

Senate Calendar

THURSDAY, APRIL 18, 2024

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ACTION CALENDAR

UNFINISHED BUSINESS OF TUESDAY, APRIL 16, 2024

House Proposal of Amendment to Senate Proposal of Amendment

H. 659

An act relating to captive insurance.

The House concurs in the Senate proposal of amendment with further amendment thereto by striking out, in Sec. 48, 8 V.S.A. chapter 79, subchapter 10, section 2577 in its entirety and inserting in lieu thereof a new section 2577 to read as follows:

§ 2577. VIRTUAL-CURRENCY KIOSK OPERATORS

(a) Daily transaction limit. A virtual-currency kiosk operator shall not accept or dispense more than \$1,000.00 of cash in a day in connection with virtual-currency transactions with a single customer in this State via one or more money transmission kiosks.

(b) Fee cap. The aggregate fees and charges, directly or indirectly, charged to a customer related to a single transaction or series of related transactions involving virtual currency effected through a money transmission kiosk in this State, including any difference between the price charged to a customer to buy, sell, exchange, swap, or convert virtual currency and the prevailing market value of such virtual currency at the time of such transaction, shall not exceed the greater of the following:

(1) \$5.00; or

(2) three percent of the U.S. dollar equivalent of virtual currency involved in the transaction or transactions.

(c) Single transaction. The purchase, sale, exchange, swap, or conversion of virtual currency, or the subsequent transfer of virtual currency, in a series of transactions shall be deemed to be a single transaction for purposes of subsection (b) of this section.

(d) Licensing requirement. A virtual-currency kiosk operator shall comply with the licensing requirements of this subchapter to the extent that the virtual-currency kiosk operator engages in virtual-currency business activity.

(e) Operator accountability. If a virtual-currency kiosk operator allows or facilitates another person to engage in virtual-currency business activity via a money transmission kiosk in this State that is owned, operated, or managed by the virtual-currency kiosk operator, the virtual-currency kiosk operator shall do all of the following:

(1) ensure that the person engaging in virtual-currency business activity is licensed under subchapter 2 of this chapter to engage in virtual-currency business activity and complies with all other applicable provisions of this chapter;

(2) ensure that any charges collected from a customer via the money transmission kiosk comply with the limits provided by subsection (b) of this section; and

(3) comply with all other applicable provisions of this chapter.

(f) Moratorium. To protect the public safety and welfare and safeguard the rights of consumers, virtual-currency kiosks shall not be permitted to operate in Vermont prior to July 1, 2026.

(g) Report. On or before January 15, 2026, the Commissioner of Financial Regulation shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Finance on whether the requirements of this section coupled with relevant federal requirements are sufficient to protect customers in Vermont from fraudulent and predatory activity. If deemed necessary and appropriate by the Commissioner, the Commissioner may make recommendations for additional statutory or regulatory safeguards. In addition, the Commissioner shall make recommendations for enhanced oversight and monitoring of virtual-currency kiosks for the purpose of minimizing their use for illicit activities as described in the U.S. Government Accountability Office report on virtual currencies, GAO-22-105462, dated December 2021.

UNFINISHED BUSINESS OF WEDNESDAY, APRIL 17, 2024

House Proposal of Amendment

S. 25.

An act relating to regulating cosmetic and menstrual products containing certain chemicals and chemical classes and textiles and athletic turf fields containing perfluoroalkyl and polyfluoroalkyl substances.

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

* * * Chemicals in Cosmetic and Menstrual Products * * *

Sec. 1. 9 V.S.A. chapter 63, subchapter 12 is added to read:

Subchapter 12. Chemicals in Cosmetic and Menstrual Products

§ 2494a. DEFINITIONS

As used in this subchapter:

(1) “Bisphenols” means any member of a class of industrial chemicals that contain two hydroxyphenyl groups. Bisphenols are used primarily in the manufacture of polycarbonate plastic and epoxy resins.

(2) “Cosmetic product” means articles or a component of articles intended to be rubbed, poured, sprinkled, or sprayed on; introduced into; or otherwise applied to the human body or any part thereof for cleansing, promoting attractiveness, or improving or altering appearance, including those intended for use by professionals. “Cosmetic product” does not mean soap, dietary supplements, or food and drugs approved by the U.S. Food and Drug Administration.

(3) “Formaldehyde-releasing agent” means a chemical that releases formaldehyde.

(4) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component.

(5) “Manufacturer” means any person engaged in the business of making or assembling a consumer product directly or indirectly available to consumers. “Manufacturer” excludes a distributor or retailer, except when a consumer product is made or assembled outside the United States, in which case a “manufacturer” includes the importer or first domestic distributor of the consumer product.

(6) “Menstrual product” means a product used to collect menstruation and vaginal discharge, including tampons, pads, sponges, menstruation underwear, disks, applicators, and menstrual cups, whether disposable or reusable.

(7) “Ortho-phthalates” means any member of the class of organic chemicals that are esters of phthalic acid containing two carbon chains located in the ortho position.

(8) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(9) “Professional” means a person granted a license pursuant to 26 V.S.A. chapter 6 to practice in the field of barbering, cosmetology, manicuring, or esthetics.

§ 2494b. PROHIBITED CHEMICALS IN COSMETIC AND MENSTRUAL PRODUCTS

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State any cosmetic or menstrual product to which the following chemicals or chemical classes have been intentionally added in any amount:

- (1) ortho-phthalates;
- (2) PFAS;
- (3) formaldehyde (CAS 50-00-0);
- (4) methylene glycol (CAS 463-57-0);
- (5) mercury and mercury compounds (CAS 7439-97-6);
- (6) 1, 4-dioxane (CAS 123-91-1);
- (7) isopropylparaben (CAS 4191-73-5);
- (8) isobutylparaben (CAS 4247-02-3);
- (9) lead and lead compounds (CAS 7439-92-1);
- (10) asbestos;
- (11) triclosan (CAS 3380-34-5);
- (12) m-phenylenediamine and its salts (CAS 108-42-5);
- (13) o-phenylenediamine and its salts (CAS 95-54-5); and
- (14) quaternium-15 (CAS 51229-78-8).

(b) A cosmetic or menstrual product made through manufacturing processes intended to comply with this subchapter and containing a technically unavoidable trace quantity of a chemical or chemical class listed in subsection (a) of this section shall not be in violation of this subchapter on account of the trace quantity where it is caused by impurities of:

- (1) natural or synthetic ingredients;
- (2) the manufacturing process;
- (3) storage; or
- (4) migration from packaging.

(c) A manufacturer shall not knowingly manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State any cosmetic or menstrual product that contains 1,4, dioxane at or exceeding 10 parts per million.

(d)(1) Pursuant to 3 V.S.A. chapter 25, the Department of Health may adopt rules prohibiting a manufacturer from selling, offering for sale, distributing for sale, or distributing for use a cosmetic or menstrual product to which formaldehyde releasing agents have been intentionally added and are present in any amount.

(2) The Department may only prohibit a manufacturer from selling, offering for sale, distributing for sale, or distributing for use a cosmetic or menstrual product in accordance with this subsection if the Department or at least one other state has determined that a safer alternative is readily available in sufficient quantity and at comparable cost and that the safer alternative performs as well as or better than formaldehyde releasing agents in a specific application of formaldehyde releasing agents to a cosmetic or menstrual product.

(3) Any rule adopted by the Department pursuant to this subsection may restrict formaldehyde releasing agents as individual chemicals or as a class of chemicals.

Sec. 2. 9 V.S.A. § 2494b is amended to read:

§ 2494b. PROHIBITED CHEMICALS IN COSMETIC AND MENSTRUAL PRODUCTS

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State any cosmetic or menstrual product to which the following chemicals or chemical classes have been intentionally added in any amount:

* * *

(13) o-phenylenediamine and its salts (CAS 95-54-5); ~~and~~

(14) quaternium-15 (CAS 51229-78-8);

(15) styrene (CAS 100-42-5);

(16) octamethylcyclotetrasiloxane (CAS 556-67-2); ~~and~~

(17) toluene (CAS 108-88-3).

* * *

(e) A manufacturer shall not knowingly manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State any cosmetic or menstrual product that contains lead or lead compounds at or exceeding ten parts per million.

* * * PFAS in Consumer Products * * *

Sec. 3. 9 V.S.A. chapter 63, subchapter 12a is added to read:

Subchapter 12a. PFAS in Consumer Products

§ 2494e. DEFINITIONS

As used in this subchapter:

(1) “Adult mattress” means a mattress other than a crib or toddler mattress.

(2) “Aftermarket stain and water resistant treatments” means treatments for textile and leather consumer products used in residential settings that have been treated during the manufacturing process for stain, oil, and water resistance, but excludes products marketed or sold exclusively for use at industrial facilities during the manufacture of a carpet, rug, clothing, or shoe.

(3) “Apparel” means any of the following:

(A) Clothing items intended for regular wear or formal occasions, including undergarments, shirts, pants, skirts, dresses, overalls, bodysuits, costumes, vests, dancewear, suits, saris, scarves, tops, leggings, school uniforms, leisurewear, athletic wear, sports uniforms, everyday swimwear, formal wear, onesies, bibs, reusable diapers, footwear, and everyday uniforms for workwear. Clothing items intended for regular wear or formal occasions do not include clothing items for exclusive use by the U.S. Armed Forces, outdoor apparel for severe wet conditions, and personal protective equipment.

(B) Outdoor apparel.

(4) “Artificial turf” means a surface of synthetic fibers that is used in place of natural grass in recreational, residential, or commercial applications.

(5) “Cookware” means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages and that are intended for direct food contact, including pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(6) “Incontinency protection product” means a disposable, absorbent hygiene product designed to absorb bodily waste for use by individuals 12 years of age and older.

(7) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component.

(8) “Juvenile product” means a product designed or marketed for use by infants and children under 12 years of age:

(A) including a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-in chair; soft-sided portable crib; stroller; toddler mattress; and disposable, single-use diaper; and

(B) excluding a children’s electronic product, such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; a medical device; or an adult mattress.

(9) “Manufacturer” means any person engaged in the business of making or assembling a consumer product directly or indirectly available to consumers. “Manufacturer” excludes a distributor or retailer, except when a consumer product is made or assembled outside the United States, in which case a “manufacturer” includes the importer or first domestic distributor of the consumer product.

(10) “Medical device” has the same meaning given to “device” in 21 U.S.C. § 321.

(11) “Outdoor apparel” means clothing items intended primarily for outdoor activities, including hiking, camping, skiing, climbing, bicycling, and fishing.

(12) “Outdoor apparel for severe wet conditions” means outdoor apparel that are extreme and extended use products designed for outdoor sports experts for applications that provide protection against extended exposure to extreme rain conditions or against extended immersion in water or wet conditions, such as from snow, in order to protect the health and safety of the user and that are not marketed for general consumer use. Examples of extreme and extended use products include outerwear for offshore fishing, offshore sailing, whitewater kayaking, and mountaineering.

(13) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(14) “Personal protective equipment” has the same meaning as in section 2494p of this title.

(15) “Regulated perfluoroalkyl and polyfluoroalkyl substances” or “regulated PFAS” means:

(A) PFAS that a manufacturer has intentionally added to a product and that have a functional or technical effect in the product, including PFAS components of intentionally added chemicals and PFAS that are intentional breakdown products of an added chemical that also have a functional or technical effect in the product; or

(B) the presence of PFAS in a product or product component at or above 100 parts per million, as measured in total organic fluorine.

(16) “Rug or carpet” means a fabric marketed or intended for use as a floor covering.

(17) “Ski wax” means a lubricant applied to the bottom of snow runners, including skis and snowboards, to improve their grip and glide properties.

(18) “Textile” means any item made in whole or part from a natural, manmade, or synthetic fiber, yarn, or fabric, and includes leather, cotton, silk, jute, hemp, wool, viscose, nylon, or polyester. “Textile” does not include single-use paper hygiene products, including toilet paper, paper towels, tissues, or single-use absorbent hygiene products.

(19) “Textile articles” means textile goods of a type customarily and ordinarily used in households and businesses, and includes apparel, accessories, handbags, backpacks, draperies, shower curtains, furnishings, upholstery, bedding, towels, napkins, and table cloths. “Textile articles” does not include:

(A) a vehicle, as defined in 1 U.S.C. § 4, or its component parts;

(B) a vessel, as defined in 1 U.S.C. § 3, or its component parts;

(C) an aircraft, as defined in 49 U.S.C. § 40102(a)(6), or its component parts;

(D) filtration media and filter products used in industrial applications, including chemical or pharmaceutical manufacturing and environmental control technologies;

(E) textile articles used for laboratory analysis and testing; and

(F) rugs or carpets.

§ 2494f. AFTERMARKET STAIN AND WATER-RESISTANT TREATMENTS

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State aftermarket stain and water-resistant treatments for rugs or carpets to which PFAS have been intentionally added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 2494h. COOKWARE

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State cookware to which PFAS have been intentionally added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 2494i. INCONTINENCY PROTECTION PRODUCT

A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State an incontinency protection product to which PFAS have been intentionally added in any amount.

§ 2494j. JUVENILE PRODUCTS

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State juvenile products to which PFAS have been intentionally added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 2494k. RUGS AND CARPETS

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a residential rug or carpet to which PFAS have been added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 2494l. SKI WAX

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State ski wax or related tuning products to which PFAS have been intentionally added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 2494m. TEXTILES

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a textile or textile article to which regulated PFAS have been intentionally added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 2494n. CERTIFICATE OF COMPLIANCE

(a) The Attorney General may request a certificate of compliance from a manufacturer of a consumer product regulated under this subchapter. Within 60 days after receipt of the Attorney General’s request for a certificate of compliance, the manufacturer shall:

(1) provide the Attorney General with a certificate attesting that the manufacturer’s product or products comply with the requirements of this subchapter; or

(2) notify persons who are selling a product of the manufacturer’s in this State that the sale is prohibited because the product does not comply with this subchapter and submit to the Attorney General a list of the names and addresses of those persons notified.

(b) A manufacturer required to submit a certificate of compliance pursuant to this section may rely upon a certificate of compliance provided to the manufacturer by a supplier for the purpose of determining the manufacturer’s reporting obligations. A certificate of compliance provided by a supplier in accordance with this subsection shall be used solely for the purpose of determining a manufacturer’s compliance with this section.

* * * PFAS in Artificial Turf * * *

Sec. 4. 9 V.S.A. § 2494g is added to read:

§ 2494g. ARTIFICIAL TURF

A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State artificial turf to which:

(1) PFAS have been intentionally added in any amount; or

(2) PFAS have entered the product from the manufacturing or processing of that product, the addition of which is known or reasonably ascertainable by the manufacturer.

* * * Amendments to PFAS in Textiles * * *

Sec. 5. 9 V.S.A. § 2494e(2) is amended to read:

(2) “Apparel” means any of the following:

(A) Clothing items intended for regular wear or formal occasions, including undergarments, shirts, pants, skirts, dresses, overalls, bodysuits, costumes, vests, dancewear, suits, saris, scarves, tops, leggings, school uniforms, leisurewear, athletic wear, sports uniforms, everyday swimwear, formal wear, onesies, bibs, reusable diapers, footwear, and everyday uniforms for workwear. Clothing items intended for regular wear or formal occasions do not include clothing items for exclusive use by the U.S. Armed Forces, ~~outdoor apparel for severe wet conditions~~, and personal protective equipment.

(B) Outdoor apparel.

(C) Outdoor apparel for severe wet conditions.

Sec. 6. 9 V.S.A. § 2494e(15) is amended to read:

(15) “Regulated perfluoroalkyl and polyfluoroalkyl substances” or “regulated PFAS” means:

(A) PFAS that a manufacturer has intentionally added to a product and that have a functional or technical effect in the product, including PFAS components of intentionally added chemicals and PFAS that are intentional breakdown products of an added chemical that also have a functional or technical effect in the product; or

(B) the presence of PFAS in a product or product component at or above ~~100~~ 50 parts per million, as measured in total organic fluorine.

* * * PFAS in Firefighting Agents and Equipment * * *

Sec. 7. 9 V.S.A. chapter 63, subchapter 12b is added to read:

Subchapter 12b. PFAS in Firefighting Agents and Equipment

§ 2494p. DEFINITIONS

As used in this subchapter:

(1) “Class B firefighting foam” means chemical foams designed for flammable liquid fires.

(2) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component.

(3) “Manufacturer” means any person engaged in the business of making or assembling a consumer product directly or indirectly available to consumers. “Manufacturer” excludes a distributor or retailer, except when a consumer product is made or assembled outside the United States, in which case a “manufacturer” includes the importer or first domestic distributor of the consumer product.

(4) “Municipality” means any city, town, incorporated village, town fire district, or other political subdivision that provides firefighting services pursuant to general law or municipal charter.

(5) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(6) “Personal protective equipment” means clothing designed, intended, or marketed to be worn by firefighting personnel in the performance of their duties, designed with the intent for use in fire and rescue activities, and includes jackets, pants, shoes, gloves, helmets, and respiratory equipment.

(7) “Terminal” means an establishment primarily engaged in the wholesale distribution of crude petroleum and petroleum products, including liquefied petroleum gas from bulk liquid storage facilities.

§ 2494q. PROHIBITION OF CERTAIN CLASS B FIREFIGHTING FOAM

A person, municipality, or State agency shall not discharge or otherwise use for training or testing purposes class B firefighting foam that contains intentionally added PFAS.

§ 2494r. RESTRICTION ON MANUFACTURE, SALE, AND DISTRIBUTION; EXCEPTIONS

(a) A manufacturer of class B firefighting foam shall not manufacture, sell, offer for sale, or distribute for sale or use in this State class B firefighting foam to which PFAS have been intentionally added.

(b) A person operating a terminal who seeks to purchase class B firefighting foam containing intentionally added PFAS for the purpose of fighting emergency class B fires, may apply to the Department of Environmental Conservation for a temporary exemption from the restrictions on the manufacture, sale, offer for sale, or distribution of class B firefighting foam for use at a terminal. An exemption shall not exceed one year. The Department of Environmental Conservation, in consultation with the Department of Health, may grant an exemption under this subsection if the applicant provides:

(1) clear and convincing evidence that there is not a commercially available alternative that:

(A) does not contain intentionally added PFAS; and

(B) is capable of suppressing a large atmospheric tank fire or emergency class B fire at the terminal;

(2) information on the amount of class B firefighting foam containing intentionally added PFAS that is annually stored, used, or released at the terminal;

(3) a report on the progress being made by the applicant to transition at the terminal to class B firefighting foam that does not contain intentionally added PFAS; and

(4) an explanation of how:

(A) all releases of class B firefighting foam containing intentionally added PFAS shall be fully contained at the terminal; and

(B) existing containment measures prevent firewater, wastewater, runoff, and other wastes from being released into the environment, including into soil, groundwater, waterways, and stormwater.

(c) Nothing in this section shall prohibit a terminal from providing class B firefighting foam in the form of aid to another terminal in the event of a class B fire.

§ 2494s. SALE OF PERSONAL PROTECTIVE EQUIPMENT CONTAINING PFAS

(a) A manufacturer or other person that sells firefighting equipment to any person, municipality, or State agency shall provide written notice to the purchaser at the time of sale, citing to this subchapter, if the personal protective equipment contains PFAS. The written notice shall include a statement that the personal protective equipment contains PFAS and the reason PFAS are added to the equipment.

(b) The manufacturer or person selling personal protective equipment and the purchaser of the personal protective equipment shall retain the notice for at least three years from the date of the transaction.

§ 2494t. NOTIFICATION; RECALL OF PROHIBITED PRODUCTS

(a) A manufacturer of class B firefighting foam containing intentionally added PFAS shall provide written notice to persons that sell the manufacturer's products in this State about the restrictions imposed by this subchapter not less than one year prior to the effective date of the restrictions.

(b) Unless a class B firefighting foam containing intentionally added PFAS is intended for use at a terminal and the person operating a terminal holds a temporary exemption pursuant to subsection 2494r(b) of this title, a manufacturer that produces, sells, or distributes a class B firefighting foam containing intentionally added PFAS shall:

(1) recall the product and reimburse the retailer or any other purchaser for the product; and

(2) issue either a press release or notice on the manufacturer's website describing the product recall and reimbursement requirement established in this subsection.

§ 2494u. CERTIFICATE OF COMPLIANCE

(a) The Attorney General may request a certificate of compliance from a manufacturer of class B firefighting foam or firefighting personal protective equipment. Within 60 days after receipt of the Attorney General's request for a certificate of compliance, the manufacturer shall:

(1) provide the Attorney General with a certificate attesting that the manufacturer's product or products comply with the requirements of this subchapter; or

(2) notify persons who are selling a product of the manufacturer's in this State that the sale is prohibited because the product does not comply with this subchapter and submit to the Attorney General a list of the names and addresses of those persons notified.

(b) A manufacturer required to submit a certificate of compliance pursuant to this section may rely upon a certificate of compliance provided to the manufacturer by a supplier for the purpose of determining the manufacturer's reporting obligations. A certificate of compliance provided by a supplier in accordance with this subsection shall be used solely for the purpose of determining a manufacturer's compliance with this section.

* * * Chemicals of Concern in Food Packaging * * *

Sec. 8. 9 V.S.A. chapter 63, subchapter 12c is added to read:

Subchapter 12c. Chemicals of Concern in Food Packaging

§ 2494x. DEFINITIONS

As used in this subchapter:

(1) "Bisphenols" means any member of a class of industrial chemicals that contain two hydroxyphenyl groups. Bisphenols are used primarily in the manufacture of polycarbonate plastic and epoxy resins.

(2) "Department" means the Department of Health.

(3) "Food package" or "food packaging" means a package or packaging component that is intended for direct food contact.

(4) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component.

(5) “Ortho-phthalates” means any member of the class of organic chemicals that are esters of phthalic acid containing two carbon chains located in the ortho position.

(6) “Package” means a container providing a means of marketing, protecting, or handling a product and shall include a unit package, an intermediate package, and a shipping container. “Package” also means unsealed receptacles, such as carrying cases, crates, cups, pails, rigid foil and other trays, wrappers and wrapping films, bags, and tubs.

(7) “Packaging component” means an individual assembled part of a package, such as any interior or exterior blocking, bracing, cushioning, weatherproofing, exterior strapping, coatings, closures, inks, and labels, and disposable gloves used in commercial or institutional food service.

(8) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

§ 2494y. FOOD PACKAGING

(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a food package to which PFAS have been intentionally added and are present in any amount.

(b)(1) Pursuant to 3 V.S.A. chapter 25, the Department may adopt rules prohibiting a manufacturer, supplier, or distributor from selling or offering for sale or for promotional distribution a food package or the packaging component of a food package to which bisphenols have been intentionally added and are present in any amount. The Department may exempt specific chemicals within the bisphenol class when clear and convincing evidence suggests they are not endocrine-active or otherwise toxic.

(2) The Department may only prohibit a manufacturer, supplier, or distributor from selling or offering for sale or for promotional distribution a food package or the packaging component of a food package in accordance with this subsection if the Department or at least one other state has determined that a safer alternative is readily available in sufficient quantity and at a comparable cost and that the safer alternative performs as well as or better than bisphenols in a specific application of bisphenols to a food package or the packaging component of a food package.

(3) If the Department prohibits a manufacturer, supplier, or distributor from selling or offering for sale or for promotional distribution a food package or the packaging component of a food package in accordance with this subsection, the prohibition shall not take effect until two years after the Department adopts the rules.

(c) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a food package that includes inks, dyes, pigments, adhesives, stabilizers, coatings, plasticizers, or any other additives to which ortho-phthalates have been intentionally added and are present in any amount.

(d) This section shall not apply to the sale or resale of used products.

§ 2494z. CERTIFICATE OF COMPLIANCE

(a) The Attorney General may request a certificate of compliance from a manufacturer of food packaging. Within 60 days after receipt of the Attorney General's request for a certificate of compliance, the manufacturer shall:

(1) provide the Attorney General with a certificate attesting that the manufacturer's product or products comply with the requirements of this subchapter; or

(2) notify persons who are selling a product of the manufacturer's in this State that the sale is prohibited because the product does not comply with this subchapter and submit to the Attorney General a list of the names and addresses of those persons notified.

(b) A manufacturer required to submit a certificate of compliance pursuant to this section may rely upon a certificate of compliance provided to the manufacturer by a supplier for the purpose of determining the manufacturer's reporting obligations. A certificate of compliance provided by a supplier in accordance with this subsection shall be used solely for the purpose of determining a manufacturer's compliance with this section.

* * * Engagement and Implementation Plans * * *

Sec. 9. COMMUNITY ENGAGEMENT PLAN

(a) On or before July 1, 2025, the Department of Health shall develop and submit a community engagement plan to the Senate Committee on Health and Welfare and to the House Committee on Human Services related to the enactment of 9 V.S.A. chapter 63, subchapter 12. The community engagement plan shall:

(1) provide education to the general public on chemicals of concern in cosmetic and menstrual products and specifically address the unique impact these products have on marginalized communities by providing the use of language access services, participant compensation, and other resources that support equitable access to participation; and

(2) outline the methodology and costs to conduct outreach for the purposes of:

(A) identifying cosmetic products of concern, including those marketed to or utilized by marginalized communities in Vermont;

(B) conducting research on the prevalence of potentially harmful ingredients within cosmetic products, including those marketed to or utilized by marginalized communities in Vermont;

(C) proposing a process for regulating chemicals or products containing potentially harmful ingredients, including those marketed to or utilized by marginalized communities in Vermont; and

(D) creating culturally appropriate public health awareness campaigns concerning harmful ingredients used in cosmetic products.

(b) As used in the section, “marginalized communities” means individuals with shared characteristics who experience or have historically experienced discrimination based on race, ethnicity, color, national origin, English language proficiency, disability, gender identity, gender expression, or sexual orientation.

Sec. 10. IMPLEMENTATION PLAN; CONSUMER PRODUCTS CONTAINING PFAS

(a) The Agency of Natural Resources, in consultation with the Agency of Agriculture, Food and Markets; the Department of Health; and the Office of the Attorney General, shall propose a program requiring the State to identify and restrict the sale and distribution of consumer products containing perfluoroalkyl and polyfluoroalkyl substances (PFAS) that could impact public health and the environment. The proposed program shall:

(1) identify categories of consumer products that could have an impact on public health and environmental contamination;

(2) propose a process by which manufacturers determine whether a consumer product contains PFAS and how that information is communicated to the State;

(3) address how information about the presence or lack of PFAS in a consumer product is conveyed to the public;

(4) describe which agency or department is responsible for administration of the proposed program, including what additional staff, information technology changes, and other resources, if any, are necessary to implement the program;

(5) determine whether and how other states have structured and implemented similar programs and identify the best practices used in these efforts;

(6) propose definitions of “intentionally added,” “consumer product,” and “perfluoroalkyl and polyfluoroalkyl substances”;

(7) propose a related public service announcement program and website content to inform the public and health care providers about the potential public health impacts of exposure to PFAS and actions that can be taken to reduce risk;

(8) provide recommendations for the regulation of PFAS within consumer products that use recycled materials, including food packaging, cosmetic product packaging, and textiles; and

(9) determine whether “personal protective equipment” regulated by the U.S. Occupational Safety and Health Administration under the Occupational Safety and Health Act, the U.S. Food and Drug Administration, or the U.S. Centers for Disease Control and Prevention, or a product that is regulated as a drug, medical device, or dietary supplement by the U.S. Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act or the Dietary Supplement Health and Education Act, is appropriately regulated under 9 V.S.A. chapter 63, subchapters 12–12c.

(b) The Agency of Natural Resources shall obtain input on its recommendation from interested parties, including those that represent environmental, agricultural, and industry interests.

(c) On or before November 1, 2024, the Agency of Natural Resources shall submit an implementation plan developed pursuant to this section and corresponding draft legislation to the House Committees on Environment and Energy and on Human Services and the Senate Committees on Health and Welfare and on Natural Resources and Energy.

(d) For the purposes of this section, “consumer products” includes restricted and nonrestricted use pesticides.

* * * Repeal * * *

Sec. 11. REPEAL; PFAS IN VARIOUS CONSUMER PRODUCTS

18 V.S.A. chapter 33 (PFAS in firefighting agents and equipment), 18 V.S.A. chapter 33A (chemicals of concern in food packaging), 18 V.S.A. chapter 33B (PFAS in rugs, carpets, and aftermarket stain and water resistant treatments), and 18 V.S.A. chapter 33C (PFAS in ski wax) are repealed on January 1, 2026.

* * * Compliance Notification * * *

Sec. 12. COMPLIANCE NOTIFICATION

If, upon a showing by a manufacturer, the Office of the Attorney General determines that it is not feasible to produce a particular consumer product as required by this act on the effective date listed in Sec. 13 (effective dates), the Attorney General may postpone the compliance date for that product for up to one year. If the Attorney General postpones a compliance date pursuant to this section, the Office of the Attorney General shall post notification of the postponement on its website.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

This act shall take effect on July 1, 2024, except that:

(1) Sec. 1 (chemicals in cosmetic and menstrual products), Sec. 3 (PFAS in consumer products), Sec. 7 (PFAS in firefighting agents and equipment), and Sec. 8 (chemicals of concern in food packaging) shall take effect on January 1, 2026;

(2) Sec. 2 (9 V.S.A. § 2494b) and Sec. 6 (9 V.S.A. § 2494e(15)) shall take effect on July 1, 2027;

(3) Sec. 4 (artificial turf) shall take effect on January 1, 2028; and

(4) Sec. 5 (9 V.S.A. § 2494e(2)) shall take effect on July 1, 2028.

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

An act relating to regulating consumer products containing perfluoroalkyl and polyfluoroalkyl substances or other chemicals

NEW BUSINESS

Third Reading

H. 861.

An act relating to reimbursement parity for health care services delivered in person, by telemedicine, and by audio-only telephone.

Second Reading

Favorable with Proposal of Amendment

H. 629.

An act relating to changes to property tax abatement and tax sales.

Reported favorably with recommendation of proposal of amendment by Senator Hardy for the Committee on Government Operations.

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

* * * Municipal Tax Abatement * * *

Sec. 1. 24 V.S.A. § 1535 is amended to read:

§ 1535. ABATEMENT

(a) The board may abate in whole or part taxes, water charges, sewer charges, interest, or collection fees, or any other municipal charges or fees for utilities or services, or any combination of those, other than those arising out of a corrected classification of homestead or nonhomestead property, accruing to the town in the following cases:

- (1) taxes or charges of persons who have died insolvent;
- (2) taxes or charges of persons who have moved from the State;
- (3) taxes or charges of persons who are unable to pay their taxes or charges, interest, and collection fees;
- (4) taxes in which there is ~~manifest~~ a clear or obvious error or a mistake of the listers;
- (5) taxes or charges upon real or personal property lost or destroyed during the tax year;
- (6) the exemption amount available under 32 V.S.A. § 3802(11) to persons otherwise eligible for exemption who file a claim on or after May 1 but before October 1 due to the claimant's sickness or disability or other good

cause as determined by the board of abatement; but that exemption amount shall be reduced by 20 percent of the total exemption for each month or portion of a month the claim is late filed;

(7) [Repealed.]

(8) [Repealed.]

(9) taxes or charges upon a mobile home moved from the town during the tax year as a result of a change in use of the mobile home park land or parts thereof or closure of the mobile home park in which the mobile home was sited, pursuant to 10 V.S.A. § 6237; or

(10) sewer, water, utility, or service charges caused by circumstances that were difficult to foresee or outside of the person's control.

(b) The board's abatement of an amount of tax or charge shall automatically abate any uncollected interest and fees relating to that amount.

(c) The board shall, in any case in which it abates taxes or charges, interest, or collection fees accruing to the town or denies an application for abatement, state in detail in writing the reasons for its decision. The written decision shall provide sufficient explanation to indicate to the parties what was considered and what was decided. The decision shall address the arguments raised by the applicant. Prior to issuing a written decision, the board may request additional relevant information or documentation related to the case.

(d)(1) The board may order that any abatement as to an amount or amounts already paid be in the form of a refund or in the form of a credit against the tax or charge for the next ensuing tax year or charge billing cycle and for succeeding tax years or billing cycles if required to use up the amount of the credit.

(2) Whenever a municipality votes to collect interest on overdue taxes pursuant to 32 V.S.A. § 5136, interest in a like amount shall be paid by the municipality to any person for whom an abatement has been ordered.

(3) Interest on taxes or charges paid and subsequently abated shall accrue from the date payment was due or made, whichever is later. However, abatements issued pursuant to subdivision (a)(5) of this section need not include the payment of interest.

(4) When a refund has been ordered, the board shall draw an order on the town treasurer for payment of the refund.

(e)(1) The board may hear a group of similar requests for abatement as a class, provided that:

(A) the board has first met and established a class in accordance with this subsection (e);

(B) the requests shall arise from the same cause or event;

(C) the requests relate to the bases for abatement in subdivision (a)(4), (5), or (9) of this section;

(D) the board shall group requests based on property classification;

(E) the board shall provide notice to each taxpayer of the taxpayer's status as a member of the class; and

(F) a taxpayer shall have the right to decline the taxpayer's status as a member of the class and pursue the taxpayer's request as a separate action before the board.

(2) The board shall provide notice to each taxpayer at minimum 21 days before the scheduled hearing for the class. The notice shall include a description of the class and the board's reasons for grouping the requests, an explanation of the taxpayer's status as a member of the class, the procedure for appealing a board decision, the taxpayer's right to decline class membership and pursue a separate action, and any deadlines that the taxpayer must meet in order to participate as a member of the class or pursue a separate action.

(3) A taxpayer shall notify the board of the taxpayer's intent to pursue a separate action, pursuant to subdivision (1)(F) of this subsection, a minimum of seven days before the board's hearing to consider a class request.

(4) A board may preserve and take notice of any evidence supporting the basis for abatement for a class and use that evidence for purposes of a later, separate action pursued by an individual taxpayer.

(5) In instances where a board abates in part taxes, charges, interest, or collection fees for a class, the board shall not render a decision that results in disproportionate rates of abatement for taxpayers within the class.

(f) A municipality shall provide clear notice to a taxpayer of the ability to request tax abatement, and how to request abatement, at the same time as a municipality attempts to collect a municipal fee or interest for delinquent taxes, water charges, sewer charges, or tax collection.

(g) The legislative body of a municipality by a majority vote may abate de minimis amounts of taxes for purposes of reconciling municipal accounts according to generally accepted accounting principles.

Sec. 2. 24 V.S.A. § 5144 is amended to read:

§ 5144. UNIFORM NOTICE FORM

The notice form required under section 5143 of this chapter, and defined in section 5142 of this chapter, shall be clearly printed on a pink colored sheet of paper, and shall be according to the following form:

* * *

ABATEMENT AND POSSIBLE REDUCTION IN CHARGES—You may be able to receive a reduction of charges, penalties, or interest through municipal abatement. To seek this reduction in charges from the Board of Abatement, contact the municipal clerk by mail or phone:

(Name of Clerk of Board of Abatement)

(Name of Town, City, or Village)

(Address of Office)

(Mailing Address)

or by calling:

(Telephone Number)

* * * Property Tax Credit * * *

Sec. 3. 32 V.S.A. § 6065 is amended to read:

§ 6065. FORMS; TABLES; NOTICES

(a) In administering this chapter, the Commissioner shall provide suitable claim forms with tables of allowable claims, instructions, and worksheets for claiming a homestead property tax credit.

(b) Prior to June 1, the Commissioner shall also prepare and supply to each town in the State notices describing the homestead property tax credit, for inclusion in property tax bills. The notice shall be in simple, plain language and shall explain how to file for a property tax credit, where to find assistance filing for a credit, and any other related information as determined by the Commissioner. The notice shall direct taxpayers to a resource where they can find versions of the notice translated into the five most common non-English languages in the State. A town shall include such notice in each tax bill and notice of delinquent taxes that it mails to taxpayers who own in that town a ~~homestead as defined in subdivision 5401(7) of this title~~ residential property, without regard for whether the property was declared a homestead pursuant to subdivision 5401(7) of this title.

(c) Notwithstanding the provisions of subsection (b) of this section, towns that use envelopes or mailers not able to accommodate notices describing the homestead tax credit may distribute such notices in an alternative manner.

* * * Tax Sale of Real Property * * *

Sec. 4. 32 V.S.A. § 5252 is amended to read:

§ 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

(a) When the collector of taxes of a town or of a municipality within it has for collection a tax assessed against real estate in the town and the taxpayer is delinquent for a period longer than one year, the collector may extend a warrant on such land. However, no warrant shall be extended until a delinquent taxpayer is given an opportunity to enter a written reasonable repayment plan pursuant to subsection (c) of this section. If a collector receives notice from a mobile home park owner pursuant to 10 V.S.A. § 6248(b), the collector shall, within 15 days after the notice, commence tax sale proceedings to hold a tax sale within 60 days after the notice. If the collector fails to initiate such proceedings, the town may initiate tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax collector extends the warrant, the collector shall:

(1) File in the office of the town clerk for record a true and attested copy of the warrant and so much of the tax bill committed to the collector for collection as relates to the tax against the delinquent taxpayer, a sufficient description of the land so levied upon, and a statement in writing that by virtue of the original tax warrant and tax bill committed to the collector for collection, the collector has levied upon the described land.

(2) Advertise forthwith such land for sale at public auction in the town where it lies three weeks successively in a newspaper circulating in the vicinity, the last publication to be at least 10 days before such sale.

(3) Give the delinquent taxpayer written notice by certified mail requiring a return receipt directed to the last known address of the delinquent of the date and place of such sale at least ~~10~~ 30 days prior thereto if the delinquent is a resident of the town and ~~20~~ 30 days prior thereto if the delinquent is a nonresident of the town. If the notice by certified mail is returned unclaimed,;

(A) notice shall be provided to the taxpayer by resending the notice by first-class mail or by personal service pursuant to Rule 4 of the Vermont Rules of Civil Procedure; and

(B) notice shall be provided by e-mail, provided the tax collector can acquire the e-mail address of the delinquent taxpayer using reasonable effort; and

(C) notice shall be affixed to the front door of the property subject to tax sale, provided it has a structure.

(4) Give to the mortgagee or lien holder of record written notice of such sale at least ~~10~~ 30 days prior thereto if a resident of the town and, if a nonresident, ~~20~~ 30 days' notice to the mortgagee or lien holder of record or ~~his or her~~ the mortgagee's or lien holder's agent or attorney by certified mail requiring a return receipt directed to the last known address of such person. If the notice by certified mail is returned unclaimed, notice shall be provided by resending the notice by first-class mail or by personal service pursuant to Rule 4 of the Vermont Rules of Civil Procedure.

(5) Post a notice of such sale in some public place in the town.

(6) Enclose the following statement, with directions to a resource translating the notice into the five most common non-English languages used in this State, with the notices required under subdivisions (3) and (4) of this subsection and with every delinquent tax notice:

Warning: There are unpaid property taxes at (address of property), which you may own, have a legal interest, or may be contiguous to your property. The property will be sold at public auction on (date set for sale) unless the overdue taxes, fees, and interest in the amount of (dollar amount due) is paid. To make payment or receive further information, contact (name of tax collector) immediately at (office address), (mailing address), (e-mail address), or (telephone number).

(7) The resource for translation of the notice required under subdivision (6) of this subsection shall be made available to all municipalities by the Vermont Department of Taxes.

(b)(1) If the warrant and levy for delinquent taxes has been recorded pursuant to subsection (a) of this section, the municipality in which the real estate lies may secure the property against illegal activity and potential fire hazards after giving the mortgagee or lien holder of record written notice at least 10 days prior to such action.

(2) Notwithstanding any provision of this section to the contrary, when a warrant and levy for delinquent taxes has been recorded pursuant to subsection (a) of this section, it shall be for all delinquent taxes due at the time the warrant and levy is filed.

(c)(1) A municipality shall not initiate a tax sale proceeding until it has, after attempting to consult with the taxpayer, offered a delinquent taxpayer a written reasonable repayment plan and the taxpayer has either denied the offer, failed to respond within 30 days, or failed to make a payment under the plan within the time frame established by the collector. When establishing a plan under this subsection, the municipality may request related information and shall consider the following:

(A) the income and income schedule of the taxpayer, if offered by the taxpayer;

(B) the taxpayer's tax payment history with the municipality;

(C) the amount of tax debt owed to the municipality;

(D) the amount of time tax has been delinquent; and

(E) the taxpayer's reason for the delinquency, if offered by the taxpayer.

