment was considered and concurred in.

Second Reading; Proposal of Amendment Agreed to; Third Reading Ordered

S. 6

Rep. Chapin of East Montpelier, for the Committee on Judiciary, to which had been referred Senate bill, entitled

An act relating to law enforcement interrogation policies

Recommended that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE INTENT; JUVENILE INTERROGATION; LAW ENFORCEMENT INTERROGATION POLICIES

It is the intent of the General Assembly to prevent false confessions and wrongful convictions of individuals subject to law enforcement interrogation and to improve trust between Vermont's communities and law enforcement. To achieve these objectives, it is the further intent of the General Assembly to create a minimum set of law enforcement interrogation standards that incorporate evidence-based best practices by:

(1) immediately prohibiting law enforcement's use of threats and physical harm during all custodial interrogations;

(2) immediately restricting law enforcement's use of deception during the custodial interrogation of juveniles; and

(3) mandating that the Vermont Criminal Justice Council develop, adopt, and enforce a statewide model interrogation policy that applies to all Vermont law enforcement agencies and constables exercising law enforcement authority pursuant to 24 V.S.A. § 1936.

Sec. 2. 13 V.S.A. § 5585 is amended to read:

§ 5585. ~~ELECTRONIC RECORDING OF A CUSTODIAL INTERROGATION~~ DEFINITIONS

~~(a)~~ As used in this ~~section~~ subchapter:

(1) "Custodial interrogation" means any interrogation:

(A) involving questioning by a law enforcement officer that is reasonably likely to elicit an incriminating response from the subject; and

(B) in which a reasonable person in the subject's position would consider the person to be in custody, starting from the moment a person should have been advised of the person's Miranda rights and ending when the questioning has concluded.

(2) "Deception" includes the knowing communication of false facts about evidence, the knowing misrepresentation of the accuracy of the facts, the knowing misrepresentation of the law, or the knowing communication of unauthorized statements regarding leniency.

~~(2)~~(3) "Electronic recording" or "electronically recorded" means an audio and visual recording that is an authentic, accurate, unaltered record of a custodial interrogation, or if law enforcement does not have the current capacity to create a visual recording, an audio recording of the interrogation.

(4) "Law enforcement officer" has the same meaning as in 20 V.S.A. § 2351a.

(5) "Government agent" means:

(A) a school resource or safety officer; or

(B) an individual acting at the request or direction of a school resource or safety officer or a law enforcement officer.

~~(3)~~(6) "Place of detention" means a building or a police station that is a place of operation for the State police, a municipal police department, county sheriff department, or other law enforcement agency that is owned or operated by a law enforcement agency at which persons are or may be questioned in connection with criminal offenses or detained temporarily in connection with criminal charges pending a potential arrest or citation.

~~(4)~~(7) "Statement" means an oral, written, sign language, or nonverbal communication.

~~(b)(1) A custodial interrogation that occurs in a place of detention concerning the investigation of a felony or misdemeanor violation of this title shall be electronically recorded in its entirety. Unless impracticable, a custodial interrogation occurring outside a place of detention concerning the investigation of a felony or misdemeanor violation of this title shall be electronically recorded in its entirety.~~

~~(2) In consideration of best practices, law enforcement shall strive to record simultaneously both the interrogator and the person being interrogated.~~

~~(c)(1) The following are exceptions to the recording requirement in subsection (b) of this section:~~

~~(A) exigent circumstances;~~

~~(B) a person's refusal to be electronically recorded;~~

~~(C) interrogations conducted by other jurisdictions;~~

~~(D) a reasonable belief that the person being interrogated did not commit a felony or misdemeanor violation of this title and, therefore, an electronic recording of the interrogation was not required;~~

~~(E) the safety of a person or protection of the person's identity; and~~

~~(F) equipment malfunction.~~

~~(2) If law enforcement does not make an electronic recording of a custodial interrogation as required by this section, the prosecution shall prove by a preponderance of the evidence that one of the exceptions identified in subdivision (1) of this subsection applies. If the prosecution does not meet the~~

~~burden of proof, the evidence is still admissible, but the court shall provide cautionary instructions to the jury regarding the failure to record the interrogation.~~

Sec. 3. 13 V.S.A. § 5586 is added to read:

§ 5586. ELECTRONIC RECORDING OF A CUSTODIAL INTERROGATION

(a)(1) A custodial interrogation that occurs in a place of detention concerning the investigation of a felony or misdemeanor violation of this title shall be electronically recorded in its entirety. Unless impracticable, a custodial interrogation occurring outside a place of detention concerning the investigation of a felony or misdemeanor violation of this title shall be electronically recorded in its entirety.

