

Senate Calendar

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**ACTION CALENDAR
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

UNFINISHED BUSINESS OF THURSDAY, APRIL 18, 2024

Second Reading

Favorable with Proposal of Amendment

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
<u>Sources of funds</u>			
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 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 entirety 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)

UNFINISHED BUSINESS OF FRIDAY, APRIL 19, 2024

Second Reading

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)

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 Proposal 4 to be offered by Senators Hashim, Baruth, Norris, Sears and Vyhovsky

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 Proposal 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)

NEW BUSINESS

Third Reading

H. 247.

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

H. 649.

An act relating to the Vermont Truth and Reconciliation Commission.

Second Reading

Favorable with Proposal of Amendment

H. 534.

An act relating to retail theft.

Reported favorably with recommendation of proposal of amendment by Senator Baruth 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. 13 V.S.A. § 2575 is amended to read:

§ 2575. OFFENSE OF RETAIL THEFT

A person commits the offense of retail theft when the person, with intent of depriving a merchant wrongfully of the lawful possession of merchandise, money, or credit:

(1) takes and carries away or causes to be taken and carried away or aids and abets the carrying away of, any merchandise from a retail mercantile establishment without paying the retail value of the merchandise; or

* * *

Sec. 2. 13 V.S.A. § 2577 is amended to read:

§ 2577. PENALTY

(a) A person convicted of the offense of retail theft of merchandise having a retail value not in excess of \$900.00 shall:

(1) for a first offense, be punished by a fine of not more than \$500.00 or imprisonment for not more than ~~six months~~ 30 days, or both;

(2) for a second offense, be punished by a fine of not more than \$1,000.00 or imprisonment for not more than six months, or both;

(3) for a third offense, be punished by a fine of not more than \$1,500.00 or imprisonment for not more than three years, or both; or

(4) for a fourth or subsequent offense, be punished by a fine of not more than \$2,500.00 or imprisonment for not more than 10 years, or both.

(b) A person convicted of the offense of retail theft of merchandise having a retail value in excess of \$900.00 shall be punished by a fine of not more than \$1,000.00 or imprisonment for not more than 10 years, or both.

* * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 4-1-0)

(No House amendments)

H. 546.

An act relating to administrative and policy changes to tax laws.

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

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

* * * Per Parcel Fee for Property Reappraisal * * *

Sec. 1. 32 V.S.A. § 4041a is amended to read:

§ 4041a. REAPPRAISAL

(a) A municipality shall be paid \$8.50 per grand list parcel per year from the ~~Education~~ General Fund to be used only for reappraisal and costs related to reappraisal of its grand list properties and for maintenance of the grand list.

* * *

Sec. 2. 32 V.S.A. § 5412 is amended to read:

§ 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF EDUCATION TAX LIABILITY

(a)(1) If a listed value is reduced as the result of an appeal or court action made pursuant to section 4461 of this title, a municipality may submit a request for the Director of Property Valuation and Review to recalculate its education property tax liability for the education grand list value lost due to a determination, declaratory judgment, or settlement. The Director shall recalculate the municipality's education property tax liability for each year at issue, in accord with the reduced valuation, provided that:

(A) The reduction in valuation is the result of an appeal under chapter 131 of this title to the Director of Property Valuation and Review or to a court, with no further appeal available with regard to that valuation, or any judicial decision with no further right of appeal, or a settlement of either an appeal or court action if the Director determines that the settlement value is the fair market value of the parcel. The Director may waive the requirement of continuing an appeal or court action until there is no further right of appeal if the Director concludes that the value determined by an adjudicated decision is a reasonable representation of the fair market value of the parcel.

(B) The municipality submits the request on or before January 15 for a request involving an appeal or court action resolved within the previous calendar year.

(C) [Repealed.]

(D) The Director determines that the municipality's actions were consistent with best practices published by the Property Valuation and Review in consultation with the Vermont Assessors and Listers Association. The municipality shall have the burden of showing that its actions were consistent with the Director's best practices.

* * *

* * * Annual Link to Federal Income Tax Law * * *

Sec. 3. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect on December 31, ~~2022~~ 2023, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter and shall continue in effect as adopted until amended, repealed, or replaced by act of the General Assembly.

Sec. 4. 32 V.S.A. § 7402 is amended to read:

§ 7402. DEFINITIONS

As used in this chapter unless the context requires otherwise:

* * *

(8) "Laws of the United States" means the U.S. Internal Revenue Code of 1986, as amended through December 31, ~~2022~~ 2023. As used in this chapter, "Internal Revenue Code" has the same meaning as "laws of the United States" as defined in this subdivision. The date through which amendments to the U.S. Internal Revenue Code of 1986 are adopted under this subdivision shall continue in effect until amended, repealed, or replaced by act of the General Assembly.

* * *

* * * Expansion of Renter Credit * * *

Sec. 5. 32 V.S.A. § 6061 is amended to read:

§ 6061. DEFINITIONS

As used in this chapter unless the context requires otherwise:

* * *

(20) "Very low-income limit" means an amount of income 1.3 times the amount of the income limit for very low-income families as determined by the

U.S. Department of Housing and Urban Development pursuant to 42 U.S.C. § 1437a as of June 30 of the taxable year, provided that for claimants who reside in Franklin or Grand Isle ~~county~~ County, “very low-income limit” means 1.3 times the average of the very low-income limits for the State as determined by the U.S. Department of Housing and Urban Development.