(2) A collector is only required to offer one payment plan per delinquency, without regard for whether it is agreed to by the delinquent taxpayer.

(3) A collector may void a payment plan and proceed to tax sale if a delinquent taxpayer agrees to a payment plan under this subsection and fails to make a timely payment.

Sec. 5. 32 V.S.A. § 5253 is amended to read:

§ 5253. FORM OF ADVERTISEMENT AND NOTICE OF SALE

The form of advertisement and notice of sale provided for in section 5252 of this title shall be substantially in the following form:

The resident and nonresident owners, lien holders, and mortgagees of lands in the town of _____ in the county of _____ are hereby notified that the taxes assessed by such town for the years _____ (insert years the taxes are unpaid) _____ remain, either in whole or in part, unpaid on the following described _____ lands _____ in _____ such _____ town, _____ to _____ wit,

(insert description of lands)

and so much of such lands will be sold at public auction at _____ a public place in such town, on the _____ day of _____ (month), _____ (year) at

_____ o'clock ____ (am/pm), as shall be requisite to discharge such taxes with costs and fees, unless previously paid.

Be advised that the owner or mortgagee, or the owner's or mortgagee's representatives or assigns, of lands sold for taxes shall have a right to redemption for a period of one year from the date of sale pursuant to 32 V.S.A. § 5260.

Dated at _____, Vermont, this _____ day of _____ (month), _____ (year).

Collector of Town Taxes

Sec. 6. 32 V.S.A. § 5260 is amended to read:

§ 5260. REDEMPTION

(a) When the owner, lien holder, or mortgagee of lands sold for taxes, ~~his or her~~ the owner's, lien holder's, or mortgagee's representatives or assigns, within one year from the day of sale, pays or tenders to the collector who made the sale or in the case of ~~his or her~~ the collector's death or removal from the town where the land lies, to the town clerk of such town, the sum for which the land was sold with interest thereon calculated at a rate of one percent per month or fraction thereof from the day of sale to the day of payment, a deed of the land shall not be made to the purchaser, but the money paid or tendered by the owner, lien holder, or mortgagee or ~~his or her~~ the owner's, lien holder's, or mortgagee's representatives or assigns to the collector or town clerk shall be paid over to such purchaser on demand. In the event that a municipality purchases contaminated land pursuant to section 5259 of this title, the cost to redeem shall include all costs expended for assessment and remediation, including expenses incurred or authorized by any local, State, or federal government authority.

(b) During the redemption period, the tax collector shall:

(1) Serve the delinquent taxpayer with the written notice required under subsection (c) of this section between 90 and 120 days prior to the end of the redemption period using certified mail requiring a return receipt, directed to the last known address of the delinquent taxpayer. If the notice by certified mail is returned unclaimed, notice shall be provided by resending the notice by first-class mail or by personal service pursuant to Rule 4 of the Vermont Rules of Civil Procedure.

(2) Post the notice in some public place in the municipality between 90 and 120 days prior to the end of redemption period.

(c) The tax collector shall enclose the following statement, with directions to a resource translating the notice into the five most common non-English languages used in this State, with every notice required under this section:

Warning: There are unpaid property taxes at (address of property), which you may own, have a legal interest in, or may be contiguous to your property. The property was sold at public auction on (date). Unless the overdue taxes, fees, and interest are paid by (last day of redemption period), the deed to the property will transfer to purchaser. To redeem the property and avoid losing your legal interest, you must pay (dollar amount due for redemption). The amount you must pay to redeem the property increases every month due to interest, mailing costs, and other costs. To make payment or receive further information, contact (name of tax collector) immediately at (office address), (mailing address), (e-mail address), and (telephone number).

(d) The resource for translation of the notice required under subsection (c) of this section shall be made available to all municipalities by the Vermont Department of Taxes.

Sec. 7. WORKING GROUP ON VERMONT'S ABATEMENT AND TAX SALE PROCESSES

(a) Creation. There is created the Working Group on Vermont's Abatement and Tax Sale Processes to assess how Vermont may balance fairness for delinquent taxpayers with the needs of municipalities.

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

(1) a representative, appointed by Vermont Legal Aid;

(2) a representative, appointed by the Vermont League of Cities and Towns;

(3) a representative, appointed by the Vermont Banker's Association;

(4) a representative, appointed by the Vermont Housing Finance Agency;

(5) a representative, appointed by the Vermont Municipal Clerk's and Treasurer's Associations;

(6) a representative, appointed by the Neighborworks Alliance of Vermont;

(7) a representative, appointed by the Champlain Valley Office of Economic Opportunity Mobile Home Project;

(8) a representative, appointed by the Vermont Assessors and Listers Association; and

(9) a representative, appointed by the Vermont Bar Association, with experience practicing real estate law.

(c) Powers and duties. The Working Group shall offer recommendations relating to the following:

(1) whether the State should change the law to allow a delinquent taxpayer whose property is transferred by a tax collector's deed, or a tax-lien foreclosure sale, to recoup all or part of the equity in the taxpayer's property in excess of the tax debt, fees, and interest for which the taxpayer's property is sold;

(2) whether further changes are needed to standardize the abatement process across Vermont municipalities;

(3) whether the State should require a minimum amount of tax debt before a tax sale can be initiated;

(4) whether the State should allow a tax sale to be initiated for blighted or dilapidated real estate that has been abandoned when taxes are delinquent for less than one year;

(5) a reasonable percent rate of monthly interest paid by delinquent taxpayers during the redemption period;

(6) whether the purchaser of a property at a tax sale should be allowed to secure the property against illegal activity, damage from exposure to the elements, deterioration, and potential fire prior to acquiring title to the property; and

(7) a process for statewide collection of data relating to tax sales, including to whom the data could be reported, the values of properties sold at tax sales, the amounts and types of debts underlying tax sales, and descriptive data for properties subject to tax sales.

(d) Report. On or before December 15, 2024, the Working Group shall submit a written report to the House Committee on Ways and Means, House Committee on Government Operations and Military Affairs, Senate Committee on Finance, and Senate Committee on Government Operations with its findings and any recommendations for legislative action, including proposed legislative language.

(e) Compensation. Members shall not be compensated for participation in the Working Group.

(f) Meetings.

(1) The representative appointed by Vermont Legal Aid shall call the first meeting of the Working Group to occur on or before August 1, 2024.

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

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

(4) The Working Group shall cease to exist on June 30, 2025.

Sec. 8. APPLICATION OF CHANGES MADE BY THIS ACT

(a) The amendments to 32 V.S.A. § 5252 made by Sec. 4 of this act (notice of sale) shall not apply to a property that was subject to a notice of sale prior to the effective date of this act.

(b) The amendments to 32 V.S.A. § 5260 made by Sec. 6 of this act (redemption) shall not apply to a property that has been sold at tax sale prior to the effective date of this act, except that, notwithstanding any provision of 1 V.S.A. § 214 to the contrary, the provisions of 32 V.S.A. § 5260(b) and (c) shall apply if, on the effective date of this act, 90 days or more remain until the end of the redemption period.

* * * Effective Date * * *

Sec. 9. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-0-0)

(For House amendments, see House Journal for February 28, 2024, page 328-347.)

Reported favorably by Senator Perchlik for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations.

(Committee vote: 6-1-0)

H. 868.

An act relating to the fiscal year 2025 Transportation Program and miscellaneous changes to laws related to transportation.

Reported favorably with recommendation of proposal of amendment by Senator Perchlik for the Committee on Transportation.

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

* * * Transportation Program Adopted as Amended; Definitions * * *

Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

(a) Adoption. The Agency of Transportation’s Proposed Fiscal Year 2025 Transportation Program appended to the Agency of Transportation’s proposed fiscal year 2025 budget (revised February 15, 2024), as amended by this act, is adopted to the extent federal, State, and local funds are available.

(b) Definitions. As used in this act, unless otherwise indicated:

(1) “Agency” means the Agency of Transportation.

(2) “Candidate project” means a project approved by the General Assembly that is not anticipated to have significant expenditures for preliminary engineering or right-of-way expenditures, or both, during the budget year and funding for construction is not anticipated within a predictable time frame.

(3) “Development and evaluation (D&E) project” means a project approved by the General Assembly that is anticipated to have preliminary engineering expenditures or right-of-way expenditures, or both, during the budget year and that the Agency is committed to delivering to construction on a timeline driven by priority and available funding.

(4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle supply equipment available to the public” have the same meanings as in 30 V.S.A. § 201.

(5) “Front-of-book project” means a project approved by the General Assembly that is anticipated to have construction expenditures during the budget year or the following three years, or both, with expected expenditures shown over four years.

(6) “Mileage-based user fee” or “MBUF” means a fee for vehicle use of the public road system with distance, stated in miles, as the measure of use.

(7) “Secretary” means the Secretary of Transportation.

(8) “TIB funds” means monies deposited in the Transportation Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.

(9) The table heading “As Proposed” means the Proposed Transportation Program referenced in subsection (a) of this section; the table heading “As Amended” means the amendments as made by this act; the table heading “Change” means the difference obtained by subtracting the “As Proposed” figure from the “As Amended” figure; the terms “change” or “changes” in the text refer to the project- and program-specific amendments, the aggregate sum of which equals the net “Change” in the applicable table heading; and “State” in any tables amending authorizations indicates that the source of funds is State monies in the Transportation Fund, unless otherwise specified.

* * * Summary of Transportation Investments * * *

Sec. 2. FISCAL YEAR 2025 TRANSPORTATION INVESTMENTS
INTENDED TO REDUCE TRANSPORTATION-RELATED
GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL
USE, AND SAVE VERMONT HOUSEHOLDS MONEY

This act includes the State’s fiscal year 2025 transportation investments intended to reduce transportation-related greenhouse gas emissions, reduce fossil fuel use, and save Vermont households money in furtherance of the policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive Energy Plan and the Vermont Climate Action Plan and to satisfy the Executive and Legislative Branches’ commitments to the Paris Agreement climate goals. In fiscal year 2025, these efforts will include the following:

(1) Park and Ride Program. This act provides for a fiscal year expenditure of \$1,464,833.00, which will fund one construction project to create a new park-and-ride facility; the design and construction of improvements to one existing park-and-ride facility; funding for a municipal park-and-ride grant program; and paving projects for existing park-and-ride facilities. This year’s Park and Ride Program will create 60 new State-owned spaces. Specific additions and improvements include:

(A) Manchester—construction of 50 new spaces; and

(B) Sharon—design and construction of 10 new spaces.

(2) Bike and Pedestrian Facilities Program. This act provides for a fiscal year expenditure, including local match, of \$11,648,752.00, which will fund 28 bike and pedestrian construction projects; 21 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in

future fiscal years; and eight scoping studies. The construction projects include the creation, improvement, or rehabilitation of walkways, sidewalks, shared-use paths, bike paths, and cycling lanes. Projects are funded in Arlington, Bennington, Bethel, Brattleboro, Burke, Burlington, Castleton, Chester, Enosburg Falls, Fair Haven, Fairfax, Hartford, Hyde Park, Jericho, Manchester, Middlebury, Montpelier, Moretown, Newport City, Northfield, Pawlet, Richford, Royalton, Rutland City, Rutland Town, Shaftsbury, Shelburne, Sheldon, South Burlington, Springfield, St. Albans City, St. Albans Town, Sunderland, Swanton, Tunbridge, Vergennes, Wallingford, Waterbury, and West Rutland. This act also provides funding for:

(A) some of Local Motion's operation costs to run the bike ferry on the Colchester Causeway, which is part of the Island Line Trail;

(B) a small-scale municipal bicycle and pedestrian grant program for projects to be selected during the fiscal year;

(C) projects funded through the Safe Routes to School Program; and

(D) community grants along the Lamoille Valley Rail Trail (LVRT).

(3) Transportation Alternatives Program. This act provides for a fiscal year expenditure of \$5,416,614.00, including local funds, which will fund 28 transportation alternatives construction projects; 28 transportation alternatives design, right-of-way, or design and right-of-way projects; and three studies, including scoping, historic preservation, and connectivity. Of these 59 projects, 21 involve environmental mitigation related to clean water or stormwater concerns, or both clean water and stormwater concerns, and 38 involve bicycle and pedestrian facilities. Projects are funded in Athens, Barre City, Brandon, Bridgewater, Bristol, Burke, Burlington, Cambridge, Castleton, Colchester, Derby, Enosburg Falls, Fair Haven, Fairfax, Franklin, Hartford, Hinesburg, Hyde Park, Jericho, Londonderry, Lyndon, Mendon, Middlebury, Montgomery, Newark, Newfane, Proctor, Richford, Richmond, Rockingham, Rutland City, Sharon, Shelburne, South Burlington, Springfield, St. Albans Town, Swanton, Tinmouth, Vergennes, Wardsboro, Warren, Weston, Williston, Wilmington, and Winooski.

(4) Public Transit Program. This act provides for a fiscal year expenditure of \$54,940,225.00 for public transit uses throughout the State. Included in the authorization are:

(A) Go! Vermont, with an authorization of \$405,000.00. This authorization supports transportation demand management (TDM) strategies, including the State's Trip Planner and commuter services, to promote the use of carpools and vanpools.

(B) Mobility and Transportation Innovations (MTI) Grant Program, with an authorization of \$3,500,000.00, which includes \$3,000,000.00 in federal Carbon Reduction Funds. This authorization continues to support projects that improve both mobility and access to services for transit-dependent Vermonters, reduce the use of single-occupancy vehicles, and reduce greenhouse gas emissions.

(5) Rail Program. This act provides for a fiscal year expenditure of \$48,746,831.00, including local funds, for intercity passenger rail service, including funding for the Ethan Allen Express and Vermonter Amtrak services, and rail infrastructure that supports freight rail as well. Moving freight by rail instead of trucks lowers greenhouse gas emissions by up to 75 percent, on average.

(6) Transformation of the State Vehicle Fleet. The Department of Buildings and General Services, which manages the State Vehicle Fleet, currently has 14 plug-in hybrid electric vehicles and 15 battery electric vehicles in the State Vehicle Fleet. In fiscal year 2025, the Commissioner of Buildings and General Services will continue to purchase and lease vehicles for State use in accordance with 29 V.S.A. § 903(g), which requires, to the maximum extent practicable, that the Commissioner purchase or lease hybrid or plug-in electric vehicles (PEVs), as defined in 23 V.S.A. § 4(85), with not less than 75 percent of the vehicles purchased or leased being hybrid or PEVs.

(7) Electric vehicle supply equipment (EVSE). This act provides for a fiscal year expenditure of \$4,833,828.00 to increase the presence of EVSE in Vermont in accordance with the State's federally approved National Electric Vehicle Infrastructure (NEVI) Plan, which will lead to the installation of Direct Current Fast Charging (DC/FC) along designated alternative fuel corridors.

(8) Vehicle incentive programs and expansion of the PEV market. Incentive Program for New PEVs, MileageSmart, Replace Your Ride, and Electrify Your Fleet. No additional monies are authorized for the State's vehicle incentive programs in this act, but it is estimated that prior appropriations of approximately the following amounts will be available in fiscal year 2025:

(A) \$2,600,000.00 for the Incentive Program for New PEVs;

(B) \$200,000.00 for MileageSmart; and

(C) \$900,000.00 for the Replace Your Ride Program.

(9) Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program. This act provides for a fiscal year expenditure of \$3,871,435.00 under the PROTECT Formula Program. This year’s PROTECT Formula Program funds will support increased resiliency at three bridge sites (Coventry, Wilmington, and Shaftsbury) in alignment with the VTrans Resilience Improvement Plan.

* * * Heating Systems in Agency of Transportation Buildings * * *

Sec. 2a. 19 V.S.A. § 45 is added to read:

§ 45. HEATING SYSTEMS

(a) In accordance with the renewable energy goals set forth in the State Comprehensive Energy Plan, the Agency of Transportation shall strive to meet not less than 35 percent of its thermal energy needs from non-fossil fuel sources by 2025 and 45 percent by 2035.

(1) In order to meet these goals, the Agency will need to use more renewable fuels, such as local wood fuels, to heat its buildings and continue to increase its use of electricity that is generated from renewable sources.

(2) When building new State facilities or replacing heating equipment that has reached the end of its useful lifespan, the Agency shall prioritize switching to high-efficiency, advanced wood heating systems that rely on woody biomass.

(b) On or before October 1 every other year, the Agency shall report to the Department of Buildings and General Services the percentage of the Agency’s thermal energy usage during each of the previous two fiscal years that came from fossil fuels and from non-fossil fuels. The Agency shall report its non-fossil fuel percentage by fuel source and shall identify each type and amount of wood fuel used.

* * * Highway Maintenance * * *

Sec. 3. HIGHWAY MAINTENANCE

(a) Within the Agency of Transportation’s Proposed Fiscal Year 2025 Transportation Program for Maintenance, authorized spending is amended as follows:

<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Person. Svcs.	42,757,951	42,757,951	0
Operat. Exp.	65,840,546	63,980,546	-1,860,000
Total	108,598,497	106,738,497	-1,860,000

Sources of funds

State	107,566,483	105,706,483	-1,860,000
Federal	932,014	932,014	0
Inter Unit	100,000	100,000	0
Total	108,598,497	106,738,497	-1,860,000

(b) Restoring the fiscal year 2025 Maintenance Program appropriation and authorization to the level included in the Agency of Transportation’s Proposed Fiscal Year 2025 Transportation Program shall be the top fiscal priority of the Agency.

(1) If there are unexpended State fiscal year 2024 appropriations of Transportation Fund monies, then, at the close of State fiscal year 2024, an amount up to \$1,860,000.00 of any unencumbered Transportation Fund monies appropriated in 2023 Acts and Resolves No. 78, Secs. B.900–B.922, which would otherwise be authorized to carry forward, is reappropriated for the Agency of Transportation’s Proposed Fiscal Year 2025 Transportation Program for Maintenance 30 days after the Agency sends written notification of the request for the unencumbered Transportation Fund monies to be reappropriated to the Joint Transportation Oversight Committee, provided that the Joint Transportation Oversight Committee does not send written objection to the Agency.

(2) If the Agency utilizes available federal monies in lieu of one-time Transportation Fund monies for Green Mountain Transit pursuant to Sec. 5(c) of this act, then the one-time Transportation Fund monies authorized for expenditure pursuant to Sec. 5(b) of this act that are not required for public transit may instead go towards restoring the Highway Maintenance budget.

(3) If any unencumbered Transportation Fund monies are reappropriated pursuant to subdivision (1) of this subsection or made available pursuant to subdivision (2) of this subsection, then, within the Agency of Transportation’s Proposed Fiscal Year 2025 Transportation Program for Maintenance, authorized spending is further amended to increase operating expenses by not more than \$1,860,000.00 in Transportation Fund monies.

(4) Notwithstanding subdivisions (1)–(3) of this subsection, the Agency may request further amendments to the Agency of Transportation’s Proposed Fiscal Year 2025 Transportation Program for Maintenance through the State fiscal year 2025 budget adjustment act.

* * * Town Highway Aid * * *

Sec. 4. TOWN HIGHWAY AID MONIES

Within the Agency of Transportation’s Proposed Fiscal Year 2025 Transportation Program for Town Highway Aid, and notwithstanding the provisions of 19 V.S.A. § 306(a), authorized spending is amended as follows:

<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Grants	28,672,753	29,532,753	860,000
Total	28,672,753	29,532,753	860,000
<u>Sources of funds</u>			
State	28,672,753	29,532,753	860,000
Total	28,672,753	29,532,753	860,000

* * * One-Time Public Transit Monies * * *

Sec. 5. ONE-TIME PUBLIC TRANSIT MONIES; GREEN MOUNTAIN TRANSIT; FARE COLLECTION, EVALUATION, AND REORGANIZATION; REPORT

(a) Project addition. The following project is added to the Agency of Transportation’s Proposed Fiscal Year 2025 Transportation Program: Increased One-Time Monies for Public Transit for Fiscal Year 2025.

(b) Authorization. Spending authority for Increased One-Time Monies for Public Transit for Fiscal Year 2025 is authorized as follows:

<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	0	1,000,000	1,000,000
Total	0	1,000,000	1,000,000
<u>Sources of funds</u>			
State	0	1,000,000	1,000,000
Total	0	1,000,000	1,000,000

(c) Federal monies. The Agency shall utilize available federal monies in lieu of the authorization in subsection (b) of this section to the greatest extent practicable, provided that there is no negative impact on any local public transit providers.

(d) Implementation. The Agency shall distribute the authorization in subsection (b) of this section to Green Mountain Transit as one-time bridge funding for fiscal year 2025 while Green Mountain Transit stabilizes its

finances, adjusts its service levels, and transitions to a sustainable funding model.

(e) Conditions; report. As a condition of receiving the grant funding, Green Mountain Transit shall do all of the following:

(1) begin collecting fares for urban and commuter transit service not later than June 1, 2024;

(2) in coordination with the Agency of Transportation, Special Service Transportation Agency, Rural Community Transportation, and Tri-Valley Transit, evaluate alternative options for delivering cost-effective urban fixed-route transit service, rural transit service, commuter service, and any other specialized services currently provided, and prepare a proposed implementation plan, including a three-year cost and revenue plan, for recommended service transitions; and

(3) submit to the House and Senate Committees on Transportation an interim report on or before November 15, 2024 and a final report on or before February 1, 2025, detailing the findings, recommendations, and implementation plan as described in subdivision (2) of this subsection.

* * * Agency of Transportation Duties; Bonding * * *

Sec. 6. 19 V.S.A. § 10 is amended to read:

§ 10. DUTIES

The Agency shall, except where otherwise specifically provided by law:

* * *

(9) Require any contractor or contractors employed in any project of the Agency for construction of a transportation improvement to file an additional surety bond to the Secretary and the Secretary's successor in office, for the benefit of labor, materialmen, and others, executed by a surety company authorized to transact business in this State. The surety bond shall be in such sum as the Agency shall direct, conditioned for the payment, settlement, liquidation, and discharge of the claims of all creditors for material, merchandise, labor, rent, hire of vehicles, power shovels, rollers, concrete mixers, tools, and other appliances, professional services, premiums, and other services used or employed in carrying out the terms of the contract between the contractor and the State and further conditioned for the following accruing during the term of performance of the contract: the payment of taxes, both State and municipal, and contributions to the Vermont Commissioner of Labor; ~~accruing during the term of performance of the contract. However; provided, however,~~ in order to obtain the benefit of the security, the claimant shall file

with the Secretary a sworn statement of the claimant's claim, within 90 days after the final acceptance of the project by the State or within 90 days from the time the taxes or contributions to the Vermont Commissioner of Labor are due and payable, and, within one year after the filing of the claim, shall bring a petition in the Superior Court in the name of the Secretary, with notice and summons to the principal, surety, and the Secretary, to enforce the claim or intervene in a petition already filed. The Secretary may, if the Secretary determines that it is in the best interests of the State, accept other good and sufficient surety in lieu of a bond and, in cases involving contracts for \$100,000.00 or less, may waive the requirement of a surety bond.

* * *

* * * Delays; Transportation Program Statute;
Increased Estimated Costs; Technical Corrections * * *

Sec. 7. 19 V.S.A. § 10g is amended to read:

§ 10g. ANNUAL REPORT; TRANSPORTATION PROGRAM;
ADVANCEMENTS, CANCELLATIONS, AND DELAYS

(a) Proposed Transportation Program. The Agency of Transportation shall annually present to the General Assembly for adoption a multiyear Transportation Program covering the same number of years as the Statewide Transportation Improvement Program (STIP), consisting of the recommended budget for all Agency activities for the ensuing fiscal year and projected spending levels for all Agency activities for the following fiscal years. The Program shall include a description and year-by-year breakdown of recommended and projected funding of all projects proposed to be funded within the time period of the STIP and, in addition, a description of all projects that are not recommended for funding in the first fiscal year of the proposed Program but that are scheduled for construction during the time period covered by the STIP. The Program shall be consistent with the planning process established by 1988 Acts and Resolves No. 200, as codified in 3 V.S.A. chapter 67 and 24 V.S.A. chapter 117, the statements of policy set forth in sections 10b–10f of this title, and the long-range systems plan, corridor studies, and project priorities developed through the capital planning process under section 10i of this title.

(b) Projected spending. Projected spending in future fiscal years shall be based on revenue estimates as follows:

* * *

(c) Systemwide performance measures. The Program proposed by the Agency shall include systemwide performance measures developed by the Agency to describe the condition of the Vermont transportation network. The Program shall discuss the background and utility of the performance measures, track the performance measures over time, and, where appropriate, recommend the setting of targets for the performance measures.

(d) [Repealed.]

(e) Prior expenditures and appropriations carried forward.

* * *

(f) Adopted Transportation Program. Each year following ~~enactment~~ adoption of a Transportation Program under this section, the Agency shall prepare and make available to the public the Transportation Program ~~established~~ adopted by the General Assembly. The resulting document shall be entered in the permanent records of the Agency ~~and of the Board~~, and shall constitute the State's official Transportation Program.

(g) Project updates. The Agency's annual proposed Transportation Program shall include project updates referencing this section and listing the following:

(1) all proposed projects in the Program that would be new to the State Transportation Program ~~if adopted~~;

(2) all projects for which total estimated costs have increased by more than ~~\$8,000,000.00~~ \$5,000,000.00 from the estimate in the adopted Transportation Program for the prior fiscal year or by more than ~~100~~ 75 percent from the estimate in the ~~prior fiscal year's approved~~ adopted Transportation Program for the prior fiscal year; and

(3) all projects for which the total estimated costs have, for the first time, increased by more than \$10,000,000.00 from the Preliminary Plan estimate or by more than 100 percent from the Preliminary Plan estimate; and

(4) all projects funded for construction in the prior fiscal year's ~~approved~~ adopted Transportation Program that are no longer funded in the proposed Transportation Program submitted to the General Assembly, the projected costs for such projects in the prior fiscal year's ~~approved~~ adopted Transportation Program, and the total costs incurred over the life of each such project.

(h) Should Project delays; emergency and safety issues; additional funding; cancellations.

(1) ~~If~~ capital projects in the Transportation Program ~~be~~ are delayed because of unanticipated problems with permitting, right-of-way acquisition, construction, local concern, or availability of federal or State funds, the Secretary is authorized to advance other projects in the ~~approved~~ adopted Transportation Program for the current fiscal year.

(2) The Secretary is further authorized to undertake projects to resolve emergency or safety issues that are not included in the adopted Transportation Program for the current fiscal year. Upon authorizing a project to resolve an emergency or safety issue, the Secretary shall give prompt notice of the decision and action taken to the Joint Fiscal Office and to the House and Senate Committees on Transportation when the General Assembly is in session, ~~and when the General Assembly is not in session,~~ to the Joint Transportation Oversight Committee, the Joint Fiscal Office, and the Joint Fiscal Committee when the General Assembly is not in session. ~~Should an approved~~

(3) ~~If a project in the current adopted~~ Transportation Program ~~require~~ for the current fiscal year requires additional funding to maintain the ~~approved~~ schedule in the adopted Transportation Program for the current fiscal year, the Agency is authorized to allocate the necessary resources. However, the Secretary shall not delay or suspend work on ~~approved~~ projects in the adopted Transportation Program for the current fiscal year to reallocate funding for other projects except when other funding options are not available. In such case, the Secretary shall notify the Joint Transportation Oversight Committee, the Joint Fiscal Office, and the Joint Fiscal Committee when the General Assembly is not in session and the House and Senate Committees on Transportation and the Joint Fiscal Office when the General Assembly is in session. With respect to projects in the approved Transportation Program, the Secretary shall notify, ~~in the district affected,~~ the regional planning commission for the district where the affected project is located, the municipality where the affected project is located, the legislators for the district where the affected project is located, the House and Senate Committees on Transportation, and the Joint Fiscal Office of any change that likely will affect the fiscal year in which the project is planned to go to construction.

(4) No project shall be canceled without the approval of the General Assembly, except that the Agency may cancel a municipal project upon the request or concurrence of the municipality, provided that notice of the cancellation is included in the Agency's annual proposed Transportation Program.

(i) Economic development proposals. For the purpose of enabling the State, without delay, to take advantage of economic development proposals that increase jobs for Vermonters, a transportation project certified by the Governor as essential to the economic infrastructure of the State economy, or a local economy, may, if approval is required by law, be approved for construction by a committee comprising the Joint Fiscal Committee meeting with the ~~Chairs~~ chairs of the ~~Transportation House and Senate Committees on Transportation~~ or their designees without explicit project authorization through an ~~enacted~~ adopted Transportation Program, ~~in the event that such authorization is otherwise required by law.~~

(j) Plan for advancing projects. The Agency of Transportation, in coordination with the Agency of Natural Resources and the Division for Historic Preservation, shall prepare and implement a plan for advancing ~~approved~~ approved projects contained in the ~~approved~~ adopted Transportation Program for the current fiscal year. The plan shall include the assignment of a project manager from the Agency of Transportation for each project. The Agency of Transportation, the Agency of Natural Resources, and the Division for Historic Preservation shall set forth provisions for expediting the permitting process and establishing a means for evaluating each project during concept design planning if more than one agency is involved to determine whether it should be advanced or deleted from the Program.

(k) ~~For purposes of~~ Definition. As used in subsection (h) of this section, “emergency or safety issues” ~~shall mean~~ means:

(1) serious damage to a transportation facility caused by a natural disaster over a wide area, such as a flood, hurricane, earthquake, severe storm, or landslide; ~~or~~

(2) catastrophic or imminent catastrophic failure of a transportation facility from any cause; ~~or~~

(3) any condition identified by the Secretary as hazardous to the traveling public; or

(4) any condition evidenced by fatalities or a high incidence of crashes.

(l) Numerical grading system; priority rating. The Agency shall develop a numerical grading system to assign a priority rating to all Program Development Paving, Program Development Roadway, Program Development Safety and Traffic Operations, Program Development State and Interstate Bridge, Town Highway Bridge, and Bridge Maintenance projects. The rating system shall consist of two separate, additive components as follows:

(1) One component shall be limited to asset management- and performance-based factors that are objective and quantifiable and shall consider, ~~without limitation,~~ the following:

* * *

(2) The second component of the priority rating system shall consider, ~~without limitation,~~ the following factors:

* * *

(m) Inclusion of priority rating. The annual proposed Transportation Program shall include an individual priority rating pursuant to subsection (l) of this section for each highway paving, roadway, safety and traffic operations, and bridge project in the ~~program~~ Program along with a description of the system and methodology used to assign the ratings.

(n) Development and evaluation projects; delays. The Agency's annual proposed Transportation Program shall include a project-by-project description in each program of all proposed spending of funds for the development and evaluation of projects. ~~In the approved annual Transportation Program, these~~ These funds shall be reserved to the identified projects subject to the discretion of the Secretary to reallocate funds to other projects within the program when it is determined that the scheduled expenditure of the identified funds will be delayed due to permitting, local decision making, the availability of federal or State funds, or other unanticipated problems.

(o) Year of first inclusion. For projects initially ~~approved by the General Assembly for inclusion in the State~~ included in a Transportation Program adopted after January 1, 2006, the Agency's proposed Transportation Program prepared pursuant to subsection (a) of this section and the ~~official~~ adopted Transportation Program prepared pursuant to subsection (f) of this section shall include the year in which ~~such~~ the projects were first ~~approved by the General Assembly~~ included in an adopted Transportation Program.

(p) Lamoille Valley Rail Trail. The Agency shall include the annual maintenance required for the Lamoille Valley Rail Trail (LVRT), running from Swanton to St. Johnsbury, in the Transportation Program it presents to the General Assembly under subsection (a) of this section. The proposed authorization for the maintenance of the LVRT shall be sufficient to cover:

* * *

* * * Appropriation Calculations * * *

* * * Central Garage Fund * * *

Sec. 8. 19 V.S.A. § 13(c) is amended to read:

(c)(1) For the purpose specified in subsection (b) of this section, the following amount, at a minimum, shall be transferred from the Transportation Fund to the Central Garage Fund:

(A) ~~in fiscal year 2021, \$1,355,358.00; and~~

~~(B) in subsequent fiscal years, at a minimum, the amount specified in subdivision (A) of this subdivision (1) as adjusted annually by increasing transferred for the previous fiscal year's amount by the percentage increase in the year increased by the percentage change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) during the two most recently closed State fiscal years if the percentage change is positive; or~~

~~(B) the amount transferred for the previous fiscal year if the percentage change is zero or negative.~~

* * *

(3) For purposes of subdivision (1) of this subsection, the percentage change in the CPI-U is calculated by determining the increase or decrease, to the nearest one-tenth of a percent, in the CPI-U for the month ending on June 30 in the calendar year one year prior to the first day of the fiscal year for which the transfer will be made compared to the CPI-U for the month ending on June 30 in the calendar year two years prior to the first day of the fiscal year for which the transfer will be made.

* * * Town Highway Aid * * *

Sec. 9. 19 V.S.A. § 306(a) is amended to read:

(a) General State aid to town highways.

(1) An annual appropriation to class 1, 2, and 3 town highways shall be made. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage change as the following, whichever is less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:

~~(A) the year-over-year increase in the two most recently closed fiscal years in percentage change of the Agency's total appropriations funded by Transportation Fund revenues, excluding appropriations for town highways under this subsection (a), for the most recently closed fiscal year as compared to the fiscal year immediately preceding the most recently closed fiscal year; or~~

~~(B) the percentage increase change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) during the same period in subdivision (1)(A) of this subsection.~~

(2) ~~If the year-over-year change in appropriations specified in either subdivision (1)(A) or (B) of this subsection is negative, then the appropriation to town highways under this subsection shall be equal to the previous fiscal year's appropriation~~ For purposes of subdivision (1)(B) of this subsection, the percentage change in the CPI-U is calculated by determining the increase or decrease, to the nearest one-tenth of a percent, in the CPI-U for the month ending on June 30 in the calendar year one year prior to the first day of the fiscal year for which the appropriation will be made compared to the CPI-U for the month ending on June 30 in the calendar year two years prior to the first day of the fiscal year for which the appropriation will be made.

* * *

* * * Right-of-Way Permits; Fees * * *

Sec. 10. 19 V.S.A. § 1112 is amended to read:

§ 1112. DEFINITIONS; FEES

(a) As used in this section:

(1) “Major commercial development” means a commercial development for which the Agency requires the applicant to submit a traffic impact study in support of its application under section 1111 of this ~~title~~ chapter.

(2) “Minor commercial development” means a commercial development for which the Agency does not require the applicant to submit a traffic impact study in support of its application under section 1111 of this ~~title~~ chapter.

* * *

(b) The Secretary shall collect the following fees for each application for the following types of permits issued pursuant to section 1111 of this ~~title~~ chapter:

* * *

(3) minor commercial development: \$250.00

* * *

(c) Notwithstanding subdivision (b)(3) of this section, the Secretary may waive the collection of the fee for a permit issued pursuant to section 1111 of this chapter for a minor commercial development if the Governor has declared a state of emergency under 20 V.S.A. chapter 1 and the Secretary has determined that the permit applicant is facing hardship, provided that the permit is applied for during the declared state of emergency or within the six months following the conclusion of the declared state of emergency.

* * * Vehicle Incentive Programs * * *

* * * Replace Your Ride Program * * *

Sec. 11. 19 V.S.A. § 2904(d)(2)(B) is amended to read:

(B) For purposes of the Replace Your Ride Program:

(i) An “older low-efficiency vehicle”:

* * *

(VI) passed the annual inspection required under 23 V.S.A. § 1222 within the prior year 18 months.

Sec. 12. 19 V.S.A. § 2904a is added to read:

§ 2904a. REPLACE YOUR RIDE PROGRAM FLEXIBILITY;
EMERGENCIES

Notwithstanding subdivisions 2904(d)(2)(A) and (d)(2)(B)(i)(IV)–(VI) of this chapter, the Agency of Transportation is authorized to waive or modify the eligibility requirements for the Replace Your Ride Program under subdivisions (d)(2)(B)(i)(IV)–(VI) that pertain to the removal of an eligible vehicle as required under subdivision 2904(d)(2)(A) of this chapter provided that:

(1) the Governor has declared a state of emergency under 20 V.S.A. chapter 1 and, due to the event or events underlying the state of emergency, motor vehicles registered in Vermont have been damaged or totaled;

(2) the waived or modified eligibility requirements are prominently posted on any websites maintained by or at the direction of the Agency for purposes of providing information on the vehicle incentive programs;

(3) the waived or modified eligibility requirements are only applicable:

(A) upon a showing that the applicant for an incentive under the Replace Your Ride Program was a registered owner of a motor vehicle that was damaged or totaled due to the event or events underlying the state of emergency at the time of the event or events underlying the state of emergency; and

(B) for six months after the conclusion of the state of emergency; and

(4) the waiver or modification of eligibility requirements and resulting impact are addressed in the annual reporting required under section 2905 of this chapter.

* * * Electrify Your Fleet Program * * *

Sec. 13. 2023 Acts and Resolves No. 62, Sec. 21 is amended to read:

Sec. 21. ELECTRIFY YOUR FLEET PROGRAM; AUTHORIZATION

* * *

(d) Program structure. The Electrify Your Fleet Program shall reduce the greenhouse gas emissions of persons operating a motor vehicle fleet in Vermont by structuring purchase and lease incentive payments on a first-come, first-served basis to replace vehicles other than a plug-in electric vehicle (PEV) cycled out of a motor vehicle fleet or avoid the purchase of vehicles other than a PEV for a motor vehicle fleet. Specifically, the Electrify Your Fleet Program shall:

* * *

(2) provide ~~\$2,500.00~~ purchase and lease incentives up to 25 percent of the purchase price, but not to exceed \$2,500.00, for:

* * *

(C) electric bicycles and electric cargo bicycles with a base MSRP of ~~\$6,000.00~~ \$10,000.00 or less;

(D) adaptive electric cycles with any base MSRP;

(E) electric motorcycles with a base MSRP of \$30,000.00 or less;
and

(F) electric snowmobiles with a base MSRP of \$20,000.00 or less;
and

(G) electric all-terrain vehicles (ATVs), as defined in 23 V.S.A. § 3501 and including electric utility terrain vehicles (UTVs), with a base MSRP of \$50,000.00 or less;

* * *

* * * eBike Incentives; Eligibility * * *

Sec. 14. 2023 Acts and Resolves No. 62, Sec. 22 is amended to read:

Sec. 22. MODIFICATIONS TO EBIKE INCENTIVE PROGRAM;
REPORT

* * *

(d) Reporting. The Agency of Transportation shall address incentives for electric bicycles, electric cargo bicycles, and adaptive electric cycles provided pursuant to this section in the ~~January 31, 2024~~ annual report required under 19 V.S.A. § 2905, as added by Sec. 19 of this act, including:

(1) the demographics of who received an incentive under the eBike Incentive Program;

(2) a breakdown of where vouchers were redeemed;

(3) a breakdown, by manufacturer and type, of electric bicycles, electric cargo bicycles, and adaptive electric cycles incentivized;

(4) a detailed summary of information provided in the self-certification forms and a description of the Agency's post-voucher sampling audits and audit findings, together with any recommendations to improve program design and cost-effectively direct funding to recipients who need it most; and

(5) a detailed summary of information collected through participant surveys.

* * * Annual Reporting * * *

Sec. 15. 19 V.S.A. § 2905 is amended to read:

§ 2905. ANNUAL REPORTING; VEHICLE INCENTIVE PROGRAMS

(a) The Agency shall annually evaluate the programs established under sections 2902–2904 of this chapter to gauge effectiveness and shall submit a written report on the effectiveness of the programs and the State's marketing and outreach efforts related to the programs to the House and Senate Committees on Transportation, the House Committee on Environment and Energy, and the Senate Committee on Finance Natural Resources and Energy on or before the 31st day of January in each year following a year that an incentive was provided through one of the programs.

(b) The report shall also include:

(1) any intended modifications to program guidelines for the upcoming fiscal year along with an explanation for the reasoning behind the modifications and how the modifications will yield greater uptake of PEVs and other means of transportation that will reduce greenhouse gas emissions; ~~and~~

(2) any recommendations on statutory modifications to the programs, including to income and vehicle eligibility, along with an explanation for the reasoning behind the statutory modification recommendations and how the modifications will yield greater uptake of PEVs and other means of transportation that will reduce greenhouse gas emissions; and

(3) any recommendations for how to better conduct outreach and marketing to ensure the greatest possible uptake of incentives under the programs.

(c) Notwithstanding 2 V.S.A. § 20(d), the annual report required under this section shall continue to be required if an incentive is provided through one of the programs unless the General Assembly takes specific action to repeal the report requirement.