(2) In consideration of best practices, law enforcement shall strive to record simultaneously both the interrogator and the person being interrogated.

(b)(1) The following are exceptions to the recording requirement in subsection (a) of this section:

(A) exigent circumstances;

(B) a person's refusal to be electronically recorded;

(C) interrogations conducted by other jurisdictions;

(D) a reasonable belief that the person being interrogated did not commit a felony or misdemeanor violation of this title and, therefore, an electronic recording of the interrogation was not required;

(E) the safety of a person or protection of the person's identity; and

(F) equipment malfunction.

(2) If law enforcement does not make an electronic recording of a custodial interrogation as required by this section, the prosecution shall prove by a preponderance of the evidence that one of the exceptions identified in subdivision (1) of this subsection applies. If the prosecution does not meet the burden of proof, the evidence is still admissible, but the court shall provide cautionary instructions to the jury regarding the failure to record the interrogation.

Sec. 4. 13 V.S.A. § 5587 is added to read:

§ 5587. RESTRICTIONS ON CUSTODIAL INTERROGATION

(a)(1) During a custodial interrogation of a person relating to the commission of a criminal offense or delinquent act, a law enforcement officer or government agent shall not employ threats or physical harm.

(2) Any admission, confession, or statement, whether written or oral, obtained in violation of subdivision (1) of this subsection shall be involuntary and inadmissible in any proceeding.

(b)(1) During a custodial interrogation of a person under 18 years of age relating to the commission of a criminal offense or delinquent act, a law enforcement officer or government agent shall not employ deception.

(2) Any admission, confession, or statement, whether written or oral, obtained in violation of subdivision (1) of this subsection shall be involuntary and inadmissible in any proceeding.

(c)(1) Any admission, confession, or statement, whether written or oral, made by a person 18 through 21 years of age during a custodial interrogation relating to the commission of a criminal offense or delinquent act in which a law enforcement officer or government agent employed deception shall be presumed to be involuntary and inadmissible in any proceeding.

(2) The presumption that any such admission, confession, or statement is involuntary and inadmissible may be overcome if the State proves by clear and convincing evidence that the admission, confession, or statement was:

(A) voluntary and not induced by a law enforcement officer's or government agent's use of deception prohibited by subdivision (c)(1) of this section; and

(B) any actions of a law enforcement officer or government agent in violation of subsection (c)(1) of this section did not undermine the reliability of the person's admission, confession, or statement and did not create a substantial risk that the person might falsely incriminate themselves.

(d) Notwithstanding 20 V.S.A. chapter 151, subchapter 2, a noncriminal violation of this section by a law enforcement officer or government agent that is neither malicious nor willful shall not provide a basis for any sanctions related to a law enforcement officer's certification.

Sec. 5. VERMONT CRIMINAL JUSTICE COUNCIL; MODEL INTERROGATION POLICY

(a) Intent. It is the intent of the General Assembly that the Vermont Criminal Justice Council create a model interrogation policy that is grounded in evidence-based best practices to limit and eventually eliminate the use of deception in law enforcement interrogations.

(b) Policy development. On or before January 1, 2024, the Vermont Criminal Justice Council, in consultation with the Office of the Attorney General and stakeholders, including the Agency of Human Services, the Vermont League of Cities and Towns, the Vermont Human Rights Commission, and the Innocence Project, shall establish one cohesive evidence-based model interrogation policy for law enforcement agencies and constables to adopt, follow, and enforce as part of the agency's or constable's own interrogation policy.

(c) Policy contents. The evidence-based model interrogation policy created pursuant to this section shall apply to all persons subject to various forms of interrogation, including the following:

(1) custodial interrogations occurring in a place of detention;

(2) custodial interrogations occurring outside a place of detention;

(3) interrogations that are not considered custodial, regardless of location; and

(4) the interrogation of individuals with developmental, intellectual, and psychiatric disabilities; substance use disorders; and low literacy levels.