* * * Repeal of Property Tax Credit Late Fee * * *

Sec. 6. 32 V.S.A. § 6066a is amended as follows:

§ 6066a. DETERMINATION OF PROPERTY TAX CREDIT

(a) Annually, the Commissioner shall determine the property tax credit amount under section 6066 of this title, related to a homestead owned by the claimant, based on the prior taxable year’s income and crediting property taxes paid in the prior year. The Commissioner shall notify the municipality in which the housesite is located of the amount of the property tax credit for the claimant for homestead property tax liabilities on a monthly basis. The tax credit of a claimant who was assessed property tax by a town that revised the dates of its fiscal year, however, is the excess of the property tax that was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year, as determined under section 6066 of this title, related to a homestead owned by the claimant.

* * *

~~(d) For late claims filed after April 15, the property tax credit amount shall be reduced by \$15.00 [Repealed.]~~

* * *

Sec. 7. 32 V.S.A. § 6068 is amended to read:

§ 6068. APPLICATION AND TIME FOR FILING

(a) A property tax credit claim or request for allocation of an income tax refund to homestead property tax payment shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the credit or allocation is sought, including the school parcel account number prescribed in subsection 5404(b) of this title. A renter credit claim shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension.

~~(b) If the claimant fails to file a timely claim, the amount of the property tax credit under this chapter shall be reduced by \$15.00, but not below \$0.00, which shall be paid to the municipality for the cost of issuing an adjusted~~

~~homestead property tax bill.~~ If the claimant files a claim after October 15 but on or before March 15 of the following calendar year, the property tax credit under this chapter:

(1) shall be reduced in amount by \$150.00, but not below \$0.00;

(2) shall be issued directly to the claimant; and

(3) shall not require the municipality where the claimant's property is located to issue an adjusted homestead property tax bill.

(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15. No property tax credit claim may be made after March 15 of the calendar year following the due date under subsection (a) of this section.

* * * Utility Property Valuation * * *

Sec. 8. 32 V.S.A. § 4452 is amended to read:

§ 4452. VALUATIONS

(a) On or before May 1 of each year, the Division of Property Valuation and Review of the Department of Taxes shall furnish the listers in each town or city with the valuation of all taxable property of any public utility situated therein as reported by such utility to the Division.

(b) Each public utility shall furnish to the Division not later than March 31 in each year a sworn inventory of all its taxable property in such form as will show the valuation of its property in each town, city, or other municipality.

(c) The Division shall prescribe the form of such report and the officer or officers who shall make oath thereto.

(d) The valuations ~~so~~ furnished under this section shall be considered along with any other information as may reasonably be required by ~~such~~ listers in determining and fixing the valuations of ~~such~~ property for the purposes of ~~local~~ property taxation. The Division may require that each municipality use certain valuations furnished under this section. The valuations provided by the Division for property used for the transmission and distribution of electricity shall be used by the listers as the valuations of that property for purposes of property taxation.

* * * Property Tax Exemptions * * *

Sec. 9. 32 V.S.A. § 3802(22) is added to read:

(22) Real and personal estate owned by a county of this State, except land and buildings outside of a county's territorial limits shall be subject to

municipal property tax by the municipality in which the land or buildings are situated. Notwithstanding the preceding provision, the exemption for public, pious, and charitable uses under subdivision (4) of this section shall be available for qualifying county land and buildings outside of the county's territorial limits.

* * * Fuel Tax * * *

Sec. 10. 33 V.S.A. § 2503(d) is amended to read:

(d) No tax under this section shall be imposed for any month ending after June 30, ~~2024~~ 2029.

* * * Health IT Fund Sunset Extension * * *

Sec. 11. 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~~ 2026.

Sec. 12. 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~~ 2026.

* * *

Sec. 13. 32 V.S.A. § 9701(12) is amended to read:

(12)(A) “Casual sale” means an isolated or occasional sale of an item of tangible personal property by a person who is not regularly engaged in the business of making sales of that general type of property at retail where the property was obtained by the person making the sale, through purchase or otherwise, for ~~his or her~~ the person's own use.

(B) Aircraft as defined in 5 V.S.A. § 202(6), snowmobiles as defined in 23 V.S.A. § 3201(5), all-terrain vehicles as defined in 23 V.S.A. § 3501(1), motorboats as defined in 23 V.S.A. § ~~3302(4)~~ 3302(6), and vessels as defined

in 23 V.S.A. § ~~3302(11)~~ 3302(17) that are 16 feet or more in length are hereby specifically excluded from the definition of casual sale.

Sec. 14. 32 V.S.A. § 9746 is amended to read:

§ 9746. SNOWMOBILE, ALL-TERRAIN VEHICLE, MOTORBOAT, AND VESSEL SALES

(a) If a person sells a snowmobile, all-terrain vehicle, motorboat, or vessel and within three months purchases another such vehicle or vessel, “sales price” for purposes of the tax on the new vehicle or vessel shall exclude the lesser of:

- (1) the sale price of the first vehicle or vessel; or
- (2) the average book value at the time of sale of the first vehicle or vessel.

(b) If a person receives payment under a contract of insurance for:

(1) total destruction of a snowmobile, all-terrain vehicle, motorboat, or vessel; or

(2) damage to such vehicle or vessel that was then accepted without repair as a trade-in by the seller of a new snowmobile, all-terrain vehicle, motorboat, or vessel; and within three months ~~of~~ following such destruction or damage the person purchases another snowmobile, motorboat, or vessel, “sales price” for purposes of the tax on the new vehicle or vessel shall exclude the insurance payment and any trade-in allowance for the damaged vehicle.