* * * Authority to Transfer Monies in State Fiscal Year 2025 * * *

Sec. 16. TRANSFER OF MONIES BETWEEN VEHICLE INCENTIVE PROGRAMS IN STATE FISCAL YEAR 2025

(a) Notwithstanding 32 V.S.A. § 706 and any appropriations or authorizations of monies for vehicle incentive programs created under 19 V.S.A. §§ 2902–2904, in State fiscal year 2025 the Secretary of Transportation may transfer up to 50 percent of any remaining monies for a vehicle incentive program created under 19 V.S.A. §§ 2902–2904 to any other vehicle incentive program created under 19 V.S.A. §§ 2902–2904 that has less than \$500,000.00 available for distribution as a vehicle incentive.

(b) Any transfers made pursuant to subsection (a) of this section shall be reported to the Joint Transportation Oversight Committee and the Joint Fiscal Office within 30 days after the transfer.

* * * Electric Vehicle Supply Equipment (EVSE) * * *

Sec. 17. 19 V.S.A. chapter 29 is amended to read:

CHAPTER 29. VEHICLE INCENTIVE PROGRAMS; ELECTRIC VEHICLE SUPPLY EQUIPMENT

§ 2901. DEFINITIONS

As used in this chapter:

* * *

(4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle supply equipment available to the public” have the same meanings as in 30 V.S.A. § 201.

(5) “Plug-in electric vehicle (PEV),” “battery electric vehicle (BEV),” and “plug-in hybrid electric vehicle (PHEV)” have the same meanings as in 23 V.S.A. § 4(85).

* * *

§ 2906. ELECTRIC VEHICLE SUPPLY EQUIPMENT GOALS

It shall be the goal of the State to have, as practicable, level 3 EVSE charging ports available to the public:

(1) within three driving miles of every exit of the Dwight D. Eisenhower National System of Interstate and Defense Highways within the State;

(2) within 25 driving miles of another level 3 EVSE charging port available to the public along a State highway, as defined in subdivision 1(20) of this title; and

(3) co-located with or within a safe and both walkable and rollable distance of publicly accessible amenities such as restrooms, restaurants, and convenience stores to provide a safe, consistent, and convenient experience for the traveling public along the State highway system.

§ 2907. ANNUAL REPORTING; ELECTRIC VEHICLE SUPPLY EQUIPMENT

(a) Notwithstanding 2 V.S.A. § 20(d), the Agency of Transportation shall:

(1) file a report, with a map, on the State's efforts to meet its federally required Electric Vehicle Infrastructure Deployment Plan, as updated, and the goals set forth in section 2906 of this chapter with the House and Senate Committees on Transportation not later than January 15 each year until the Deployment Plan is met; and

(2) file a report on the current operability of EVSE available to the public and deployed through the assistance of Agency funding with the House and Senate Committees on Transportation not later than January 15 each year.

(b) The reports required under subsection (a) of this section can be combined when filing with the House and Senate Committees on Transportation and shall prominently be posted on the Agency of Transportation's website.

Sec. 18. REPEAL OF CURRENT EVSE MAP REPORT AND EXISTING GOALS

2021 Acts and Resolves No. 55, Sec. 30, as amended by 2022 Acts and Resolves No. 184, Sec. 4 (EVSE network in Vermont goals; report of annual map) is repealed.

* * * Beneficial Electrification Report * * *

Sec. 19. ELECTRIC DISTRIBUTION UTILITIES; EVSE-RELATED SERVICE UPGRADES; REPORT

In the report due not later than January 15, 2025, pursuant to 2021 Acts and Resolves No. 55, Sec. 33, the Public Utility Commission shall include a reporting of service upgrade practices related to the installation of electric

vehicle supply equipment (EVSE) across all electric distribution utilities, including a comparison of EVSE-related service upgrade practices, a description of the frequency and typical costs of EVSE-related service upgrades, and rate-payer impact.

* * * Expansion of Public Transit Service * * *

* * * Mobility Services Guide; Car Share * * *

Sec. 20. MOBILITY SERVICES GUIDE; ORAL UPDATE

(a) The Agency of Transportation, in consultation with existing nonprofit mobility services organizations incorporated in the State of Vermont for the purpose of providing Vermonters with transportation alternatives to personal vehicle ownership, such as through carsharing, and other nonprofit organizations working to achieve the goals of the Comprehensive Energy Plan, the Vermont Climate Action Plan, and the Agency of Transportation's community engagement plan for environmental justice, shall develop a web-page-based guide to outline the different mobility service models that could be considered for deployment in Vermont.

(b) At a minimum, the web-page-based guide required under subsection (a) of this section shall include the following:

(1) definitions of program types or options, such as car sharing, mobility for all, micro-transit, bike sharing, and other types of programs that meet the goals identified in subsection (a) of this section;

(2) information related to existing initiatives, including developmental and pilot programs, that meet any of the program types or options defined pursuant to subdivision (1) of this subsection and information related to any pertinent studies or reports, whether completed or ongoing, related to the program types or options defined pursuant to subdivision (1) of this subsection;

(3) details of other existing programs that may provide a foundation for or complement a new program in a manner that is not duplicative or competitive; and

(4) for each possible program type or option defined pursuant subdivision (1) of this subsection, additional details outlining:

(A) the range of start-up, capital, facilities, and ongoing operating and maintenance costs;

(B) the service area characteristics;

(C) the revenue capture options;

(D) technical assistance resources; and

(E) existing or potential funding resources.

(c) The Agency of Transportation shall make itself available to provide an oral update and demonstration of the web-page-based guide required under subsection (a) of this section to the House and Senate Committees on Transportation not later than February 15, 2025.

* * * Mobility and Transportation Innovations (MTI) Grant Program * * *

Sec. 21. 19 V.S.A. § 10n is added to read:

§ 10n. MOBILITY AND TRANSPORTATION INNOVATIONS (MTI)
GRANT PROGRAM

(a) The Mobility and Transportation Innovations (MTI) Grant Program is created within the Public Transit Section of the Agency. The MTI Grant Program shall support innovative transportation demand management programs and transit initiatives that improve mobility and access to services for transit-dependent Vermonters, reduce the use of single-occupancy vehicles, reduce greenhouse gas emissions, and complement existing mobility investments.

(b) Grant awards of not more than \$100,000.00 per recipient for capital or operational costs, or both, may be used to create new or expand existing programs for one or more of the following: matching funds for other grant awards; program delivery costs; or the extension of existing programs.

(c) Funding under the MTI Grant Program shall not be used to supplant existing State funding for the same project or program.

(d) In each year in which funding for grants is available:

(1) The Agency shall establish an application period of at least four months.

(2) The Agency shall provide direct assistance to entities requiring technical assistance or prereview of a draft application during the application period.

(3) Grant awards shall be distributed not later than November 30 in each year in which they are offered.

* * * Vermont Rail Plan; Amtrak * * *

Sec. 22. DEVELOPMENT OF NEW VERMONT RAIL PLAN; BICYCLE STORAGE; REPORT

(a) As the Agency of Transportation develops the new Vermont Rail Plan, it shall consider and address the following:

(1) adding additional daily service on the Vermonter for some or all of the service area; and

(2) expanding service on the Valley Flyer to provide increased service on the Vermonter route.

(b) The Agency of Transportation shall consult with Amtrak and the State-Amtrak Intercity Passenger Rail Committee (SAIPRC) on passenger education of and sufficient capacity for bicycle storage on Amtrak trains on the Vermonter and Ethan Allen Express routes.

(c) The Agency of Transportation shall provide an oral update on the development of the Vermont Rail Plan in general and the requirements of subsection (a) of this section specifically and the consultation efforts required under subsection (b) of this section to the House and Senate Committees on Transportation not later than February 15, 2025.

* * * Replacement for the Vermont State Design Standards * * *

Sec. 23. REPLACEMENT FOR THE VERMONT STATE DESIGN STANDARDS

(a) In preparing the replacement for the Vermont State Design Standards, the Agency of Transportation shall do all of the following:

(1) Release a draft of the replacement to the Vermont State Design Standards and related documents not later than January 1, 2026.

(2) Conduct not fewer than four public hearings across the State concerning the replacement to the Vermont State Design Standards and related documents.

(3) Provide a publicly available responsiveness summary detailing the public participation activities conducted in developing the final draft of the replacement for the Vermont State Design Standards and related documents, as applicable; a description of the matters on which members of the public or stakeholders, or both, were consulted; a summary of the views of the participating members of the public and stakeholders; and significant comments, criticisms, and suggestions received by the Agency and the Agency's specific responses, including an explanation of any modifications made in response.

(4) In alignment with the Vermont Transportation Equity Framework, consult directly, through a series of large-group, specialty focus groups and one-on-one meetings, with key stakeholders in order to achieve stakeholder engagement and afford a voice in the development of the replacement for the Vermont State Design Standards and related documents. At a minimum, stakeholders shall include the House and Senate Committees on Transportation, the Federal Highway Administration (FHWA), the Vermont Agency of Commerce and Community Development (ACCD), the Vermont Agency of Natural Resources (ANR), the Vermont Department of Health (VDH), the Vermont Department of Public Service (DPS), the Vermont League of Cities and Towns (VLCT), Vermont's regional planning commissions (RPCs), the Vermont chapter of the American Association of Retired Persons (AARP), Transportation for Vermonters (T4VT), Local Motion, the Sierra Club, Conservation Law Foundation, the Vermont Natural Resources Council, the Vermont Truck and Bus Association, the Vermont Public Transportation Association (VPTA), the American Council of Engineering Companies (ACEC), the Association of General Contractors (AGC), and other stakeholders.

(b) The Agency shall provide oral updates on its progress preparing the replacement to the Vermont State Design Standards, including the process required under subsection (a) of this section, to the House and Senate Committees on Transportation not later than February 15, 2025 and February 15, 2026.

* * * Complete Streets; Traffic Calming Measures; Designated Centers * * *

Sec. 24. 19 V.S.A. §§ 2402 and 2403 are amended to read:

§ 2402. STATE POLICY

(a) Agency of Transportation funded, designed, or funded and designed projects shall seek to increase and encourage more pedestrian, bicycle, and public transit trips, with the State goal to promote intermodal access to the maximum extent feasible, which will help the State meet the transportation-related recommendations outlined in the Comprehensive Energy Plan (CEP) issued under 30 V.S.A. § 202b and the recommendations of the Vermont Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

(b) Except in the case of projects or project components involving unpaved highways, for all transportation projects and project phases managed by the Agency or a municipality, including planning, development, construction, or maintenance, it is the policy of this State for the Agency and municipalities, as applicable, to incorporate complete streets principles that:

(1) serve individuals of all ages and abilities, including vulnerable users as defined in 23 V.S.A. § 4(81);

(2) follow state-of-the-practice design guidance; ~~and~~

(3) are sensitive to the surrounding community, including current and planned buildings, parks, and trails and current and expected transportation needs; and

(4) when desired by the municipality:

(A) implement street design for purposes of calming and slowing traffic in State-designated centers under 24 V.S.A. chapter 76A; and

(B) support the land uses that develop and evolve in tandem with transit and accessibility, including those that provide enhanced benefits to the public, such as through improved health and access to employment, services, and housing.

§ 2403. PROJECTS NOT INCORPORATING COMPLETE STREETS PRINCIPLES

(a) State projects. A State-managed project shall incorporate complete streets principles unless the project manager makes a written determination, supported by documentation, that one or more of the following circumstances exist:

* * *

(2) The cost of incorporating complete streets principles is disproportionate to the need or probable use as determined by factors including land use, current and projected user volumes, population density, crash data, historic and natural resource constraints, and maintenance requirements. The Agency shall consult local and regional plans, as appropriate, in assessing these and any other relevant factors. If the project manager bases the written determination required under this subsection in whole or in part on this subdivision then the project manager shall provide a supplemental written determination with specific details on costs, needs, and probable uses, as applicable, but shall not need to address, in the supplemental written determination, any design elements desired by the municipality pursuant to subdivision 2402(b)(4)(B) of this chapter.

* * *

(b) Municipal projects. A municipally managed project shall incorporate complete streets principles unless the municipality managing the project makes a written determination, supported by documentation, that one or more of the following circumstances exist:

* * *

(2) The cost of incorporating complete streets principles is disproportionate to the need or probable use as determined by factors such as land use, current and projected user volumes, population density, crash data, historic and natural resource constraints, and maintenance requirements. The municipality shall consult local and regional plans, as appropriate, in assessing these and any other relevant factors. If the municipality managing the project bases the written determination required under this subsection in whole or in part on this subdivision then the project manager shall provide a supplemental written determination with specific details on costs, needs, and probable uses, as applicable, but shall not need to address, in the supplemental written determination, any design elements desired by the municipality pursuant to subdivision 2402(b)(4)(B) of this chapter.

* * *

* * * Sustainability of Vermont's Transportation System; Emissions
Reductions * * *

Sec. 25. ANALYSIS AND REPORT ON SUSTAINABILITY OPTIONS; TRANSPORTATION EMISSIONS REDUCTIONS

(a) Findings of fact. The General Assembly finds:

(1) A majority of the Vermont Climate Council (VCC) voted to recommend participation in the Transportation & Climate Initiative Program (TCI-P), a regional cap-and-invest program, as a lead policy and regulatory approach to reduce emissions from the transportation sector in the Vermont Climate Action Plan (CAP), adopted in December 2021.

(2) Shortly before adoption of the CAP in December 2021, participating in TCI-P became unviable and the VCC agreed to include in the CAP that the VCC would continue work on an alternative recommendation to reduce emissions from the transportation sector in Vermont and pursue participating in TCI-P if it again became viable.

(3) An addendum to the CAP, supported by a majority of the VCC, stated that: "The only currently known policy options for which there is strong evidence from other states, provinces[,] and countries of the ability to confidently deliver the scale and pace of emissions reductions that are required of the transportation sector by the [Global Warming Solutions Act (GWSA)] are one or a combination of: a) a cap and invest/cap and reduce policy covering transportation fuels and/or b) a performance standard/performance-based regulatory approach covering transportation fuels. Importantly, based on research associated with their potential implementation, these approaches can also be designed in a cost-effective and equitable manner."

(4) The development of the State’s Carbon Reduction Strategy (CRS), which is required by the Federal Highway Administration (FHWA) pursuant to the federal Infrastructure Investment and Jobs Act (IIJA) for states to access federal monies under the Carbon Reduction Program and required by the General Assembly pursuant to 2023 Acts and Resolves No. 62, Sec. 31, and the accompanying planning and public engagement process provided the Cross Section Mitigation Subcommittee of the VCC a timely opportunity to undertake additional analysis required for a potential preferred recommendation or recommendations to fill the gap in reductions of transportation emissions.

(5) The CRS, which was filed with the FHWA in November 2023, models that the State may meet its 2025 reduction requirement in the transportation sector, but that, even with additional investments for programmatic, policy, and regulatory options, the modeling shows a gap between projected “business as usual” emissions in the transportation sector and the portion of GWSA emission reduction requirements for 2030 and 2050 that are attributable to the transportation sector.

(6) The CRS reaffirms that, without adoption of additional polices, the portion of GWSA emission reduction requirements for 2030 and 2050 that are attributable to the transportation sector will not be met and states that: “Of the additional programs, a cap-and-invest and/or Clean Transportation Standard program are likely the two most promising options to close the gap in projected emissions vs. required emissions levels for the transportation sector. . .”

(7) There remains a need for further, more detailed analysis of policy options.

(b) Written analysis. The Agency of Natural Resources, specifically the Climate Action Office, and the Agency of Transportation, in consultation with the State Treasurer; the Departments of Finance and Management, of Motor Vehicles, and of Taxes; and the VCC, including those councilors appointed by the General Assembly to provide expertise in energy and data analysis, expertise and professional experience in the design and implementation of programs to reduce greenhouse gas emissions, and representation of a statewide environmental organization as outlined in the adopted January 12, 2024 Transportation Addendum to the Climate Action Plan, shall prepare a written analysis of policy and investment scenarios to reduce emissions in the transportation sector in Vermont and meet the greenhouse gas reduction requirements of 10 V.S.A. § 578, as amended by Sec. 3 of the Global Warming Solutions Act (2020 Acts and Resolves No. 153).

(c) Scenario development. At a minimum, the written analysis required under subsection (b) of this section shall address the pros, cons, costs, and benefits of the following:

(1) Vermont participating in regional or cap-and-invest program, such as the Western Climate Initiative (WCI) and the New York Cap-and-Invest program;

(2) Vermont adopting a clean transportation fuel standard, which would be a performance standard or performance-based regulatory approach covering transportation fuels; and

(3) Vermont implementing other potential revenue-raising, carbon-pollution reduction strategies.

(d) Emission reduction scenarios; administration. The written analysis shall include an estimate of the amount of emissions reduction to be generated from a minimum of four scenarios, to include a business-as-usual, low-, medium-, and high-greenhouse gas emissions reduction, analyzed under subsection (c) of this section and a summary of how each proposal analyzed under subsection (c) of this section would be administered.

(e) Revenue and cost estimate; timeline. The written analysis completed pursuant to subsections (b)–(d) of this section shall be provided to the State Treasurer to review cost and revenue projections for each scenario. The State Treasurer shall make a written recommendation to the General Assembly regarding any viable approaches.

(f) Public access; committees; due date.

(1) The Climate Action Office shall maintain a publicly accessible website with information related to the development of the written analysis required under subsection (b) of this section.

(2) The Agencies of Natural Resources and of Transportation, in consultation with the State Treasurer, shall file a status update on the development of the written analysis required under subsection (b) of this section with the House and Senate Committees on Transportation, the House Committees on Environment and Energy and on Ways and Means, and the Senate Committees on Finance and on Natural Resources and Energy not later than November 15, 2024.

(3) The Agencies of Natural Resources and of Transportation, in consultation with the State Treasurer, shall file the written analysis required under subsection (b) of this section and the State Treasurer’s written recommendation to the General Assembly regarding any viable approaches required under subsection (e) of this section with the House and Senate

Committees on Transportation, the House Committees on Environment and Energy and on Ways and Means, and the Senate Committees on Finance and on Natural Resources and Energy not later than February 15, 2025.

(g) Use of consultant. The Agencies of Natural Resources and of Transportation shall retain a consultant that is an expert in comprehensive transportation policy with a core focus on emission reductions and economic modeling to undertake the analysis and to provide the State Treasurer with any additional information needed to inform the State Treasurer's recommendations regarding any viable approaches required under subsections (b)–(e) of this section.

(h) Costs.

(1) If the costs of the consultant required under subsection (g) of this section are eligible expenditures under the U.S. Environmental Protection Agency's (EPA) Climate Pollution Reduction Grants (CPRG) program, then that shall be the source of funding to cover the costs of the consultant required under subsection (g) of this section.

(2) The State Treasurer may use funds appropriated in State fiscal year 2025 to complete the work required under subsection (e) of this section, including administrative costs and third-party consultation.

* * * Better Connections Grant Program * * *

Sec. 26. 19 V.S.A. § 319 is added to read:

§ 319. BETTER CONNECTIONS GRANT PROGRAM

(a) The Better Connections Grant Program is created and shall be administered and staffed by the Policy, Planning and Research Bureau of the Agency in collaboration with the Agency of Commerce and Community Development and the Agency of Natural Resources.

(b) The Program shall be funded through appropriations to the Agency for policy, planning, and research.

(c) The Program shall provide planning grants to aid municipalities to coordinate municipal land use decisions with transportation investments that build community resilience to:

(1) provide a safe, multimodal, and resilient transportation system that supports the Vermont economy;

(2) support downtown and village economic development and revitalization efforts; and

(3) lead directly to project implementation demonstrated by municipal capacity and readiness to implement.

* * * Electric and Plug-In Hybrid Vehicles; Road Usage Surcharge * * *

Sec. 27. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

(a) The annual registration fee for a pleasure car, as defined in subdivision 4(28) of this title, ~~and including a pleasure car that is a plug-in electric vehicle,~~ as defined in subdivision 4(85) of this title, shall be \$89.00, and the biennial fee shall be \$163.00.

(b) The Commissioner shall collect an annual road usage surcharge for a pleasure car that is a battery electric vehicle, as defined in subdivision 4(85)(A) of this title, equal to the amount of the annual fee collected in subsection (a) of this section, or a biennial road usage surcharge equal to two times the annual fee collected in subsection (a) of this section.

(c) The Commissioner shall collect an annual road usage surcharge for a pleasure car that is a plug-in hybrid electric vehicle, as defined in subdivision 4(85)(B) of this title, equal to one-half the amount of the annual fee collected in subsection (a) of this section, or a biennial road usage surcharge equal to the annual fee collected in subsection (a) of this section.

(d) The annual and biennial road usage surcharges collected in subsections (b) and (c) of this section shall be allocated to the Transportation Fund for the purpose of increasing Vermonters' access to electric vehicle supply equipment (EVSE) charging ports through a program or programs selected by the Secretary, which may include programs administered by the Agency of Commerce and Community Development.

Sec. 28. ROAD USAGE SURCHARGE; ELECTRIC VEHICLES

The Department of Motor Vehicles shall implement a public outreach campaign regarding road usage surcharges for battery electric vehicles and plug-in electric hybrid vehicles not later than October 1, 2024. The campaign shall disseminate information on the Department's web page and through other outreach methods.

Sec. 29. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

* * *

~~(b) The Commissioner shall collect an annual road usage surcharge for a pleasure car that is a battery electric vehicle, as defined in subdivision~~

~~4(85)(A) of this title, equal to the amount of the annual fee collected in subsection (a) of this section, or a biennial road usage surcharge equal to two times the annual fee collected in subsection (a) of this section. [Repealed.]~~

* * *

~~(d) The annual and biennial road usage surcharges collected in subsections (b) and subsection (c) of this section shall be allocated to the Transportation Fund for the purpose of increasing Vermonters' access to electric vehicle supply equipment (EVSE) charging ports through a program or programs selected by the Secretary, which may include programs administered by the Agency of Commerce and Community Development.~~

* * * Central Garage; Authority to Purchase Real Property * * *

Sec. 30. CENTRAL GARAGE; REAL PROPERTY; FACILITY DESIGN;
AUTHORITY

(a) Pursuant to 19 V.S.A. § 26(b), the Secretary of Transportation is authorized to use up to \$2,000,000.00 in Central Garage Fund reserve funds for the purpose of purchasing real property of approximately 23.5 acres on the Paine Turnpike in Berlin, adjacent to State-owned property, on which to site a new Central Garage.

(b) Notwithstanding 19 V.S.A. § 13(a), the Secretary may use Central Garage Fund reserve funds for design services necessary to construct a new Central Garage on the Berlin site.

* * * Railroad Leases * * *

Sec. 31. 5 V.S.A. § 3405 is amended to read:

§ 3405. LEASE FOR CONTINUED OPERATION

(a) ~~The Secretary, as agent for the State, with the approval of the Governor and the General Assembly or, if the General Assembly is not in session, approval of a special committee consisting of the Joint Fiscal Committee and the Chairs of the House and Senate Committees on Transportation,~~ is authorized to lease or otherwise arrange for the continued operation of all or any State-owned railroad property to any responsible person, provided that approval for the operation, if necessary, is granted by the federal Surface Transportation Board under 49 C.F.R. Part 1150 (certificate to construct, acquire, or operate railroad lines). The transaction shall be subject to any further terms and conditions as in the opinion of the Secretary are necessary and appropriate to accomplish the purpose of this chapter.

(b) To preserve continuity of service on State-owned railroads, the Secretary may enter into a short-term lease or operating agreement, for a term

not to exceed six months, with a responsible railroad operator. ~~Within 10 days of entering into any lease or agreement, the Secretary shall report the details of the transaction to the members of the House and Senate Committees on Transportation.~~

* * * Traffic Control Devices; Adoption of MUTCD Revisions * * *

Sec. 32. 23 V.S.A. § 1025 is amended to read:

§ 1025. STANDARDS

(a) The U.S. Department of Transportation Federal Highway Administration's Manual on Uniform Traffic Control Devices for Streets and Highways (MUTCD) ~~for streets and highways,~~ as amended, shall be the standards for all traffic control signs, signals, and markings within the State. Revisions to the MUTCD shall be adopted according to the implementation or compliance dates established in federal rules.

~~(b) The latest revision of the MUTCD shall be adopted upon its effective date except in the case of~~ To the extent consistent with federal law, projects beyond a preliminary state of design that are anticipated to be constructed within two years of the otherwise applicable effective date; ~~such projects may be constructed according to the MUTCD standards applicable at the design stage.~~

(c) Existing signs, signals, and markings shall be valid until such time as they are replaced or reconstructed. When new traffic control devices are erected or placed or existing traffic control devices are replaced or repaired, the equipment, design, method of installation, placement, or repair shall conform with the MUTCD.

~~(b)~~(d) The standards of the MUTCD shall apply for both State and local authorities as to traffic control devices under their respective jurisdiction.

~~(e)~~(e) Traffic and control signals at intersections with exclusive pedestrian walk cycles shall be of sufficient duration to allow a pedestrian to leave the curb and travel across the roadway before opposing vehicles receive a green light. Determination of the length of the signal shall take into account the circumstances of persons with ambulatory disabilities.

* * * Reporting Requirements; Repeal * * *

Sec. 33. 19 V.S.A. § 7(k) is amended to read:

(k) ~~Upon being apprised of the enactment of a federal law that makes provision for a federal earmark or the award of a discretionary federal grant for a transportation project within the State of Vermont, the Agency shall promptly notify the members of the House and Senate Committees on~~

~~Transportation and the Joint Fiscal Office. Such notification shall include all available summary information regarding the terms and conditions of the federal earmark or grant. As used in this section, "federal earmark" means a congressional designation of federal aid funds for a specific transportation project or program. When the General Assembly is not in session, upon obtaining the approval of the Joint Transportation Oversight Committee, the Agency is authorized to add new projects to the Transportation Program in order to secure the benefits of federal earmarks or discretionary grants. [Repealed.]~~

Sec. 34. 19 V.S.A. § 42 is amended to read:

~~§ 42. REPORTS PRESERVED; CONSOLIDATED TRANSPORTATION REPORT~~

~~(a) Notwithstanding 2 V.S.A. § 20(d), the reports or reporting requirements of this section, sections 10g and 12a, and subsections 7(k), 10b(d), 11f(i), and 12b(d) of this title shall be preserved absent specific action by the General Assembly repealing the reports or reporting requirements.~~

~~(b) Annually, on or before January 15, the Agency shall submit a consolidated transportation system and activities report to the House and Senate Committees on Transportation. The report shall consist of:~~

~~(1) Financial and performance data of all public transit systems, as defined in 24 V.S.A. § 5088(6), that receive operating subsidies in any form from the State or federal government, including subsidies related to the Elders and Persons with Disabilities Transportation Program for service and capital equipment. This component of the report shall:~~

~~(A) be developed in cooperation with the Public Transit Advisory Council;~~

~~(B) be modeled on the Federal Transit Administration's National Transit Database Program with such modifications as appropriate for the various services and guidance found in the most current State policy plan; and~~

~~(C) show as a separate category financial and performance data on the Elders and Persons with Disabilities Transportation Program.~~

~~(2) Data on pavement conditions of the State highway system.~~

~~(3) A description of the conditions of bridges, culverts, and other structures on the State highway system and on town highways.~~

~~(4) Department of Motor Vehicles data, including the number of vehicle registrations and licenses issued, revenues by category, transactions by category, commercial motor vehicle statistics, and any other information the Commissioner deems relevant.~~

~~(5) A summary of updates to the Agency's strategic plans and performance measurements used in its strategic plans.~~

~~(6) A summary of the statuses of aviation, rail, and public transit programs.~~

~~(7) Data and statistics regarding highway safety, including trends in vehicle crashes and fatalities, traffic counts, and trends in vehicle miles traveled.~~

~~(8) An overview of operations and maintenance activities, including winter maintenance statistics.~~

~~(9) A list of projects for which the construction phase was completed during the most recent construction season.~~

~~(10) Such other information that the Secretary determines the Committees on Transportation need to perform their oversight role.~~

* * * Effective Dates * * *

Sec. 35. EFFECTIVE DATES

(a) This section, Sec. 30 (central garage; purchase of real property), and Sec. 31 (railroad leases; 5 V.S.A. § 3405) shall take effect on passage.

(b) Sec. 27 (electric vehicle road usage surcharge; 23 V.S.A. § 361) shall take effect on passage and shall be fully implemented not later than January 1, 2025.

(c) Sec. 29 (amendments to electric vehicle road usage surcharges; 23 V.S.A. § 361) shall take effect on the effective date of a mileage-based user fee for pleasure cars that are battery electric vehicles, as defined in 23 V.S.A. § 4(85)(A).

(d) All other sections shall take effect on July 1, 2024.

(Committee vote: 4-0-0)

(For House amendments, see House Journal for March 19, 2024, page 564.)

Reported favorably by Senator Chittenden for the Committee on Finance.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Transportation.

(Committee vote: 7-0-0)

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

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Transportation, with further proposal of amendment as follows:

First: By striking out Sec. 24, 19 V.S.A. §§ 2402 and 2403, and its reader assistance heading, in their entireties and inserting in lieu thereof the following:

* * * Complete Streets; Traffic Calming Measures; Designated Centers * * *

Sec. 24. 19 V.S.A. §§ 2402 and 2403 are amended to read:

§ 2402. STATE POLICY

(a) Agency of Transportation funded, designed, or funded and designed projects shall seek to increase and encourage more pedestrian, bicycle, and public transit trips, with the State goal to promote intermodal access to the maximum extent feasible, which will help the State meet the transportation-related recommendations outlined in the Comprehensive Energy Plan (CEP) issued under 30 V.S.A. § 202b and the recommendations of the Vermont Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

(b) Except in the case of projects or project components involving unpaved highways, for all transportation projects and project phases managed by the Agency or a municipality, including planning, development, construction, or maintenance, it is the policy of this State for the Agency and municipalities, as applicable, to incorporate complete streets principles that:

(1) serve individuals of all ages and abilities, including vulnerable users as defined in 23 V.S.A. § 4(81);

(2) follow state-of-the-practice design guidance; ~~and~~

(3) are sensitive to the surrounding community, including current and planned buildings, parks, and trails and current and expected transportation needs; and

(4) when desired by the municipality or specifically identified in the regional plan, implement street design for purposes of calming and slowing traffic in State-designated centers under 24 V.S.A. chapter 76A.

§ 2403. PROJECTS NOT INCORPORATING COMPLETE STREETS PRINCIPLES

(a) State projects. A State-managed project shall incorporate complete streets principles unless the project manager makes a written determination, supported by documentation, that one or more of the following circumstances exist:

* * *

(2) The cost of incorporating complete streets principles is disproportionate to the need or probable use as determined by factors including

land use, current and projected user volumes, population density, crash data, historic and natural resource constraints, and maintenance requirements. The Agency shall consult local and regional plans, as appropriate, in assessing these and any other relevant factors. If the project manager bases the written determination required under this subsection in whole or in part on this subdivision then the project manager shall provide a supplemental written determination with specific details on costs, needs, and probable uses, as applicable. The supplemental written determination shall also address any design elements that were desired by the municipality or specifically identified in the regional plan pursuant to subdivision 2402(b)(4) of this chapter but were not incorporated.

* * *

(b) Municipal projects. A municipally managed project shall incorporate complete streets principles unless the municipality managing the project makes a written determination, supported by documentation, that one or more of the following circumstances exist:

* * *

(2) The cost of incorporating complete streets principles is disproportionate to the need or probable use as determined by factors such as land use, current and projected user volumes, population density, crash data, historic and natural resource constraints, and maintenance requirements. The municipality shall consult local and regional plans, as appropriate, in assessing these and any other relevant factors. If the municipality managing the project bases the written determination required under this subsection in whole or in part on this subdivision then the project manager shall provide a supplemental written determination with specific details on costs, needs, and probable uses, as applicable. The supplemental written determination shall also address any design elements that were desired by the municipality or specifically identified in the regional plan pursuant to subdivision 2402(b)(4) of this chapter but were not incorporated.

* * *

Second: By striking out Secs. 27–29, and their reader assistance heading, in their entireties and inserting in lieu thereof the following:

* * * Electric and Plug-In Hybrid Vehicles; EV Infrastructure Fee * * *

Sec. 27. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

(a) The annual registration fee for a pleasure car, as defined in subdivision 4(28) of this title, ~~and including a pleasure car that is a plug-in electric vehicle, as defined in subdivision 4(85) of this title,~~ shall be \$89.00, and the biennial fee shall be \$163.00.

(b) In addition to the registration fee set forth in subsection (a) of this section, there shall be an annual electric vehicle (EV) infrastructure fee for a pleasure car that is a battery electric vehicle, as defined in subdivision 4(85)(A) of this title, equal to the amount of the annual fee collected in subsection (a) of this section, or a biennial EV infrastructure fee equal to two times the annual fee collected in subsection (a) of this section.

(c) In addition to the registration fee set forth in subsection (a) of this section, there shall be an annual EV infrastructure fee for a pleasure car that is a plug-in hybrid electric vehicle, as defined in subdivision 4(85)(B) of this title, equal to one-half the amount of the annual fee collected in subsection (a) of this section, or a biennial EV infrastructure fee equal to the annual fee collected in subsection (a) of this section.

(d) The annual and biennial EV infrastructure fees collected in subsections (b) and (c) of this section shall be allocated to the Transportation Fund for the purpose of increasing Vermonters' access to electric vehicle supply equipment (EVSE) charging ports through a program or programs selected by the Secretary, which may include programs administered by the Agency of Commerce and Community Development.

Sec. 28. EV INFRASTRUCTURE FEE; ELECTRIC VEHICLES

The Department of Motor Vehicles shall implement a public outreach campaign regarding EV infrastructure fees for battery electric vehicles and plug-in electric hybrid vehicles not later than October 1, 2024. The campaign shall disseminate information on the Department's web page and through other outreach methods.

Sec. 29. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

* * *

~~(b) In addition to the registration fee set forth in subsection (a) of this section, there shall be an annual electric vehicle (EV) infrastructure fee for a pleasure car that is a battery electric vehicle, as defined in subdivision 4(85)(A) of this title, equal to the amount of the annual fee collected in subsection (a) of this section, or a biennial EV infrastructure fee equal to two times the annual fee collected in subsection (a) of this section. [Repealed.]~~

* * *

(d) The annual and biennial EV infrastructure fees collected in ~~subsections (b) and subsection~~ (c) of this section shall be allocated to the Transportation Fund for the purpose of increasing Vermonters' access to electric vehicle supply equipment (EVSE) charging ports through a program or programs selected by the Secretary, which may include programs administered by the Agency of Commerce and Community Development.

Third: In Sec. 34, 19 V.S.A. § 42, following "subsections", by striking out "7(k)," and inserting in lieu thereof "7(k);"

Fourth: By adding a new reader assistance heading and a new section to be Sec. 34a to read as follows:

* * * MileageSmart; Income Eligibility * * *

Sec. 34a. 19 V.S.A. § 2903 is amended to read:

§ 2903. MILEAGESMART

(a) Creation; administration.

(1) There is created a used high fuel efficiency vehicle incentive program, which shall be administered by the Agency of Transportation and known as MileageSmart.

(2) Subject to State procurement requirements, the Agency may retain a contractor or contractors to assist with marketing, program development, and administration of MileageSmart.

(b) Program structure. MileageSmart shall structure high fuel efficiency purchase incentive payments by income to help all Vermonters benefit from more efficient driving and reduced greenhouse gas emissions, including Vermont's most vulnerable. Specifically, MileageSmart shall:

(1) apply to purchases of used high fuel-efficient motor vehicles, which for purposes of this program shall be pleasure cars with a combined city/highway fuel efficiency of at least 40 miles per gallon or miles-per-gallon equivalent as rated by the Environmental Protection Agency when the vehicle was new; and

(2) provide not more than one point-of-sale voucher worth up to \$5,000.00 to an individual who is a member of a household with an adjusted gross income that is at or below 80 percent of the State median income; provided, however, that the Agency of Transportation may reduce the income eligibility threshold based on available funding or applicant volume, or both, in order to prioritize vouchers for households with lower income.

* * *

(Committee Vote: 6-0-1)

NOTICE CALENDAR

Second Reading

Favorable

H. 247.

An act relating to Vermont's adoption of the Occupational Therapy Licensure Compact.

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

The Committee on Health and Welfare recommends that the bill ought to pass in concurrence.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of February 14, 2024, pages 212-213)

Reported favorably by Senator McCormack for the Committee on Finance.

The Committee on Finance recommends that the bill ought to pass in concurrence.

(Committee vote: 7-0-0)

Reported favorably by Senator Lyons for the Committee on Appropriations.

The Committee on Appropriations recommends that the bill ought to pass in concurrence.

(Committee vote: 7-0-0)

H. 279.

An act relating to the Uniform Trust Decanting Act.

Reported favorably by Senator Sears for the Committee on Judiciary.

The Committee on Judiciary recommends that the bill ought to pass in concurrence.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 19, 2024, pages 544-563)

Favorable with Proposal of Amendment

H. 27.

An act relating to coercive controlling behavior and abuse prevention orders.

Reported favorably with recommendation of proposal of amendment by Senator Sears for the Committee on Judiciary.

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

Sec. 1. 15 V.S.A. § 1101 is amended to read:

§ 1101. DEFINITIONS

~~The following words as used in this chapter shall have the following meanings~~ As used in this chapter:

(1) “Abuse” means:

(A) the occurrence of one or more of the following acts between family or household members:

~~(A)(i) Attempting~~ attempting to cause or causing physical harm;

~~(B)(ii) Placing~~ placing another in fear of imminent serious physical harm;

~~(C)(iii) Abuse~~ abuse to children as defined in 33 V.S.A. chapter 49, subchapter 2;

~~(D)(iv) Stalking~~ stalking as defined in 12 V.S.A. § 5131(6); or

~~(E)(v) Sexual~~ sexual assault as defined in 12 V.S.A. § 5131(5); or

(B) coercive controlling behavior between family or household members.

(2) “Coercive controlling behavior” a pattern of behavior that in purpose or effect unreasonably interferes with a person’s free will and personal liberty. “Coercive controlling behavior” includes unreasonably engaging in any of the following:

(A) isolating the family or household member from friends, relatives or other sources of support;

(B) depriving the family or household member of basic necessities;

(C) controlling, regulating or monitoring the family or household member's movements, communications, daily behavior, finances, economic resources, or access to services;

(D) compelling the family or household member by force, threat or intimidation, including threats based on actual or suspected immigration status, to:

(i) engage in conduct from which such family or household member has a right to abstain; or

(ii) abstain from conduct that such family or household member has a right to pursue;

(E) committing or threatening to commit cruelty to animals that intimidates the family or household member; or

(F) forced sex acts or threats of a sexual nature, including threatened acts of sexual conduct, threats based on a person's sexuality, or threats to release sexual images.

(3) "Household members" means persons who, for any period of time, are living or have lived together, are sharing or have shared occupancy of a dwelling, are engaged in or have engaged in a sexual relationship, or minors or adults who are dating or who have dated. "Dating" means a social relationship of a romantic nature. Factors that the court may consider when determining whether a dating relationship exists or existed include:

(A) the nature of the relationship;

(B) the length of time the relationship has existed;

(C) the frequency of interaction between the parties; and

(D) the length of time since the relationship was terminated, if applicable.

~~(3)~~(4) A "foreign abuse prevention order" means any protection order issued by the court of any other state that contains provisions similar to relief provisions authorized under this chapter, the Vermont Rules for Family Proceedings, 33 V.S.A. chapter 69, or 12 V.S.A. chapter 178.

~~(4)~~(5) "Other state" and "issuing state" shall mean any state other than Vermont and any federally recognized Indian tribe, territory or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia.

~~(5)~~(6) A "protection order" means any injunction or other order issued for the purpose of preventing violent or threatening acts or harassment against,

or contact or communication with or physical proximity to, another person, including temporary and final orders issued by civil and criminal courts, other than support or child custody orders, whether obtained by filing an independent action or as a pendente lite order in another proceeding ~~so long as,~~ provided that any civil order was issued in response to a complaint, petition, or motion filed by or on behalf of a person seeking protection.

~~(6)(7)~~ [Repealed.]

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

(Committee vote: 4-1-0)

(For House amendments, see House Journal of January 10, 2024, pages 70-73)

H. 606.

An act relating to professional licensure and immigration status.

Reported favorably with recommendation of proposal of amendment by Senator White for the Committee on Government Operations.