Sec. 6. 20 V.S.A. § 2359 is amended to read:

§ 2359. COUNCIL SERVICES CONTINGENT ON AGENCY COMPLIANCE; GRANT ELIGIBILITY

(a) On and after January 1, 2022, a law enforcement agency shall be prohibited from having its law enforcement applicants or officers trained by the Police Academy or from otherwise using the services of the Council if the agency is not in compliance with the requirements for collecting roadside stop data under section 2366 of this chapter, the requirement to report to the Office of Attorney General death or serious bodily injuries under 18 V.S.A. § 7257a(b), or the requirement to adopt, follow, ~~or~~ and enforce any policy required under this chapter.

(b) On and after April 1, 2024, a law enforcement agency shall be prohibited from receiving grants, or other forms of financial assistance, if the

agency is not in compliance with the requirement to adopt, follow, and enforce the model interrogation policy established by the Council pursuant to section 2371 of this title.

(c) The Council shall adopt procedures to enforce the requirements of this section, which may allow for waivers for agencies under a plan to obtain compliance with this section.

Sec. 7. 20 V.S.A. § 2371 is added to read:

§ 2371. STATEWIDE POLICY; INTERROGATION METHODS

(a) As used in this section:

(1) "Custodial interrogation" has the same meaning as in 13 V.S.A. § 5585.

(2) "Place of detention" has the same meaning as in 13 V.S.A. § 5585.

(b) The Council shall establish a model interrogation policy that applies to all persons subject to various forms of interrogation, including the following:

(1) custodial interrogations occurring in a place of detention;

(2) custodial interrogations occurring outside a place of detention;

(3) interrogations that are not considered custodial, regardless of location; and

(4) the interrogation of individuals with developmental, intellectual, and psychiatric disabilities; substance use disorders; and low literacy levels.

(c)(1) On or before April 1, 2024, each law enforcement agency and every constable who exercises law enforcement authority pursuant to 24 V.S.A. § 1936a and who is trained in compliance with section 2358 of this title shall adopt, follow, and enforce an interrogation policy that includes each component of the model interrogation policy established by the Council, and each law enforcement officer or constable who exercises law enforcement authority shall comply with the provisions of the agency's or constable's policy.

(2) On or before October 1, 2024, and every even-numbered year thereafter, the Vermont Criminal Justice Council, in consultation with others, including the Office of the Attorney General, the Agency of Human Services, and the Human Rights Commission, shall review and, if necessary, update the model interrogation policy.

(d) To encourage fair and consistent interrogation methods statewide, the Vermont Criminal Justice Council, in consultation with the Office of the Attorney General, shall review the policies of law enforcement agencies and

constables required to adopt a policy pursuant to subsection (c) of this section, to ensure that those policies establish each component of the model policy on or before April 15, 2024. If the Council finds that a policy does not meet each component of the model policy, it shall work with the law enforcement agency or constable to bring the policy into compliance. If, after consultation with its attorney or with the Council, or with both, the law enforcement agency or constable fails to adopt a policy that meets each component of the model policy, that agency or constable shall be deemed to have adopted, and shall follow and enforce, the model policy established by the Council.

(e) The Council shall incorporate the provisions of this section into the training it provides.

(f) Annually, as part of their annual training report to the Council, every law enforcement agency and every constable who exercises law enforcement authority pursuant to 24 V.S.A. § 1936a and who is trained in compliance with section 2358 of this title shall report to the Council whether the agency or constable has adopted an interrogation policy in accordance with subsections (c) and (d) of this section. The Vermont Criminal Justice Council shall determine, as part of the Council's annual certification of training requirements, whether current officers have received training on interrogation methods as required by subsection (e) of this section.

(g) Annually, on or before July 1, the Vermont Criminal Justice Council shall report to the House and Senate Committees on Judiciary regarding which law enforcement agencies and officers have received training on interrogation methods.