(c) A vendor determining sales price under this section shall obtain in good faith from the purchaser, on a form provided by the Department of Taxes and signed by the purchaser and bearing ~~his or her~~ the purchaser's name and address, a certificate of sale or payment of insurance proceeds with regard to the first vehicle or vessel.

* * * Fees * * *

Sec. 15. 18 V.S.A. § 5017 is amended to read:

§ 5017. FEES FOR COPIES

(a) For a certified copy of a vital event certificate, the fee shall be \$10.00.

(b) The State Registrar shall waive the fee for certified copies of vital event certificates issued to:

(1) an individual attesting to a lack of fixed, regular, and adequate nighttime residence; and

(2) an individual between 18 and 24 years of age who resided in a foster home or residential child care facility between 16 and 18 years of age pursuant to placement by a child-placing agency.

Sec. 16. 8 V.S.A. § 4800(2)(A)(iii) is amended to read:

(iii) Except as provided in subdivisions (I) and (II) of this subdivision, initial and annual producer appointment fees for each qualification set forth in section 4813g of subchapter 1A of this chapter for resident and nonresident producers acting as agents of foreign insurers, ~~\$60.00~~ \$80.00:

Sec. 17. 9 V.S.A. § 5302(e) is amended to read:

(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~~ \$820.00. The fee is nonrefundable.

Sec. 18. 9 V.S.A. § 5302(f) is amended to read:

(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~~ \$2,000.00 for each portfolio or class of investment company securities for which a notice filing is submitted.

Sec. 19. 9 V.S.A. § 5410(b) is amended to read:

(b) The fee for an individual is ~~\$120.00~~ \$140.00 when filing an application for registration as an agent, ~~\$120.00~~ \$140.00 when filing a renewal of registration as an agent, and ~~\$120.00~~ \$140.00 when filing for a change of registration as an agent. The fee is nonrefundable.

* * * Local Option Tax * * *

Sec. 20. 24 V.S.A. § 138 is amended to read:

§ 138. LOCAL OPTION TAXES

(a) Local option taxes are authorized under this section for the purpose of affording municipalities an alternative method of raising municipal revenues ~~to facilitate the transition and reduce the dislocations in those municipalities that may be caused by reforms to the method of financing public education under the Equal Educational Opportunity Act of 1997.~~ Accordingly:

~~(1) the local option taxes authorized under this section may be imposed by a municipality;~~

~~(2) a municipality opting to impose a local option tax may do so prior to July 1, 1998 to be effective beginning January 1, 1999, and anytime after December 1, 1998 a A local option tax shall be effective beginning on the next tax quarter following 90 days' notice to the Department of Taxes of the imposition; and~~

~~(3) a local option tax may only be adopted by a municipality in which:~~

~~(A) the education property tax rate in 1997 was less than \$1.10 per \$100.00 of equalized education property value; or~~

~~(B) the equalized grand list value of personal property, business machinery, inventory, and equipment is at least ten percent of the equalized education grand list as reported in the 1998 Annual Report of the Division of Property Valuation and Review; or~~

~~(C) the combined education tax rate of the municipality will increase by 20 percent or more in fiscal year 1999 or in fiscal year 2000 over the rate of the combined education property tax in the previous fiscal year.~~

(b) 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, by a majority vote of those present and voting, assess any or all of the following:

- (1) a one percent sales tax;
- (2) a one percent meals and alcoholic beverages tax;
- (3) a one percent rooms tax.

* * *

* * * Effective Dates * * *

Sec. 21. EFFECTIVE DATES

(a) This section, Secs. 1 (reappraisals), 2 (property valuation and review waiver), 9 (exemption for county-owned property), 10 (fuel tax extension), and 11 and 12 (extension of Health IT Fund) shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Secs. 3 and 4 (link to federal income tax laws) shall take effect retroactively on January 1, 2024 and apply to taxable years beginning on and after January 1, 2023.

(c) Sec. 5 (renter credit expansion) shall take effect on passage and apply to claim years 2025 and after.

(d) Secs. 6 and 7 (repeal of property tax credit late fee) shall take effect on passage and apply to claim years 2024 and after.

(e) Sec. 8 (utility property valuation) shall take effect on passage and apply to grand lists filed on or after April 1, 2025.

(f) Secs. 13 and 14 (casual sales of ATVs), 15 (fee waiver for vital event certificates), 16 (insurance appointment fee), 17–18 (securities filing fees), 19 (registration fee for agents of securities brokers and issuers), and 20 (local option taxes) shall take effect on July 1, 2024.

(Committee vote: 5-1-1)

(For House amendments, see House Journal for March 22, 2024, pages 754-763 and March 26, 2024 pages 879-880)

Reported favorably with recommendation of proposal of amendment by Senator Kitchel 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 Finance, with further recommendation of proposal of amendment as follows:

First: By striking out Secs. 16–19, fees, in their entirety and inserting in lieu thereof four new sections to be Secs. 16–19 to read as follows:

* * * Machinery and Equipment Tax Credit * * *

Sec. 16. 32 V.S.A. § 5930ll is amended to read:

§ 5930ll. MACHINERY AND EQUIPMENT TAX CREDIT

* * *

(d) Availability of credit.

(1) The credit earned under this section with respect to qualified capital expenditures shall be available to reduce the qualified taxpayer's Vermont income tax liability for its tax year beginning on or after January 1, 2012 or, if later, the first tax year within which the qualified taxpayer's aggregate qualified capital expenditures exceed \$20,000,000.00. A taxpayer claiming a credit under this subchapter shall submit with the first return on which a credit is claimed a copy of the qualified taxpayer's certification from the Vermont Economic Progress Council.