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

Sec. 1. PURPOSE

(a) The purpose of this act is to amend the laws of Vermont to allow any individual who meets the standards required by the State to obtain a professional or occupational license or certification, regardless of that individual's immigration status.

(b) The General Assembly acts pursuant to the authority provided in section 411 of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, Title IV, § 411, codified at 8 U.S.C. § 1621(d), as such section existed on January 1, 2024.

(c) Nothing in this act shall be construed to grant eligibility for any public benefits, as defined in 8 U.S.C. § 1621(c), other than obtaining a professional license.

Sec. 2. 3 V.S.A. § 139 is added to read:

§ 139. IMMIGRATION STATUS

(a) Notwithstanding any provision of law to the contrary, an applicant shall not be denied any professional license or certification enumerated in this title

or Titles 16, 20, or 26 of the Vermont Statutes Annotated on the basis of the applicant’s citizenship status or immigration status or lack thereof.

(b) If an applicant is required by State law to provide a Social Security number for the purpose of obtaining or maintaining a professional license or certification under this title or Titles 16, 20, or 26 of the Vermont Statutes Annotated, the applicant may provide a federal employer identification number, an individual taxpayer identification number, or a Social Security number; provided, however, that an applicant shall provide a Social Security number if a federal law or an interstate compact of which the State is a member requires that an applicant provide a Social Security number to obtain or maintain a professional license.

Sec. 3. EFFECTIVE DATE

This act shall take effect on September 1, 2024.

(Committee vote: 5-1-0)

(For House amendments, see House Journal of March 19, 2024, page 586)

H. 622.

An act relating to emergency medical services.

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

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

In Sec. 3, 33 V.S.A. § 1901m, subsection (b), following “equal to the,” by striking out “Medicare basic life support rate” and inserting in lieu thereof applicable Medicare rate

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 22, 2024, pages 763-772)

H. 649.

An act relating to the Vermont Truth and Reconciliation Commission.

Reported favorably with recommendation of proposal of amendment by Senator Vyhovsky for the Committee on Government Operations.

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

Sec. 1. 2022 Acts and Resolves No. 128, Sec. 4 is amended to read:

Sec. 4. REPEAL

1 V.S.A. chapter 25 (Truth and Reconciliation Commission) is repealed on ~~July 1, 2026~~ May 1, 2027.

Sec. 2. 1 V.S.A. § 903 is amended to read:

§ 903. COMMISSIONERS

* * *

(c) The term of each commissioner shall begin on the date of appointment and end on ~~July 1, 2026~~ May 1, 2027.

Sec. 3. 1 V.S.A. § 904 is amended to read:

§ 904. SELECTION PANEL; MEMBERSHIP; DUTIES

~~(a)(1)~~ The Selection Panel shall be composed of ~~seven members selected on or before September 1, 2022 by a majority vote of the following~~ five members:

~~(A)(1)~~ the Executive Director of Racial Equity or designee;

~~(B)(2)~~ the Executive Director of the Vermont Center for Independent Living or designee;

~~(C)(3)~~ an individual, who shall not be a current member of the General Assembly, appointed by the Speaker of the House;

~~(D)(4)~~ an individual, who shall not be a current member of the General Assembly, appointed by the Committee on Committees; and

~~(E)(5)~~ an individual, appointed by the Chief Justice of the Vermont Supreme Court.

~~(2) The individuals identified in subdivision (1) of this subsection:~~

~~(A) shall hold their first meeting on or before August 1, 2022 at the call of the individual appointed by the Chief Justice of the Vermont Supreme Court; and~~

~~(B) are encouraged to appoint individuals to the Selection Panel who include members of the populations and communities identified pursuant to subdivisions 902(b)(1)(A) (D) of this chapter and who are diverse with respect to socioeconomic status, work, education, geographic location, gender, and sexual identity.~~

~~(3) Individuals selected pursuant to subdivision (1) of this subsection who are not employees of the State of Vermont and who are not otherwise~~

~~compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than two meetings. These payments shall be made from amounts appropriated to the Truth and Reconciliation Commission.~~

(b)(1) The Selection Panel shall select and appoint the commissioners of the Truth and Reconciliation Commission as provided pursuant to section 905 of this chapter.

(2) To enable it to carry out its duty to select and appoint the commissioners of the Truth and Reconciliation Commission as provided pursuant to section 905 of this chapter, the Panel may:

(A) adopt procedures as necessary to carry out the duties set forth in section 905 of this chapter; and

(B) ~~establish and maintain a principal office;~~

(C) ~~meet and hold hearings at any place in this State; and~~

(D) ~~hire temporary staff to provide administrative assistance during the period from September 1, 2022 through January 15, 2023, provided that if the Panel extends the time to select commissioners pursuant to subdivision 905(c)(1) of this chapter, it may retain staff to provide administrative assistance through March 31, 2023.~~

(c) The term of each member of the Panel shall begin on the date of appointment and end on January 15, 2023, except if the Panel extends the time to select commissioners pursuant to subdivision 905(c)(1) of this chapter, the term of the Panel members shall end on March 31, 2023 May 1, 2027.

(d) The Panel shall select a chair and a vice chair from among its members.

(e)(1) Meetings shall be held at the call of the Chair or at the request of four or more members of the Panel.

(2) A majority of the current membership of the Panel shall constitute a quorum, and actions of the Panel may be authorized by a majority of the members present and voting at a meeting of the Panel.

(f) Members of the Panel who are not otherwise compensated by the State shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than 20 meetings during fiscal year 2023 meetings to carry out the Panel's duties pursuant to this section and sections 905 and 905a of this chapter. These payments shall be made from amounts appropriated to the Truth and Reconciliation Commission.

(g) The Panel shall have the administrative and legal assistance of the Truth and Reconciliation Commission.

(h)(1) A member of the Panel who is not serving ex officio may be removed by the appropriate appointing authority for incompetence, failure to discharge the member's duties, malfeasance, or illegal acts.

(2) A vacancy occurring on the Panel shall be filled by the appropriate appointing authority for the remainder of the term.

Sec. 4. 1 V.S.A. § 905 is amended to read:

§ 905. SELECTION OF COMMISSIONERS

* * *

(d) The Panel shall fill any vacancy occurring among the commissioners within 60 days after the vacancy occurs in the manner set forth in subsections (a) and (b) of this section. A commissioner appointed to fill a vacancy pursuant to this subsection shall be appointed to serve for the balance of the unexpired term.

Sec. 5. APPOINTMENT TO FILL EXISTING COMMISSION VACANCY

The Selection Panel established pursuant to 1 V.S.A. § 905 shall fill the vacancy existing on the Truth and Reconciliation Commission on the effective date of this act not later than 60 days after the appointive members of the Panel are appointed.

Sec. 6. 1 V.S.A. § 905a is added to read:

§ 905a. REMOVAL OR REPRIMAND OF COMMISSIONERS FOR MISCONDUCT

The Selection Panel may, after notice and an opportunity for a hearing, reprimand or remove a commissioner for incompetence, failure to discharge the commissioner's duties, malfeasance, illegal acts, or other actions that the Panel determines would substantially and materially harm the credibility of the Truth and Reconciliation Commission or its ability to carry out its work pursuant to the provisions of this chapter. Notwithstanding subdivision 904(e)(2) of this chapter, the reprimand or removal of a commissioner shall only be authorized by a vote of the majority of the members of the Panel.

Sec. 7. 1 V.S.A. § 906 is amended to read:

§ 906. POWERS AND DUTIES OF THE COMMISSIONERS

* * *

(b) Powers. To carry out its duties pursuant to this chapter, the commissioners may:

(1) ~~Adopt rules in accordance with 3 V.S.A. chapter 25 as necessary to implement the provisions of this chapter. [Repealed.]~~

* * *

(13)(A) Establish groups in which individuals who have experienced institutional, structural, or systemic discrimination or are a member of a population or community that has experienced institutional, structural, or systemic discrimination may participate for purposes of sharing experiences and providing mutual support.

(B) Commissioners shall not participate in any meeting or session of a group established pursuant to this subdivision (13).

(C) Groups established pursuant to this subdivision (13) may continue to exist after the date on which the Commission ceases to exist, provided that after that date Commission staff shall no longer provide any assistance or services to the groups and Commission funds shall no longer be spent in support of the groups.

Sec. 8. 1 V.S.A. § 908 is amended to read:

§ 908. REPORTS

* * *

(b)(1) On or before ~~June~~ April 15, ~~2026~~ 2027, the Commission shall submit a final report incorporating the findings and recommendations of each committee. Each report shall detail the findings and recommendations of the relevant committee and shall include recommendations for actions that can be taken to eliminate ongoing instances of institutional, structural, and systemic discrimination and to address the harm caused by historic instances of institutional, structural, and systemic discrimination.

(2) The Commission shall, on or before ~~January~~ October 15, 2026, make a draft of the final report publicly available and provide copies of the draft to interested parties from the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter and other interested parties. The Commission shall provide the interested parties and members of the public with not less than 60 days to review the draft and provide comments on it. The Commission shall consider fully all comments submitted in relation to the draft and shall include with the final version of the report a summary of all comments received and a concise statement of the reasons why the Commission decided to incorporate or reject any proposed changes.

Comments submitted in relation to the final report shall be made available to the public in a manner that complies with the requirements of section 910 909 of this chapter.

(3) The draft and final report shall include:

(A) a bibliography of all sources, interviews, and materials utilized in preparing the report;

(B) a summary of the interviews utilized in preparing the report, including the total number of interviews, and whether each interview was public or confidential, and whether a transcript or summary, or both, is available for each interview; and

(C) information regarding where members of the public can access and obtain copies of the sources and materials utilized in preparing the report, including the transcripts or summaries of interviews.

* * *

Sec. 9. 1 V.S.A. § 909 is amended to read:

§ 909. ACCESS TO INFORMATION; CONFIDENTIALITY

* * *

(d) Private proceedings.

(1) The Notwithstanding any provision of chapter 5, subchapter 2 of this title, the Vermont Open Meeting Law, or section 911 of this chapter to the contrary, the Commission shall permit any individual who is interviewed by the Commission to elect to have ~~their~~ the individual's interview conducted in a manner that protects the individual's privacy and to have any recording of the interview kept confidential by the Commission. Any other record or document produced in relation to an interview conducted pursuant to this subdivision (d)(1) shall ~~only~~ be available to the public in an anonymized form that does not reveal the identity of any individual.

* * *

Sec. 10. 1 V.S.A. § 911 is added to read:

§ 911. DELIBERATIVE DISCUSSIONS; EXCEPTION TO OPEN MEETING LAW

(a) Notwithstanding any provision of chapter 5, subchapter 2 of this title, the deliberations of a quorum or more of the members of the Commission shall not be subject to the Vermont Open Meeting Law.

(b) The Commission shall regularly post to the Commission's website a

short summary of all deliberative meetings held by the commissioners pursuant to this subsection.

(c)(1) As used in this section, “deliberations” means weighing, examining, and discussing information gathered by the Commission and the reasons for and against an act or decision.

(2) “Deliberations” expressly excludes:

(A) taking evidence, except as otherwise provided pursuant to section 909 of this chapter;

(B) hearing arguments for or against an act or decision of the Commission;

(C) taking public comment; and

(D) making any decision related to an act or the official duties of the Commission.

Sec. 11. LEGISLATIVE INTENT

It is the intent of the General Assembly that:

(1) the Truth and Reconciliation Commission work in an open, transparent, and inclusive manner to ensure the credibility and integrity of its work and strive to maximize opportunities to conduct its business in public meetings;

(2) specific exceptions to the Open Meeting Law, in recognition of the highly sensitive nature of the Truth and Reconciliation Commission’s charge, will enable the Commission to carry out its duties in a manner that:

(A) preserves the safety of participants in the Commission’s work;

(B) does not perpetuate or exacerbate harm experienced by participants; and

(C) protects participants from additional trauma.

Sec. 12. 1 V.S.A. § 912 is added to read:

§ 912. GROUP SESSIONS; DUTY OF CONFIDENTIALITY

(a) The sessions of groups established pursuant to subdivision 906(b)(13) of this chapter shall be confidential and privileged. Participants in a group session, including Commission staff or individuals whom the Commission contracts with to facilitate group sessions, shall be subject to a duty of confidentiality and shall keep confidential any information gained during a group session.

(b) A person who attended a group session may bring a private action in the Civil Division of the Superior Court for damages resulting from a breach of the duty of confidentiality established pursuant to this section.

(c) This section shall not be construed to limit or otherwise affect the application of a common law duty of confidentiality to group sessions and any action that may be brought based on a breach of that duty.

(d) Nothing in this section shall be construed to prohibit the limited disclosure of information to specific persons under the following circumstances:

(1) The disclosure:

(A) relates to a threat or statement of a plan made during a group session that the individual reasonably believes is likely to result in death or bodily injury to themselves or others or damage to the property of themselves or another person; and

(B) is made to law enforcement authorities or another person that is reasonably able to prevent or lessen the threat.

(2) The disclosure is based on a reasonable suspicion of abuse or neglect of a child or vulnerable adult and a report is made in accordance with the provisions of 33 V.S.A. § 4914 or 6903 or to comply with another law.

(e) The Commission shall ensure that all participants in a group session are provided with notice of the provisions of this section, including any rights and obligations of participants that are established pursuant to this section.

(f) As used in this section, “group session” means any meeting of a group established pursuant to subdivision 906(b)(13) of this chapter for purposes of the participants sharing or discussing their experiences and providing mutual support. “Group session” does not include any gathering of the participants in a group established pursuant to subdivision 906(b)(13) of this chapter that includes one or more members of the Commission.

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-0-0)

(For House amendments, see House Journal of February 13, 2024, pages 199-208)

Reported favorably by Senator Perchlik for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations.

(Committee vote: 7-0-0)

H. 687.

An act relating to community resilience and biodiversity protection through land use.

Reported favorably with recommendation of proposal of amendment by Senator Bray for the Committee on Natural Resources and Energy.

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

* * * Act 250 * * *

Sec. 1. 10 V.S.A. § 6000 is added to read:

§ 6000. PURPOSE; CONSTRUCTION

The purposes of this chapter are to protect and conserve the environment of the State and to support the achievement of the goals of the Capability and Development Plan, of 24 V.S.A. § 4302(c), and of the conservation vision and goals for the State established in section 2802 of this title, while supporting equitable access to infrastructure.

Sec. 2. 10 V.S.A. § 6021 is amended to read:

§ 6021. BOARD; VACANCY_; REMOVAL

(a) ~~A Natural Resources Board established.~~ The Land Use Review Board is created to administer the Act 250 program and hear appeals.

(1) The Board shall consist of five members appointed by the Governor, after review and approval by the Land Use Review Board Nominating Committee in accordance with subdivision (2) of this subsection and confirmed with the advice and consent of the Senate, so that one appointment expires in each year. The Chair shall be a full-time position, and the other four members shall be full-time positions. In making these appointments, the Governor and the Senate shall give consideration to candidates who have experience, expertise, or skills relating to the environment or land use one or more of the following areas: environmental science; land use law, policy,

planning, and development; and community planning. All candidates shall have a commitment to environmental justice.

(A) The Governor shall appoint a chair of the Board, a position that shall be a full-time position. The Governor shall ensure Board membership reflects, to the extent possible, the racial, ethnic, gender, and geographic diversity of the State. The Board shall not contain two members who reside in the same county.

(B) Following initial appointments, the members, except for the Chair, shall be appointed for terms of four five years. All terms shall begin on July 1 and expire on June 30. A member may continue serving until a successor is appointed. The initial appointments shall be for staggered terms of one year, two years, three years, four years, and five years.

~~(2) The Governor shall appoint up to five persons, with preference given to former Environmental Board, Natural Resources Board, or District Commission members, with the advice and consent of the Senate, to serve as alternates for Board members.~~

~~(A) Alternates shall be appointed for terms of four years, with initial appointments being staggered. The Land Use Review Board Nominating Committee shall advertise the position when a vacancy will occur on the Land Use Review Board.~~

~~(B) The Chair of the Board may assign alternates to sit on specific matters before the Board in situations where fewer than five members are available to serve. The Nominating Committee shall review the applicants to determine which are well qualified for appointment to the Board and shall recommend those candidates to the Governor. The names of candidates shall be confidential.~~

~~(C) The Governor shall appoint, with the advice and consent of the Senate, a chair and four members of the Board from the list of well-qualified candidates sent to the Governor by the Committee.~~

~~(b) Any vacancy occurring in the membership of the Board shall be filled by the Governor for the unexpired portion of the term. Terms; vacancy; succession. The term of each appointment subsequent to the initial appointments described in subsection (a) of this section shall be five years. Any appointment to fill a vacancy shall be for the unexpired portion of the term vacated. A member may seek reappointment by informing the Governor. If the Governor decides not to reappoint the member, the Nominating Committee shall advertise the vacancy.~~

(c) Removal. Notwithstanding the provisions of 3 V.S.A. § 2004, members shall only be removable for cause only, except the Chair, who shall serve at the pleasure of the Governor by the remaining members of the Board in accordance with the Vermont Administrative Procedures Act. The Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and process for removal.

(d) Disqualified members. The Chair of the Board, upon request of the Chair of a District Commission, may appoint and assign former Commission members to sit on specific Commission cases when some or all of the regular members and alternates of the District Commission are disqualified or otherwise unable to serve. If necessary to achieve a quorum, the Chair of the Board may appoint a member of a District Commission who has not worked on the case to sit on a specific case before the Board.

(e) Retirement from office. When a Board member who hears all or a substantial part of a case retires from office before the case is completed, the member may remain a member of the Board, at the member's discretion, for the purpose of concluding and deciding that case and signing the findings and judgments involved. A retiring chair shall also remain a member for the purpose of certifying questions of law if a party appeals to the Supreme Court. For the service, the member shall receive a reasonable compensation to be fixed by the remaining members of the Board and necessary expenses while on official business.

Sec. 3. 10 V.S.A. § 6032 is added to read:

§ 6032. LAND USE REVIEW BOARD NOMINATING COMMITTEE

(a) Creation. The Land Use Review Board Nominating Committee is created for the purpose of assessing the qualifications of applicants for appointment to the Land Use Review Board in accordance with section 6021 of this title.

(b) Members. The Committee shall consist of six members who shall be appointed by July 31, 2024 as follows:

(1) The Governor shall appoint two members from the Executive Branch, with at least one being an employee of the Department of Human Resources.

(2) The Speaker of the House of Representatives shall appoint two members from the House of Representatives.

(3) The Senate Committee on Committees shall appoint two members from the Senate.

(c) Terms. The members of the Committee shall serve for terms of two years. Members shall serve until their successors are appointed. Members shall serve not more than three consecutive terms. A legislative member who is appointed as a member of the Committee shall retain the position for the term appointed to the Committee even if the member is subsequently not reelected to the General Assembly during the member's term on the Committee.

(d) Chair. The members shall elect their own chair.

(e) Quorum. A quorum of the Committee shall consist of four members.

(f) Staff and services. The Committee is authorized to use the staff and services of appropriate State Agencies and Departments as necessary to conduct investigations of applicants.

(g) Confidentiality. Except as provided in subsection (h) of this section, proceedings of the Committee, including the names of candidates considered by the Committee and information about any candidate submitted to the Governor, shall be confidential. The provisions of 1 V.S.A. § 317(e) (expiration of Public Records Act exemptions) shall not apply to the exemptions or confidentiality provisions in this subsection.

(h) Public information. The following shall be public:

(1) operating procedures of the Committee;

(2) standard application forms and any other forms used by the Committee, provided they do not contain personal information about a candidate or confidential proceedings;

(3) all proceedings of the Committee prior to the receipt of the first candidate's completed application; and

(4) at the time the Committee sends the names of the candidates to the Governor, the total number of applicants for the vacancies and the total number of candidates sent to the Governor.

(i) Reimbursement. Legislative members of the Committee shall be entitled to per diem compensation and reimbursement for expenses in accordance with 32 V.S.A. § 1010. Compensation and reimbursement shall be paid from the legislative appropriation.

(j) Duties.

(1) When a vacancy occurs, the Committee shall review applicants to determine which are well qualified for the Board and submit those names to the Governor. The Committee shall submit to the Governor a summary of the

qualifications and experience of each candidate whose name is submitted to the Governor together with any further information relevant to the matter.

(2) An applicant for the position of member of the Land Use Review Board shall not be required to be an attorney. If the candidate is admitted to practice law in Vermont or practices a profession requiring licensure, certification, or other professional regulation by the State, the Committee shall submit the candidate's name to the Court Administrator or the applicable State professional regulatory entity, and that entity shall disclose to the Committee any professional disciplinary action taken or pending concerning the candidate.

(3) Candidates shall be sought who have experience, expertise, or skills relating to one or more of the following areas: environmental science; land use law, policy, planning, and development; and community planning. All candidates shall have a commitment to environmental justice.

(4) The Committee shall ensure a candidate possesses the following attributes:

(A) Integrity. A candidate shall possess a record and reputation for excellent character and integrity.

(B) Impartiality. A candidate shall exhibit an ability to make determinations in a manner free of bias.

(C) Work ethic. A candidate shall demonstrate diligence.

(D) Availability. A candidate shall have adequate time to dedicate to the position.

(5) The Committee shall require candidates to disclose to the Committee their financial interests and potential conflicts of interest.

Sec. 4. 10 V.S.A. § 6025 is amended to read:

§ 6025. RULES

(a) The Board may adopt rules of procedure for itself and the District Commissions. The Board shall adopt rules of procedure that govern appeals and other contested cases before it that are consistent with this chapter. The Board's procedure for approving regional plans and regional plan maps, which may be adopted as rules or issued as guidance, shall ensure that the maps are consistent with legislative intent as expressed in 2802 of this title and 24 V.S.A. §§ 4302 and 4348a.

* * *

Sec. 5. 10 V.S.A. § 6027 is amended to read:

§ 6027. POWERS

(a) The Board and District Commissions ~~each~~ shall have supervisory authority in environmental matters respecting projects within their jurisdiction and shall apply their independent judgment in determining facts and interpreting law. Each shall have the power, with respect to any matter within its jurisdiction, to:

(1) administer oaths, take depositions, subpoena and compel the attendance of witnesses, and require the production of evidence;

(2) allow parties to enter upon lands of other parties for the purposes of inspecting and investigating conditions related to the matter before the Board or Commission;

(3) enter upon lands for the purpose of conducting inspections, investigations, examinations, tests, and site evaluations as it deems necessary to verify information presented in any matter within its jurisdiction; and

(4) apply for and receive grants from the federal government and from other sources.

(b) The powers granted under this chapter are additional to any other powers ~~which~~ that may be granted by other legislation.

(c) ~~The Natural Resources~~ Board may designate or establish ~~such~~ regional offices as it deems necessary to implement the provisions of this chapter and the rules adopted ~~hereunder~~. ~~The Natural Resources~~ Board may designate or require a regional planning commission to receive applications, provide administrative assistance, perform investigations, and make recommendations.

(d) At the request of a District Commission, if the Board Chair determines that the workload in the requesting district is likely to result in unreasonable delays or that the requesting District Commission is disqualified to hear a case, the Chair may authorize the District Commission of another district to sit in the requesting district to consider one or more applications.

(e) ~~The Natural Resources~~ Board may by rule allow joint hearings to be conducted with specified State agencies or specified municipalities.

(f) The Board shall publish its decisions online. The Board may publish online or contract to publish annotations and indices of its decisions, the decisions of the Environmental Division of the Superior Court and the Supreme Court, and the text of those decisions. The published product shall be available at a reasonable rate to the general public and at a reduced rate to libraries and governmental bodies within the State.

(g) ~~The Natural Resources Board shall manage the process by which land use permits are issued under section 6086 of this title, may initiate enforcement on related matters under the provisions of chapters 201 and 211 of this title, and may petition the Environmental Division~~ initiate and hear petitions for revocation of land use permits issued under this chapter. Grounds for revocation are:

(1) noncompliance with this chapter, rules adopted under this chapter, or an order that is issued that relates to this chapter;

(2) noncompliance with any permit or permit condition;

(3) failure to disclose all relevant and material facts in the application or during the permitting process;

(4) misrepresentation of any relevant and material fact at any time;

(5) failure to pay a penalty or other sums owed pursuant to, or other failure to comply with, court order, stipulation agreement, schedule of compliance, or other order issued under Vermont statutes and related to the permit; or

(6) failure to provide certification of construction costs, as required under subsection 6083a(a) of this title, or failure to pay supplemental fees as required under that section.

(h) ~~The Natural Resources Board may~~ shall hear appeals of decisions made by District Commissions and district coordinators, including fee refund requests under section 6083a of this title.

(i) The Chair, subject to the direction of the Board, shall have general charge of the offices and employees of the Board and the offices and employees of the District Commissions.

(j) ~~The Natural Resources Board may participate as a party in all matters before the Environmental Division that relate to land use permits issued under this chapter~~ The Board shall review for compliance regional plans and the future land use maps, including proposed Tier 1B areas, developed by the regional planning commissions pursuant to 24 V.S.A. § 4348a.

(k) The Board shall review applications for Tier 1A areas and approve or disapprove based on whether the application demonstrates compliance with the requirements of section 6034 of this title. The Board shall produce guidelines for municipalities seeking to obtain the Tier 1A area status.

* * *

Sec. 6. 10 V.S.A. § 6022 is amended to read:

§ 6022. PERSONNEL

(a) Regular personnel. The Board may appoint legal counsel, scientists, engineers, experts, investigators, temporary employees, and administrative personnel as it finds necessary in carrying out its duties, ~~unless the Governor shall otherwise provide in providing personnel to assist the District Commissions and in investigating matters within its jurisdiction.~~

(b) Executive Director. The Board shall appoint an Executive Director. The Director shall be a full-time State employee, shall be exempt from the State classified system, and shall serve at the pleasure of the Board. The Director shall be responsible for:

(1) supervising and administering the operation and implementation of this chapter and the rules adopted by the Board as directed by the Board;

(2) assisting the Board in its duties and administering the requirements of this chapter; and

(3) employing any staff as may be required to carry out the functions of the Board.

Sec. 7. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF REVIEW

~~(a) On or before the date of~~ Upon the filing of an application with the District Commission, the applicant District Commission shall send, by electronic means, notice ~~and a copy~~ of the ~~initial~~ application to the owner of the land if the applicant is not the owner; the municipality in which the land is located; the municipal and regional planning commissions for the municipality in which the land is located; the Vermont Agency of Natural Resources; and any adjacent Vermont municipality and municipal and regional planning commission if the land is located on a municipal or regional boundary. ~~The applicant shall furnish to the District Commission the names of those furnished notice by affidavit, and shall post~~ send by electronic means a copy of the notice ~~in~~ to the town clerk's office of the town or towns in which the project lies. The town clerk shall post the notice in the town office. The applicant shall also provide a list of adjoining landowners to the District Commission. Upon request and for good cause, the District Commission may authorize the applicant to provide a partial list of adjoining landowners in accordance with Board rules.

* * *

(e) Any notice for a major or minor application, as required by this section, shall also be published by the District Commission in a local newspaper generally circulating in the area where the development or subdivision is located and on the Board's website not more than ~~ten~~ 10 days after receipt of a complete application.

(f) The applicant shall post a sign provided by the District Commission on the subject property in a visible location 14 days prior to the hearing on the application and until the permit is issued or denied. The District Commission shall provide the sign that shall include a general description of the project, the date and place of the hearing, the identification number of the application and the internet address, and the contact information for the District Commission. The design of the signs shall be consistent throughout the State and prominently state "This Property has applied for an Act 250 Permit."

* * *

Sec. 8. 10 V.S.A. § 6086(f) is amended to read:

(f) Prior to any appeal of a permit issued by a District Commission, any aggrieved party may file a request for a stay of construction with the District Commission together with a declaration of intent to appeal the permit. The stay request shall be automatically granted for 14 days upon receipt and notice to all parties and pending a ruling on the merits of the stay request pursuant to Board rules. The automatic stay shall not extend beyond the 30- day appeal period unless a valid appeal has been filed with the ~~Environmental Division Board~~. The automatic stay may be granted only once under this subsection during the 30-day appeal period. Following appeal of the District Commission decision, any stay request must be filed with the ~~Environmental Division~~ pursuant to the provisions of chapter 220 of this title ~~Board~~. A District Commission shall not stay construction authorized by a permit processed under the Board's minor application procedures.

Sec. 9. 10 V.S.A. § 6086(h) is added to read:

(h) Compliance self-certification. The District Commission may require that a person who receives a permit under this chapter report on a regular schedule to the District Commission on whether or not the person has complied with and is in compliance with the conditions required in that permit. The report shall be made on a form provided by the Board and shall be notarized and contain a self-certification to the truth of statements.

Sec. 10. 10 V.S.A. § 6089 is amended to read:

§ 6089. APPEALS

~~Appeals of any act or decision of a District Commission under this chapter~~

~~or a district coordinator under subsection 6007(c) of this title shall be made to the Environmental Division in accordance with chapter 220 of this title. For the purpose of this section, a decision of the Chair of a District Commission under section 6001e of this title on whether action has been taken to circumvent the requirements of this chapter shall be considered an act or decision of the District Commission.~~

(a)(1) Appeals to the Board. An appeal of any act or decision of a District Commission shall be to the Board and shall be accompanied by a fee prescribed by section 6083a of this title.

(2) Participation before District Commission. A person shall not appeal an act or decision that was made by a District Commission unless the person was granted party status by the District Commission pursuant to subdivision 6085(c)(1)(E) of this title, participated in the proceedings before the District Commission, and retained party status at the end of the District Commission proceedings. In addition, the person may only appeal those issues under the criteria with respect to which the person was granted party status. However, notwithstanding these limitations, a person may appeal an act or decision of the District Commission if the Board determines that:

(A) there was a procedural defect that prevented the person from obtaining party status or participating in the proceeding;

(B) the decision being appealed is the grant or denial of party status;

or

(C) some other condition exists that would result in manifest injustice if the person's right to appeal was disallowed.

(3) Filing the appeal. An appellant to the Board, under this section, shall file with the notice of appeal a statement of the issues to be addressed in the appeal, a summary of the evidence that will be presented, and a preliminary list of witnesses who will testify on behalf of the appellant.

(4) De novo hearing. The Board shall hold a de novo hearing on all findings requested by any party that files an appeal or cross appeal, according to the rules of the Board. The hearing shall be held in the municipality where the project subject to the appeal is located, if possible, or as close as possible.

(5) Notice of appeal. Notice of appeal shall be filed with the Board within 30 days following the act or decision by the District Commission. The Board shall notify the parties who had party status before the District Commission of the filing of any appeal.

(6) Prehearing discovery.

(A) A party may obtain discovery of expert witnesses who may provide testimony relevant to the appeal. Expert witness prefiled testimony shall be in accordance with the Vermont Rules of Evidence. The use of discovery for experts shall comply with the requirements in the Vermont Rules of Civil Procedure 26–37.

(B) Interrogatories served on nonexpert witnesses shall be limited to discovery of the identity of witnesses and a summary of each witness' testimony, except by order of the Board for cause shown. Interrogatories served on expert witnesses shall be in accordance with the Vermont Rules of Civil Procedure.

(C) Parties may submit requests to produce and requests to enter upon land pursuant to the Vermont Rule of Civil Procedure 34.

(D) Parties may not take depositions of witnesses, except by order of the Board for cause shown.

(E) The Board may require a party to supplement, as necessary, any prehearing testimony that is provided.

(b) Prior decisions. Prior decisions of the former Environmental Board, the former Water Resources Board, the former Waste Facilities Panel, and the Environmental Division of the Superior Court shall be given the same weight and consideration as prior decisions of the Land Use Review Board.

(c) Appeals to Supreme Court. An appeal from a decision of the Board under subsection (a) of this section shall be to the Supreme Court by a party as set forth in subsection 6085(c) of this title.

(d) Objections. No objection that has not been raised before the Board may be considered by the Supreme Court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

(e) Appeals of decisions. An appeal of a decision by the Board shall be allowed pursuant to 3 V.S.A. § 815, including the unreasonableness or insufficiency of the conditions attached to a permit. An appeal from the District Commission shall be allowed for any reason, except no appeal shall be allowed when an application has been granted and no hearing was requested.

(f) Precedent. Precedent from the former Environmental Board and of the Land Use Review Board that interpret this chapter shall be provided the same deference by the Supreme Court as precedents accorded to other Executive Branch agencies charged with administering their enabling act. On appeal to the Supreme Court from the Land Use Review Board, decisions of the Land Use Review Board interpreting this act also shall be accorded that deference.

(g) Clearly erroneous. Upon appeal to the Supreme Court, the Board's findings of fact shall be accepted unless clearly erroneous.

(h) Completion of case. A case shall be deemed completed when the Board enters a final decision even though that decision is appealed to the Supreme Court and remanded by that Court.

(i) Court of record; jurisdiction. The Board shall have the powers of a court of record in the determination and adjudication of all matters within its jurisdiction. It may initiate proceedings on any matter within its jurisdiction. It may render judgments and enforce the same by any suitable process issuable by courts in this State. An order issued by the Board on any matter within its jurisdiction shall have the effect of a judicial order. The Board's jurisdiction shall include:

(1) the issuance of declaratory rulings on the applicability of this chapter and rules or orders issued under this chapter, pursuant to 3 V.S.A. § 808; and

(2) the issuance of decisions on appeals pursuant to this section and section 6007 of this title.

Sec. 11. 10 V.S.A. § 6007 is amended to read:

§ 6007. ACT 250 DISCLOSURE STATEMENT; JURISDICTIONAL DETERMINATION

* * *

(c) With respect to the partition or division of land, or with respect to an activity that might or might not constitute development, any person may submit to the district coordinator an "Act 250 Disclosure Statement" and other information required by the rules of the Board and may request a jurisdictional opinion from the district coordinator concerning the applicability of this chapter. If a requestor wishes a final determination to be rendered on the question, the district coordinator, at the expense of the requestor and in accordance with rules of the Board, shall publish notice of the issuance of the opinion in a local newspaper generally circulating in the area where the land that is the subject of the opinion is located and shall serve the opinion on all persons listed in subdivisions 6085(c)(1)(A) through (D) of this title. In addition, the requestor who is seeking a final determination shall consult with the district coordinator and obtain approval of a subdivision 6085(c)(1)(E) list of persons who shall be notified by the district coordinator because they are adjoining property owners or other persons who would be likely to be able to demonstrate a particularized interest protected by this chapter that may be affected by an act or decision by a District Commission.

(d) A person who seeks review of a jurisdictional opinion issued by a district coordinator shall bring to the Board an appeal of issues addressed in the opinion.

(1) The appellant shall provide notice of the filing of an appeal to each person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this title and to each person on an approved subdivision 6085(c)(1)(E) list.

(2) Failure to appeal within 30 days following the issuance of the jurisdictional opinion shall render the decision of the district coordinator under subsection (c) of this section the final determination regarding jurisdiction unless the underlying jurisdictional opinion was not properly served on persons listed in subdivisions 6085(c)(1)(A) through (D) of this title and on persons on a subdivision 6085(c)(1)(E) list approved under subsection (c) of this section.

Sec. 12. 10 V.S.A. § 6083a is amended to read:

§ 6083a. ACT 250 FEES

* * *

(i) All persons filing an appeal, cross appeal, or petition from a District Commission decision or jurisdictional opinion shall pay a fee of \$295.00, plus publication costs, unless the Board approves a waiver of fees based on indigency.

(j) Any municipality filing an application for a Tier 1A area status shall pay a fee of \$295.00.

(k) Any regional planning commission filing a regional plan or future land use map to be reviewed by the Board shall pay a fee of \$295.00.

* * * Appeals * * *

Sec. 13. 10 V.S.A. chapter 220 is amended to read:

CHAPTER 220. CONSOLIDATED ENVIRONMENTAL APPEALS

§ 8501. PURPOSE

It is the purpose of this chapter to:

(1) consolidate existing appeal routes for municipal zoning and subdivision decisions and acts or decisions of the Secretary of Natural Resources, ~~district environmental coordinators, and District Commissions,~~ excluding enforcement actions brought pursuant to chapters 201 and 211 of this title and the adoption of rules under 3 V.S.A. chapter 25;

(2) standardize the appeal periods, the parties who may appeal these acts or decisions, and the ability to stay any act or decision upon appeal, taking into account the nature of the different programs affected;

~~(3) encourage people to get involved in the Act 250 permitting process at the initial stages of review by a District Commission by requiring participation as a prerequisite for an appeal of a District Commission decision to the Environmental Division;~~

~~(4) assure ensure that clear appeal routes exist for acts and decisions of the Secretary of Natural Resources; and~~

~~(5)~~(4) consolidate appeals of decisions related to renewable energy generation plants and telecommunications facilities with review under, respectively, 30 V.S.A. §§ 248 and 248a, with appeals and consolidation of proceedings pertaining to telecommunications facilities occurring only while 30 V.S.A. § 248a remains in effect.

§ 8502. DEFINITIONS

As used in this chapter:

(1) ~~“District Commission” means a District Environmental Commission established under chapter 151 of this title. [Repealed.]~~

(2) ~~“District coordinator” means a district environmental coordinator attached to a District Commission established under chapter 151 of this title. [Repealed.]~~

(3) “Environmental Court” or “Environmental Division” means the Environmental Division of the Superior Court established by 4 V.S.A. § 30.

(4) ~~“Natural Resources Land Use Review Board” or “Board” means the Board established under chapter 151 of this title.~~

(5) “Party by right” means the following:

(A) the applicant;

(B) the landowner, if the applicant is not the landowner;

(C) the municipality in which the project site is located and the municipal and regional planning commissions for that municipality;

(D) if the project site is located on a boundary, any Vermont municipality adjacent to that border and the municipal and regional planning commissions for that municipality;

(E) the solid waste management district in which the land is located, if the development or subdivision constitutes a facility pursuant to subdivision 6602(10) of this title; and

(F) any State agency affected by the proposed project.

(6) “Person” means any individual; partnership; company; corporation; association; joint venture; trust; municipality; the State of Vermont or any agency, department, or subdivision of the State; any federal agency; or any other legal or commercial entity.

(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, attributable to an act or decision by ~~a district coordinator, District Commission,~~ the Secretary, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

(8) “Secretary” means the Secretary of Natural Resources or the Secretary’s duly authorized representative. As used in this chapter, “Secretary” shall also ~~mean~~ means the Commissioner of Environmental Conservation, the Commissioner of Forests, Parks and Recreation, and the Commissioner of Fish and Wildlife, with respect to those statutes that refer to the authority of that commissioner or department.

§ 8503. APPLICABILITY

(a) This chapter shall govern all appeals of an act or decision of the Secretary, excluding enforcement actions under chapters 201 and 211 of this title and rulemaking, under the following authorities and under the rules adopted under those authorities:

* * *

~~(b) This chapter shall govern:~~

~~(1) all appeals from an act or decision of a District Commission under chapter 151 of this title, excluding appeals of application fee refund requests;~~

~~(2) appeals from an act or decision of a district coordinator under subsection 6007(e) of this title;~~

~~(3) appeals from findings of fact and conclusions of law issued by the Natural Resources Board in its review of a designated growth center for conformance with the criteria of subsection 6086(a) of this title, pursuant to authority granted at 24 V.S.A. § 2793e(f). [Repealed.]~~

(c) This chapter shall govern all appeals arising under 24 V.S.A. chapter 117, the planning and zoning chapter.

(d) This chapter shall govern all appeals from an act or decision of the Environmental Division under this chapter.

(e) This chapter shall not govern appeals from rulemaking decisions by the ~~Natural Resources~~ Land Use Review Board under chapter 151 of this title or enforcement actions under chapters 201 and 211 of this title.

(f) This chapter shall govern all appeals of acts or decisions of the legislative body of a municipality arising under 24 V.S.A. chapter 61, subchapter 10, relating to the municipal certificate of approved location for salvage yards.

(g) This chapter shall govern all appeals of an act or decision of the Secretary of Natural Resources that a solid waste implementation plan for a municipality proposed under 24 V.S.A. § 2202a conforms with the State Solid Waste Implementation Plan adopted pursuant to section 6604 of this title.

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

(a) ~~Act 250 and Agency~~ appeals. Within 30 days of the date of following the act or decision, any person aggrieved by an act or decision of the Secretary, ~~a District Commission, or a district coordinator~~ under the provisions of law listed in section 8503 of this title, or any party by right, may appeal to the Environmental Division, except for an act or decision of the Secretary under subdivision 6086b(3)(E) of this title or governed by section 8506 of this title.

* * *

(c) Notice of the filing of an appeal.