Sec. 8. VERMONT CRIMINAL JUSTICE COUNCIL; POSITION; APPROPRIATION

(a) On July 1, 2023, a new, permanent, classified Director of Policy position is created in the Vermont Criminal Justice Council. In addition to any other duties deemed appropriate by the Council, the Director of Policy shall supervise the development, oversight, and compliance work related to the Council's internal, external, and State-mandated policies.

(b) The sum of $150,000.00 is appropriated from the General Fund to the Vermont Criminal Justice Council in fiscal year 2024 for the purpose of creating and supporting the Director of Policy position.

Sec. 9. REPEAL

13 V.S.A. § 5587(d) (prohibiting sanctions related to a law enforcement officer's certification) is repealed on July 1, 2024.

Sec. 10. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that Secs. 6 (council services contingent on agency compliance; grant eligibility) and 7 (statewide policy; interrogation methods) shall take effect on April 1, 2024.

Rep. Toleno of Brattleboro, for the Committee on Appropriations, recommended that the report of the Committee on Judiciary be amended in Sec. 8, Vermont Criminal Justice Council; position; appropriation, by striking subsection (b) in its entirety and inserting in lieu thereof the following:

(b) The position of Director of Policy established in subsection (a) of this section shall be subject to a general fund appropriation in FY 2024.

The bill, having appeared on the Notice Calendar was taken up, read the second time, and the report of the Committee on Judiciary was amended as recommended by the Committee on Appropriations. Thereupon, report of the Committee on Judiciary, as amended, was agreed to and third reading was ordered.

Second Reading; Proposal of Amendment Agreed to; Third Reading Ordered

S. 112

Rep. Torre of Moretown, for the Committee on Environment and Energy, to which had been referred Senate bill, entitled

An act relating to miscellaneous subjects related to the Public Utility Commission

Recommended that the House propose to the Senate that the bill be amended by adding a Sec. 10a to read as follows:

Sec. 10a. RENEWABLE ENERGY STANDARD WORKING GROUP

(a) Established. The Legislative Working Group on Renewable Energy Standard Reform is created to draft legislation to be considered by the General Assembly during the 2024 Legislative session.

(b) Membership.

(1) The Legislative Working Group on Renewable Energy Standard Reform will be convened by two members from the House appointed by the Speaker of the House and two members of the Senate appointed by the Committee on Committees.

(2) The Working Group shall also be made up of one representative from each of the following: Green Mountain Power, Burlington Electric Department, Vermont Public Power Supply Authority, Washington Electric

Coop, Vermont Electric Coop, Vermont Public Interest Research Group, Renewable Energy Vermont, Conservation Law Foundation, Vermont Electric Power Company, Vermont Housing and Finance Agency, Vermont Natural Resources Council, GlobalFoundries, Associated Industries of Vermont, and the Sierra Club. Stowe Electric and Hyde Park Electric may each name a representative to the Working Group if they choose.

(c) Duties. In addition to submitting draft legislation, the Working Group shall report on the following:

(1) whether any changes to Vermont's existing renewable energy requirements, or other energy policies, are needed to increase grid stability, resiliency, modernization, and reliability;

(2) identifying any barriers to moving to a 100 percent renewable standard for all electrical utilities by 2030;

(3) recommending cost effective procurement policies to increase new renewable energy, storage, and flexible load management to offset increasing in-State load, improve grid stability and resiliency, and that consider integrated resource planning electric load growth projections;

(4) whether increasing the requirement for out-of-state renewable procurements within or delivered into the ISO-New England territory can ensure affordable electric rates;

(5) evaluating the impact legislative recommendations may have on Tier III implementation;

(6) evaluating the impact recommended legislative changes to procurement programs will have on Vermont jobs and the Vermont economy;

(7) how current programs impact environmental justice households, households with low income, and households with moderate income and how a revised Renewable Energy Standard can ensure that benefits and burdens are distributed equitably; and

(8) how any changes to the Renewable Energy Standard will address the inequity of distribution of benefits of renewables between different residential properties.

(d) Assistance.

(1) The Working Group shall have legal assistance from the Office of Legislative Council and administrative assistance from the Office of Legislative Operations.

(2) On or before July 15, 2023, the Joint Fiscal Office may issue a Request For Proposal to one or more independent third parties to provide

facilitation and mediation services to the Working Group, and data analysis recommendations at the direction of the legislative members.