(2) The credit may be used in the year earned or carried forward to reduce the qualified taxpayer's Vermont income tax liability in succeeding tax years ending on or before December 31, 2026 2030.

* * *

(g) Reporting.

(1) Any qualified taxpayer who has been certified under subsection (b) of this section shall file a report with the Vermont Economic Progress Council on a form prescribed by the Council for this purpose and provide a copy of the report to the Commissioner of Taxes.

(2) The report shall be filed for each year following the certification until the year following the last year the taxpayer claims the credit to reduce its Vermont income tax liability, or ~~2027~~ 2031, whichever occurs first.

(3) The report shall be filed by ~~February 28~~ the due date of the taxpayer's tax return, including extensions, in each year for activity the previous calendar year and include, at a minimum:

(A) the number of full-time jobs in each quarter and the average number of hours worked per week;

(B) the level of qualifying capital investments made if reporting on a year within an investment period; and

(C) the amount of tax credit earned and applied during the previous calendar year.

Sec. 17. 2010 Acts and Resolves No. 156, Sec. H.2 is amended to read:

Sec. H.2 REPEAL

(a) Subchapter 11M of chapter 151 of Title 32 is repealed July 1, ~~2026~~ 2030, and no credit under that section shall be available for any taxable year beginning after June 30, ~~2026~~ 2030; ~~provided, however, that if no qualified capital expenditures are made during the investment period, both terms as defined in 32 V.S.A. § 593011(a) of this act, the subchapter shall be repealed effective January 1, 2015.~~

Sec. 18. [Deleted.]

Sec. 19. [Deleted.]

Second: In Sec. 21, effective dates, by striking out subsection (f) in its entirety and inserting in lieu thereof a new subsection (f) to read as follows:

(f) Secs. 13 and 14 (casual sales of ATVs), 15 (fee waiver for vital event certificates), 16 and 17 (extension of machinery and equipment tax credit), and 20 (local option sales tax) shall take effect on July 1, 2024.

Third: By adding a new reader assistance heading and a new section to be Sec. 12a. to read as follows:

* * * Extension of Sales Tax Exemption for Advanced Wood Boilers * * *

Sec. 12a. 2018 Acts and Resolves No. 194, Sec. 26b(a), as amended by 2019 Acts and Resolves No. 83, Sec. 14, as amended by 2023 Acts and Resolves No. 73, Sec. 23, is further amended to read:

(a) 32 V.S.A. §§ 9741(52) (sales tax exemption for advanced wood boilers) and 9706(11) (statutory purpose; sales tax exemption for advanced wood boilers) shall be repealed on July 1, 2024 2027.

Fourth: In Sec. 21, effective dates, by adding a new subsection to be subsection (g) to read as follows:

(g) Sec. 12a (sales tax exemption; advanced wood boilers) shall take effect on June 30, 2024.

(Committee vote: 7-0-0)

H. 766.

An act relating to prior authorization and step therapy requirements, health insurance claims, and provider contracts.

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

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

By striking out Sec. 1, 8 V.S.A. § 4089i, in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 8 V.S.A. § 4089i is amended to read:

§ 4089i. PRESCRIPTION DRUG COVERAGE

* * *

(e)(1) A health insurance or other health benefit plan offered by a health insurer or by a pharmacy benefit manager on behalf of a health insurer that provides coverage for prescription drugs and uses step-therapy protocols shall:

(A) not require failure, including discontinuation due to lack of efficacy or effectiveness, diminished effect, or an adverse event, on the same medication on more than one occasion for continuously enrolled members or subscribers insureds who are continuously enrolled in a plan offered by the insurer or its pharmacy benefit manager; and

(B) grant an exception to its step-therapy protocols upon request of an insured or the insured's treating health care professional under the same time parameters as set forth for prior authorization requests in 18 V.S.A. § 9418b(g)(4) if any one or more of the following conditions apply:

(i) the prescription drug required under the step-therapy protocol is contraindicated or will likely cause an adverse reaction or physical or mental harm to the insured;

(ii) the prescription drug required under the step-therapy protocol is expected to be ineffective based on the insured's known clinical history, condition, and prescription drug regimen;

(iii) the insured has already tried the prescription drugs on the protocol, or other prescription drugs in the same pharmacologic class or with the same mechanism of action, which have been discontinued due to lack of efficacy or effectiveness, diminished effect, or an adverse event, regardless of whether the insured was covered at the time on a plan offered by the current insurer or its pharmacy benefit manager;

(iv) the insured is stable on a prescription drug selected by the insured's treating health care professional for the medical condition under consideration; or

(v) the step-therapy protocol or a prescription drug required under the protocol is not in the patient's best interests because it will:

(I) pose a barrier to adherence;

(II) likely worsen a comorbid condition; or

(III) likely decrease the insured's ability to achieve or maintain reasonable functional ability.

(2) Nothing in this subsection shall be construed to prohibit the use of tiered co-payments for members or subscribers not subject to a step-therapy protocol.

(3) Notwithstanding any provision of subdivision (1) of this subsection to the contrary, a health insurance or other health benefit plan offered by an insurer or by a pharmacy benefit manager on behalf of a health insurer that provides coverage for prescription drugs shall not utilize a step-therapy, "fail first," or other protocol that requires documented trials of a medication, including a trial documented through a "MedWatch" (FDA Form 3500), before approving a prescription for the treatment of substance use disorder.