(1) ~~Upon filing an appeal from an act or decision of the District Commission, the appellant shall notify all parties who had party status as of the end of the District Commission proceeding, all friends of the Commission, and the Natural Resources Board that an appeal is being filed. In addition, the appellant shall publish notice not more than 10 days after providing notice as required under this subsection, at the appellant's expense, in a newspaper of general circulation in the area of the project that is the subject of the decision. [Repealed.]~~

* * *

(d) Requirement to participate before ~~the District Commission or the~~ Secretary.

(1) ~~Participation before District Commission.—An aggrieved person shall not appeal an act or decision that was made by a District Commission unless the person was granted party status by the District Commission pursuant~~

~~to subdivision 6085(c)(1)(E) of this title, participated in the proceedings before the District Commission, and retained party status at the end of the District Commission proceedings. In addition, the person may only appeal those issues under the criteria with respect to which the person was granted party status. However, notwithstanding these limitations, an aggrieved person may appeal an act or decision of the District Commission if the Environmental judge determines that:~~

~~(A) there was a procedural defect that prevented the person from obtaining party status or participating in the proceeding;~~

~~(B) the decision being appealed is the grant or denial of party status;~~
or

~~(C) some other condition exists that would result in manifest injustice if the person's right to appeal was disallowed. [Repealed.]~~

(2) Participation before the Secretary.

* * *

(e) Act 250 jurisdictional determinations by a district coordinator.

~~(1) The appellant shall provide notice of the filing of an appeal to each person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this title, to each person on an approved subdivision 6085(c)(1)(E) list, and to the Natural Resources Board.~~

~~(2) Failure to appeal within the time required under subsection (a) of this section shall render the decision of the district coordinator under subsection 6007(c) of this title the final determination regarding jurisdiction under chapter 151 of this title unless the underlying jurisdictional opinion was not properly served on persons listed in subdivisions 6085(c)(1)(A) through (D) of this title and on persons on a subdivision 6085(c)(1)(E) list approved under subsection 6007(c) of this title. [Repealed.]~~

* * *

(g) Consolidated appeals. The Environmental Division may consolidate or coordinate different appeals where those appeals all relate to the same project.

* * *

~~(i) Deference to Agency technical determinations. In the adjudication of appeals relating to land use permits under chapter 151 of this title, technical determinations of the Secretary shall be accorded the same deference as they are accorded by a District Commission under subsection 6086(d) of this title. [Repealed.]~~

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

~~(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;~~

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

~~(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days of the date of that decision.~~

(l) Representation. The Secretary may represent the Agency of Natural Resources in all appeals under this section. ~~The Chair of the Natural Resources Board may represent the Board in any appeal under this section, unless the Board directs otherwise.~~ If more than one State agency, other than the Board, either appeals or seeks to intervene in an appeal under this section, only the Attorney General may represent the interests of those agencies of the State in the appeal.

(m) Precedent. Prior decisions of the former Environmental Board, Water Resources Board, and Waste Facilities Panel shall be given the same weight and consideration as prior decisions of the Environmental Division.

(n) Intervention. Any person may intervene in a pending appeal if that person:

(1) appeared as a party in the action appealed from and retained party status;

(2) is a party by right;

(3) ~~is the Natural Resources Board; [Repealed.]~~

(4) is a person aggrieved, as defined in this chapter;

(5) qualifies as an “interested person,” as established in 24 V.S.A. § 4465, with respect to appeals under 24 V.S.A. chapter 117; or

(6) meets the standard for intervention established in the Vermont Rules of Civil Procedure.

(o) With respect to review of an act or decision of the Secretary pursuant to 3 V.S.A. § 2809, the Division may reverse the act or decision or amend an allocation of costs to an applicant only if the Division determines that the act, decision, or allocation was arbitrary, capricious, or an abuse of discretion. In the absence of such a determination, the Division shall require the applicant to pay the Secretary all costs assessed pursuant to 3 V.S.A. § 2809.

(p) Administrative record. The Secretary shall certify the administrative record as defined in chapter 170 of this title and shall transfer a certified copy of that record to the Environmental Division when:

(1) there is an appeal of an act or decision of the Secretary that is based on that record; or

~~(2) there is an appeal of a decision of a District Commission, and the applicant used a decision of the Secretary based on that record to create a presumption under a criterion of subsection 6086(a) of this title that is at issue in the appeal.~~

§ 8505. APPEALS TO THE SUPREME COURT

(a) Any person aggrieved by a decision of the Environmental Division pursuant to this subchapter, any party by right, or any person aggrieved by a decision of the Land Use Review Board may appeal to the Supreme Court within 30 days ~~of~~ following the date of the entry of the order or judgment appealed from, provided that:

(1) the person was a party to the proceeding before the Environmental Division; or

(2) the decision being appealed is the denial of party status; or

(3) the Supreme Court determines that:

(A) there was a procedural defect that prevented the person from participating in the proceeding; or

(B) some other condition exists that would result in manifest injustice if the person's right to appeal were disallowed.

* * *

* * * Environmental Division * * *

Sec. 14. 4 V.S.A. § 34 is amended to read:

§ 34. JURISDICTION; ENVIRONMENTAL DIVISION

The Environmental Division shall have:

(1) jurisdiction of matters arising under 10 V.S.A. chapters 201 and 220;

and

(2) jurisdiction of matters arising under 24 V.S.A. chapter 61, subchapter 12 and 24 V.S.A. chapter 117; and

~~(3) original jurisdiction to revoke permits under 10 V.S.A. chapter 151.~~

* * * Transition; Revision Authority * * *

Sec. 15. LAND USE REVIEW BOARD POSITIONS; APPROPRIATION

(a) The following new positions are created at the Land Use Review Board for the purposes of carrying out this act:

(1) two Staff Attorneys; and

(2) four full-time Land Use Review Board members.

(b) In fiscal year 2025, \$112,500.00 is appropriated from the General Fund to the Natural Resources Board for the attorney positions established in subdivision (a)(1) of this section.

Sec. 16. NATURAL RESOURCES BOARD TRANSITION

(a) The Governor shall appoint the members of Land Use Review Board on or before July 1, 2025, and the terms of any Natural Resources Board member not appointed consistent with the requirements of 10 V.S.A. § 6021(a)(1)(A) or (B) shall expire on that day.

(b) As of July 1, 2025, all appropriations and employee positions of the Natural Resources Board are transferred to the Land Use Review Board.

(c) The Land Use Review Board shall adopt rules of procedure for its hearing process pursuant to 10 V.S.A. § 6025(a) on or before October 1, 2026.

Sec. 17. ENVIRONMENTAL DIVISION; CONTINUED JURISDICTION

Notwithstanding the repeal of its jurisdictional authority to hear appeals relative to land use permits under Sec. 13 of this act, the Environmental Division of the Superior Court shall continue to have jurisdiction to complete its consideration of any appeal that is pending before it as of October 1, 2026 if the act or appeal has been filed. The Land Use Review Board shall have authority to be a party in any appeals pending under this section until October 1, 2026.

Sec. 18. REVISION AUTHORITY

In preparing the Vermont Statutes Annotated for publication in 2025, the Office of Legislative Counsel shall replace all references to the “Natural Resources Board” with the “Land Use Review Board” in Title 3, Title 10, Title 24, Title 29, Title 30, and Title 32.

* * * Forest Blocks * * *

Sec. 19. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(47) “Habitat connector” means land or water, or both, that links patches of habitat within a landscape, allowing the movement, migration, and dispersal of wildlife and plants and the functioning of ecological processes. A habitat connector may include features including recreational trails and improvements constructed for farming, logging, or forestry purposes.

(48) “Forest block” means a contiguous area of forest in any stage of succession and not currently developed for nonforest use. A forest block may include features including recreational trails, wetlands, or other natural features that do not themselves possess tree cover and improvements constructed for farming, logging, or forestry purposes.

(49) “Habitat” means the physical and biological environment in which a particular species of plant or wildlife lives.

Sec. 20. 10 V.S.A. § 6086(a)(8) is amended to read:

(8) Ecosystem protection; scenic beauty; historic sites.

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

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

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

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

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

(C) Forest blocks and habitat connectors. A permit will not be granted for a development or subdivision within or partially within a forest block or habitat connector unless the applicant demonstrates that a project will not result in an undue adverse impact on the forest block or habitat connector. If a project as proposed would result in an undue adverse impact, a permit may only be granted if effects are avoided, minimized, or mitigated as allowed in accordance with rules adopted by the Board.

Sec. 21. CRITERION 8(C) RULEMAKING

(a) The Land Use Review Board (Board), in collaboration with the Agency of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6086(a)(8)(C). It is the intent of the General Assembly that these rules discourage fragmentation of the forest blocks and habitat connectors by encouraging clustering of development. Rules adopted by the Board shall include:

(1) How forest blocks and habitat connectors are further defined, including their size, location, and function, which may include:

(A) information that will be available to the public to determine where forest blocks and habitat connectors are located; or

(B) advisory mapping resources, how they will be made available, how they will be used, and how they will be updated.

(2) Standards establishing how impacts can be avoided or minimized, including how fragmentation of forest blocks or habitat connectors is avoided or minimized, which may include steps to promote proactive site design of buildings, roadways and driveways, utility location, and location relative to existing features such as roads, tree lines, and fence lines.

(3)(A) As used in this section “fragmentation” generally means dividing land that has naturally occurring vegetation and ecological processes into smaller areas as a result of land uses that remove vegetation and create physical barriers that limit species’ movement and interrupt ecological processes between previously connected natural vegetation. However, the rules shall further define “fragmentation” for purposes of avoiding, minimizing, and mitigating undue adverse impacts on forest blocks and habitat connectors. “Fragmentation” does not include the division or conversion of a forest block or habitat connector by an unpaved recreational trail or by improvements constructed for farming, logging, or forestry purposes below the elevation of 2,500 feet.

(B) As used in this subsection (a), “recreational trail” has the same meaning as “trails” in 10 V.S.A. § 442.

(4) Criteria to identify the circumstances when a forest block or habitat connector is eligible for mitigation. As part of this, the criteria shall identify the circumstances when the function, value, unique sensitivity, or location of the forest block or habitat connector would not allow mitigation.

(5) Standards for how impacts to a forest block or habitat connector may be mitigated. Standards may include:

(A) appropriate ratios for compensation;

(B) appropriate forms of compensation such as conservation easements, fee interests in land, and other forms of compensation; and

(C) appropriate uses of on-site and off-site mitigation.

(b) The Board shall convene a working group of stakeholders to provide input to the rule prior to prefilng with the Interagency Committee on Administrative Rules. The Board shall convene the working group on or before July 1, 2025.

(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before June 15, 2026.

Sec. 22. 10 V.S.A. § 127 is amended to read:

§ 127. RESOURCE MAPPING

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

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

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

* * * Wood Products Manufacturers * * *

Sec. 23. 10 V.S.A. § 6093 is amended to read:

§ 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

(a) Mitigation for loss of primary agricultural soils. Suitable mitigation for the conversion of primary agricultural soils necessary to satisfy subdivision 6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.

* * *

(5) Wood products manufacturers. Notwithstanding any provision of this chapter to the contrary, a conversion of primary agricultural soils by a wood products manufacturing facility shall be allowed to pay a mitigation fee computed according to the provisions of subdivision (1) of this subsection, except that it shall be entitled to a ratio of 1:1 protected acres to acres of affected primary agricultural soil.

* * *

* * * Road Rule * * *

Sec. 24. 10 V.S.A. § 6001(3)(A)(xii) is added to read:

(xii) The construction of a road or roads and any associated driveways to provide access to or within a tract of land owned or controlled by a person. For the purposes of determining jurisdiction under this subdivision, any new development or subdivision on a parcel of land that will be provided access by the road and associated driveways is land involved in the construction of the road.

(I) Jurisdiction under this subdivision shall not apply unless the length of any single road is greater than 800 feet, or the length of all roads and any associated driveways in combination is greater than 2,000 feet.

(II) As used in this subdivision (xii), “roads” shall include any new road or improvement to a class 4 town highway by a person other than a municipality, including roads that will be transferred to or maintained by a municipality after their construction or improvement.

(III) For the purpose of determining the length of any road and associated driveways, the length of all other roads and driveways within the tract of land constructed after July 1, 2026 shall be included.

(IV) This subdivision (xi) shall not apply to:

(aa) a State or municipal road, a utility corridor of an electric transmission or distribution company, or a road used primarily for farming or forestry purposes; and

(bb) development within a Tier 1A area established in accordance with section 6034 of this title or a Tier 1B area established in accordance with section 6033 of this title

(V) The conversion of a road used for farming or forestry purposes that also meets the requirements of this subdivision (xi) shall constitute development.

(VI) The intent of this subdivision (xii) is to encourage the design of clustered subdivisions and development that does not fragment Tier 2 areas or Tier 3 areas.

Sec. 25. RULEMAKING; ROAD CONSTRUCTION

The Natural Resources Board may adopt rules after consulting with stakeholders, providing additional specificity to the necessary elements of 10 V.S.A. § 6001(3)(A)(xii). It is the intent of the General Assembly that any rules encourage the design of clustered subdivisions and development that does not fragment Tier 2 areas or Tier 3 areas.

* * * Location-Based Jurisdiction * * *

Sec. 26. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

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

(i) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than 10 acres of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has adopted permanent zoning and subdivision bylaws.

(ii) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has not adopted permanent zoning and subdivision bylaws.

(iii) The construction of improvements for commercial or industrial purposes on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a municipality that has adopted permanent zoning and subdivision bylaws, if the municipality in which the proposed project is located has elected by ordinance, adopted under 24 V.S.A. chapter 59, to have this jurisdiction apply.

(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:

* * *

(vi) The construction of improvements for commercial, industrial, or residential use at or above the elevation of 2,500 feet.

* * *

(xiii) The construction of improvements for commercial, industrial, or residential purposes in a Tier 3 area as determined by rules adopted by the Board.

* * *

(45) “Tier 2” means an area that is not a Tier 1 area or a Tier 3 area.

(46) “Tier 3” means an area consisting of critical natural resources defined by the rules of the Board. The Board’s rules shall at a minimum determine whether and how to protect river corridors, headwater streams, habitat connectors of statewide significance, riparian areas, class A waters, natural communities, and other critical natural resources.

Sec. 27. TIER 3 RULEMAKING

(a) The Land Use Review Board, in consultation with the Secretary of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46). It is the intent of the General Assembly that these rules identify critical natural resources for protection. The Board shall review the definition of Tier 3 area,

determine the critical natural resources that shall be included in Tier 3, giving due consideration to river corridors, headwater streams, habitat connectors of statewide significance, riparian areas, class A waters, natural communities, recommend any additional critical natural resources that should be added to the definition, and how to define the boundaries. Rules adopted by the Board shall include:

(1) any necessary clarifications to how the Tier 3 definition is used in 10 V.S.A. chapter 151;

(2) any necessary changes to how 10 V.S.A. § 6001(3)(A)(xiii) should be administered, and when jurisdiction should be triggered to protect the functions and values of resources of critical natural resources;

(3) the process for how Tier 3 areas will be mapped or identified by the Agency of Natural Resources and the Board; and

(4) other policies or programs that shall be developed to review development impacts to Tier 3 areas if they are not included in 10 V.S.A. § 6001(46).

(b) On or before January 1, 2025, the Board shall convene a working group of stakeholders to provide input to the rule prior to prefiling with the Interagency Committee on Administrative Rules. The working group shall include representation from regional planning commissions, environmental groups, science and ecological research organizations, woodland or forestry organizations, the Vermont Housing and Conservation Board, the Vermont Chamber of Commerce, the League of Cities of Towns, the Land Access and Opportunity Board, and other stakeholders, such as the Vermont Ski Areas Association, the Department of Taxes, Division of Property Valuation and Review, the Department of Forests, Parks and Recreation, the Department of Environmental Conservation, the Department of Fish and Wildlife, the Vermont Woodlands Association, and the Professional Logging Contractors of the Northeast.

(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before February 1, 2026.

(d) During the rule development, the stakeholder group established under subsection (b) of this section shall solicit participation from representatives of municipalities and landowners that host Tier 3 critical resource areas on their properties to determine the responsibilities and education needed to understand, manage, and interact with the resources.

* * * Tier 1 Areas * * *

Sec. 28. 10 V.S.A. § 6001(3)(A)(xi) is amended to read:

~~(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.~~

Sec. 29. 10 V.S.A. § 6001(3)(D)(viii)(III) is amended to read:

(III) Notwithstanding any other provision of law to the contrary, until July 1, ~~2026~~ 2027, the construction of a priority housing project located entirely within a designated downtown development district, designated neighborhood development area, or a designated growth center or within one-half mile around such designated center provided it is within the same municipality as the designated center.

Sec. 30. 2023 Acts and Resolves No. 47, Sec. 16a is amended to read:

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~~ 2027. The jurisdictional opinion shall require the project to substantially complete construction on or before June 30, 2029 in order to remain exempt.

Sec. 31. REPEAL

2023 Acts and Resolves No. 47, Sec. 19c is repealed.

Sec. 32. 10 V.S.A. § 6081(y) is added to read:

(y) ~~No~~ Until December 31, 2030, 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.

Sec. 33. 10 V.S.A. § 6033 is added to read:

§ 6033. REGIONAL PLAN FUTURE LAND USE MAP REVIEW

(a) The Board shall review requests from regional planning commissions to approve or disapprove portions of future land use maps for the purposes of changing jurisdictional thresholds under this chapter by identifying areas on future land use maps for Tier 1B area status and to approve designations pursuant to 24 V.S.A. chapter 139. The Board may produce guidelines for regional planning commissions seeking Tier 1B area status. If requested by the regional planning commission, the Board shall complete this review concurrently with regional plan approval. A request for Tier 1B area status made by a regional planning commission separate from regional plan approval shall follow the process set forth in 24 V.S.A. § 4348.

(b) The Board shall review the portions of future land use maps that include downtowns or village centers, planned growth areas, and village areas to ensure they meet the requirements under 24 V.S.A. §§ 5803 and 5804 for designation as downtown and village centers and neighborhood areas.

(c) To obtain a Tier 1B area status under this section, the regional planning commission shall demonstrate to the Board that the municipalities with Tier 1B areas meet the requirements for village areas included in 24 V.S.A. § 4348a(a)(12)(C). A municipality may have multiple noncontiguous areas receive Tier 1B area status.

(d) A municipality that is eligible for Tier 1B status may formally request of the Board that they be excluded from Tier 1B area status if the municipality has elected by ordinance adopted under 24 V.S.A. chapter 59.

Sec. 34. 10 V.S.A. § 6034 is added to read:

§ 6034. TIER 1A AREA STATUS

(a) Application and approval.

(1) Beginning on January 1, 2026, a municipality, by resolution of its legislative body, may apply to the Land Use Review Board for Tier 1A status for the area of the municipality that is suitable for dense development and meets the requirements of subsection (b) of this section. A municipality may apply for multiple noncontiguous areas to be receive Tier 1A area status. Applications may be submitted at different times.

(2) The Board shall issue an affirmative determination on finding that the municipality meets the requirements of subsection (b) of this section within 45 days after the application is received.

(b) Tier 1A area status requirements.

(1) To obtain a Tier 1A area status under this section, a municipality shall demonstrate to the Board that

(A) The boundaries are consistent with downtown or village centers and planned growth areas as defined 24 V.S.A. § 4348a(a)(12) in an approved regional plan future land use map with any minor amendments.

(B) The municipality has adopted flood hazard and river corridor bylaws, applicable to the entire municipality, that are consistent with or stronger than the standards established pursuant to subsection 755(b) of this title (flood hazard) and subsection 1428(b) of this title (river corridor) or the proposed Tier 1A area excludes the flood hazard areas and river corridor.

(C) Permanent zoning and subdivision bylaws that do not include broad exemptions that exclude significant private or public land development from requiring a municipal land use permit.

(D) The municipality has permanent land development regulations for the Tier 1A area that further the smart growth principles of 24 V.S.A. chapters 76A, adequately regulate the physical form and scale of development, and provide reasonable provision for a portion of the areas with sewer and water to allow at least four stories, and conform to the guidelines established by the Board.

(E) The Tier 1A area is compatible with the character of adjacent National Register Historic Districts, National or State Register Historic Sites, and other significant cultural and natural resources identified by local or State government.

(F) To the extent that they are not covered under State permits, the municipality has identified and planned for the maintenance of significant natural communities, rare, threatened, and endangered species located in the Tier 1A area or excluded those areas from the Tier 1 A area.

(G) Public water and wastewater systems or planned improvements have the capacity to support additional development within the Tier 1A area.

(2) If any party entitled to notice under subdivision (c)(3)(A) of this section or any resident of the municipality raises concerns about the municipality's compliance with the requirements, those concerns shall be addressed as part of the municipality's application.

(c) Process for issuing determinations of Tier 1A area status.

(1) A preapplication meeting shall be held with the Board staff, municipal staff, and staff of the relevant regional planning commission (RPC) to review the requirements of subsection (b) of this section. The meeting shall be held in person or electronically.

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

(3) After receipt of a complete final application, the Land Use Review Board shall convene a public hearing in the municipality to consider whether to issue a determination of Tier 1A area status under this section.

(A) Notice.

(i) At least 35 days in advance of the Board's meeting, the regional planning commission shall post notice of the meeting on its website.

(ii) The municipality shall publish notice of the meeting 30 days and 15 days in advance of the 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 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, on the websites of the municipality and the regional planning commission, and on any relevant e-mail lists or social media that the municipality uses.

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

(v) Notice of an application for Tier 1A area status shall be delivered physically or electronically with proof of receipt or sent by certified mail, return receipt requested, to each of the following:

(I) the chair of the legislative body of each adjoining municipality;

(II) the executive director of each abutting regional planning commission;

(III) the Department of Housing and Community Development and the Community Investment Board for a formal review and comment; and

(IV) business, conservation, low-income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned.

(B) No defect in the form or substance of any requirements of this subsection (c) shall invalidate the action of the 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 Board itself, the municipality shall issue new posting and notice, and the Board shall hold a new hearing and take a new action.

(4) The 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.

(5) 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 status.

(1) Initial determination of status may be made at any time. Thereafter, review of a status shall occur every eight years with a check-in after four years.

(2) The Board, on its motion, may review compliance with the Tier 1A area requirements at more frequent intervals.

(3) If at any time the Board determines that the Tier 1A area no longer meets the standards for the status, it shall take one of the following actions:

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

(B) terminate the status.

(e) Appeal.

(1) An interested person may appeal any act or decision of the Board under this section to the Supreme 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 title to or occupying property within or abutting the Tier 1A area.

(B) The municipality making the application or a municipality that adjoins the municipality making the application.

(C) The RPC for the region that includes the Tier 1A area or a RPC whose region adjoins the municipality in which the Tier 1A area is located.

(D) Any 20 persons who, by signed petition, allege that the decision is not in accord with the requirements of this chapter, and who own or occupy real property located within the municipality in which the Tier 1A area is located or an adjoining municipality. The petition must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. The designated representative must have participated in the public hearing described in subdivision (c)(3) of this section.

(E) Any person entitled to receive notice under this section that participated in the Board's hearing on an application.

Sec. 35. TIER 1A AREA GUIDELINES

On or before January 1, 2026, the Land Use Review Board shall publish guidelines to direct municipalities seeking to obtain the Tier 1A area status.

Sec. 36. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality 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:

* * *

(2) A land use plan, which shall consist of a map and statement of present and prospective land uses, that:

* * *

(C) Identifies those areas, if any, proposed for designation under chapter 76A of this title and for status under 10 V.S.A. §§ 6033 and 6034, together with, for each area proposed for designation, an explanation of how the designation would further the plan's goals and the goals of section 4302 of this title, and how the area meets the requirements for the type of designation to be sought.

* * *

Sec. 37. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(z)(1) Notwithstanding any other provision of this chapter to the contrary, no permit or permit amendment is required for any subdivision, development, or change to an existing project that is located entirely within a Tier 1A area under section 6034 of this chapter.

(2) Notwithstanding any other provision of this chapter to the contrary, no permit or permit amendment is required within a Tier 1B area approved by the Board under section 6033 of this chapter for 50 units or fewer of housing on a tract or tracts of land involving 10 acres or less or for mixed-use development with 50 units or fewer of housing on a tract or tracts of land involving 10 acres or less.

(3) Upon receiving notice and a copy of the permit issued by an appropriate municipal panel pursuant to 24 V.S.A. § 4460(f), a previously issued permit for a development or subdivision located in a Tier 1A area shall remain attached to the property. However, neither the Board nor the Agency of Natural Resources shall enforce the permit or assert amendment jurisdiction on the tract or tracts of land unless the designation is revoked or the municipality has not taken any reasonable action to enforce the conditions of the permit.

(aa) No permit amendment is required for the construction of improvements for a hotel or motel converted to permanently affordable housing developments as defined in 24 V.S.A. § 4303(2).

(bb) Until July 1, 2027, no permit or permit amendment is required for the construction of improvements for an accessory dwelling unit as defined in 24 V.S.A. §§ 4303 and 4412.

(cc) Until July 1, 2027, no permit amendment is required for the construction of improvements for converting a structure used for a commercial purpose to 29 or fewer housing units.

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until July 1, 2027, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 75 or units fewer, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district or within one-half mile of its boundary provided it is located within the same municipality, a designated new town center, a designated growth center, or a designated neighborhood development area. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within in mapped river corridors and floodplains.

(2) Notwithstanding any other provision of law to the contrary, until July 1, 2027, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile

homes, with 50 or fewer units, constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within a designated village center with permanent zoning and subdivision bylaws or within one-quarter mile of its boundary provided it is located within the same municipality or located entirely within areas of municipalities that are within a census-designated urbanized area with over 50,000 residents and within one-quarter miles of a transit route. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within in mapped river corridors and floodplains.

Sec. 38. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(g)(1) This subsection shall apply to a subdivision or development that:

(A) was previously permitted pursuant to 10 V.S.A. chapter 151;

(B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and

(C) has applied for a permit or permit amendment required by zoning regulations or bylaws adopted pursuant to this subchapter.

(2) The appropriate municipal panel reviewing a municipal permit or permit amendment pursuant to this subsection shall include conditions contained within a permit previously issued pursuant to 10 V.S.A. chapter 151 unless the panel determines that the permit condition pertains to any of the following:

(A) the construction phase of the project that has already been constructed;

(B) compliance with another State permit that has independent jurisdiction;

(C) federal or State law that is no longer in effect or applicable;

(D) an issue that is addressed by municipal regulation and the project will meet the municipal standards; or

(E) a physical or use condition that is no longer in effect or applicable or that will no longer be in effect or applicable once the new project is approved.

(3) After issuing or amending a permit containing conditions pursuant to this subsection, the appropriate municipal panel shall provide notice and a copy of the permit to the Land Use Review Board.

(4) The appropriate municipal panel shall comply with the notice and hearing requirements provided in subdivision 4464(a)(1) of this title. In addition, notice shall be provided to those persons requiring notice under 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

(5) The appropriate municipal panel's decision shall be issued in accordance with subsection 4464(b) of this title and shall include specific findings with respect to its determinations pursuant to subdivision (2) of this subsection.

(6) Any final action by the appropriate municipal panel affecting a condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall be recorded in the municipal land records.

(h) Within a Tier 1A area, the appropriate municipal panel shall enforce any existing permits issued under 10 V.S.A. chapter 151 that has not had its permit conditions transferred to a municipal permit pursuant to subsection (g) of this section.

Sec. 39. TIER 2 AREA REPORT

(a) On or before February 15, 2026, the Land Use Review Board, shall report recommendations to address Act 250 jurisdiction in Tier 2 areas. The recommendations shall:

(1) recommend statutory changes to address fragmentation of rural and working lands while allowing for development;

(2) address how to apply location-based jurisdiction to Tier 2 areas while meeting the statewide planning goals, including how to address commercial development and which shall also include:

(A) review of the effectiveness of mitigation of impacts on primary agricultural soils and making recommendations for how to improve protections for this natural resource;

(B) review of the effectiveness of jurisdictional triggers for development of retail and service businesses outside village centers, and criterion 9(L), in addressing sprawl and strip development, and how to improve the effectiveness of criterion 9(L); and

(C) review of whether and how Act 250 jurisdiction over commercial activities on farms should be revised, including accessory on-farm businesses.

(b) The report shall be submitted to the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment and Energy and the Senate Committees on Agriculture and on Natural Resources and Energy.

Sec. 40. WOOD PRODUCTS MANUFACTURERS REPORT

(a) The Natural Resources Board, in consultation with the Department of Forests, Parks and Recreation, shall convene a stakeholder group to report on how to address the Act 250 permitting process to better support wood products manufacturers and their role in the forest economy.

(b) The group shall examine the Act 250 permitting process and identify how the minor permit process provided for in 10 V.S.A. § 6084(g) has been working and whether there are shortcomings or challenges.

(c) The group may look at permitting holistically to understand the role of permits from the Agency of Natural Resources, municipal permits, where they apply, and Act 250 permits and develop recommendations to find efficiencies in the entire process or recommend an alternative permitting process for wood products manufacturers.

(d) On or before December 15, 2024, the Natural Resources Board shall submit the report to the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment and Energy and the Senate Committee on Natural Resources and Energy.

Sec. 41. LOCATION-BASED JURISDICTION REVIEW

On or before February 1, 2029, the Land Use Review Board shall review and report on the new Tier jurisdiction framework used to establish location-based jurisdiction for 10 V.S.A. chapter 151. The Board shall report on the outcomes and outline successes and any changes that are needed. The Board shall undertake an in-depth review of the Act 250 updates, including the duties and responsibilities of all the staff and the Board itself, specifically whether the updates have reduced appeals and whether the updates have created more equity and cohesion amongst the District Commissions and district coordinators.

Sec. 42. AFFORDABLE HOUSING DEVELOPMENT REGULATORY INCENTIVES STUDY

(a) The Department of Housing and Community Development, the Vermont Housing and Conservation Board, the Land Access and Opportunity Board, and the Vermont Housing Finance Agency shall:

(1) engage with diverse stakeholders including housing developers, local government officials, housing advocacy organizations, financial institutions, and community members to identify regulatory policies that incentivize mixed-income, mixed-use development and support affordable housing production as a percentage of new housing units in communities throughout the State, including examining the impact of inclusionary zoning;

and

(2) develop recommendations for legislative, regulatory, and administrative actions to improve and expand affordable housing development incentives within State designated areas.

(b) On or before December 15, 2024, the Department of Housing and Community Development shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy and the House Committees on General and Housing and on Environment and Energy with its findings and recommendations.

Sec. 43. POSITION; DEPARTMENT OF FISH AND WILDLIFE

In fiscal year 2025, \$125,000.00 is appropriated from the General Fund to the Department of Fish and Wildlife, Wildlife Division for one new permanent classified Biologist position to assist the Department in supporting the implementation of this act.

* * * Future Land Use Maps * * *

Sec. 44. 24 V.S.A. § 4302 is amended to read:

§4302. PURPOSE; GOALS

* * *

(c) In addition, this chapter shall be used to further the following specific goals:

(1) To plan development so as to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside.

(A) Intensive residential development should be encouraged primarily in ~~areas related to community centers~~ downtown centers , village centers, planned growth areas, and village areas as described in section 4348a of this title, and strip development along highways should be ~~discouraged~~ avoided. These areas should be planned so as to accommodate a substantial majority of housing needed to reach the housing targets developed for each region pursuant to subdivision 4348a(a)(9) of this title.

(B) Economic growth should be encouraged in locally and regionally designated growth areas, employed to revitalize existing village and urban centers, or both, ~~and should be encouraged in growth centers designated under chapter 76A of this title.~~

(C) Public investments, including the construction or expansion of infrastructure, should reinforce the ~~general character and~~ planned growth patterns of the area.

(D) Development should be undertaken in accordance with smart growth principles as defined in subdivision 2791(13) of this title.

* * *

(5) To identify, protect, and preserve important natural and historic features of the Vermont landscape, including:

(A) significant natural and fragile areas;

(B) outstanding water resources, including lakes, rivers, aquifers, shorelands, and wetlands;

(C) significant scenic roads, waterways, and views;

(D) important historic structures, sites, or districts, archaeological sites, and archaeologically sensitive areas.

(6) To maintain and improve the quality of air, water, wildlife, forests, and other land resources.

(A) Vermont's air, water, wildlife, mineral, and land resources should be planned for use and development according to the principles set forth in 10 V.S.A. § 6086(a).

(B) Vermont's water quality should be maintained and improved according to the policies and actions developed in the basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253.

(C) Vermont's forestlands should be managed so as to maintain and improve forest blocks and habitat connectors.

* * *

(11) To ensure the availability of safe and affordable housing for all Vermonters.

(A) Housing should be encouraged to meet the needs of a diversity of social and income groups in each Vermont community, particularly for those citizens of low and moderate income, and consistent with housing targets provided for in subdivision 4348a(a)(9) of this title.

(B) New and rehabilitated housing should be safe, sanitary, located conveniently to employment and commercial centers, and coordinated with the provision of necessary public facilities and utilities.

(C) Sites for ~~multi-family~~ multifamily and manufactured housing should be readily available in locations similar to those generally used for single-family ~~conventional~~ dwellings.

(D) Accessory ~~apartments~~ dwelling units within or attached to single-family residences ~~which that~~ provide affordable housing in close proximity to cost-effective care and supervision for relatives, elders, or persons who have a disability should be allowed.

* * *

(14) To encourage flood resilient communities.

(A) New development in identified flood hazard, ~~fluvial erosion~~, and river corridor protection areas should be avoided. If new development is to be built in such areas, it should not exacerbate flooding and fluvial erosion.

(B) The protection and restoration of floodplains and upland forested areas that attenuate and moderate flooding and fluvial erosion should be encouraged.

(C) Flood emergency preparedness and response planning should be encouraged.

(15) To equitably distribute environmental benefits and burdens as described in 3 V.S.A. chapter 72.

* * *

Sec. 45. 24 V.S.A. § 4345a is amended to read:

§ 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

A regional planning commission created under this chapter shall:

* * *

(5) Prepare a regional plan and amendments that are consistent with the goals established in section 4302 of this title, and compatible with approved municipal and adjoining regional plans. When preparing a regional plan, the regional planning commission shall:

(A) develop and carry out a process that will encourage and enable widespread citizen involvement and meaningful participation, as defined in 3 V.S.A. § 6002;

(B) develop a regional data base that is compatible with, useful to, and shared with the geographic information system established under 3 V.S.A. § 20;

(C) conduct capacity studies;

(D) identify areas of regional significance. Such areas may be, but are not limited to, historic sites, earth resources, rare and irreplaceable natural areas, recreation areas, and scenic areas;

(E) ~~use a land evaluation and site assessment system, that shall at a minimum use the criteria established by the Secretary of Agriculture, Food and Markets under 6 V.S.A. § 8, to identify viable agricultural lands~~ consider the potential environmental benefits and environmental burdens, as defined in 3 V.S.A. §6002, of the proposed plan;

(F) consider the probable social and economic benefits and consequences of the proposed plan; and

(G) prepare a report explaining how the regional plan is consistent with the goals established in section 4302 of this title.

* * *

(11) Review proposed State capital expenditures prepared pursuant to 32 V.S.A. chapter 5 and the Transportation Program prepared pursuant to 19 V.S.A. chapter 1 for compatibility and consistency with regional plans and submit comments to the Secretaries of Transportation and Administration and the legislative committees of jurisdiction.

* * *

(17) As part of its regional plan, define a substantial regional impact, as the term may be used with respect to its region. This definition shall be given ~~due consideration~~ substantial deference, where relevant, in State regulatory proceedings.

* * *

Sec. 46. 24 V.S.A. § 4347 is amended to read:

§ 4347. PURPOSES OF REGIONAL PLAN

A regional plan shall be made with the general purpose of guiding and accomplishing a coordinated, efficient, equitable, and economic development of the region ~~which that~~ will, in accordance with the present and future needs and resources, best promote the health, safety, order, convenience, prosperity, and welfare of ~~the~~ the current and future inhabitants as well as efficiency and economy in the process of development. This general purpose includes recommending a distribution of population and of the uses of the land for urbanization, trade, industry, habitation, recreation, agriculture, forestry, and other uses as will tend to:

(1) create conditions favorable to transportation, health, safety, civic activities, and educational and cultural opportunities;

(2) reduce the wastes of financial, energy, and human resources ~~which that~~ result from either excessive congestion or excessive scattering of population;

(3) promote an efficient and economic utilization of drainage, energy, sanitary, and other facilities and resources;

(4) promote the conservation of the supply of food, water, energy, and minerals;

(5) promote the production of food and fiber resources and the reasonable use of mineral, water, and renewable energy resources; ~~and~~

(6) promote the development of housing suitable to the needs of the region and its communities; ~~and~~

(7) help communities equitably build resilience to address the effects of climate change through mitigation and adaptation consistent with the Vermont Climate Action Plan adopted pursuant to 10 V.S.A. § 592 and 3 V.S.A. chapter 72.

Sec. 47. 24 V.S.A. § 4348 is amended to read:

§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

(a) A regional planning commission shall adopt a regional plan. Any plan for a region, and any amendment thereof, shall be prepared by the regional planning commission. At the outset of the planning process and throughout the process, regional planning commissions shall solicit the participation of each of their member municipalities, local citizens, and organizations by holding informal working sessions that suit the needs of local people. The purpose of these working sessions is to allow for meaningful participation as defined in 3 V.S.A. § 6002, provide consistent information about new statutory requirements related to the regional plan, explain the reasons for new requirements, and gather information to be used in the development of the regional plan and future land use element.

(b) 60 days prior to holding the first public hearing on a regional plan, a regional planning commission shall submit a draft regional plan to the Land Use Review Board review and comments related to conformance of the draft with sections 4302 and 4348a of this title and chapter 139 of this title. The Board shall coordinate with other State agencies and respond within 60 days unless more time is granted by the regional planning commission.

(c) The regional planning commission shall hold two or more public hearings within the region after public notice on any proposed plan or amendment. The minimum number of required public hearings may be specified within the bylaws of the regional planning commission.

~~(e)~~~~(d)~~(1) At least 30 days prior to the first hearing, a copy of the proposed plan or amendment, a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter, and a description of any changes to the Regional Future Land Use Map with a request for general comments and for specific comments with respect to the extent to which the plan or amendment is consistent with the goals established in section 4302 of this title, shall be delivered physically or electronically with proof of receipt or sent by certified mail, return receipt requested, to each of the following:

~~(1)~~(A) the chair of the legislative body or municipal manager, if any of each municipality within the region;

~~(2)~~(B) the executive director of each abutting regional planning commission;

~~(3)~~(C) the Department of Housing and Community Development within the Agency of Commerce and Community Development and the Community Investment Board for a formal review and comment;

~~(4)~~(D) business, conservation, low-income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned; and

~~(5)~~(E) the Agency of Natural Resources ~~and~~; the Agency of Agriculture, Food and Markets; the Agency of Transportation; the Department of Public Service; the Department of Public Safety's Division of Emergency Management; and the Land Use Review Board.

(2) At least 30 days prior to the first hearing, the regional planning commission shall provide each of its member municipalities with a written description of map changes within the municipality, a municipality-wide map showing old versus new areas with labels, and information about the new Tier structure under 10 V.S.A. chapter 151, including how to obtain Tier 1A or 1B status, and the process for updating designated area boundaries.

~~(d)~~(e) Any of the foregoing bodies, or their representatives, may submit comments on the proposed regional plan or amendment to the regional planning commission; and may appear and be heard in any proceeding with respect to the adoption of the proposed plan or amendment.

~~(e)~~(f) The regional planning commission may make revisions to the proposed plan or amendment at any time not less than 30 days prior to the final public hearing held under this section. If the proposal is changed, a copy of the proposed change shall be delivered physically ~~or~~; electronically with proof of receipt; or by certified mail, return receipt requested, to the chair of

the legislative body of each municipality within the region, and to any individual or organization requesting a copy, at least 30 days prior to the final hearing.

~~(f)(g)~~ A regional plan or amendment shall be adopted by not less than a 60 percent vote of the commissioners representing municipalities, in accordance with the bylaws of the regional planning commission, ~~and immediately submitted to the legislative bodies of the municipalities that comprise the region. The plan or amendment shall be considered duly adopted and shall take effect 35 days after the date of adoption, unless, within 35 days of the date of adoption, the regional planning commission receives certification from the legislative bodies of a majority of the municipalities in the region vetoing the proposed plan or amendment. In case of such a veto, the plan or amendment shall be deemed rejected.~~

(h)(1) Within 15 days following adoption, a regional planning commission shall submit its regionally adopted regional plan to the Land Use Review Board for a determination of regional plan compliance with a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter and a description of any changes to the regional plan future land use map.