(3) The Department of Public Service shall be invited to advise the Working Group on the results of its ongoing public process to review the Renewable Energy Standard and any other items as needed.

(e) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Working Group serving in the legislator's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than eight meetings.

(2) Other members of the Working Group who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings.

(3) The payments under this subsection (e) shall be made from monies appropriated by the General Assembly.

(f) Report. The Working Group shall submit draft legislation and a report on its deliberations and findings to the House Committee on Environment and Energy and Senate Committee on Natural Resources and Energy by December 1, 2023. Working Group members may submit minority opinions that shall be included with the report containing the draft legislation.

(g) Appropriation. In fiscal year 2024, the amount of $75,000.00 in general funds is appropriated to the Joint Fiscal Office for the consultants described in this section and the per diem compensation.

Rep. Dolan of Waitsfield, for the Committee on Appropriations, recommended that the report of the Committee on Environment and Energy be amended as follows:

First: In Sec. 10a, Renewable energy standard working group, in subdivision (b)(1) a new sentence after the first sentence to read as follows:

One member from the House and one member from the Senate shall be the co-chairs of the Work Group.

Second: In Sec. 10a, Renewable energy standard working group, in subdivision (c)(7), after "environmental justice", by striking out the word "households" and inserting in lieu thereof the words "focus populations"

Third: In Sec. 10a, Renewable energy standard working group, in subdivision (d)(2), by striking out "issue a Request for Proposal to" and inserting in lieu thereof "retain the services of"

Fourth: In Sec. 10a, Renewable energy standard working group, by striking out subsection (g) and inserting in lieu thereof a new (g) to read as follows:

(g) Appropriation. In fiscal year 2024, it is the intent of the General Assembly to appropriate funds if available from the General Fund to the Joint Fiscal Office to hire the consultants pursuant to this section.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and the report of the Committee on Environment and Energy was amended as recommended by the Committee on Appropriations. Thereupon, the report of the Committee on Environment and Energy, as amended, was agreed to and third reading was ordered.

Second Reading; Proposal of Amendment Agreed to; Third Reading Ordered

S. 115

Rep. Leavitt of Grand Isle, for the Committee on Agriculture, Food Resiliency, and Forestry, to which had been referred Senate bill, entitled

An act relating to miscellaneous agricultural subjects

Recommended that the House propose to the Senate that the bill be amended by striking out Secs. 8 and 9, report on municipal regulation of stormwater, in their entireties and inserting in lieu thereof new Secs. 8 and 9 to read as follows:

Sec. 8. 24 V.S.A. § 4414(9) is amended to read:

(9) Stormwater management and control. Any municipality may adopt bylaws to implement stormwater management and control consistent with the program developed by the Secretary of Natural Resources pursuant to 10 V.S.A. § 1264. Municipalities shall not charge an impervious surface fee or other stormwater fee under this subdivision or under other provisions of this title on property regulated under the Required Agricultural Practices for discharges of agricultural waste or agricultural nonpoint source pollution.

Sec. 9. IMPLEMENTATION PROSPECTIVE APPLICATION

Sec. 8 (municipal stormwater fees on agricultural nonpoint source pollution) of this act shall apply prospectively and shall not require a municipality to refund stormwater fees assessed prior to the effective date of this act on properties or activities that are exempt from such fees under 24 V.S.A. § 4414(9) as amended by this act.

Rep. Long of Newfane presiding.

Rep. Branagan of Georgia, for the Committee on Ways and Means, recommended that the House propose to the Senate to amend the bill as recommended by the Committee on Agriculture, Food Resiliency, and Forestry.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, the report of the Committee on Agriculture, Food Resiliency, and Forestry agreed to, and third reading ordered.

Favorable Reports; Second Reading; Third Reading Ordered

S. 135

Rep. Birong of Vergennes, for the Committee on Government Operations and Military Affairs, to which had been referred Senate bill, entitled

An act relating to the establishment of VT Saves

Reported in favor of its passage in concurrence.

Speaker presiding

Rep. Demrow of Corinth, for the Committee on Ways and Means, reported in favor of its passage in concurrence.

Rep. Scheu of Middlebury, for the Committee on Appropriations, reported in favor of its passage in concurrence.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and third reading was ordered.