* * *

(i) A health insurance or other health benefit plan offered by a health insurer or by a pharmacy benefit manager on behalf of a health insurer shall cover, for beneficiaries under 18 years of age and without requiring prior authorization, at least one readily available asthma controller medication from each class of medication and mode of administration that is clinically, developmentally, and age appropriate for each age of beneficiary under 18 years of age. As used in this subsection, “readily available” means that the medication is not listed on a national drug shortage list, including lists maintained by the U.S. Food and Drug Administration and by the American Society of Health-System Pharmacists.

(j) As used in this section:

* * *

~~(j)~~(k) The Department of Financial Regulation shall enforce this section and may adopt rules as necessary to carry out the purposes of this section.

(Committee vote: 3-2-0)

(For House amendments, see House Journal of March 12, 2024, pages 436-447)

Joint Resolution For Action

J.R.H. 10.

Joint resolution authorizing the Green Mountain Girls State educational program to use the State House facilities on June 27, 2024.

PENDING QUESTION: Shall the joint House resolution be adopted in concurrence?

(For text of resolution, see Senate Journal of April 19, 2024, pages 778-779)

NOTICE CALENDAR

Second Reading

Favorable

H. 350.

An act relating to the Uniform Directed Trust Act.

Reported favorably by Senator Hashim for the Committee on Judiciary.

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

(Committee vote: 5-0-0)

(No House amendments)

H. 884.

An act relating to the modernization of governance for the St. Albans Cemetery Association.

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

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

(Committee vote: 5-0-1)

(No House amendments)

Favorable with Proposal of Amendment

H. 10.

An act relating to amending the Vermont Employment Growth Incentive Program.

Reported favorably with recommendation of proposal of amendment by Senator Harrison for the Committee on Economic Development, Housing and General Affairs.

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. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022

Acts and Resolves No. 164, Sec. 5 and 2023 Acts and Resolves No. 72, Sec. 39, is further amended to read:

Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD INCENTIVES

Notwithstanding any provision of law to the contrary, the Vermont Economic Progress Council shall not accept or approve an application for a Vermont Employment Growth Incentive under 32 V.S.A. chapter 105, subchapter 2 on or after ~~January 1, 2025~~ January 1, 2030.

Sec. 2. 32 V.S.A. § 3325(b) is amended to read:

(b) Membership.

(1) The Council shall have 11 voting members:

~~(A) nine who are residents of the State appointed by the Governor with the advice and consent of the Senate and~~ who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs,

property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes; appointed as follows:

~~(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and~~

~~(C) one member of the Vermont Senate appointed by the Senate Committee on Committees~~

(A) seven members, appointed by the Governor with the advice and consent of the Senate;

(B) two members, at least one of whom is a current member of the House of Representatives, appointed by the Speaker of the House; and

(C) two members, at least one of whom is a current member of the Senate, appointed by the Committee on Committees.

(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.

(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from ~~his or her~~ the member's region.

(3) The Council shall provide not less than 30 days' notice of a vacancy to the relevant appointing authority, which shall appoint a replacement not later than 90 days after receiving notice.

Sec. 3. 32 V.S.A. chapter 105 is amended to read:

CHAPTER 105. VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM

* * *

§ 3326. COST-BENEFIT MODEL

(a) The Council shall adopt and maintain a cost-benefit model for assessing and measuring the projected net fiscal cost and benefit to the State of proposed economic development activities.

(b) The Council shall not modify the cost-benefit model without the prior approval of the Joint Fiscal Committee.

(c) The Council shall consult with the Executive Branch State economist to perform the cost-benefit analysis using the cost-benefit model when considering an application for incentives under subchapter 2 of this chapter.

* * *

§ 3330. PURPOSE; FORM OF INCENTIVES; ENHANCED INCENTIVES;
ELIGIBLE APPLICANT

(a) Purpose. The purpose of the Vermont Employment Growth Incentive Program is to generate net new revenue to the State by ~~encouraging providing incentives to a business to add~~ for adding new payroll, create new jobs, and or make new capital investments and sharing a portion of the revenue with the business it otherwise would not have without the incentive.

(b) Form of incentives; enhanced incentives.

(1) The Vermont Economic Progress Council may approve an incentive under this subchapter in the form of a direct cash payment in annual installments or in the form of a forgivable loan from the Vermont Economic Development Authority.

(2) The Council may approve the following enhanced incentives:

(A) an enhanced incentive for a business in a labor market area with higher than average unemployment or lower than average wages pursuant to section 3334 of this title; and

(B) an enhanced incentive for an environmental technology business pursuant to section 3335 of this title.

(C) [Repealed.]

(c) Eligible applicant. Only a business may apply for an incentive pursuant to this subchapter.

§ 3331. DEFINITIONS

As used in this subchapter:

(1) “Award period” means the consecutive five years during which a business may apply for an incentive under this subchapter.

(2) “Base employment” means the number of full-time Vermont jobs held by non-owner employees as of the date a business with an approved application commences its proposed economic activity.

(3) “Base payroll” means the Vermont gross salaries and wages paid as compensation to full-time Vermont jobs held by non-owner employees as of the date a business with an approved application commences its proposed economic activity.

(4) “Capital investment performance requirement” means the minimum value of additional investment in one or more capital improvements.

(5) “Economically disadvantaged region” means a labor market area in which:

(A) the average annual unemployment rate is greater than the average annual unemployment rate for the State; or

(B) the average annual wage is less than the average annual wage for the State.