(2) The Land Use Review Board shall hold a public hearing within 60 days after receiving a plan and provide notice of it at least 15 days in advance by direct mail or electronically with proof of receipt to the requesting regional planning commission, posting on the website of the Land Use Review Board, and publication in a newspaper of general circulation in the region affected. The regional planning commission shall notify its municipalities and post on its website the public hearing notice.

(3) The Land Use Review Board shall issue the determination in writing within 15 days after the close of the hearing on the plan. If the determination is affirmative, a copy of the determination shall be provided to the regional planning commission and the Community Investment Board. If the determination is negative, the Land Use Review Board shall state the reasons for denial in writing and, if appropriate, suggest acceptable modifications. Submissions for a new determination that follow a negative determination shall receive a new determination within 45 days.

(4) The Land Use Review Board's affirmative determination shall be based upon finding the regional plan meets the following requirements:

(A) Consistency with the State planning goals as described in section 4302 of this chapter with consistency determined in the manner described under subdivision 4302(f)(1) of this chapter.

(B) Consistency with the purposes of the regional plan established in section 4347 of chapter.

(C) Consistency with the regional plan elements as described in section 4348a of this chapter, except that the requirements of section 4352 of this chapter related to enhanced energy planning shall be the under the sole authority of the Department of Public Service.

(D) Compatibility with adjacent regional planning areas in the manner described under subdivision 4302(f)(2) of this chapter.

(i) Objections of interested parties.

(1) An interested party who has participated in the regional plan adoption process may object to the approval of the plan or approval of the future land use maps by the Land Use Review Board within 15 days following plan adoption by the regional planning commission. Participation is defined as providing written or oral comments stating objections for consideration at a public hearing held by the regional planning commission. Objections shall be submitted using a form provided by the Land Use Review Board.

(2) As used in this section, an “interested party” means any one of the following:

(A) Any 20 persons by signed petition who own property or reside within the region. The petition must designate one person to serve as the representative of the petitioners regarding all matters related to the objection. The designated representative shall have participated in the regional plan adoption process.

(B) A party entitled to notice under subsection (d) of this section.

(3) Any objection under this section shall be limited to the question of whether the regional plan is consistent with the regional plan elements and future land use areas as described in section 4348a of this title. The requirements of section 4352 of this title related to enhanced energy planning shall be under the sole authority of the Department of Public Service and shall not be reviewed by the Land Use Review Board.

(4) The Land Use Review Board shall hear any objections of regional plan adoption concurrently with regional plan review under subsection (h) of this section and 10 V.S.A. § 6033. The Land Use Review Board decision of approval of a regional plan shall expressly evaluate any objections and state the reasons for their decisions in writing. If applicable, the decision to uphold an objection shall suggest modifications to the regional plan.

(j) Minor amendments to regional plan future land use map. A regional planning commission may submit a request for a minor amendment to boundaries of a future land use area for consideration by the Land Use Review Board with a letter of support from the municipality. The request may only be submitted after an affirmative vote of the municipal legislative body and the regional planning commission board. The Land Use Review Board, after consultation with the Community Investment Board and the regional planning commissions, shall provide guidance about what constitutes a minor amendment. Minor amendments may include any change to a future land use area consisting of fewer than 10 acres. A minor amendment to a future land use area shall not require an amendment to a regional plan and shall be included in the next iteration of the regional plan. The Board may adopt rules to implement this section.

(k) An affirmative determination of regional plan compliance issued pursuant to this section shall remain in effect until the end of the period for expiration or readoption of the plan to which it applies.

(l) Regional planning commissions shall be provided up to 18 months from a negative determination by the Land Use Review Board to obtain an affirmative determination of regional plan compliance. If a regional planning commission is unable to obtain affirmative determination of regional plan compliance, the plan shall be considered unapproved and member municipalities shall lose any associated benefits related to designations, Act 250 exemptions, or State infrastructure investments.

(m) Upon approval by the Land Use Review Board, the plan shall be considered duly adopted, shall take effect, and is not appealable. The plan shall be immediately submitted to the entities listed in subsection (d) of this section.

(g)(n) Regional plans may be reviewed from time to time and may be amended in the light of new developments and changed conditions affecting the region.

(h)(o) In proceedings under 10 V.S.A. chapter 151, 10 V.S.A. chapter 159, and 30 V.S.A. § 248, in which the provisions of a regional plan or a municipal plan are relevant to the determination of any issue in those proceedings:

(1) the provisions of the regional plan shall be given effect to the extent that they are not in conflict with the provisions of a duly adopted municipal plan; and

(2) to the extent that such a conflict exists, the regional plan shall be given effect if it is demonstrated that the project under consideration in the proceedings would have a substantial regional impact as determined by the definition in the regional plan.

(p) Regional planning commissions shall adopt a regional plan in conformance with this title on or before December 31, 2026.

Sec. 48. 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:

(1) A statement of basic policies of the region to guide the future growth and development of land and of public services and facilities, and to protect the environment.

(2) A ~~land use~~ natural resources and working lands element, which shall consist of a map or maps and ~~statement of present and prospective land uses policies, based on ecosystem function, consistent with Vermont Conservation Design, support compact centers surrounded by rural and working lands, and~~ that:

(A) Indicates those areas of significant natural resources, including existing and proposed for forests, wetlands, vernal pools, rare and irreplaceable natural areas, floodplains, river corridors, recreation, agriculture, (using the agricultural lands identification process established in 6 V.S.A. § 8), residence, commerce, industry, public, and ~~semi-public~~ semipublic uses, open spaces, areas reserved for flood plain, forest blocks, habitat connectors, recreation areas and recreational trails, and areas identified by the State, regional planning commissions, or municipalities that require special consideration for aquifer protection; for wetland protection; for the maintenance of forest blocks, wildlife habitat, and habitat connectors; or for other conservation purposes.

(B) ~~Indicates those areas within the region that are likely candidates for designation under sections 2793 (downtown development districts), 2793a (village centers), 2793b (new town centers), and 2793c (growth centers) of this title.~~

(C) ~~Indicates locations proposed for developments with a potential for regional impact, as determined by the regional planning commission, including flood control projects, surface water supply projects, industrial parks, office parks, shopping centers and shopping malls, airports, tourist attractions, recreational facilities, private schools, public or private colleges,~~

and residential developments or subdivisions.

~~(D)~~ Sets forth the present and prospective location, amount, intensity, and character of such land uses and the appropriate timing or sequence of land development activities in relation to the provision of necessary community facilities and services.

~~(E)~~ Indicates those areas that have the potential to sustain agriculture and recommendations for maintaining them ~~which~~ that may include transfer of development rights, acquisition of development rights, or farmer assistance programs.

~~(F)~~(C) Indicates those areas that are important as forest blocks and habitat connectors and plans for land development in those areas to minimize forest fragmentation and promote the health, viability, and ecological function of forests. A plan may include specific policies to encourage the active management of those areas for wildlife habitat, water quality, timber production, recreation, or other values or functions identified by the regional planning commission.

(D) Encourages preservation of rare and irreplaceable natural areas, scenic and historic features and resources.

(E) Encourages protection and improvement of the quality of waters of the State to be used in the development and furtherance of the applicable basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253.

(3) An energy element, ~~which may include~~ including an analysis of resources, needs, scarcities, costs, and problems within the region across all energy sectors, including electric, thermal, and transportation; a statement of policy on the conservation and efficient use of energy and the development and siting of renewable energy resources; a statement of policy on patterns and densities of land use likely to result in conservation of energy; and an identification of potential areas for the development and siting of renewable energy resources and areas that are unsuitable for siting those resources or particular categories or sizes of those resources.

(4) A transportation element, ~~which may consist~~ consisting of a statement of present and prospective transportation and circulation facilities, and a map showing existing and proposed highways, including limited access highways, and streets by type and character of improvement, and where pertinent, anticipated points of congestion, parking facilities, transit routes, terminals, bicycle paths and trails, scenic roads, airports, railroads and port facilities, and other similar facilities or uses, and recommendations to meet

future needs for such facilities, with indications of priorities of need, costs, and method of financing.

(5) A utility and facility element, consisting of a map and statement of present and prospective local and regional community facilities and public utilities, whether publicly or privately owned, showing existing and proposed educational, recreational and other public sites, buildings and facilities, including public schools, State office buildings, hospitals, libraries, power generating plants and transmission lines, wireless telecommunications facilities and ancillary improvements, water supply, sewage disposal, refuse disposal, storm drainage, and other similar facilities and activities, and recommendations to meet future needs for those facilities, with indications of priority of need.

(6) ~~A statement of policies on the:~~

~~(A) preservation of rare and irreplaceable natural areas, scenic and historic features and resources; and~~

~~(B) protection and improvement of the quality of waters of the State to be used in the development and furtherance of the applicable basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253. [Repealed.]~~

* * *

(12) A future land use element, based upon the elements in this section, that sets forth the present and prospective location, amount, intensity, and character of such land uses in relation to the provision of necessary community facilities and services and that consists of a map delineating future land use area boundaries for the land uses in subdivisions (A)–(J) of this subdivision (12) as appropriate and any other special land use category the regional planning commission deems necessary; descriptions of intended future land uses; and policies intended to support the implementation of the future land use element using the following land use categories:

(A) Downtown or village centers. These areas are the mixed-use centers bringing together community economic activity and civic assets. They include downtowns, villages, and new town centers previously designated under chapter 76A and downtowns and village centers seeking benefits under the Community Investment Program under section 5804 of this title. The downtown or village centers are the traditional and historic central business and civic centers within planned growth areas, village areas, or may stand alone. Village centers are not required to have public water, wastewater, zoning, or subdivision bylaws.

(B) Planned growth areas. These areas include the high-density existing settlement and future growth areas with high concentrations of population, housing, and employment in each region and town, as appropriate. They include a mix of historic and non-historic commercial, residential, and civic or cultural sites with active streetscapes, supported by land development regulations; public water or wastewater, or both; and multimodal transportation systems. These areas include new town centers, downtowns, village centers, growth centers, and neighborhood development areas previously designated under chapter 76A of this title. These areas should generally meet the smart growth principles definition in chapter 139 of this title and the following criteria:

(i) The municipality has a duly adopted and approved plan and a planning process that is confirmed in accordance with section 4350 of this title and has adopted bylaws and regulations in accordance with sections 4414, 4418, and 4442 of this title.

(ii) This area is served by public water or wastewater infrastructure.

(iii) The area is generally within walking distance from the municipality's or an adjacent municipality's downtown, village center, new town center, or growth center.

(iv) The area excludes identified flood hazard and river corridor areas, except those areas containing preexisting development in areas suitable for infill development as defined in section 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(v) The municipal plan indicates that this area is intended for higher-density residential and mixed-use development.

(vi) The area provides for housing that meets the needs of a diversity of social and income groups in the community.

(vii) The area is served by planned or existing transportation infrastructure that conforms with "complete streets" principles as described under 19 V.S.A. chapter 24 and establishes pedestrian access directly to the downtown, village center, or new town center. Planned transportation infrastructure includes those investments included in the municipality's capital improvement program pursuant to section 4430 of this title.

(C) Village areas. These areas include the traditional settlement area or a proposed new settlement area, typically composed of a cohesive mix of residential, civic, religious, commercial, and mixed-use buildings, arranged along a main street and intersecting streets that are within walking distance for

residents who live within and surrounding the core. These areas include existing village center designations and similar areas statewide, but this area is larger than the village center designation. Village areas shall meet the following criteria:

(i) The municipality has a duly adopted and approved plan and a planning process that is confirmed in accordance with section 4350 of this title.

(ii) The municipality has adopted bylaws and regulations in accordance with sections 4414, 4418, and 4442 of this title.

(iii) Unless the municipality has adopted flood hazard and river corridor bylaws, applicable to the entire municipality, that are consistent with the standards established pursuant to 10 V.S.A. § 755b (flood hazard) and 10 V.S.A. § 1428(b) (river corridor), the area excludes identified flood hazard and river corridors, except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(iv) The municipality has either municipal water or wastewater. If no public wastewater is available, the area must have soils that are adequate for wastewater disposal.

(v) The area has some opportunity for infill development or new development areas where the village can grow and be flood resilient.

(D) Transition or infill area. These areas include areas of existing or planned commercial, office, mixed-use development, or residential uses either adjacent to a planned growth or village area or a new stand-alone transition or infill area and served by, or planned for, public water or wastewater, or both. The intent of this land use category is to transform these areas into higher-density, mixed-use settlements, or residential neighborhoods through infill and redevelopment or new development. New commercial linear strip development is not allowed as to prevent it negatively impacting the economic vitality of commercial areas in the adjacent or nearby planned growth or village area. This area could also include adjacent greenfields safer from flooding and planned for future growth.

(E) Resource-based recreation areas. These areas include large-scale resource-based recreational facilities, often concentrated around ski resorts, lakeshores, or concentrated trail networks, that may provide infrastructure, jobs, or housing to support recreational activities.

(F) Enterprise areas. These areas include locations of high economic activity and employment that are not adjacent to planned growth areas. These

include industrial parks, areas of natural resource extraction, or other commercial uses that involve larger land areas. Enterprise areas typically have ready access to water supply, sewage disposal, electricity, and freight transportation networks.

(G) Hamlets. Small historic clusters of homes and may include a school, place of worship, store, or other public buildings not planned for significant growth; no public water supply or wastewater systems; and mostly focused along one or two roads. These may be depicted as points on the future land use map.

(H) Rural; general. These areas include areas that promote the preservation of Vermont's traditional working landscape and natural area features. They allow for low-density residential and some limited commercial development that is compatible with productive lands and natural areas. This may also include an area that a municipality is planning to make more rural than it is currently.

(I) Rural; agricultural and forestry. These areas include blocks of forest or farmland that sustain resource industries, provide critical wildlife habitat and movement, outdoor recreation, flood storage, aquifer recharge, and scenic beauty, and contribute to economic well-being and quality of life. Development in these areas should be carefully managed to promote the working landscape and rural economy, and address regional goals, while protecting the agricultural and forest resource value.

(J) Rural; conservation. These are areas of significant natural resources, identified by regional planning commissions or municipalities based upon existing Agency of Natural Resources mapping that require special consideration for aquifer protection; for wetland protection; for the maintenance of forest blocks, wildlife habitat, and habitat connectors; or for other conservation purposes. The mapping of these areas and accompanying policies are intended to help meet requirements of 10 V.S.A. chapter 89. Any portion of this area that is approved by the LURB as having Tier 3 area status shall be identified on the future land use map as an overlay upon approval.

(b) The various elements and statements shall be correlated with the land use element and with each other. The maps called for by this section may be incorporated on one or more maps; and may be referred to in each separate statement called for by this section.

(c) The regional plan future land use map shall delineate areas within the regional planning commission's member municipalities that are eligible to receive designation benefits as centers and neighborhoods when the future land use map is approved by the Land Use Review Board per 10 V.S.A. § 6033.

The areas eligible for designation as centers shall be identified on the regional plan future land use map as regional downtown centers and village centers. The areas eligible for designation as neighborhoods shall be identified on the regional plan future land use map as planned growth areas and village areas in a manner consistent with this section and chapter 139 of this title. This methodology shall include all approved designated downtowns, villages, new town centers, neighborhood development areas, and growth centers existing on December 31, 2025, unless the subject member municipality requests otherwise.

(d) With the exception of preexisting, nonconforming designations approved prior to the establishment of the program, the areas eligible for designation benefits upon the Land Use Review Board's approval of the regional plan future land use map for designation as a center shall not include development that is disconnected from a downtown or village center and that lacks an existing or planned pedestrian connection to the center via a complete street.

(e) The Vermont Association of Planning and Development Agencies shall develop, maintain, and update standard methodology and process for the mapping of areas eligible for Tier 1B status under 10 V.S.A. § 6033 and designation under chapter 139 of this title. The methodology shall be issued on or before December 31, 2024, in consultation with the Department of Housing and Community Development and Natural Resources Board.

Sec. 49. REGIONAL PLANNING COMMISSION STUDY

(a) The Vermont Association of Planning and Development Agencies (VAPDA) shall hire an independent contractor to study the strategic opportunities for regional planning commissions to better serve municipalities and the State. This study shall seek to ensure that the regional planning commissions are statutorily enabled and strategically positioned to meet ongoing and emerging State and municipal needs and shall review the following: governance, funding, programs, service delivery, equity, accountability, and staffing.

(b) A stakeholder group composed of the Vermont League of Cities and Towns, Vermont Council on Rural Development, the Department of Housing and Community Development, the Agency of Administration, the Office of Racial Equity, legislators, and others will be invited to participate in the study to provide their insights into governance structure, accountability and performance standards.

(c) The study shall identify the gaps in statutory enabling language, structure, and local engagement and make recommendations on how to

improve and ensure consistent and equitable statewide programming and local input and engagement including methods to improve municipal participation; the amount of regional planning grant funding provided to each regional planning commission relative to statutory responsibilities, the number of municipalities, and other demands; and how to make it easier for municipalities to work together.

(d) On or before December 31, 2024, the study report shall be submitted to the House Committees on Environment and Energy, on Commerce and Economic Development, and on Government Operations and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs, on Natural Resources and Energy, and on Government Operations.

* * * Municipal Zoning * * *

Sec. 50. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality 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 public and private actions to address housing needs and targets as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The program ~~should~~ shall 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 residential development as described in section 4412 of this title.

* * *

Sec. 51. 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~~ a permitted use with ~~the same~~ dimensional standards as that are not more restrictive than is required for a single-unit dwelling, including no additional land or lot area than would be required for 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 on lots that are at least 1/3 of an acre in size with an allowed density of up to 12 units per acre, unless that district specifically requires multiunit structures to have more than four dwelling units.

* * *

(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.~~ Any lot that is smaller than one acre but granted a variance of not more than 10 percent shall be treated as one acre for the purposes of this subsection. Density and minimum lot size 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, rounded up to the nearest whole unit, which shall include exceeding maximum height limitations by one floor, provided that the structure complies with the Vermont Fire and Building Safety Code.

(14) No zoning or subdivision bylaw shall have the effect of prohibiting unrelated occupants from residing in the same dwelling unit.

Sec. 52. 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 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; and
- (H) hotels and motels converted to permanently affordable housing developments.

* * *

Sec. 53. 24 V.S.A. § 4428 is added to read:

§ 4428. PARKING BYLAWS

(a) Parking regulation. Consistent with section 4414 of this title and with this section, a municipality may regulate parking.

(b) Tandem parking. Tandem parking shall count toward residential parking space requirements. A municipality may require that tandem spaces are not shared between different dwelling units. As used in this subsection, “tandem parking” means a narrow parking space that can accommodate two or more vehicles parked in a single-file line.

(c) Parking space size standards. For the purpose of residential parking, a municipality shall define a standard parking space as not larger than nine feet by 18 feet, however a municipality may allow a portion of parking spaces to be smaller for compact cars or similar use. A municipality may require a larger space wherever American with Disabilities Act-compliant spaces are required.

(d) Existing nonconforming parking. A municipality shall allow an existing nonconforming parking space to count toward the parking requirement of an existing residential building if new residential units are added to the building.

(e) Adjacent lots. A municipality may allow a person with a valid legal agreement for use of parking spaces in an adjacent or nearby lot to count toward the parking requirement of a residential building.

Sec. 54. 2023 Acts and Resolves No. 47, Sec. 1 is amended to read:

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 multiunit dwellings in areas not served by sewer and water, and in areas that are located more than one-quarter mile away from public parking. The number of parking spaces shall be 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.

* * *

Sec. 55. 2023 Acts and Resolves No. 81, Sec. 10 is amended to read:

Sec. 10. 2023 Acts and Resolves No. 47, Sec. 47 is amended to read:

Sec. 47. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that:

(1) Sec. 1 (24 V.S.A. § 4414) shall take effect on ~~December~~ July 1, 2024.

* * *

Sec. 56. 24 V.S.A. § 4429 is added to read:

§ 4429. LOT COVERAGE BYLAWS

A municipality shall allow for a lot coverage bonus of 10 percent on lots that allow access to new or subdivided lots without road frontage.

Sec. 57. 24 V.S.A. § 4464 is amended to read:

§ 4464. HEARING AND NOTICE REQUIREMENTS; DECISIONS AND CONDITIONS; ADMINISTRATIVE REVIEW; ROLE OF ADVISORY COMMISSIONS IN DEVELOPMENT REVIEW

* * *

(b) Decisions.

(1) The appropriate municipal panel may recess the proceedings on any application pending submission of additional information. The panel should close the evidence promptly after all parties have submitted the requested information. The panel shall adjourn the hearing and issue a decision within 45 ~~180~~ days after the adjournment of the hearing, ~~and failure of the panel to issue a decision within this period shall be deemed approval and shall be effective on the 46th day~~ complete application was submitted unless both the applicant and the panel agree to waive the deadline. Decisions shall be issued in writing and shall include a statement of the factual bases on which the appropriate municipal panel has made its conclusions and a statement of the conclusions. The minutes of the meeting may suffice, provided the factual bases and conclusions relating to the review standards are provided in conformance with this subsection.

* * *

Sec. 58. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

* * *

(b) As used in this chapter, an “interested person” means any one of the following:

* * *

(4) ~~Any 10 persons~~ A minimum of three percent, rounded up to the nearest whole person, of the most recent U.S. Census Bureau population estimate of the municipality that may or may not have participated in the proceeding or any 25 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.

* * *

Sec. 59. 24 V.S.A. § 4471 is amended to read:

§ 4471. APPEAL TO ENVIRONMENTAL DIVISION

(a) Participation required. An interested person who has participated in a municipal regulatory proceeding authorized under this title may appeal a decision rendered in that proceeding by an appropriate municipal panel to the Environmental Division, except, pursuant to subdivision 4464(b)(4) of this title, that not every person of the three percent of the population needs to have participated. Participation in a local regulatory proceeding shall consist of offering, through oral or written testimony, evidence or a statement of concern related to the subject of the proceeding. An appeal from a decision of the appropriate municipal panel, or from a decision of the municipal legislative body under subsection 4415(d) of this title, shall be taken in such manner as the Supreme Court may by rule provide for appeals from State agencies governed by 3 V.S.A. §§ 801–816, unless the decision is an appropriate municipal panel decision ~~which~~ that the municipality has elected to be subject to review on the record.

* * *

Sec. 60. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days of the date of that decision; and

(4) it shall be the goal of the Environmental Division to hear a case regarding appeals of an appropriate municipal panel under 24 V.S.A. chapter 117 within 60 days following the case being filed with the Division and issue a decision within 90 days following the close of the hearing on the case.

* * *

Sec. 61. SUPERIOR COURT; POSITION; APPROPRIATION

(a) There is established one permanent judge in the Superior Court in fiscal year 2025.

(b) In fiscal year 2025, \$168,000.00 General Fund is appropriated to the Superior Court for the new judge created in subsection (a) of this section.

* * * Resilience Planning * * *

Sec. 62. 24 V.S.A. § 4306 is amended to read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE FUND

(a)(1) The Municipal and Regional Planning and Resilience Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be composed of 17 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

(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 planning and resilience purposes 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) of this subsection 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 section 4307 of this title.

(c) Funds allocated to municipalities shall be used for the purposes of:

(1) funding the regional planning commission in undertaking capacity studies;

(2) carrying out the provisions of subchapters 5 through 10 of this chapter;

(3) acquiring development rights, conservation easements, or title to those lands, areas, and strictures identified in either regional or municipal plans as requiring special consideration for provision of needed housing, aquifer protection, flood protection, climate resilience, open space, farmland preservation, or other conservation purposes; and

(4) reasonable and necessary costs of administering the Fund by the Department of Housing and Community Development, not to exceed six percent of the municipality allocation.

(d) Until July 1, 2027, the annual disbursement to municipalities shall:

(1) prioritize funding grants to municipalities that do not have zoning or subdivision bylaws to create zoning or subdivision bylaws;

(2) allow a regional planning commission to submit an application for disbursement on behalf of a municipality; and

(3) not require a municipality without zoning or subdivision bylaws to contribute matching funds in order to receive a grant.

Sec. 63. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE GRANT PROGRAM

(a) The Agency of Commerce and Community Development shall rename the Municipal and Regional Planning Grant Program that the Agency administers under 24 V.S.A. § 4306(b)(2) as the Municipal and Regional Planning and Resilience Grant Program.

(b) In addition to other funds appropriated to the Agency of Commerce and Community Development for grants under 24 V.S.A. § 4306, \$1,500,000.00 is appropriated from the General Fund to the Municipal and Regional Planning and Resilience Fund for the grants from the Fund for the following purposes:

(1) assistance to municipalities to support resiliency planning and identify and plan for resiliency projects to reduce damages from flooding and other climate change-related hazards; and

(2) funding for regional planning commissions to increase staff in order to support municipalities in conducting climate resiliency planning; project development and implementation; and hazard mitigation locally, regionally, and on a watershed scale.

Sec. 64. CLIMATE RESILIENCY PLANNING POSITIONS

(a) In addition to other funds appropriated to the Agency of Commerce and Community Development in fiscal year 2025, \$125,000.00 is appropriated from the General Fund to the Agency for the purpose of creating a new

permanent full-time position to staff the climate resiliency grants from the Municipal and Regional Planning and Resilience Grant Program.

(b) In addition to other funds appropriated to the Agency of Natural Resources in fiscal year 2025, \$125,000.00 is appropriated from the General Fund to the Agency for the purposes of funding a new permanent full-time position in the Water Investment Division of the Department of Environmental Conservation for the purposes of assisting in the financing of climate resilience projects from the Special Environmental Revolving Funds under 24 V.S.A. chapter 120.

* * * Designated Areas Update * * *

Sec. 65. REPEALS

(a) 24 V.S.A. chapter 76A (Historic Downtown Development) is repealed on July 1, 2034.

(b) 24 V.S.A. § 2792 (Vermont Downtown Development Board) is repealed on July 1, 2024.

Sec. 66. 24 V.S.A. chapter 139 is added to read:

CHAPTER 139. STATE COMMUNITY INVESTMENT PROGRAM

§ 5801. DEFINITIONS

As used in this chapter:

(1) “Community Investment Program” means the program established in this chapter, as adapted from the former State designated areas program formerly in chapter 76A of this title. Statutory references outside this chapter referring to the former State-designated downtown, village centers, and new town centers shall mean designated center, once established. Statutory references outside this chapter referring to the former State-designated neighborhood development areas and growth centers shall mean designated neighborhood, once established. The program shall extend access to benefits that sustain and revitalize existing buildings and maintain the basis of the program’s primary focus on revitalizing historic downtowns, villages and surrounding neighborhoods by promoting smart growth development patterns and historic preservation practices vital to Vermont’s economy, cultural landscape, equity of opportunity, and climate resilience.

(2) “Complete streets” or “complete street principles” has the same meaning as in 19 V.S.A. chapter 24.

(3) “Department” means the Department of Housing and Community Development.

(4) “Downtown center” or “village center” means areas on the regional plan future land use maps that may be designated as a center consistent with section 4348a of this title.

(5) “LURB” refers to the Land Use Review Board established pursuant to 10 V.S.A. § 6021.

(6) “Infill” means the use of vacant land or property or the redevelopment of existing buildings within a built-up area for further construction or land development.

(7) “Local downtown organization” means either a nonprofit corporation, or a board, council, or commission created by the legislative body of the municipality, whose primary purpose is to administer and implement the community reinvestment agreement and other matters regarding the revitalization of the downtown.

(8) “Planned growth area” means an area on the regional plan future land use maps required under section 4348a of this title, which may encompass a downtown center or village center on the regional future land use map and may be designated as a center or neighborhood, or both.

(9) “Regional plan future land use map” means the map prepared pursuant to section 4348a of this title.

(10) “Sprawl repair” means the redevelopment of lands with buildings, traffic and circulation, parking, or other land coverage in a pattern that is consistent with smart growth principles.

(11) “State Board” means the Vermont Community Investment Board established in section 5802 of this title.

(12) “State Designated Downtown and Village Center” or “center” means a contiguous downtown or village a portion of which is listed or eligible for listing in the national register of historic places area approved as part of the LURB review of regional plan future land use maps, which may include an approved preexisting designated designated downtown, village center, or designated new town center established prior to the approval of the regional plan future land use maps.

(13) “State designated neighborhood” or “neighborhood” means a contiguous geographic area approved as part of the Land Use Review Board review of regional plan future land use maps that is compact and adjacent and contiguous to a center.

(14) “Vermont Downtown Program” means a program within the Department that coordinates with Main Street America that helps support community investment and economic vitality while preserving the historic character of Vermont’s downtowns. The Vermont Downtown Program provides downtowns with financial incentives, training, and technical assistance supporting local efforts to restore historic buildings, improve housing, design walkable communities, and encourage economic development by incentivizing public and private investments.

(15) “Village area” means an area on the regional plan future land use maps adopted pursuant to section 4348a of this title, which may encompass a village center on the regional future land use map.

§ 5802. VERMONT COMMUNITY INVESTMENT BOARD

(a) A Vermont Community Investment Board, also referred to as the “State Board,” is created to administer the provisions of this chapter. The State Board shall be composed of the following members or their designees:

- (1) the Secretary of Commerce and Community Development;
- (2) the Secretary of Transportation;
- (3) the Secretary of Natural Resources;
- (4) the Commissioner of Public Safety;
- (5) the State Historic Preservation Officer;
- (6) a member of the community designated by the Director of Racial Equity;
- (7) a person, appointed by the Governor from a list of three names submitted by the Vermont Natural Resources Council and the Preservation Trust of Vermont;
- (8) a person, appointed by the Governor from a list of three names submitted by the Vermont Association of Chamber of Commerce Executives;
- (9) three public members representative of local government, one of whom shall be designated by the Vermont League of Cities and Towns and two of whom shall be appointed by the Governor;
- (10) the Executive Director of the Vermont Bond Bank;
- (11) the State Treasurer;
- (12) a member of the Vermont Planners Association designated by the Association;

(13) a representative of a regional development corporation designated by the regional development corporations; and

(14) a representative of a regional planning commission designated by the Vermont Association of Planning and Development Agencies.

(b) The State Board shall elect a chair and vice chair from among its membership.

(c) The Department shall provide legal, staff, and administrative support to the State Board; shall produce guidelines to direct municipalities seeking to obtain designation under this chapter and for other purposes established by this chapter; and shall pay per diem compensation for board members pursuant to 32 V.S.A. § 1010(b).

(d) The State Board shall meet at least quarterly.

(e) The State Board shall have authority to adopt rules of procedure to use for appeal of its decisions and rules on handling conflicts of interest.

(f) In addition to any other duties confirmed by law, the State Board shall have the following duties:

(1) to serve as the funding and benefits coordination body for the State Community Investment Program;

(2) to review and comment on proposed regional plan future land use maps prepared by the regional planning commission and presented to the LURB for designated center and designated neighborhood recognition under 10 V.S.A. § 6033;

(4) to award tax credits under the 32 V.S.A. § 5930aa et seq.;

(5) to manage the Downtown Transportation and Related Capital Improvement Fund Program established by section 5808 of this title; and

(6) to review and comment on LURB guidelines, rules, or procedures for the regional plan future land use maps as they relate to the designations under this chapter.

§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

(a) Designation established. A regional planning commission may apply to the LURB for approval and designation of all centers by submitting the regional plan future land use map adopted by the regional planning commission. The regional plan future land use map shall identify downtown centers and village centers as the downtown and village areas eligible for designation as centers. The Department and State Board shall provide comments to the Land Use Review Board on areas eligible for center

designation as provided under this chapter.

(b) Inclusions. The areas mapped by the regional planning commissions as a center shall allow for the designation of preexisting, designated downtowns, village centers and new town centers in existence on or before December 31, 2025.

(c) Exclusions. With the exception for preexisting, nonconforming designations approved prior to the establishment of the program under this chapter or areas included in the municipal plan for the purposes of relocating a municipality's center for flood resiliency purposes, the areas eligible for designation benefits upon the Land Use Review Board's approval of the regional plan future land use map for designation as a Center shall not include development that is disconnected from a Center and that lacks a pedestrian connection to the Center via a complete street.

(d) Approval. The LURB shall conduct its review pursuant to 10 V.S.A. § 6033

(e) Transition. All designated downtowns, village centers, or new town centers existing as of December 31, 2025 will retain current benefits until December 31, 2026 or until approval of the regional future land use maps by the LURB, whichever comes first. All existing designations in effect December 31, 2025 will expire December 31, 2026 if the regional plan does not receive Land Use Review Board approval under this chapter. All benefits for unexpired designated downtowns, village centers, and new town centers that are removed under this chapter shall remain in effect until July 1, 2034. Prior to June 30, 2026, no check-in or renewals shall be required for the preexisting designations. New applications for downtowns, villages, and new town centers may be approved by the State Board prior to the first public hearing on the a regional future land use map or until December 31, 2025, whichever comes first.

(f) Benefits Steps. A center may receive the benefits associated with the steps in this section by meeting the established requirements. The Department shall review applications from municipalities to advance from Step One to Two and from Step Two to Three and issue written decisions. The Department shall issue a written administrative decision within 30 days following an application. If a municipal application is rejected by the Department, the municipality may appeal the administrative decision to the State Board. To maintain a downtown approved under chapter 76A after December 31, 2026, the municipality shall apply for renewal following a regional planning approval by the LURB and meet the program requirements. Step Three designations that are not approved for renewal revert to Step Two. The

municipality may appeal the administrative decision of the Department to the State Board. Appeals of administrative decisions shall be heard by the State Board at the next meeting following a timely filing stating the reasons for the appeal. The State Board's decision is final. The Department shall issue guidance to administer these steps.

(1) Step One.

(A) Requirements. Step One is established to create an accessible designation for all villages throughout the State to become eligible for funding and technical assistance to support site-based improvements and planning. All downtown and village centers shall automatically reach Step One upon approval of the regional plan future land use map by the Land Use Review Board. Regional plan future land use maps supersede preexisting designated areas that may already meet the Step One requirement.

(B) Benefits. A center that reaches Step One is eligible for the following benefits:

(i) funding and technical assistance eligibility for site-based projects, including the Better Places Grant Program under section 5810 of this chapter, access to the Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq., and other programs identified in the Department's guidance; and

(ii) funding priority for developing or amending the municipal plan, visioning, and assessments.

(2) Step Two.

(A) Requirements. Step Two is established to create a mid-level designation for villages throughout the State to increase planning and implementation capacity for community-scale projects. A center reaches Step Two if it:

(i) meets the requirements of Step One or if it has a designated village center or new town center under chapter 76A of this title upon initial approval of the regional plan future land use map and prior to December 31, 2026;

(ii) has a confirmed municipal planning process pursuant to 24 V.S.A. § 4350;

(iii) has a municipal plan with goals for investment in the center; and

(iv) A portion of the center is listed or eligible for listing in the National Register of Historic Places;

(B) Benefits. In addition to the benefits of Step One, a center that reaches Step Two is eligible for the following benefits:

(i) funding priority for bylaws and special-purpose plans, capital plans, and area improvement or reinvestment plans, including priority consideration for the Better Connections Program and other applicable programs identified by Department guidance;

(ii) funding priority for infrastructure project scoping, design, engineering, and construction by the State Program and State Board;

(iii) the authority to create a special taxing district pursuant to chapter 87 of this title for the purpose of financing both capital and operating costs of a project within the boundaries of a center;

(iv) priority consideration for State and federal affordable housing funding;

(v) authority for the municipal legislative body to establish speed limits to less than 25 mph within the center under 23 V.S.A. § 1007(g);

(vi) State wastewater permit fees capped at \$50.00 for residential development under 3 V.S.A. § 2822;

(vii) exemption from the land gains tax under 32 V.S.A. § 10002(p); and

(viii) assistance and guidance from the Department for establishing local historic preservation regulations.

(3) Step Three.

(A) Requirements. Step Three is established to create an advanced designation for downtowns throughout the State to create mixed-use centers and join the Vermont Downtown Program. A center reaches Step Three if the Department finds that it meets the following requirements:

(i) Meets the requirements of Step Two, or if it has an existing downtown designated under chapter 76A of this title in effect upon initial approval of the regional future land use map and prior to December 31, 2026.

(ii) Is listed or eligible for listing in the National Register of Historic Places.

(iii) Has a downtown improvement plan.

(iv) Has a downtown investment agreement.

(v) Has a capital program adopted under section 4430 of this title that implements the Step Three requirements.

(vi) Has a local downtown organization with an organizational structure necessary to sustain a comprehensive long-term downtown revitalization effort, including a local downtown organization that will collaborate with municipal departments, local businesses, and local nonprofit organizations. The local downtown organization shall work to:

(I) enhance the physical appearance and livability of the area by implementing local policies that promote the use and rehabilitation of historic and existing buildings, by developing pedestrian-oriented design requirements, by encouraging new development and infill that satisfy such design requirements, and by supporting long-term planning that is consistent with the goals set forth in section 4302 of this title;

(II) build consensus and cooperation among the many groups and individuals who have a role in the planning, development, and revitalization process;

(III) market the assets of the area to customers, potential investors, new businesses, local citizens, and visitors;

(IV) strengthen, diversify, and increase the economic activity within the downtown; and

(V) measure annually progress and achievements of the revitalization efforts as required by Department guidelines.

(vii) Has available public water and wastewater service and capacity.

(viii) Has permanent zoning and subdivision bylaws.

(ix) Has adopted historic preservation regulations for the district with a demonstrated commitment to protect and enhance the historic character of the downtown through the adoption of bylaws that adequately meet the historic preservation requirements in subdivisions 4414(1)(E) and (F) of this title, unless recognized by the program as a preexisting designated new town center.

(x) Has adopted design or form-based regulations that adequately regulate the physical form and scale of development with compact lot, building, and unit density, building heights, and complete streets.

(B) Benefits. In addition to the benefits of Steps One and Two, a municipality that reaches Step Three is eligible for the following benefits:

(i) Funding for the local downtown organization and technical assistance from the Vermont Downtown Program for the center.

(ii) A reallocation of receipts related to the tax imposed on sales of construction materials as provided in 32 V.S.A. § 9819.

(iii) Eligibility to receive National Main Street Accreditation from Main Street America through the Vermont Downtown Program.

(iv) Signage options pursuant to 10 V.S.A. § 494(13) and (17).

(v) Housing appeal limitations as described in chapter 117 of this title.

(vi) Highest priority for locating proposed State functions by the Commissioner of Buildings and General Services or other State officials, in consultation with the municipality, Department, State Board, the General Assembly committees of jurisdiction for the Capital Budget, and the regional planning commission. When a downtown location is not suitable, the Commissioner shall issue written findings to the consulted parties demonstrating how the suitability of the State function to a downtown location is not feasible.

(vii) Funding for infrastructure project scoping, design, and engineering, including participation in the Downtown Transportation and Related Capital Improvement Fund Program established by section 5808 of this title.

§ 5804. DESIGNATED NEIGHBORHOOD

(a) Designation established.

(1) A regional planning commission may request approval from the Land Use Review Board for designation of areas on the regional plan future land use maps as a designated neighborhood under 10 V.S.A. § 6033. Areas eligible for designation include planned growth areas and village areas identified on the regional plan future land use map. This designation recognizes that the vitality of downtowns and villages is supported by adjacent and walkable neighborhoods and that the benefits structure must ensure that investments for sprawl repair or infill development within a neighborhood is secondary to a primary purpose to maintain the vitality, livability and maximize the climate resilience and infill potential of centers.

(2) Approval of planned growth areas and village areas as designated neighborhoods shall follow the same process as approval for designated centers provided for in 10 V.S.A. § 6033 and consistent with sections 4348 and 4348a of this title.

(b) Transition. All designated growth center or neighborhood development areas existing as of December 31, 2025 will retain current benefits until December 31, 2026 or upon approval of the regional plan future land use maps, whichever comes first. All existing neighborhood development area and growth center designations in effect on December 31, 2025 will expire on December 31, 2026 if the regional plan future land use map is not approved. All benefits that are removed for unexpired neighborhood development areas and growth centers under this chapter shall remain active with prior designations existing as of December 31, 2025 until December 31, 2034. Prior to December 31, 2026, no check-ins or renewal shall be required for the existing designations. New applications for neighborhood development area designations may be approved by the State Board prior to the first hearing for a regional plan adoption or until December 31, 2025, whichever comes first.