Favorable Reports; Second Reading; Third Reading Ordered

S. 137

Rep. Logan of Burlington, for the Committee on Environment and Energy, to which had been referred Senate bill, entitled

An act relating to energy efficiency modernization

Reported in favor of its passage in concurrence.

Rep. Dolan of Waitsfield, for the Committee on Appropriations, reported in favor of its passage in concurrence.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and third reading was ordered.

Senate Proposal of Amendment Concurred in

H. 206

The Senate proposed to the House to amend House bill, entitled

An act relating to miscellaneous changes affecting the duties of the Department of Vermont Health Access

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

First: By striking out Sec. 4, federally qualified health centers; alternative payment methodology; report, in its entirety and inserting in lieu thereof a new Sec. 4 to read as follows:

Sec. 4. FEDERALLY QUALIFIED HEALTH CENTERS; ALTERNATIVE PAYMENT METHODOLOGY; REPORT

The Department of Vermont Health Access shall collaborate with representatives of Vermont's federally qualified health centers (FQHCs) to develop a mutually agreeable alternative payment methodology for Medicaid payments to the FQHCs that is at least equal to the amount that would be paid under the prospective payment system established under the Benefits Improvement and Protection Act of 2000. On or before October 1, 2023, the Department shall provide a final report on the development of the methodology to the Joint Fiscal Committee, the House Committee on Health Care, and the Senate Committee on Health and Welfare.

Second: By striking out Sec. 5, effective date, in its entirety and inserting in lieu thereof five new sections to be Secs. 5–9 to read as follows:

Sec. 5. BLUEPRINT FOR HEALTH; PAYMENTS TO PATIENT-CENTERED MEDICAL HOMES; REPORT

On or before January 15, 2024, the Director of Health Care Reform in the Agency of Human Services shall recommend to the House Committees on Health Care and on Appropriations and the Senate Committees on Health and Welfare, on Appropriations, and on Finance the amounts by which health insurers and Vermont Medicaid should increase the amount of the per-person, per-month payments they make to Blueprint for Health patient-centered medical homes in furtherance of the goal of providing the additional resources necessary for delivery of comprehensive primary care services to Vermonters and in order to sustain access to primary care services in Vermont. The Agency shall provide an estimate of the State funding that would be needed to support the increase for Medicaid, both with and without federal financial participation. The Agency shall also evaluate and report on potential mechanisms for ensuring that all payers are contributing equitably to the Blueprint on behalf of their covered lives in Vermont, including a

consideration of supporting Blueprint initiatives through the health care claims tax established in 32 V.S.A. chapter 243.

Sec. 6. REPEAL OF PROSPECTIVE REPEAL OF 18 V.S.A. § 9473(g)

2021 Acts and Resolves No. 74, Sec. E.227.2 (prospective repeal; pharmacy benefit managers; 340B entities), as amended by 2022 Acts and Resolves No. 131, Sec. 7, is repealed.

Sec. 7. 18 V.S.A. § 2251 is amended to read:

§ 2251. LIEN ESTABLISHED

(a) ~~A~~ Except as otherwise provided in this section, a hospital in Vermont, as defined in section 1801 of this title, furnishing medical or other service, including charges of private duty nurses, to a patient injured by reason of an accident not covered by the Workers' Compensation Act, 21 V.S.A. ~~§ 601 et seq.~~ chapter 9, ~~shall have~~ may file a lien upon any recovery for damages to be received by the patient, or by ~~his or her~~ the patient's heirs or personal representatives in the case of ~~his or her~~ the patient's death, whether by judgment or by settlement or compromise after the date of the services. ~~This lien shall not attach to one-third of the recovery or $500.00, whichever shall be the lesser, and in addition the lien shall be subordinate to an attorney's lien.~~

(b)(1) Notwithstanding subsection (a) of this section, a hospital shall not have a lien under this chapter if the patient has health insurance, including coverage under Medicare, Medicaid, or a health plan issued by a health insurer, as defined in section 9402 of this title, and the patient, or the patient's heirs or personal representatives in the case of the patient's death, provides the hospital with proof of health insurance not later than 90 days after the patient's discharge from or death at the hospital.