(6) “Jobs performance requirement” means the minimum number of qualifying jobs a business must add.

~~(6)~~(7) “Labor market area” means a labor market area as designated by the Vermont Department of Labor.

~~(7)~~(8) “Non-owner” means a person with ~~no~~ not more than 10 percent ownership interest, including attribution of ownership interests of the person’s spouse, parents, spouse’s parents, siblings, and children.

~~(8)~~(9) “Payroll performance requirement” means:

(A) ~~the~~ The minimum value of Vermont gross salaries and wages a business must pay as compensation for one or more qualifying jobs.

(B) For purposes of the forgivable loan incentive, a qualifying business that maintains at minimum the same number of full-time employees on its payroll throughout the term of the loan agreement.

(10) “Qualifying business” shall only apply to forgivable loan applicants and means a business that has 50 or fewer full-time employees.

~~(9)~~(11) “Qualifying job” means a new, permanent position in Vermont that meets each of the following criteria:

(A) The position is filled by a non-owner employee who regularly works at least 35 hours each week.

(B) The business provides compensation for the position that equals or exceeds the wage threshold.

(C) The business provides for the position at least three of the following:

(i) health care benefits with 50 percent or more of the premium paid by the business;

(ii) dental assistance;

(iii) paid vacation;

(iv) paid holidays;

- (v) child care;
- (vi) other extraordinary employee benefits;
- (vii) retirement benefits; and
- (viii) other paid time off, excluding paid sick days.

(D) The position is not an existing position that the business transfers from another facility within the State.

(E) When the position is added to base employment, the business's total employment exceeds its average annual employment during the two preceding years, unless the Council determines that the business is establishing a significantly different, new line of business and creating new jobs in the new line of business that were not part of the business prior to filing its application.

~~(10)~~(12) "Utilization period" means each year of the award period and the ~~four~~ two years immediately following each year of the award period.

~~(11)~~(13) "Vermont gross wages and salaries" means Medicare wages as reported on Federal Tax Form W-2 to the extent those wages are Vermont wages, excluding income from nonstatutory stock options.

~~(12)~~(14) "Wage threshold" means the minimum amount of annualized Vermont gross wages and salaries a business must pay for a qualifying job, as required by the Council in its discretion, but not less than:

(A) 60 percent above the State minimum wage at the time of application; or

(B) for a business located in a labor market area in which the average annual unemployment rate is higher than the average annual unemployment rate for the State, 40 percent above the State minimum wage at the time of application.

§ 3332. APPLICATION; APPROVAL CRITERIA

(a) Application.

(1) A business may apply for:

(A) an a direct-cash payment incentive in one or more years of an award period by submitting an application to the Council in the format the Council specifies for that purpose; or

(B) a forgivable loan incentive from the Vermont Economic Development Authority by submitting an application to the Council in the format the Council specifies, provided it is a qualifying business as defined in subdivision 3331(10) of this title.

(2) For each award year the business applies for ~~an~~ a direct-cash payment incentive, the business shall:

(A) specify a payroll performance requirement;

(B) specify a jobs performance requirement or a capital investment performance requirement, or both; and

(C) provide any other information the Council requires to evaluate the application under this subchapter.

(3) In a forgivable loan incentive application, the business shall be required to:

(A) specify a payroll performance requirement;

(B) specify a jobs performance requirement or a capital investment performance requirement, or both; and

(C) provide any other information the Council requires to evaluate the application under this subchapter.

(b) Mandatory criteria. The Council shall not approve an application for the Vermont Employment Growth Incentive program or the forgivable loan incentive unless it finds:

(1) Except as otherwise provided for an enhanced incentive for a business in a qualifying labor market area under section 3334 of this title, the new revenue the proposed activity would generate to the State would exceed the costs of the activity to the State.

(2) The host municipality welcomes the new business.

(3) Pursuant to a self-certification or other documentation the Council requires by rule or procedure, the business attests to the best of its knowledge:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree;

(B) the business complies with applicable State laws and rules; and

(C) the proposed economic activity would conform to applicable town and regional plans and with applicable State laws and rules.

(4) If the business proposes to expand within a limited local market, an incentive would not give the business an unfair competitive advantage over other Vermont businesses in the same or similar line of business and in the same limited local market.

(5) But for the incentive, the proposed economic activity:

(A) would not occur; or

(B) would occur in a significantly different manner that is significantly less desirable to the State.

(c) Forgivable loan incentive.

(1) Vermont Economic Development Authority, in coordination with the Council, and in accordance with the approval criteria set forth this section, shall have the authority to review and approve an application for a forgivable loan incentive for a qualifying business.

(2) The Vermont Economic Development Authority shall provide the underwriting and loan decision for an eligible application.

(3) The Vermont Economic Development Authority shall establish loan loss reserves, which shall be supported by funds appropriated by the General Assembly for this purpose.

(4) A business denied a forgivable loan incentive may apply for other incentives administered by the Council pursuant to this subchapter.

(d) A qualifying business is not eligible for a forgivable loan incentive if it has another incentive pending pursuant to this subchapter.

§ 3333. CALCULATING THE VALUE OF AN INCENTIVE

(a) Except as otherwise provided for an enhanced incentive for a business in a qualifying labor market area under section 3334 of this title or, an enhanced incentive for an environmental technology business under section 3335 of this title, or a forgivable loan pursuant to subsection 3332(c) of this title and subsection (b) of this section, the Council shall calculate the value of an a direct-cash payment incentive for an award year as follows:

(1) Calculate new revenue growth benefit. To calculate new revenue growth benefit, the Council shall use the a cost-benefit model created pursuant to section 3326 of this title to determine the amount by which the new revenue benefit generated by the proposed economic activity to the State exceeds the costs of the activity to the State.