(c) Requirements. A designated neighborhood shall meet the requirements for planned growth area or village area as described in section 4348a of this title.

(d) Benefits. A designated neighborhood is eligible for the following benefits:

(1) funding priority for bylaws and special-purpose plans, capital plans, and area improvement or reinvestment plans, including priority consideration for the Better Connections Program and other applicable programs identified by Department guidance;

(2) funding priority for Better Connections and other infrastructure project scoping, design, engineering, and construction by the State Community Investment Program and Board;

(3) eligibility for the Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.;

(4) priority consideration for State and federal affordable housing funding;

(5) certain housing appeal limitations under chapter 117 of this title;

(6) authority for the municipal legislative body to lower speed limits to less than 25 mph within the neighborhood;

(7) State wastewater application fee capped at \$50.00 for residential development under 3 V.S.A. § 2822(j)(4)(D);

(8) exclusion from the land gains tax provided by 32 V.S.A. § 10002(p); and

(9) the authority to create a special taxing district pursuant to chapter 87 of this title for the purpose of financing both capital and operating costs of a project within the boundaries of a neighborhood.

§ 5805. GRANTS AND GIFTS

The Department of Housing and Community Development may accept funds, grants, gifts, or donations of up to \$10,000.00 from individuals, corporations, foundations, governmental entities, or other sources, on behalf of the Community Planning and Revitalization Division to support trainings, conferences, special projects and initiatives.

§ 5806. DESIGNATION DATA CENTER

The Department in coordination with the Land Use Review Board, shall maintain an online municipal planning data center publishing approved regional plan future land use maps adoptions and amendments and indicating the status of each approved designation within the region, and associated steps for centers.

§ 5807. BETTER PLACES PROGRAM; CROWD GRANTING

(a)(1) There is created the Better Places Program within the Department of Housing and Community Development, and the Better Places Fund, which the Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5. This shall be the same Fund created under the prior section 2799 of this title.

(2) The purpose of the Program is to utilize crowdfunding to spark community revitalization through collaborative grantmaking for projects that create, activate, or revitalize public spaces.

(3) The Department may administer the Program in coordination with and support from other State agencies and nonprofit and philanthropic partners.

(b) The Fund is composed of the following:

- (1) State or federal funds appropriated by the General Assembly;
- (2) gifts, grants, or other contributions to the Fund; and
- (3) any interest earned by the Fund.

(c) As used in this section, “public space” means an area or place that is open and accessible to all persons with no charge for admission and includes village greens, squares, parks, community centers, town halls, libraries, and other publicly accessible buildings and connecting spaces such as sidewalks, streets, alleys, and trails.

(d)(1) The Department of Housing and Community Development shall establish an application process, eligibility criteria, and criteria for prioritizing assistance for awarding grants through the Program.

(2) The Department may award a grant to a municipality, a nonprofit organization, or a community group with a fiscal sponsor for a project that is located in or serves an area designated under this chapter that will create a new public space or revitalize or activate an existing public space.

(3) The Department may award a grant to not more than three projects per calendar year within a municipality.

(4) The minimum amount of a grant award is \$5,000.00, and the maximum amount of a grant award is \$40,000.00.

(5) The Department shall develop matching grant eligibility requirements to ensure a broad base of community and financial support for the project, subject to the following:

(A) A project shall include in-kind support and matching funds raised through a crowdfunding approach that includes multiple donors.

(B) An applicant may not donate to its own crowdfunding campaign.

(C) A donor may not contribute more than \$10,000.00 or 35 percent of the campaign goal, whichever is less.

(D) An applicant shall provide matching funds raised through crowdfunding of not less than 33 percent of the grant award. The Department may require a higher percent of matching funds for certain project areas to ensure equitable distribution of resources across Vermont.

(e) The Department of Housing and Community Development, with the assistance of a fiscal agent, shall distribute funds under this section in a manner that provides funding for projects of various sizes in as many geographical areas of the State as possible.

(f) The Department of Housing and Community Development may use up to 15 percent of any appropriation to the Fund from the General Fund to assist with crowdfunding, administration, training, and technological needs of the Program.

Sec. 67. MUNICIPAL TECHNICAL ASSISTANCE REPORT

(a) On or before December 31, 2025, the Commissioner of Housing and Community Development shall develop recommendations for providing coordinated State agency technical assistance to municipalities participating in the programs under 24 V.S.A. chapter 139 to the Senate Committee on Natural Resources and Energy and the House Committee on Environment and Energy.

(b) The recommendations shall address effective procedures for inter-agency coordination to support municipal community investment, revitalization, and development including coordination for:

- (1) general project advising;
- (2) physical improvement planning design;
- (3) policy-making; and
- (4) project management.

(c) The recommendations shall support the implementation of State agency plans and the following strategic priorities for municipal and community investment, revitalization, and development assistance:

- (1) housing development growth;
- (2) climate resilience;
- (3) public infrastructure investment;
- (4) local administrative capacity;
- (5) equity, diversity, and access;
- (6) livability and social service; and
- (7) historic preservation.

* * * Tax Credits * * *

Sec. 68. 32 V.S.A. § 5930aa is amended to read:

§ 5930aa. DEFINITIONS

As used in this subchapter:

* * *

(2) “Qualified building” means a building built at least 30 years before the date of application, located within a designated ~~downtown, village center, or neighborhood development area~~ center or neighborhood, which, upon completion of the project supported by the tax credit, will be an income-producing building not used solely as a single-family residence. Churches and other buildings owned by a religious organization may be qualified buildings, but in no event shall tax credits be used for religious worship.

(3) “Qualified code improvement project” means a project:

(A) to install or improve platform lifts suitable for transporting personal mobility devices, limited use or limited application elevators, elevators, sprinkler systems, and capital improvements in a qualified building,

and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, and accessibility codes as determined by the Department of Public Safety;

(B) to abate lead paint conditions or other substances hazardous to human health or safety in a qualified building; or

(C) to redevelop a contaminated property in a designated ~~downtown, village center, or neighborhood development area~~ center or neighborhood under a plan approved by the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

* * *

(5) “Qualified façade improvement project” means the rehabilitation of the façade of a qualified building that contributes to the integrity of the designated ~~downtown, designated village center, or neighborhood development area~~ center or neighborhood. Façade improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places must be consistent with the Secretary of the Interior Standards, as determined by the Vermont Division for Historic Preservation.

* * *

(9) “State Board” means the Vermont ~~Downtown Development Community Investment~~ Board established pursuant to 24 V.S.A. chapter ~~76A~~ 139.

Sec. 69. 32 V.S.A. § 5930aa(6) is amended to read:

(6) “Qualified Flood Mitigation Project” means any combination of structural and nonstructural changes to a qualified building located within the flood hazard area as mapped by the Federal Emergency Management Agency that reduces or eliminates flood damage to the building or its contents. This may include relocation of HVAC, electrical, plumbing, and other building systems, and equipment above the flood level; repairs or reinforcement of foundation walls, including flood gates; or elevation of an entire eligible building above the flood level. Further eligible projects may be defined via program guidance. The project shall comply with the municipality’s adopted flood hazard bylaw, if applicable, and a certificate of completion shall be submitted by a registered engineer, architect, qualified contractor, or qualified local official to ~~the State Board program staff~~. Improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places shall be consistent with Secretary of the Interior’s Standards for Rehabilitation, as determined by the Vermont Division for Historic Preservation.

Sec. 70. 32 V.S.A. § 5930bb is amended to read:

§ 5930bb. ELIGIBILITY AND ADMINISTRATION

(a) Qualified applicants may apply to the State Board to obtain the tax credits provided by this subchapter for a qualified project at any time before the completion of the qualified project.

(b) To qualify for any of the tax credits under this subchapter, expenditures for the qualified project must exceed \$5,000.00.

(c) Application shall be made in accordance with the guidelines set by the State Board.

~~(d) Notwithstanding any other provision of this subchapter, qualified applicants may apply to the State Board at any time prior to June 30, 2013, to obtain a tax credit not otherwise available under subsections 5930cc(a)-(c) of this title of 10 percent of qualified expenditures resulting from damage caused by a federally declared disaster in Vermont in 2011. The credit shall only be claimed against the taxpayer's State individual income tax under section 5822 of this title. To the extent that any allocated tax credit exceeds the taxpayer's tax liability for the first tax year in which the qualified project is completed, the taxpayer shall receive a refund equal to the unused portion of the tax credit. If within two years after the date of the credit allocation no claim for a tax credit or refund has been filed, the tax credit allocation shall be rescinded and recaptured pursuant to subdivision 5930cc(6) of this title. The total amount of tax credits available under this subsection shall not be more than \$500,000.00 and shall not be subject to the limitations contained in subdivision 5930cc(2) of this subchapter.~~

(e) Beginning on July 1, 2025, under this subchapter no new tax credit may be allocated by the State Board to a qualified building located in a neighborhood development area unless specific funds have been appropriated for that purpose.

Sec. 71. 32 V.S.A. § 5930cc is amended to read:

§ 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX
CREDITS

* * *

(c) Code improvement tax credit. The qualified applicant of a qualified code improvement project shall be entitled, upon the approval of the State Board, to claim against the taxpayer's State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of

\$12,000.00 for installation or improvement of a platform lift, a maximum credit of \$60,000.00 for the installation or improvement of a limited use or limited application elevator, a maximum tax credit of \$75,000.00 for installation or improvement of an elevator, a maximum tax credit of \$50,000.00 for installation or improvement of a sprinkler system, and a maximum tax credit of ~~\$50,000.00~~ \$100,000.00 for the combined costs of all other qualified code improvements.

(d) Flood Mitigation Tax Credit. The qualified applicant of a qualified flood mitigation project shall be entitled, upon the approval of the State Board, to claim against the taxpayer's State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of ~~\$75,000.00~~ \$100,000.00.

Sec. 72. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$3,000,000.00~~ \$5,000,000.00;

* * *

* * * Taxes * * *

Sec. 73. 32 V.S.A. § 9602 is amended to read:

§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

A tax is hereby imposed upon the transfer by deed of title to property located in this State, or a transfer or acquisition of a controlling interest in any person with title to property in this State. The amount of the tax equals one and one-quarter percent of the value of the property transferred, or \$1.00, whichever is greater, except as follows:

(1) With respect to the transfer of property to be used for the principal residence of the transferee, the tax shall be imposed at the rate of five-tenths of one percent of the first \$100,000.00 in value of the property transferred and at the rate of one and one-quarter percent of the value of the property transferred in excess of \$100,000.00; except that no tax shall be imposed on the first ~~\$110,000.00~~ \$150,000.00 in value of the property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the

Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase; and tax at the rate of one and one-quarter percent shall be imposed on the value of that property in excess of ~~\$110,000.00~~ \$150,000.00.

* * *

(4) With respect to the transfer of residential property that will not be used as the principal residence of the transferee, and for which the transferee will not be required to provide a landlord certificate pursuant to section 6069 of this title, the tax shall be imposed at the rate of two and one-half percent of the value of the property transferred.

Sec. 74. 10 V.S.A. § 312 is amended to read:

§ 312. CREATION OF VERMONT HOUSING AND CONSERVATION TRUST FUND

There is created a special fund in the State Treasury to be known as the "Vermont Housing and Conservation Trust Fund." The Fund shall be administered by the Board and expenditures therefrom shall only be made to implement and effectuate the policies and purposes of this chapter. The Fund shall be ~~comprised~~ composed of 60 percent of the revenue collected under 32 V.S.A. § 9602(a)(4), 50 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 all other subdivisions of 32 V.S.A. § 9602(a), and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public, approved by the Board. Unexpended balances and any earnings shall remain in the Fund for use in accord with the purposes of this chapter.

Sec. 75. 24 V.S.A. § 4306(a) is amended to read:

(a)(1) The Municipal and Regional Planning Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be composed of 23.5 percent of the revenue collected under 32 V.S.A. § 9602(a)(4), 17 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 all other subdivisions of 32 V.S.A. § 9602(a), and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

Sec. 76. 32 V.S.A. § 435(b) shall be amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

(1) alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

(2) [Repealed.]

(3) [Repealed.]

(4) corporate income and franchise taxes levied pursuant to chapter 151 of this title;

(5) individual income taxes levied pursuant to chapter 151 of this title;

(6) all corporation taxes levied pursuant to chapter 211 of this title;

(7) 69 percent of the meals and rooms taxes levied pursuant to chapter 225 of this title;

(8) [Repealed.]

(9) [Repealed.]

(10) 16.5 percent of the revenue collected under subdivision 9602(a)(4) of this title, 33 percent of the revenue from the property transfer taxes levied pursuant to chapter 231 of this title all other subdivisions of 9602(a) of this title, and the revenue from the gains taxes levied each year pursuant to chapter 236 of this title; and

(11) [Repealed.]

(12) all other revenues accruing to the State not otherwise required by law to be deposited in any other designated fund or used for any other designated purpose.

Sec. 77. 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF RETURNS

* * *

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10) of this title, two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and ~~subsection~~ subsections (c) and (e) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least \$12,000,000.00.

(e) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, \$2,000,000.00 of the revenue received from the property transfer tax shall be transferred to the Act 250 Permit Fund established under 10 V.S.A. § 6029. Prior to a transfer under this subsection, the Commissioner shall adjust the amount transferred according to the percent change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) by determining the increase or decrease, to the nearest one-tenth of a percent, for the month ending on June 30 in the calendar year one year prior to the first day of the fiscal year for which the transfer will be made compared to the CPI-U for the month ending on June 30 in the calendar year two years prior to the first day of the fiscal year for which the transfer will be made.

Sec. 78. 10 V.S.A. § 6029 is amended to read:

§ 6029. ACT 250 PERMIT FUND

There is hereby established a special fund to be known as the Act 250 Permit Fund for the purposes of implementing the provisions of this chapter. ~~Revenues to the fund~~ The Fund shall be composed of the revenue deposited pursuant to 32 V.S.A. § 9610(e), those fees collected in accordance with section 6083a of this title, gifts, appropriations, and copying and distribution fees. The Board shall be responsible for the Fund and shall account for revenues and expenditures of the Board. At the Commissioner's discretion, the Commissioner of Finance and Management may anticipate amounts to be collected and may issue warrants based thereon for the purposes of this section. Disbursements from the Fund shall be made through the annual appropriations process to the Board and to the Agency of Natural Resources to support those programs within the Agency that directly or indirectly assist in the review of Act 250 applications. This Fund shall be administered as provided in 32 V.S.A. chapter 7, subchapter 5.

Sec. 79. 32 V.S.A. § 3800(q) is added to read:

(q) The statutory purpose of the exemption under 32 V.S.A. chapter 125, subchapter 3 for new construction or rehabilitation is to lower the cost of new construction or rehabilitation of residential properties in this State.

Sec. 80. 32 V.S.A. chapter 125, subchapter 3 is added to read:

Subchapter 3. New Construction or Rehabilitation Exemption

§ 3870. DEFINITIONS

As used in this subchapter:

(1) "Agency" means the Agency of Commerce and Community Development as established under 3 V.S.A. § 2402.

(2) "Appraisal value" has the same meaning as in subdivision 3481(1)(A) of this title.

(3) "Exemption period" has the same meaning as in subsection 3871(d) of this subchapter.

(4) "New construction" means the building of new dwellings.

(5) "Principal residence" means the dwelling occupied by a resident individual as the individual's domicile during the taxable year and for a property owner, owned, or for a renter, rented under a rental agreement other than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

(6)(A) “Qualifying improvement” means new construction or a physical change to an existing dwelling or other structure beyond normal and ordinary maintenance, painting, repairs, or replacements, provided the change:

(i) results in new or rehabilitated dwellings that are designed to be occupied as principal residences and not as short-term rentals as defined under 18 V.S.A. § 4301(a)(14); and

(ii) occurred through new construction or rehabilitation, or both, during the 12 months immediately preceding or immediately following submission of an exemption application under this subchapter.

(B) “Qualifying improvement” does not mean new construction or a physical change to any portion of a mixed-use building as defined under 10 V.S.A. § 6001(28) that is not used as a principal residence.

(7)(A) “Qualifying property” means a structure that is:

(i) located within a designated downtown district, village center, or neighborhood development area determined pursuant to 24 V.S.A. chapter 76A or a new market tax credit area determined pursuant to 26 U.S.C. § 45D, or both;

(ii) composed of one or more dwellings designed to be occupied as principal residences, provided:

(I) none of the dwellings shall be occupied as short-term rentals as defined under 18 V.S.A. § 4301(a)(14) before the exemption period ends; and

(II) a structure with more than one dwelling shall only qualify if it meets the definition of mixed-income housing under 10 V.S.A. § 6001(27);

(iii) undergoing, has undergone, or will undergo qualifying improvements; and

(iv) in compliance with all relevant permitting requirements.

(B) “Qualifying property” may have a mixed use as defined under 10 V.S.A. § 6001(28).

(C) “Qualifying property” does not mean property located within a tax increment financing district established under 24 V.S.A. chapter 53, subchapter 5.

(8) “Rehabilitation” means extensive repair, reconstruction, or renovation of an existing dwelling or other structure, with or without demolition, new construction, or enlargement, provided the repair, reconstruction, or renovation:

(A) is for the purpose of eliminating substandard structural, housing, or unsanitary conditions or stopping significant deterioration of the existing structure; and

(B) equals or exceeds a total cost of 15 percent of the grand list value prior to repair, reconstruction, or renovation or \$75,000.00, whichever is less.

(9) “Taxable value” means the value of qualifying property that is taxed during the exemption period.

§ 3871. EXEMPTION

(a) Value increase exemption. An increase in the appraisal value of a qualifying property due to qualifying improvements shall be exempted from property taxation pursuant to this subchapter by fixing and maintaining the taxable value of the qualifying property at the property’s grand list value in the year immediately preceding any qualifying improvements. A decrease in appraisal value of a qualifying property due to damage or destruction from fire or act of nature may reduce the qualifying property’s taxable value below the value fixed under this subsection.

(b) State education property tax exemption. The appraisal value of qualifying improvements to qualifying property shall be exempt from the State education property tax imposed under chapter 135 of this title as provided under this subchapter. The appraisal value exempt under this subsection shall not be exempt from municipal property taxation unless the qualifying property is located in a municipality that has voted to approve an exemption under subsection (c) of this section.

(c) Municipal property tax exemption. If the legislative body of a municipality by a majority vote recommends, the voters of a municipality may, at an annual or special meeting warned for that purpose, adopt by a majority vote of those present and voting an exemption from municipal property tax for the value of qualifying improvements to qualifying property exempt from State property taxation under subsection (b) of this section. The municipal exemption shall remain in effect until rescinded in the same manner the exemption was adopted. Not later than 30 days after the adjournment of a meeting at which a municipal exemption is adopted or rescinded under this subsection, the town clerk shall report to the Director of Property Valuation and Review and the Agency the date on which the exemption was adopted or rescinded.

(d) Exemption period.

(1) An exemption under this subchapter shall start in the first property tax year immediately following the year in which an application for exemption under section 3872 of this title is approved and one of the following occurs:

(A) issuance of a certificate of occupancy by the municipal governing body for the qualifying property; or

(B) the property owner's declaration of ownership of the qualifying property as a homestead pursuant to section 5410 of this title.

(2) An exemption under this subchapter shall remain in effect for two years, provided the property continues to comply with the requirements of this subchapter. When the exemption period ends, the property shall be taxed at its most recently appraised grand list value.

(3) The municipal exemption period for a qualifying property shall start and end at the same time as the State exemption period; provided that, if a municipality first votes to approve a municipal exemption after the State exemption period has already started for a qualifying property, the municipal exemption shall only apply after the vote and notice requirements have been met under subsection (c) of this section and shall only continue until the State exemption period ends.

§ 3872. ADMINISTRATION AND CERTIFICATION

(a) To be eligible for exemption under this subchapter, a property owner shall:

(1) submit an application to the Agency of Commerce and Community Development in the form and manner determined by the Agency, including certification by the property owner that the property and improvements qualify for exemption at the time of application and annually thereafter until the exemption period ends; and

(2) the certification shall include an attestation under the pains and penalties of perjury that the property will be used in the manner provided under this subchapter during the exemption period, including occupancy of dwellings as principal residences and not as short-term rentals as defined under 18 V.S.A. § 4301(a)(14), and that the property owner will either provide alternative housing for tenants at the same rent or that the property has been unoccupied either by a tenant's choice or for 60 days prior to the application. A certification by the property owner granted under this subdivision shall:

(A) be coextensive with the exemption period;

(B) require notice to the Agency of the transfer or assignment of the property prior to transfer, which shall include the transferee's or assignee's full names, phone numbers, and e-mail and mailing addresses;

(C) require notice to any prospective transferees or assignees of the property of the requirements of the exemption under this subchapter; and

(D) require a new certification to be signed by the transferees or assignees of the property.

(b) The Agency shall establish and make available application forms and procedures necessary to verify initial and ongoing eligibility for exemption under this subchapter. Not later than 60 days after receipt of a completed application, the Agency shall determine whether the property and any proposed improvements qualify for exemption and shall issue a written decision approving or denying the exemption. The Agency shall notify the property owner, the municipality where the property is located, and the Commissioner of Taxes of its decision.

(c) If the property owner fails to use the property according to the terms of the certification, the Agency shall, after notifying the property owner, determine whether to revoke the exemption. If the exemption is revoked, the Agency shall notify the property owner, the municipality where the property is located, and the Commissioner of Taxes. Upon notification of revocation, the Commissioner shall assess to the property owner:

(1) all State and municipal property taxes as though no exemption had been approved, including for any exemption period that had already begun; and

(2) interest pursuant to section 3202 of this title on previously exempt taxes.

(d) No new applications for exemption shall be approved pursuant to this subchapter after December 31, 2027.

Sec. 81. 32 V.S.A. § 4152(a) is amended to read:

(a) When completed, the grand list of a town shall be in such form as the Director prescribes and shall contain such information as the Director prescribes, including:

* * *

(6) For those parcels that are exempt, the insurance replacement value reported to the local assessing officials by the owner under section 3802a of this title or what the full listed value of the property would be absent the exemption and the statutory authority for granting such exemption and, for

properties exempt pursuant to a vote, the year in which the exemption became effective and the year in which the exemption ends; provided that, for parcels exempt under chapter 125, subchapter 3 of this title, the insurance replacement value shall not be substituted for the full listed value of the property absent the exemption and the grand list shall indicate whether the exemption applies to the State property tax or both the State and municipal property taxes.

* * *

Sec. 82. REPEALS; NEW CONSTRUCTION OR REHABILITATION EXEMPTION

The following are repealed on July 1, 2037:

(1) 32 V.S.A. § 3800(q) (statutory purpose); and

(2) 32 V.S.A. chapter 125, subchapter 3 (new construction or rehabilitation exemption).

Sec. 83. 32 V.S.A. § 4152(a) is amended to read:

(a) When completed, the grand list of a town shall be in such form as the Director prescribes and shall contain such information as the Director prescribes, including:

* * *

(6) For those parcels that are exempt, the insurance replacement value reported to the local assessing officials by the owner under section 3802a of this title or what the full listed value of the property would be absent the exemption and the statutory authority for granting such exemption and, for properties exempt pursuant to a vote, the year in which the exemption became effective and the year in which the exemption ends; ~~provided that, for parcels exempt under chapter 125, subchapter 3 of this title, the insurance replacement value shall not be substituted for the full listed value of the property absent the exemption and the grand list shall indicate whether the exemption applies to the State property tax or both the State and municipal property taxes.~~

Sec. 84. 32 V.S.A. § 9603 is amended to read:

§ 9603. EXEMPTIONS

The following transfers are exempt from the tax imposed by this chapter:

* * *

(27)(A) Transfers of blighted dwellings that the transferee certifies will be rehabilitated for occupancy as principal residences and not as short-term rentals as defined under 18 V.S.A. § 4301(a)(14), provided the rehabilitation is

completed and occupied not later than three years after the date of the transfer. If, three years after the date of transfer, the rehabilitation has not been completed and occupied, then the tax imposed by this chapter shall become due.

(B) As used in this subdivision (27):

(i) “Blighted” means substandard structural or housing conditions, including unsanitary and unsafe dwellings and deterioration sufficient to constitute a threat to human health, safety, and public welfare.

(ii) “Completed” means rehabilitation of a dwelling to be fit for occupancy as a principal residence.

(iii) “Principal residence” means a dwelling occupied by a resident individual as the individual’s domicile during the taxable year and for a property owner, owned, or for a renter, rented under a rental agreement other than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

(iv) “Rehabilitation” means extensive repair, reconstruction, or renovation of an existing dwelling beyond normal and ordinary maintenance, painting, repairs, or replacements, with or without demolition, new construction, or enlargement.

Sec. 85. 32 V.S.A. § 5811(21)(C) is amended to read:

(C) decreased by the following exemptions and deductions:

* * *

(iv) an amount equal to the itemized deduction for medical expenses taken at the federal level by the taxpayer; under 26 U.S.C. § 213;

~~(I) minus the amount of the Vermont standard deduction and Vermont personal exemptions taken by the taxpayer under this subdivision (C); and~~

~~(II) minus any amount deducted at the federal level that is attributable to the payment of an entrance fee or recurring monthly payment made to a continuing care retirement community regulated under 8 V.S.A. chapter 151, which exceeds the deductibility limits for premiums paid during the taxable year on qualified long-term care insurance contracts under 26 U.S.C. 213(d)(10)(A).~~

* * * Housing Programs * * *

Sec. 86. 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.

(4) The Department may utilize a reasonable percentage of appropriations made to the Department for the Program to administer the Program.

(5) The Department may cooperate with and subgrant funds to State agencies and political subdivisions and public and private organizations in order to carry out the purposes of this subsection.

(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:

* * *

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

(1)(A) A ~~grant or~~ loan shall not exceed:

(i) \$70,000.00 per unit, for any unit converted from commercial to residential purposes; or

(ii) \$50,000.00 per unit, for any other eligible rental housing unit.

(B) 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.

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

* * *

(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~~ prorated credit for loan forgiveness for each year in which the landlord participates in the ~~grant~~ program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

* * *

Sec. 87. VERMONT RENTAL HOUSING IMPROVEMENT
APPROPRIATION

The sum of \$5,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for the Vermont Housing Improvement Program established in 10 V.S.A. § 699.

Sec. 88. HEALTHY HOMES INITIATIVE APPROPRIATION

The sum of \$1,000,000.00 is appropriated from the General Fund to the Department of Environmental Conservation in fiscal year 2025 for the Healthy Homes Initiative.

Sec. 89. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT
PROGRAM

* * *

(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~~ at the time of approval of the project, unless the Agency later determines that the

project will not result in affordable owner-occupied housing for income-eligible homebuyers without additional subsidy, in which case the Agency may, at its discretion, reasonably exceed this limitation and only to the extent required to achieve affordable owner-occupied housing. The Agency may shall allocate subsidies 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, agreement or uses another legal mechanism, to ensure that, to the extent the home value has risen, the amount of the subsidy upon sale of the home, to the extent proceeds are available, the amount of the affordability subsidy either:

(i) remains with the home to offset the cost to future homebuyers;
or

(ii) is recaptured by the Agency upon sale of the home for use in a similar program to support affordable homeownership development; 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.

* * *

(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.~~

* * *

Sec. 90. REPEAL

2023 Acts and Resolves No. 47, Sec. 37 (middle-income homeownership; implementation) is repealed.

Sec. 91. APPROPRIATION; MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT PROGRAM

The sum of \$10,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development to grant to the Vermont Housing Finance Agency in fiscal year 2025 for the Middle-Income Homeownership Development Program established by 2022 Acts and Resolves No. 182, Sec. 11, and amended from time to time.

Sec. 92. APPROPRIATION; VERMONT HOUSING CONSERVATION BOARD; PERPETUALLY AFFORDABLE HOUSING

The sum of \$40,000,000.00 is appropriated from the General Fund to the Vermont Housing Conservation Board in fiscal year 2025 for the following purposes:

(1) to provide support and enhance capacity for the production and preservation of affordable rental housing and homeownership units, including support for manufactured home communities, permanent homes for those experiencing homelessness, recovery residences, and housing available to farm workers and refugees; and

(2) to fund the construction and preservation of emergency shelter for households experiencing homelessness.

Sec. 93. APPROPRIATION; RENTAL HOUSING STABILIZATION SERVICES

The sum of \$400,000.00 is appropriated from the General Fund to the Office of Economic Opportunity within the Department for Children and Families in fiscal year 2025 for a grant to the Champlain Valley Office of Economic Opportunity for the Rental Housing Stabilization Services Program established by 2023 Acts and Resolves No. 47, Sec. 43.

Sec. 94. APPROPRIATION; TENANT REPRESENTATION PILOT PROGRAM

The sum of \$1,025,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2025 for a grant to Vermont Legal Aid for the Tenant Representation Pilot Program established by 2023 Acts and Resolves No. 47, Sec. 44.

Sec. 95. APPROPRIATION; RENT ARREARS ASSISTANCE FUND

The sum of \$2,500,000.00 is appropriated from the General Fund to the Vermont State Housing Authority in fiscal year 2025 for the Rent Arrears Assistance Fund established by 2023 Acts and Resolves No. 47, Sec. 45.

Sec. 96. APPROPRIATION; LANDLORD RELIEF PROGRAM

The sum of \$1,100,000.00 is appropriated from the General Fund to the Vermont State Housing Authority in fiscal year 2025 for the Landlord Relief Program to assist landlords eligible to access relief due to participation in the Section 8 project-based voucher program.

Sec. 97. APPROPRIATION; FIRST GENERATION HOMEBUYER PROGRAM

The sum of \$1,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for a grant to the Vermont Housing Finance Agency for the First-Generation Homebuyer Program established by 2022 Acts and Resolves No. 182, Sec. 2, and amended from time to time.

* * * Rental Data Collection and Protection * * *

Sec. 98. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

(a) On or before January 31 of each year, the owner of land rented as a portion of a homestead in the prior calendar year shall furnish a certificate of rent to the Department of Taxes and to each claimant who owned a portion of the homestead and rented that land as a portion of a homestead in the prior

calendar year. The certificate shall indicate the proportion of total property tax on that parcel that was assessed for municipal property tax and for statewide property tax.

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of the renter;

(2) the address and any property tax parcel identification number of the homestead, the information required under subsection (f) of this section;

(3) the name of the owner or landlord of the rental unit;

(4) the phone number, e-mail address, and mailing address of the landlord, as available;

(5) the location of the rental unit;

(6) the type of rental unit;

(7) the number of rental units in the building;

(8) the gross monthly rent per unit;

(9) the year in which the rental unit was built;

(10) the ADA accessibility of the rental unit; and

(11) any additional information that the Commissioner determines is appropriate.

(d) An owner who knowingly fails to furnish a certificate to the Department as required by this section shall be liable to the Commissioner for a penalty of \$200.00 for each failure to act. Penalties under this subsection shall be assessed and collected in the manner provided in chapter 151 of this title for the assessment and collection of the income tax.

(e) [Repealed.]

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

- (3) ~~location of rental unit;~~
- (4) ~~type of rental unit;~~
- (5) ~~number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing.

Sec. 99. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than \$1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, the offender shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

(b) The following definitions shall apply for purposes of this chapter:

* * *

(3) “Return information” includes a person’s name, address, date of birth, Social Security or federal identification number or any other identifying number; information as to whether or not a return was filed or required to be filed; the nature, source, or amount of a person’s income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liabilities, tax payments, deficiencies, or over-assessments; and any other data, from any source, furnished to or prepared or collected by the Department of Taxes with respect to any person.

* * *

(d) The Commissioner shall disclose a return or return information:

* * *

(7) to the Joint Fiscal Office pursuant to subsection 10503(e) of this title and subject to the conditions and limitations specified in that subsection; ~~and~~

(8) to the Attorney General; the Data Clearinghouse established in the October 2017 Non-Participating Manufacturer Adjustment Settlement

Agreement, which the State of Vermont joined in 2018; the National Association of Attorneys General; and counsel for the parties to the Agreement as required by the Agreement and to the extent necessary to comply with the Agreement and only as long as the State is a party to the Agreement; and

(9) annually on or before March 31, provided the disclosure relates to the information collected on the landlord certificate pursuant to subsection 6069(c) of this title, to:

(A) the Division of Vermont Emergency Management at the Department of Public Safety for the purpose of emergency management and communication; and

(B) the Department of Housing and Community Development and any organization then under contract with the Department of Housing and Community Development to carry out a statewide housing needs assessment for the purpose of the statewide housing needs assessment.

* * * Short-Term Rentals * * *

Sec. 100. 20 V.S.A. § 2676 is amended to read:

§ 2676. DEFINITION

As used in this chapter,;

(1) ~~“rental~~ Rental housing” means:

~~(1)(A)~~ (A) a “premises” as defined in 9 V.S.A. § 4451 that is subject to 9 V.S.A. chapter 137 (residential rental agreements); and

~~(2)(B)~~ (B) a “short-term rental” ~~as defined in 18 V.S.A. § 4301 and~~ subject to 18 V.S.A. chapter 85, subchapter 7.

(2) “Short-term rental” has the same meaning as in 18 V.S.A. § 4301.

Sec. 101. 20 V.S.A. § 2678 is added to read:

§ 2678. SHORT-TERM RENTALS; HEALTH AND SAFETY
DISCLOSURE

(a) The Department of Public Safety’s Division of Fire Safety shall prepare concise guidance on the rules governing health, safety, sanitation, and fitness for habitation of short-term rentals in this State and provide the guidance to any online platform or travel agent hosting or facilitating the offering of a short-term rental in this State.

(b) Any online platform or travel agent hosting or facilitating the offering of a short-term rental in this State shall make available the guidance under subsection (a) of this section to a short-term rental operator in this State.

(c) A short-term rental operator shall:

(1) physically post the guidance under subsection (a) of this section in a conspicuous place in any short-term rental offered for rent in this State; and

(2) provide the guidance under subsection (a) of this section as part of any offering or listing of a short-term rental in this State.

* * * Flood Risk Disclosure * * *

Sec. 102. 27 V.S.A. § 380 is added to read:

§ 380. DISCLOSURE OF INFORMATION; CONVEYANCE OF REAL ESTATE

(a) Prior to or as part of a contract for the conveyance of real property, the seller shall provide notice to the buyer whether the property is subject to any requirement under federal law to obtain and maintain flood insurance on the property. This notice shall be provided in a clear and conspicuous manner in a separate written document and attached as an addendum to the contract.

(b) The failure of the seller to provide the buyer with the information required under subsection (a) of this section is grounds for the buyer to terminate the contract prior to transfer of title or occupancy, whichever occurs earlier.

(c) A buyer of real estate who fails to receive the information required to be disclosed by a seller under subsection (a) of this section may bring an action to recover from the seller the amount of the buyer's damages and reasonable attorney's fees. The buyer may also seek punitive damages when the seller knowingly failed to provide the required information.

(d) A seller shall not be liable for damages under this section for any error, inaccuracy, or omission of any information required to be disclosed to the buyer under subsection (a) of this section when the error, inaccuracy, or omission was based on information provided by a public body or a by another person with a professional license or special knowledge who provided a written report that the seller reasonably believed to be correct and that was provided by the seller to the buyer.

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

Sec. 103. 9 V.S.A. § 4466 is added to read:

§ 4466. REQUIRED DISCLOSURE

A landlord shall disclose in advance of entering a rental agreement with a tenant whether any portion of the premises offered for rent is located in a

Federal Emergency Management Agency mapped flood hazard area. This notice shall be provided in a separate written document given to the tenant at or before execution of the lease.

Sec. 104. 10 V.S.A. § 6236(e) is amended to read:

(e) All mobile home lot leases shall contain the following:

* * *

(8) Notice that the mobile home park is in a flood hazard area if any lot within the mobile home park is wholly or partially located in a flood hazard area according to the flood insurance rate map effective for the mobile home park at the time the proposed lease is furnished to a prospective leaseholder. This notice shall be provided in a clear and conspicuous manner in a separate written document attached as an addendum to the proposed lease.

Sec. 105. 10 V.S.A. § 6201 is amended to read:

§ 6201. DEFINITIONS

As used in this chapter, ~~unless the context requires otherwise:~~

* * *

(13) “Flood hazard area” has the same meaning as in section 752 of this title.

(14) “Flood insurance rate map” means, for any mobile home park, the official flood insurance rate map describing that park published by the Federal Emergency Management Agency on its website.

* * * Mobile Homes * * *

Sec. 106. 2022 Acts and Resolves No. 182, Sec. 3, as amended by 2023 Acts and Resolves No. 3, Sec. 75 and 2023 Acts and Resolves No. 78, Sec. C.119, is further amended to read:

Sec. 3. MANUFACTURED HOME IMPROVEMENT AND REPLACEMENT PROGRAM

(a) Of the amounts available from the American Rescue Plan Act (ARPA) recovery funds, \$4,000,000 is appropriated to the Department of Housing and Community Development for the purposes specified:

* * *

(b) The Department administers the Manufactured Home Improvement and Repair Program and may utilize a reasonable percentage of appropriations made to the Department for the Program to administer the Program. The Department may cooperate with and subgrant funds to State agencies and

political subdivisions and public and private organizations in order to carry out the purposes of subsection (a) of this section.

Sec. 107. MANUFACTURED HOME IMPROVEMENT AND REPAIR
PROGRAM APPROPRIATIONS; INFRASTRUCTURE; MOBILE
HOME REPAIR

The sum of \$2,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for the following purposes:

(1) to improve mobile home park infrastructure under the Manufactured Home Improvement and Repair Program established by 2022 Acts and Resolves No. 182, Sec. 3, and amended from time to time; and

(2) to expand the Home Repair Awards program under the Manufactured Home Improvement and Repair Program established by 2022 Acts and Resolves No. 182, Sec. 3, and amended from time to time.

Sec. 108. MOBILE HOME TECHNICAL ASSISTANCE APPROPRIATION

(a) The sum of \$700,000.00 is appropriated from the General Fund to the Department of Housing and Community Development for a subgrant to the Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund the Mobile Home Park Technical Assistance Services Team, including administration and direct project administration costs, such as advertising, background check fees, office supplies, postage, staff mileage liability insurance, training, service contracts, rent, utilities, telephone, space maintenance, and staffing.

(b) The sum of \$300,000.00 is appropriated from the General Fund to the Department of Housing and Community Development for a subgrant to the Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund individual resident emergency grants accessible to all income-eligible mobile homeowners statewide to prevent loss of housing, remediate unsafe housing, enhance housing safety, health, and habitability issues, and provide relief from the impacts of natural disaster.

* * * Age-Restricted Housing * * *

Sec. 109. 10 V.S.A. § 325c is added to read:

§ 325c. AGE-RESTRICTED HOUSING; RIGHT OF FIRST REFUSAL

(a) Definitions. As used in this section:

(1) “Age-restricted property” means a privately owned age-restricted residential property that is not licensed pursuant to 33 V.S.A. chapter 71 or 8

V.S.A. chapter 151.

(2) “Eligible buyer” means a nonprofit housing provider.

(b) Right of first refusal; assignment to eligible buyer.

(1) The Vermont Housing and Conservation Board shall have a right of first refusal for age-restricted properties as set out in this section. The Board may assign this right to an eligible buyer.

(2) For any offer made under this section, the Board or its assignee shall contractually commit to maintaining any affordability requirements in place for the age-restricted property at the time of sale.

(c) Content of notice. An owner of age-restricted property shall give to the Board notice by certified mail, return receipt requested, of the owner’s intention to sell the age-restricted property. The requirements of this section shall not be construed to restrict the price at which the owner offers the age-restricted housing for sale. The notice shall state all the following:

(1) that the owner intends to sell the age-restricted property;

(2) the price, terms, and conditions under which the owner offers the age-restricted property for sale;

(3) that for 60 days following the notice, the owner shall not make a final unconditional acceptance of an offer to purchase the age-restricted property and that if within the 60 days the owner receives notice pursuant to subsection (d) of this section that the Board or its assignee intends to consider purchase of the age-restricted property, the owner shall not make a final unconditional acceptance of an offer to purchase the age-restricted property for an additional 120 days, starting from the 61st day following notice, except one from the Board or its assignee.

(d) Intent to negotiate; timetable. The Board or its assignee shall have 60 days following notice under subsection (c) of this section in which to determine whether the buyer intends to consider purchase of the age-restricted property. During this 60-day period, the owner shall not accept a final unconditional offer to purchase the age-restricted property.