(2) Notwithstanding subdivision (1) of this subsection, a hospital may file a lien pursuant to subsection (a) of this section for any amount owed to the hospital for the patient's deductible or coinsurance, or both, under the health insurance plan for the medical or other services furnished by the hospital by filing notice of a lien at least 120 days after the hospital billed the patient's health insurance plan for the amount owed to the hospital for services furnished to the patient.

(3) The patient's health insurance plan shall not deny payment for services furnished by the hospital to the patient on the basis that some or all of the patient's medical costs may be covered by a property and casualty insurance plan, unless such denial is required or expressly permitted by State or federal law.

(c)(1) A hospital that recovers under this chapter shall be responsible for a pro rata share of the legal and administrative expenses incurred in obtaining the judgment, settlement, or compromise.

(2) In no event shall the hospital lien exceed one-third of the net judgment, settlement, or compromise received by the injured patient.

Sec. 8. 2022 Acts and Resolves No. 167, Sec. 2a is added to read:

Sec. 2a. GREEN MOUNTAIN CARE BOARD; HOSPITAL SYSTEM TRANSFORMATION; PILOT PROJECTS; REPORT

(a) The Agency of Human Services shall engage in transformation planning with up to four hospitals, or other number of hospitals if possible with alternate funds, to reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequities, and increase access to essential services while maintaining sufficient capacity for emergency management. The transformation planning shall be informed by the data analysis and community engagement required in Sec. 2 of this act. The Secretary of Human Services or designee and the Chair and staff of the Green Mountain Care Board shall consult with each other on the engagements in this section and the data analysis and community engagement required in Sec. 2 of this act to ensure the work is aligned.

(b) On or before February 15, 2024, the Agency of Human Services shall update the Senate Committee on Health and Welfare and the House Committee on Health Care on the progress of this work.

Sec. 9. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that Sec. 7 (hospital liens) shall take effect on January 1, 2024.

Which proposal of amendment was considered and concurred in.

Action on Bill Postponed

H. 493

House bill, entitled

An act relating to capital construction and State bonding

Was taken up and, pending consideration of the Senate proposal of amendment, on motion of **Rep. Emmons of Springfield**, action on the bill was postponed until May 9, 2023.

Senate Proposal of Amendment to House Proposal of Amendment to Senate Proposal of Amendment Concurred in

H. 53

The Senate concurred in the House proposal of amendment to Senate proposal of amendment with further amendment thereto on House bill, entitled

An act relating to driver's license suspensions

The Senate concurred in the House proposal of amendment to Senate proposal of amendment with the following proposal of amendment thereto:

By striking out Sec. 5, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 5. 32 V.S.A. § 1712 is amended to read:

§ 1712. TOWN CLERKS

Town clerks shall receive the following fees for issuing marriage licenses and vital event certificates:

(1) For issuing and recording a civil marriage license, ~~$80.00~~ $60.00 to be paid by the applicant, ~~$15.00~~ $10.00 of which sum shall be retained by the town clerk as a fee, ~~$50.00~~ $35.00 of which shall be deposited in the Domestic and Sexual Violence Special Fund created by 13 V.S.A. § 5360, and $15.00 of which sum shall be paid by the town clerk to the State Treasurer in a return filed quarterly upon forms furnished by the State Treasurer and specifying all fees received by the town clerk during the quarter. Such quarterly period shall be as of the first day of January, April, July, and October.

* * *

Sec. 6. EFFECTIVE DATES

(a) Sec. 4 (marriage licenses; 32 V.S.A. § 1712) shall take effect on July 1, 2023.

(b) Sec. 5 (marriage licenses; 32 V.S.A. § 1712) shall take effect on July 1, 2025.

(c) All other sections shall take effect 30 calendar days after passage.

Which proposal of amendment was considered and concurred in.

Pending Entry on the Notice Calendar
Bill Referred to Committee on Appropriations

S. 39

Senate bill, entitled

An act relating to compensation and benefits for members of the Vermont General Assembly

Pending entry on the Notice Calendar, and pursuant to House Rule 35(a), carrying an appropriation, was referred to the Committee on Appropriations.

Adjournment

At six o'clock and forty-four minutes in the evening, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at ten o'clock in the forenoon.