(2) Calculate the business's potential share of new revenue growth benefit. Except as otherwise provided for an environmental technology business in section 3335 of this title, to calculate the business's potential share of new revenue growth benefit, the Council shall multiply the new revenue growth benefit determined under subdivision (1) of this subsection by 80 percent.

(3) Calculate the incentive percentage. To calculate the incentive percentage, the Council shall divide the business's potential share of new revenue growth benefit by the sum of the business's annual payroll performance requirements.

(4) Calculate qualifying payroll. To calculate qualifying payroll, the Council shall subtract from the payroll performance requirement the projected value of background growth in payroll for the proposed economic activity.

(5) Calculate the value of the incentive. To calculate the value of the incentive, the Council shall multiply qualifying payroll by the incentive percentage.

(6) Calculate the amount of the annual installment payments. To calculate the amount of the annual installment payments, the Council shall:

(A) divide the value of the incentive by ~~five~~ three; and

(B) adjust the value of the first installment payment so that it is proportional to the actual number of days that new qualifying employees are employed in the first year of hire.

(b) Forgivable loan incentive program; loan amount and terms.

(1) To determine the dollar amount for a forgivable loan incentive, the Council shall:

(A) multiply the number of full-time employees of a qualifying business by a maximum of \$5,000.00, with a maximum total award of \$200,000.00; and

(B) take the lesser of 20 percent of total capital investments made by the qualifying business or \$500,000.00.

(2) A qualifying business that is approved for a forgivable loan incentive and receives the loan funds shall make monthly interest payments on the loan at a rate determined by the Vermont Economic Development Authority during the loan term and pursuant to the loan agreement.

(3) The Department of Taxes shall verify the total amount of increase from base payroll and full-time employee count of the qualifying business during the loan term.

(4) The Vermont Economic Development Authority shall verify the total amount of capital investment during the loan term.

(5) The Department of Taxes shall not approve the forgiveness of a loan to a qualifying business pursuant to this subchapter unless it finds that:

(A) at the end of the loan term, the Vermont Economic Development Authority has verified that the qualifying business has made the required amount, if any, of capital investment agreed in the loan agreement; and

(B) at the end of the loan term, the qualifying business has satisfied the payroll performance requirement pursuant to this subchapter and as agreed in the loan agreement.

(6) Upon verification that the requirements of this subsection are met, the Department of Taxes shall pay the Vermont Economic Development Authority for the full amount of a loan that has been forgiven.

* * *

§ 3337. EARNING AN INCENTIVE

(a) Earning an a direct-cash incentive; installment payments.

* * *

§ 3339. RECAPTURE; REDUCTION; REPAYMENT

* * *

(c) Repayment of forgivable loan incentives.

(1) At the end of the loan term, upon verification by the Department of Taxes that the business failed to meet the payroll performance requirement, the business shall repay the Vermont Economic Development Authority in an amount and manner established in the loan agreement.

(2) At the end of the loan term, upon verification by the Vermont Economic Development Authority that the business failed to make the required amount of capital investment, the business shall repay the Vermont Economic Development Authority in an amount and manner established in the loan agreement.

(d) Tax liability.

(1) A person who has the duty and authority to remit taxes under this title shall be personally liable for an installment payment that is subject to recapture under this section.

(2) For purposes of this section, the Department of Taxes may use any enforcement or collection action available for taxes owed pursuant to chapter 151 of this title.

§ 3340. REPORTING

(a) On or before September 1 of each year, the Vermont Economic Progress Council and the Department of Taxes shall submit a joint report on

the incentives authorized in this subchapter to the House Committees on Ways and Means, on Commerce and Economic Development, and on Appropriations, to the Senate Committees on Finance, on Economic Development, Housing and General Affairs, and on Appropriations, and to the Joint Fiscal Committee.

(b) The Council and the Department shall include in the joint report:

(1) the total amount of incentives authorized during the preceding year;

(2) with respect to each business with an approved application:

(A) the date and amount of authorization;

(B) the calendar year or years in which the authorization is expected to be exercised;

(C) whether the authorization is active; ~~and~~

(D) the date the authorization will expire; and

(E) NAICS code; and

(3) the following aggregate information for claims processed:

(A) the number of claims and incentive payments made in the current and prior claim years;

(B) the number of qualifying jobs for each claim processed; and

(C) the amount of new payroll and capital investment for each claim processed.

(c)(1) The Council and the Department shall present data and information in the joint report in a searchable format.

(2) Notwithstanding a provision of this section to the contrary, when reporting data and information pursuant to this section, the Council and Department shall take steps necessary to avoid disclosing any information that would enable the identification of an individual employee or the employee's compensation.

(d) Notwithstanding any provision of law to the contrary, an incentive awarded pursuant to this subchapter shall be treated as a tax expenditure for purposes of chapter 5 of this title.

§ 3341. CONFIDENTIALITY OF PROPRIETARY BUSINESS INFORMATION

* * *

(c) Nothing in this section shall be construed to prohibit the publication of statistical information, rulings, determinations, reports, opinions, policies, or other information ~~so long as,~~ provided the data are disclosed in a form that cannot identify or be associated with a particular business.