(e) Response to notice; required action. If the owner receives no notice from the Board or its assignee during the 60-day period or if the Board notifies the owner that neither it nor its designee intends to consider purchase of the age-restricted property, the owner has no further restrictions regarding sale of the age-restricted property pursuant to this section. If, during the 60-day period, the owner receives notice in writing that the Board or its assignee intends to consider purchase of the age-restricted property, then the owner

shall do all the following:

(1) not accept a final unconditional offer to purchase from a party other than the Board or its assignee giving notice under subsection (d) of this section for 120 days following the 60-day period, a total of 180 days following the notice under subsection (c);

(2) negotiate in good faith with the Board or its assignee giving notice under subsection (d) of this section; and

(3) consider any offer to purchase from the Board or its assignee giving notice under subsection (d) of this section.

(f) Exceptions. The provisions of this section do not apply when the sale, transfer, or conveyance of the age-restricted property is any one or more of the following:

(1) through a foreclosure sale;

(2) to a member of the owner's family or to a trust for the sole benefit of members of the owner's family;

(3) among the partners who own the age-restricted property;

(4) incidental to financing the age-restricted property;

(5) between joint tenants or tenants in common;

(6) pursuant to eminent domain; or

(7) pursuant to a municipal tax sale.

(g) Requirement for new notice of intent to sell.

(1) Subject to subdivision (2) of this subsection, a notice of intent to sell issued pursuant to subsection (b) of this section shall be valid:

(A) for a period of one year from the expiration of the 60-day period following the date of the notice; or

(B) if the owner has entered into a binding purchase and sale agreement with the Board or its assignee within one year from the expiration of the 60-day period following the date of the notice, until the completion of the sale of the age-restricted property under the agreement or the expiration of the agreement, whichever is sooner.

(2) During the period in which a notice of intent to sell is valid, an owner shall provide a new notice of intent to sell, consistent with the requirements of subsection (b) of this section, prior to making an offer to sell the age-restricted property or accepting an offer to purchase the age-restricted property that is either more than five percent below the price for which the

age-restricted property was initially offered for sale or less than five percent above the final written offer from the Board or its assignee.

(h) “Good faith.” The Board or its assignee shall negotiate in good faith with the owner for purchase of the age-restricted property.

Sec. 110. 9 V.S.A. § 4468a is added to read:

§ 4468a. AGE-RESTRICTED HOUSING; RENT INCREASE; NOTICE

(a) Except as provided in subsection (c) of this section, an owner of privately owned age-restricted residential property within the State that is not licensed pursuant to 33 V.S.A. chapter 71 or 8 V.S.A. chapter 151 shall provide written notification on a form provided by the Department of Housing and Community Development to the Department and all the affected residents of any rent increase at the property not later than 60 days before the effective date of the proposed increase. The notice shall include all the following:

- (1) the amount of the proposed rent increase;
- (2) the effective date of the increase;
- (3) a copy of the resident’s rights pursuant to this section; and
- (4) the percentage of increase from the current base rent.

(b) If the owner fails to notify either the residents or the Department of a rent increase as required by subsection (a) of this section, the proposed rent increase shall be ineffective and unenforceable.

(c) This section shall not apply to any rent increase at any publicly subsidized affordable housing that is monitored by a State or federal agency for rent limitations.

* * * Reports and Studies * * *

Sec. 111. LAND BANK REPORT

(a) The Department of Housing and Community Development and the Vermont League of Cities and Towns shall analyze the feasibility of a land bank program that would identify, acquire, and restore to productive use vacant, abandoned, contaminated, and distressed properties. The Department and the League shall engage with local municipalities, regional organizations, community organizations, and other stakeholders to explore:

- (1) existing authority for public interest land acquisition for redevelopment and use;
- (2) successful models and best practices for land bank programs in Vermont and other jurisdictions, including local, regional, nonprofit, state, and

hybrid approaches that leverage the capacities of diverse communities and organizations within Vermont;

(3) potential benefits and challenges to creating and implementing a land bank program in Vermont;

(4) alternative approaches to State and municipal land acquisition, including residual value life estates and eminent domain, for purposes of revitalization and emergency land management, including for placement of trailers and other temporary housing;

(5) funding mechanisms and resources required to establish and operate a land bank program; and

(6) the legal and regulatory framework required to govern a State land bank program.

(b) On or before December 15, 2024, the Department of Housing and Community Development and the Vermont League of Cities and Towns shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing with its findings and recommendations, including proposed draft legislation for the establishment and operation of a land bank.

Sec. 112. RENT PAYMENT REPORTING REPORT

(a) To facilitate the development of a pilot program for housing providers to report tenant rent payments for inclusion in consumer credit reports, the Office of the State Treasurer shall study:

(1) any entities currently facilitating landlord credit reporting;

(2) the number of landlords in Vermont utilizing rent payment software, related software expenses, and the need for or benefit of utilizing software for positive pay reporting;

(3) the impacts on tenants from rent payment reporting programs, including, if feasible, data gathered from the Champlain Housing Trust's program;

(4) any logistical steps the State must take to facilitate the program and any associated administrative costs; and

(5) any other issues the Treasurer deems appropriate for facilitating the development of the pilot program.

(b) On or before December 15, 2024, the Treasurer shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs with its findings and recommendations, which may be in the form of

proposed legislation.

Sec. 113. LANDLORD-TENANT LAW; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Landlord-Tenant Law Study Committee to review and consider modernizing the landlord-tenant laws and evictions processes in Vermont.

(b) Membership. The Committee shall be composed of the following members:

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House;

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees;

(3) a representative of Vermont Legal Aid with experience defending tenants in evictions actions;

(4) a representative of the Vermont Landlords Association;

(5) a representative of the Department of Housing and Community Development; and

(6) a representative of the Judiciary.

(c) Powers and duties. The Committee shall study issues with Vermont's landlord-tenant laws and current evictions process, including the following issues:

(1) whether Vermont's landlord-tenant laws require modernization;

(2) the impact of evictions policies on rental housing availability;

(3) whether current termination notice periods and evictions processing timelines reflect the appropriate balance between landlord and tenant interests;

(4) practical obstacles to the removal of unlawful occupants; and

(5) whether existing bases for termination are properly utilized, including specifically 9 V.S.A. § 4467(b)(2) (termination for criminal activity, illegal drug activity, or acts of violence).

(d) Assistance. For purposes of scheduling meetings and preparing recommended legislation, the Committee shall have the assistance of the Office of Legislative Operations and the Office of Legislative Counsel.

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

which may be in the form of proposed legislation.

(f) Meetings.

(1) The ranking member of the Senate shall call the first meeting of the Committee to occur on or before August 31, 2024.

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

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

(4) The Committee shall cease to exist upon submission of its findings and any recommendations for legislative action.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member'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 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 Committee authorized under this subsection shall be made from monies appropriated to the General Assembly.

* * * Effective Dates * * *

Sec. 114. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 11 (10 V.S.A. § 6007), 13 (10 V.S.A. chapter 220) and 14 (4 V.S.A. § 34) shall take effect on October 1, 2026;

(2) Sec. 18 (revision authority) shall take effect on July 1, 2025.

(3) Secs. 19 (10 V.S.A. § 6001), 20 (10 V.S.A. § 6086(a)(8)), and 26 (10 V.S.A. § 6001) shall take effect on December 31, 2026;

(4) Sec. 24 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on July 1, 2026;

(5) Sec. 68 (32 V.S.A. § 5930aa) shall take effect on January 1, 2027;

(6) Notwithstanding 1 V.S.A. § 214, Sec. 85 (medical expenses deduction) shall take effect retroactively on January 1, 2024 and shall apply to taxable years beginning on and after January 1, 2024.;and

(7) Sec. 83 (grand list contents, 32 V.S.A. § 4152(a)) shall take effect on July 1, 2037.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 27, 2024, pages 885-974)

H. 721.

An act relating to expanding access to Medicaid and Dr. Dynasaur.

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

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

Sec. 1. SHORT TITLE

This act shall be known and may be cited as the “Medicaid Expansion Act of 2024.”

Sec. 2. FINDINGS

The General Assembly finds that:

(1) Medicaid is a comprehensive public health insurance program, funded jointly by state and federal governments. Vermont’s Medicaid program currently covers adults with incomes up to 133 percent of the federal poverty level (FPL), children up to 19 years of age from families with incomes up to 312 percent FPL, and pregnant individuals with incomes up to 208 percent FPL.

(2) States may customize their Medicaid programs with permission from the federal government through waivers and demonstrations. Vermont is the only state in the nation that operates its entire Medicaid program under a comprehensive statewide demonstration, called the Global Commitment to Health, that offers the same services to residents in all regions of the State.

(3) Vermont’s unique Medicaid program provides comprehensive coverage for a full array of health care services, including primary and specialty care; reproductive and gender-affirming care; hospital and surgical care; prescription drugs; long-term care; mental health, dental, and vision care; disability services; substance use disorder treatment; and some social services and supportive housing services.

(4) There are no monthly premiums for most individuals covered under

Vermont's Medicaid program, and co-payments are minimal or nonexistent for most Medicaid coverage. For example, the highest co-payment for prescription drugs for a Medicaid beneficiary is just \$3.00.

(5) Close to one-third of all Vermonters, including a majority of all children in the State, have coverage provided through Vermont Medicaid, making it the largest health insurance program in Vermont.

(6) In 2021, the six percent uninsured rate for Vermonters who had an annual income between 251 and 350 percent FPL was double the three percent overall uninsured rate. And for those 45 to 64 years of age, the estimated number of uninsured Vermonters increased more than 50 percent over the previous three years, from 4,900 uninsured in 2018 to 7,400 in 2021.

(7) Cost is the primary barrier to health insurance coverage for uninsured Vermonters. More than half (51 percent) of uninsured individuals identify cost as the only reason they do not have insurance.

(8) During the COVID-19 public health emergency, the uninsured rate for Vermonters with incomes just above Medicaid levels (between 139 and 200 percent FPL) fell from six percent in 2018 to two percent in 2021. This drop was due in large part to the federal Medicaid continuous coverage requirement, which allowed individuals to remain on Medicaid throughout the pandemic even if their incomes rose above the Medicaid eligibility threshold. A majority of Vermonters (56 percent) with incomes between 139 and 200 percent FPL were on Medicaid in 2021.

(9) The end of the public health emergency and the beginning of the federally required Medicaid "unwinding" means that many of these Vermonters are losing their comprehensive, low- or no-cost Medicaid health coverage.

(10) Almost nine in 10 (88 percent) insured Vermonters visited a doctor in 2021, compared with just 48 percent of uninsured Vermonters. Insured Vermonters are also significantly more likely to seek mental health care than uninsured Vermonters (34 percent vs. 21 percent).

(11) Marginalized populations are more likely than others to forgo health care due to cost. Vermonters who are members of gender identity minority groups are the most likely not to receive care from a doctor because they cannot afford to (12 percent). In addition, eight percent of each of the following populations also indicated that they are unlikely to receive care because of the cost: Vermonters under 65 years of age who have a disability, Vermonters who are Black or African American, and Vermonters who are LGBTQ.

(12) Many Vermonters under 65 years of age who have insurance are considered “underinsured,” which means that their current or potential future medical expenses are more than what their incomes can bear. The percentage of underinsured Vermonters is increasing, from 30 percent in 2014 to 37 percent in 2018 and to 40 percent in 2021.

(13) Vermonters 18 to 24 years of age are the most likely to be underinsured among those under 65 years of age, with 37 percent or 38,700 young adults falling into this category.

(14) The highest rates of underinsurance are among individuals with the lowest incomes, who are just over the eligibility threshold for Medicaid. Among Vermonters under 65 years of age, 43 percent of those earning 139–150 percent FPL and 49 percent of those earning 151–200 percent FPL are underinsured.

(15) Underinsured Vermonters 18 to 64 years of age spend on average approximately 2.5 times more on out-of-pocket costs than fully insured individuals, with an average of \$4,655.00 for underinsured adults compared with less than \$1,900.00 for fully insured individuals.

(16) Individuals with lower incomes or with a disability who turn 65 years of age and must transition from Medicaid to Medicare often face what is known as the “Medicare cliff” or the “senior and disabled penalty” when suddenly faced with paying high Medicare costs. Individuals with incomes between \$14,580.00 and \$21,876.00 per year, and couples with incomes between \$19,728.00 and \$29,580.00 per year, can go from paying no monthly premiums for Medicaid or a Vermont Health Connect plan to owing hundreds of dollars per month in Medicare premiums, deductibles, and cost-sharing requirements.

(17) The Patient Protection and Affordable Care Act, Pub. L. No. 111-148, allows young adults to remain on their parents’ private health insurance plans until they reach 26 years of age. The same option does not exist under Dr. Dynasaur, Vermont’s public children’s health insurance program established in accordance with Title XIX (Medicaid) and Title XXI (SCHIP) of the Social Security Act, however, so young adults who come from families without private health insurance are often uninsured or underinsured.

(18) In order to promote the health of young adults and to increase access to health care services, the American Academy of Pediatrics recommends that coverage under Medicaid and SCHIP, which in Vermont means Dr. Dynasaur, be made available to all individuals from 0 to 26 years of age.

Sec. 3. 33 V.S.A. § 1901 is amended to read:

§ 1901. ADMINISTRATION OF PROGRAM

* * *

(b) The Secretary shall make coverage under the Dr. Dynasaur program established in accordance with Title XIX (Medicaid) and Title XXI (SCHIP) of the Social Security Act available to the following individuals whose modified adjusted gross income is at or below 312 percent of the federal poverty level for the applicable family size:

(1) all Vermont residents up to 19 years of age; and

(2) pregnant individuals of any age.

(c) The Secretary may charge a monthly premium, in amounts set by the General Assembly, per family for pregnant ~~women and~~ individuals, children, and young adults eligible for medical assistance under Sections 1902(a)(10)(A)(i)(III), (IV), (VI), and (VII) of Title XIX of the Social Security Act, whose family income exceeds 195 percent of the federal poverty level, as permitted under section 1902(r)(2) of that act. Fees collected under this subsection shall be credited to the State Health Care Resources Fund established in section 1901d of this title and shall be available to the Agency to offset the costs of providing Medicaid services. Any co-payments, coinsurance, or other cost sharing to be charged shall also be authorized and set by the General Assembly.

* * *

(e) For purposes of any enhanced primary care reimbursement rate or conversion factor in the Medicaid program, a provider who provides primary care reproductive, family planning, obstetrics, or gynecology services, or a combination of these, including a certified nurse midwife or an obstetrician-gynecologist, may attest to being a primary care provider.

Sec. 4. AGENCY OF HUMAN SERVICES; TECHNICAL ANALYSIS;
REPORTS

(a) The Agency of Human Services, in collaboration with interested stakeholders, shall undertake a technical analysis relating to expanding access to Medicaid and Dr. Dynasaur, to rates paid to health care providers for delivering services to individuals on Medicaid and Dr. Dynasaur, and to the structure of Vermont's health insurance markets.

(b) The technical analysis relating to expanding access to Medicaid and Dr. Dynasaur shall examine the feasibility of; consider the need for one or more federal waivers or one or more amendments to Vermont's Global Commitment

to Health Section 1115 demonstration, or both, for; develop a proposed implementation timeline and estimated costs of implementation for; and estimate the programmatic costs of, each of the following:

(1) expanding eligibility for Medicaid for adults who are 26 years of age or older but under 65 years of age and not pregnant to individuals with incomes at or below 312 percent of the federal poverty level (FPL) by 2030;

(2) expanding eligibility for Dr. Dynasaur to all Vermont residents up to 26 years of age with incomes at or below 312 percent FPL by 2030;

(3) expanding eligibility for the Immigrant Health Insurance Plan established pursuant to 33 V.S.A. chapter 19, subchapter 9 to all individuals up to 65 years of age with incomes up to 312 percent FPL who have an immigration status for which Medicaid or Dr. Dynasaur is not available by 2030;

(4) implementing a proposed schedule of sliding-scale cost-sharing requirements for beneficiaries of the expanded Medicaid, Dr. Dynasaur, and Immigrant Health Insurance Plan programs; and

(5) any recommended modifications to the VPharm program in light of the Medicare Savings Program eligibility expansions set forth in Sec. 7 of this act, as well as the potential for further expanding eligibility for the Medicare Savings Programs beyond the Sec. 7 expansions.

(c)(1) The technical analysis relating to Medicaid provider reimbursement rates shall include:

(A) an analysis of the expected enrollment by proposed expansion population for each of the programs described in subsection (b) of this section;

(B) an examination of the insurance coverage individuals in each proposed expansion population currently has, if any, and the average reimbursement rates under that coverage by provider type as a percentage of the Medicare rates for the same services;

(C) an analysis of how current Vermont Medicaid rates compare to rates paid to Vermont providers, by provider type, under Medicare;

(D) an assessment of how other states' public option and Medicaid buy-in programs set provider rates, which providers are included, the basis for those rates by provider type, and any available data regarding the impacts of those rates on provider participation and patient access to care;

(E) an estimate of the costs to the State, by provider type, if providers were reimbursed at 125 percent, 145 percent, 160 percent, and 200 percent of Medicare rates;

(F) if a fee schedule is benchmarked to Medicare rates, how best to structure a methodology that avoids federal Medicare rate cuts while ensuring appropriate inflationary indexing;

(G) if rate differentials will continue between primary care and specialty care services under the RBRVS fee schedule, an estimate of the costs of including comprehensive prenatal, labor and delivery, postpartum, other reproductive health care services, and psychiatric services under the primary care rate; and

(H) a proposed methodology for comparing Medicaid home health and pediatric palliative care rates against Medicare home health prospective payment system or Medicare hospice rates.

(2) As used in this section, “provider type” means the designated and specialized service agencies and each category of health care provider that provides services for which the Department of Vermont Health Access maintains a reimbursement methodology, including hospital inpatient services; hospital outpatient services; professional services reimbursed based on the RBRVS fee schedule for both primary care and specialty care services; services provided by federally qualified health centers and rural health centers; suppliers of durable medical equipment, prosthetics, orthotics, and supplies; clinical laboratory services; home health services; hospice services; pediatric palliative care services; ambulance services; anesthesia services; dental services; assistive community care services; and applied behavior analysis services.

(d) The technical analysis relating to Vermont’s health insurance markets shall include:

(1) determining the potential advantages and disadvantages to individuals, small businesses, and large businesses of modifying Vermont’s current health insurance market structure, including the impacts on health insurance premiums and on Vermonters’ access to health care services;

(2) exploring other affordability mechanisms to address the 2026 expiration of federal enhanced premium tax credits for plans issued through the Vermont Health Benefit Exchange; and

(3) examining the feasibility of creating a public option or other mechanism through which otherwise ineligible individuals or employees of small businesses, or both, could buy into Vermont Medicaid coverage.

(e)(1) On or before January 15, 2025, the Agency of Human Services shall submit the technical analysis required by this section to the House Committees on Health Care and on Appropriations and to the Senate Committees on Health

and Welfare, on Finance, and on Appropriations. The analysis shall include the feasibility of each item described in subsections (b)–(d) of this section; the federal strategy for achieving each item, including identification of any necessary federal waivers, the process for obtaining such waivers, and the likelihood of approval for each such waiver; the costs, both programmatic costs and technological and operational costs; a timeline for implementation of each recommended action; and a description of any legislative needs.

(2) On or before January 15, 2026, the Agency of Human Services shall provide the following to the House Committees on Health Care and on Appropriations and to the Senate Committees on Health and Welfare, on Finance, and on Appropriations:

(A) an analysis of how current Vermont Medicaid rates compare to rates paid to Vermont providers, by provider type, under average commercial health insurance fee schedules; and

(B) an estimate of the costs to the State and an analysis of the advantages and disadvantages of benchmarking rates for RBRVS-equivalent professional services based on the average commercial health insurance rates paid to Vermont providers rather than the Medicare fee-for-service physician fee schedule.

Sec. 5. 33 V.S.A. § 1901e is amended to read:

§ 1901e. GLOBAL COMMITMENT FUND

* * *

(c)(1) Annually, on or before October 1, the Agency shall provide a detailed report to the Joint Fiscal Committee that describes the managed care organization's investments under the terms and conditions of the Global Commitment to Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.

(2) In addition to the annual report required by subdivision (1) of this subsection, the Agency shall provide the information set forth in subdivisions (A)–(E) of this subdivision annually as part of its budget presentation. The Agency may choose to provide the required information for the subset of the Global Commitment investments being independently evaluated in any one year. The information to be provided shall include:

(A) a detailed description of the investment;

(B) which Vermonters are served by the investment;

(C) the cost of the investment;

(D) the efficacy of the investment; and

(E) where in State government the investment is managed, including the division or office responsible for the management.

Sec. 6. 33 V.S.A. §1901c is added to read:

§ 1901c. MEDICAID COVERED SERVICE CONSIDERATIONS; REPORT

Annually on or before January 15, the Commissioner of Vermont Health Access shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding each service that the Department of Vermont Health Access considered for new, modified, expanded, or reduced coverage under the Vermont Medicaid program during the preceding fiscal year, including the reason for considering the service, the factors considered, the stakeholders consulted, the coverage decision made, and the rationale for the decision.

Sec. 7. MEDICARE SAVINGS PROGRAMS; INCOME ELIGIBILITY

The Agency of Human Services shall make the following changes to the Medicare Savings Programs:

(1) increase the Qualified Medicare Beneficiary (QMB) Program income threshold to 150 percent of the federal poverty level (FPL);

(2) eliminate the Specified Low-Income Medicare Beneficiary (SLMB) Program; and

(3) increase the Qualifying Individual (QI) Program income threshold to 200 percent FPL.

Sec. 8. MEDICAID STATE PLAN AMENDMENTS

(a) The Agency of Human Services shall request approval from the Centers for Medicare and Medicaid Services to amend Vermont's Medicaid state plan to expand eligibility for the Medicare Savings Programs as set forth in Sec. 7 of this act.

(b) If amendments to Vermont's Medicaid state plan or to Vermont's Global Commitment to Health Section 1115 demonstration, or both, are necessary to implement any of the other provision of this act, the Agency of Human Services shall seek approval from the Centers for Medicare and Medicaid Services as expeditiously as possible.

Sec. 9. [Deleted.]

Sec. 10. 2013 Acts and Resolves No. 73, Sec. 60(10), as amended by 2017 Acts and Resolves No. 73, Sec. 14, 2018 Acts and Resolves No. 187, Sec. 5,

2019 Acts and Resolves No. 71, Sec. 21, 2021 Acts and Resolves No. 73, Sec. 14, and 2023 Acts and Resolves No. 78, Sec. E.306.1, is further amended to read:

(10) Secs. 48–51 (health care claims tax) shall take effect on July 1, 2013 and Sec. 52 (Health IT-Fund; sunset) shall take effect on July 1, ~~2025~~ 2027.

Sec. 11. 2019 Acts and Resolves No. 6, Sec. 105, as amended by 2019 Acts and Resolves No. 71, Sec. 19, 2022 Acts and Resolves No. 83, Sec. 75, and 2023 Acts and Resolves No. 78, Sec. E.306.2, is further amended to read:

Sec. 105. EFFECTIVE DATES

* * *

(b) Sec. 73 (further amending 32 V.S.A. § 10402) shall take effect on July 1, ~~2025~~ 2027.

Sec. 12. APPROPRIATIONS

(a) In fiscal year 2025, the sum of \$600,000.00 in Global Commitment funds is appropriated to the Agency of Human Services to implement the Dr. Dynasaur eligibility expansion set forth in Sec. 3 of this act.

(1) In fiscal year 2025, the sum of \$180,000.00 is appropriated from the General Fund to the Agency of Human Services, Global Commitment appropriation for the State match for implementation of the Dr. Dynasaur eligibility expansion set forth in Sec. 3 of this act.

(2) In fiscal year 2025, the sum of \$420,000.00 in federal funds is appropriated to the Agency of Human Services, Global Commitment appropriation for implementation of the Dr. Dynasaur eligibility expansion set forth in Sec. 3 of this act.

(b) In fiscal year 2025, the sum of \$450,000.00 in Global Commitment funds is appropriated to the Agency of Human Services for the technical analysis required by Sec. 4 of this act.

(1) In fiscal year 2025, the sum of \$250,000.00 is appropriated from the General Fund to the Agency of Human Services, Global Commitment appropriation for the State match for the technical analysis required by Sec. 4 of this act.

(2) In fiscal year 2025, the sum of \$200,000.00 in federal funds is appropriated to the Agency of Human Services, Global Commitment appropriation for the technical analysis required by Sec. 4 of this act.

(c) The sum of \$200,000.00 is appropriated to the Department of Vermont

Health Access in fiscal year 2025, of which \$100,000.00 is from the General Fund and \$100,000.00 is in federal funds, to implement the Medicare Savings Programs eligibility expansion as set forth in Sec. 7 of this act.

(d) It is the intent of the General Assembly to use a portion of the revenues generated through the amended taxes and fees in Secs. 13–15 of this act to fund the appropriations set forth in this section.

Sec. 13. 32 V.S.A. § 5811(18) is amended to read:

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

(A) the taxable income of the taxpayer for that taxable year under the laws of the United States, without regard to 26 U.S.C. § 168(k), and excluding income that under the laws of the United States is exempt from taxation by the states:

(i) increased by:

(I) the amount of any deduction for State and local taxes on or measured by income, franchise taxes measured by net income, franchise taxes for the privilege of doing business and capital stock taxes; ~~and~~

(II) to the extent such income is exempted from taxation under the laws of the United States ~~by~~, the amount received by the taxpayer on and after January 1, 1986 as interest income from state and local obligations, other than obligations of Vermont and its political subdivisions, and any dividends or other distributions from any fund to the extent such dividend or distribution is attributable to such Vermont State or local obligations;

(III) the amount of any deduction for a federal net operating loss; and

(IV) the amount of any deduction allowed under 26 U.S.C. § 250(a); and

(ii) decreased by:

* * *

Sec. 14. 32 V.S.A. § 5832 is amended to read:

§ 5832. TAX ON INCOME OF CORPORATIONS

A tax is imposed for each calendar year, or fiscal year ending during that calendar year, upon the income earned or received in that taxable year by every taxable corporation, reduced by any Vermont net operating loss allowed under section 5888 of this title, such tax being the greater of:

(1) an amount determined in accordance with the following schedule:

Vermont net income of the corporation for the taxable year allocated or apportioned to Vermont under section 5833 of this title	Tax
\$0-10,000.00	6.00%
10,001.00-25,000.00	\$600.00 plus 7.0% of the excess over \$10,000.00
25,001.00 and over	\$1,650.00 plus 8.5% <u>10%</u> of the excess over 25,000.00

or

(2)(A) \$75.00 for small farm corporations. “Small farm corporation” means any corporation organized for the purpose of farming, which during the taxable year is owned solely by active participants in that farm business and receives less than \$100,000.00 Vermont gross receipts from that farm operation, exclusive of any income from forest crops; or

(B) An amount determined in accordance with section 5832a of this title for a corporation that qualifies as and has elected to be taxed as a digital business entity for the taxable year; or

(C) For C corporations with Vermont gross receipts from \$0.00–\$500,000.00, the greater of the amount determined under subdivision (1) of this section or \$100.00; or

(D) For C corporations with Vermont gross receipts from \$500,001.00–\$1,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$500.00; or

(E) For C corporations with Vermont gross receipts from \$1,000,001.00–\$5,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$2,000.00; or

(F) For C corporations with Vermont gross receipts from \$5,000,001.00–\$300,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$6,000.00; or

(G) For C corporations with Vermont gross receipts greater than \$300,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$100,000.00.

Sec. 15. 9 V.S.A. § 5302 is amended to read:

§ 5302. NOTICE FILING

* * *

(e) At the time of the filing of the information prescribed in subsection (a), (b), (c), or (d) of this section, except investment companies subject to 15 U.S.C. § 80a-1 et seq., the issuer shall pay to the Commissioner a fee of ~~\$600.00~~ \$740.00. The fee is nonrefundable.

(f) Investment companies subject to 15 U.S.C. § 80a-1 et seq. shall pay to the Commissioner an initial notice filing fee of ~~\$2,000.00~~ \$2,250.00 and an annual renewal fee of ~~\$1,650.00~~ \$1,900.00 for each portfolio or class of investment company securities for which a notice filing is submitted.

* * *

Sec. 16. EFFECTIVE DATES

(a) This section and Secs. 1 (short title), 2 (findings), 3(e) (reproductive health care providers as primary care providers), 4 (technical analysis and reports), 5 (Global Commitment investments), 6 (Medicaid covered service considerations), 8 (Medicaid state plan amendments), and 10 and 11 (extension of Health IT-Fund) shall take effect on passage.

(b) Sec. 3(b) and (c) (33 V.S.A. § 1901; Dr. Dynasaur eligibility expansion) shall take effect on January 1, 2026.

(c) Sec. 7 (Medicare Savings Programs; income eligibility) shall take effect upon the later of January 1, 2026 or approval by the Centers for Medicare and Medicaid Services of the amendment to Vermont's Medicaid state plan as directed in Sec. 8(a).

(d) Secs. 12 (appropriations) and 15 (securities registration fee) shall take effect on July 1, 2024.

(e) Secs. 13 (add-back of corporate income tax deductions) and 14 (corporate income tax brackets) shall take effect on January 1, 2025 and apply to taxable years beginning on and after January 1, 2025.

(Committee vote: 3-2-0)

(For House amendments, see House Journal of March 27, 2024, pages 864-879)

Proposed Amendments to the Vermont Constitution

PROPOSAL 4

(For Second Reading pursuant to Rule 77)

Subject: Declaration of rights; government for the people; equality of rights

PENDING ACTION: Second Reading of the proposed amendment

Text of Proposal 4:

PROPOSAL 4

Sec. 1. PURPOSE

(a) This proposal would amend the Constitution of the State of Vermont to specify that the government must not deny equal treatment and respect under the law on account of a person's race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, or national origin. The Constitution is our founding legal document stating the overarching values of our society. This amendment is in keeping with the values espoused by the current Vermont Constitution. Chapter I, Article 1 declares "That all persons are born equally free and independent, and have certain natural, inherent, and unalienable rights." Chapter I, Article 7 states "That government is, or ought to be, instituted for the common benefit, protection, and security of the people." The core value reflected in Article 7 is that all people should be afforded all the benefits and protections bestowed by the government, and that the government should not confer special advantages upon the privileged. This amendment would expand upon the principles of equality and liberty by ensuring that the government does not create or perpetuate the legal, social, or economic inferiority of any class of people. This proposed constitutional amendment is not intended to limit the scope of rights and protections afforded by any other provision in the Vermont Constitution.

(b) Providing for equality of rights as a fundamental principle in the Constitution would serve as a foundation for protecting the rights and dignity of historically marginalized populations and addressing existing inequalities. This amendment would reassert the broad principles of personal liberty and equality reflected in the Constitution of the State of Vermont with authoritative force, longevity, and symbolic importance.

Sec. 2. Article 7 of Chapter I of the Vermont Constitution is amended to read:

Article 7. [Government for the people; they may change it]

That government is, or ought to be, instituted for the common benefit, protection, and security of the people, nation, or community, and not for the

particular emolument or advantage of any single person, family, or set of persons, who are a part only of that community; that the government shall not deny equal treatment and respect under the law on account of a person's race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, or national origin; and that the community hath an indubitable, unalienable, and indefeasible right, to reform or alter government, in such manner as shall be, by that community, judged most conducive to the public weal.

Sec. 3. EFFECTIVE DATE

The amendment set forth in Sec. 2 shall become a part of the Constitution of the State of Vermont on the first Tuesday after the first Monday of November 2026 when ratified and adopted by the people of this State in accordance with the provisions of 17 V.S.A. chapter 32.

Reported favorably with recommendation of amendment by Senator Hashim for the Committee on Judiciary.

The Committee on Judiciary recommends that the proposal be amended by striking out the proposal in its entirety and inserting in lieu thereof the following:

PROPOSAL 4

Sec. 1. PURPOSE

(a) This proposal would amend the Constitution of the State of Vermont to specify that the government must not deny equal treatment and respect under the law on account of a person's race, ethnicity, sex, religion, disability, sexual orientation, gender identity, gender expression, or national origin. The Constitution is our founding legal document stating the overarching values of our society. This amendment is in keeping with the values espoused by the current Vermont Constitution. Chapter I, Article 1 declares "That all persons are born equally free and independent, and have certain natural, inherent, and unalienable rights." Chapter I, Article 7 states "That government is, or ought to be, instituted for the common benefit, protection, and security of the people." The core value reflected in Article 7 is that all people should be afforded all the benefits and protections bestowed by the government, and that the government should not confer special advantages upon the privileged. This amendment would expand upon the principles of equality and liberty by ensuring that the government does not create or perpetuate the legal, social, or economic inferiority of any class of people. This proposed constitutional amendment is not intended to limit the scope of rights and protections afforded by any other provision in the Vermont Constitution.

(b) Providing for equality of rights as a fundamental principle in the Constitution would serve as a foundation for protecting the rights and dignity of historically marginalized populations and addressing existing inequalities. This amendment would reassert the broad principles of personal liberty and equality reflected in the Constitution of the State of Vermont with authoritative force, longevity, and symbolic importance.

Sec. 2. Article 23 of Chapter I of the Vermont Constitution is added to read:

Article 23. [Equality of rights]

That the people are guaranteed equal protection under the law. The State shall not deny equal treatment and respect under the law on account of a person's race, ethnicity, sex, religion, disability, sexual orientation, gender identity, gender expression, or national origin. Nothing in this Article shall be interpreted or applied to prevent the adoption or implementation of measures intended to provide equality of treatment and opportunity for members of groups that have historically been subject to discrimination.

Sec. 3. EFFECTIVE DATE

The amendment set forth in Sec. 2 shall become a part of the Constitution of the State of Vermont on the first Tuesday after the first Monday of November 2026 when ratified and adopted by the people of this State in accordance with the provisions of 17 V.S.A. chapter 32.

(Committee vote: 5-0-0)

**Amendment to the recommendation of amendment of the Committee on
Judiciary to Prop 4 to be offered by Senators Hashim, Baruth, Norris,
Sears and Vyhovsky**

(On Notice Calendar pursuant to Senate Rule 78)

Senators Hashim, Baruth, Norris, Sears and Vyhovsky move to amend the recommendation of amendment of the Committee on Judiciary as follows

First: In Sec. 1, in subsection (a), in the first sentence, by striking out “and respect”

Second: In Sec. 2, by striking out “and respect”

Reported favorably by Senator Hashim for the Committee on Judiciary.

The Committee on Judiciary to which was referred an amendment offered by Sens. Hashim, et al, to the recommendation of amendment of the Committee on Judiciary to Prop 4, report that it has considered the same and recommend that the recommendation of amendment of the Committee on Judiciary be amended as offered by Sens. Hashim, et al. pursuant to Senate Rule 78.

(Committee vote: 5-0-0)

ORDERED TO LIE

S. 94.

An act relating to the City of Barre tax increment financing district.

CONCURRENT RESOLUTIONS FOR NOTICE

Concurrent Resolutions For Notice Under Joint Rule 16

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless a Senator requests floor consideration before the end of the session of the next legislative day. Requests for floor consideration should be communicated to the Secretary's Office.

S.C.R. 13 (For text of Resolution, see Addendum to Senate Calendar of April 18, 2024)

H.C.R. 219 - 230 (For text of Resolutions, see Addendum to House Calendar for April 18, 2024)

CONFIRMATIONS

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

Edward M. McNamara of Montpelier - Chair, Public Utility Commission - Sen. Cummings for the Committee on Finance. (4/3/2024)

Denise Reilly-Hughes of Cavendish - Secretary, Agency of Digital Services - Sen. White for the Committee on Government Operations. (4/10/2024)

Julie Hulburd of Colchester - Member, Cannabis Control Board - Sen. Vyhovsky for the Committee on Government Operations. (4/10/2024)

James Pepper of Montpelier - Chair, Cannabis Control Board - Sen. Norris for the Committee on Government Operations. (4/10/2024)

Margaret Tandoh of South Burlington - Member, Board of Medical Practice Sen. Lyons for the Committee on Health and Welfare. (4/10/2024)

JFO NOTICE

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3):

JFO #3194: \$10,483,053.00 to the Agency of Commerce and Community Development, Department of Tourism and Marketing from the U.S. Department of Commerce, Economic Development Administration. Funds will support the resiliency and long-term recovery of the travel and tourism sectors in Vermont after the wide-spread disruption of these sectors during the Covid-19 pandemic. The Department of Tourism and Marketing has been working with the Economic Development Administration (EDA) for over 18 months to develop a plan that would satisfy the EDA requirements and meet the specific needs of the Vermont travel and tourism industry. The grant includes two (2) limited-service positions, Grants Programs Manager and Travel Marketing Administrator to complete the grant administration plan. Both positions are fully funded through the new award through 10/31/2025.

[Received March 19, 2024]

JFO #3195: One (1) limited-service position, Environmental Scientist III to the Agency of Natural Resources, Department of Environmental Conservation. The position will support high-priority efforts to reduce the spread of aquatic invasive species in public waters in the Lake Champlain Basin and is funded through additional federal funds received under an existing EPA grant for work in the Lake Champlain Basin program. Funding is for one-year with anticipation that funding will renew and be available for the foreseeable future. Position requested is through 12/31/2028.

[Received March 19, 2024]

JFO #3196: Two (2) limited-service positions, both Grant Specialists, to the Agency of Natural Resources, Department of Forests, Parks and Recreation. The positions will manage stewardship of existing grants and applications and outreach for annual grant cycles. Both positions are 70% funded through

existing federal funds. The remaining 30% will be a combination of state special funds: State Recreation Trails Fund and Vermont Outdoor Recreation Economic Collaborative funds. The positions will not rely on annual appropriations of the General Fund. Both funded through 9/30/2024.

[Received March 19, 2024]

JFO #3197: One (1) limited-service position, Environmental Analyst IV, to the Agency of Natural Resources, Department of Environmental Conservation. The position will manage the increase in funding and the resulting increase in projects for the Healthy Homes program which provides financial assistance to low to moderate income homeowners to address failed or inadequate water, wastewater, drainage and storm water issues. A portion of the American Rescue Plan Act – Coronavirus State Fiscal Recovery Funds appropriated in Act 78 of 2023, funds this position through 12/31/2026.

[Received March 19, 2024]

JFO #3198: Bargain sale of timber rights to the Agency of Natural Resources, Department of Fish and Wildlife from the A Johnson Co., LLC. Vermont acquired the current Pond Woods Wildlife Management Area in Benson and Orwell, VT in the 1960s. At that time the A Johnson Co. retained the timber rights. The State now has the opportunity to acquire the timber rights, valued at \$2,320,529.00, for \$900,000.00. Acquisition of the timber rights will allow greater control over the property management. The \$900,000.00 sale price plus closing costs is covered by ongoing, annual funding from the U.S. Department of Fish and Wildlife.

[Received March 24, 2024]

FOR INFORMATION ONLY

CROSSOVER DATES

The Joint Rules Committee established the following crossover deadlines:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 15, 2024**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day. House Committee bills must be voted out of Committee by Friday, March 15, 2024 and introduced the next legislative day.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday**,

March 22, 2024, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

Exceptions to the foregoing deadlines include the major money bills (Appropriations “Big Bill”, Transportation Spending Bill, Capital Construction Bill, Pay Bill, and Miscellaneous Tax Bill).

FOR INFORMATIONAL PURPOSES

CONSTITUTIONAL AMENDMENTS

The 2023-2024 biennium is the second reading of a proposal of amendment; there is only a second reading this biennium. Third reading is during the 2025-2026 biennium.

Upon being reported by a committee, the proposal is printed in full in the Senate Calendar on the Notice Calendar for five legislative days. Senate Rule 77.

At second reading the proposal of amendment is read in full. Senate Rule 77.

The vote on any constitutional proposal of amendment and any amendment thereto is by yeas and nays. Senate Rules 77 and 80, and Vermont Constitutional §72 (requirement of 2/3 vote of members).

At second reading, the questions is: “Shall the Senate adopt the proposal of amendment to the Constitution of Vermont (as amended) as recommended by the Committee on ____ and request the concurrence of the House?” which requires 20 votes – 2/3 of the Senate. Vermont Constitution §72. Any amendments to the proposal of amendment require a majority. Senate Rule 80.

Amendments recommended by any senator shall be submitted to the committee of reference, in written form, where they shall be acted upon by the committee. Upon adoption or rejection of any amendment by the committee, the amendment and recommendation shall be printed in the calendar at least one legislative day before second reading. Senate Rule 78.