* * *

Sec. 4. ONE-TIME APPROPRIATION FOR FORGIVABLE LOAN;
ELIGIBILITY IN FY 2025

(a) Appropriation. In fiscal year 2025, the General Assembly shall appropriate \$350,000.00 from the General Fund to the Vermont Economic Development Authority for the purpose of establishing the loan loss reserve for forgivable loan track program created in this act.

(b) Eligibility. For fiscal year 2025, only a business in the State that incurred economic loss due to 2023 flooding events and is located in a Vermont county that was listed in President Biden's disaster declarations dated July 14, 2023, October 6, 2023, and March 2, 2024 is eligible for the forgivable loan track program created in this act. Such a business is still subject to the forgivable loan application criteria and other terms set forth in this act. Economic loss shall be confirmed by the Vermont Economic Progress Council.

Sec. 5. EFFECTIVE DATES

This act shall take effect on July 1, 2024, except that Sec. 2, 32 V.S.A. § 3325(b), shall take effect on April 1, 2025.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 20, 2024, pages 613-625)

H. 72.

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

Reported favorably with recommendation of proposal of amendment by Senator Lyons 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:

* * * Overdose Prevention Centers * * *

Sec. 1. 18 V.S.A. § 4256 is added to read:

§ 4256. OVERDOSE PREVENTION CENTERS

(a) An overdose prevention center:

(1) provides a space, either at a fixed location or a mobile facility, supervised by health care professionals or other trained staff where persons who use drugs can consume preobtained drugs and medication for substance use disorder;

(2) provides harm reduction supplies, including sterile injection supplies; collects used hypodermic needles and syringes; and provides secure hypodermic needle and syringe disposal services;

(3) provides drug-checking services;

(4) answers questions on safer consumption practices;

(5) administers first aid, if needed, and monitors and treats potential overdoses;

(6) provides referrals to addiction treatment, medical services, and social services;

(7) educates participants on the risks of contracting HIV and viral hepatitis, wound care, and safe sex education;

(8) provides overdose prevention education and distributes overdose reversal medications, including naloxone;

(9) educates participants regarding proper disposal of hypodermic needles and syringes;

(10) provides reasonable security of the program site;

(11) establishes operating procedures for the program as well as eligibility criteria for program participants; and

(12) trains staff members to deliver services offered by the program.

(b) The Department of Health, in consultation with stakeholders and health departments of other jurisdictions that have overdose prevention centers, shall develop operating guidelines for overdose prevention centers not later than September 15, 2024. The operating guidelines shall include the level of staff qualifications required for medical safety and treatment and referral support and require an overdose prevention center to staff trained professionals during operating hours who, at a minimum, can provide basic medical care, such as CPR, overdose interventions, first aid, and wound care, as well as have the ability to perform medical assessments with program participants to determine if there is a need for emergency medical service response. Overdose

prevention center staff may include peers, case managers, medical professionals, and mental health counselors.

(c)(1) The following persons are entitled to the immunity protections set forth in subdivision (2) of this subsection for participation in or with an approved overdose prevention center that is acting in the good faith provision of overdose prevention services in accordance with the guidelines established pursuant to this section:

(A) an individual using the services of an overdose prevention center;

(B) a staff member, operator, administrator, or director of an overdose prevention center, including a health care professional, manager, employee, or volunteer; or

(C) a property owner, lessor, or sublessor on the property at which an overdose prevention center is located and operates;

(D) an entity operating the overdose prevention center; and

(E) a State or municipal employee acting within the course and scope of the employee's employment.

(2) Persons identified in subdivision (1) of this subsection shall not be:

(A) cited, arrested, charged, or prosecuted for unlawful possession of a regulated drug in violation of this chapter or for attempting, aiding or abetting, or conspiracy to commit a violation of any of provision of this chapter;

(B) subject to property seizure or forfeiture for unlawful possession of a regulated drug in violation of this chapter;

(C) subject to any civil liability or civil or administrative penalty, including disciplinary action by a professional licensing board, credentialing restriction, contractual liability, or medical staff or other employment action; or

(D) denied any right or privilege.

(3) The immunity provisions of subdivisions (2)(A) and (B) of this subsection apply only to the use and derivative use of evidence gained as a proximate result of participation in or with an overdose prevention center. Entering, exiting, or utilizing the services of an overdose prevention center shall not serve as the basis for, or a fact contributing to the existence of, reasonable suspicion or probable cause to conduct a search or seizure.

(d) An entity operating an overdose prevention center shall make publicly available the following information annually on or before January 15:

(1) the number of program participants;

(2) deidentified demographic information of program participants;

(3) the number of overdoses and the number of overdoses reversed on-site;

(4) the number of times emergency medical services were contacted and responded for assistance;

(5) the number of times law enforcement were contacted and responded for assistance; and

(6) the number of participants directly and formally referred to other services and the type of services.

(e) An overdose prevention center shall not be construed as a health care facility for purposes of chapter 221, subchapter 5 of this title.

Sec. 1a. 18 V.S.A. § 9435(g) is added to read:

(g) Excluded from this subchapter are overdose prevention centers established and operated in accordance with section 4256 of this title.

Sec. 2. PILOT PROGRAM; OVERDOSE PREVENTION CENTERS

(a) In fiscal year 2025, \$1,100,000.00 is appropriated to the Department of Health from the Opioid Abatement Special Fund for the purpose of awarding grants to the City of Burlington for establishing an overdose prevention center upon submission of a grant proposal that has been approved by the Burlington City Council and meets the requirements of 18 V.S.A. § 4256, including the guidelines developed by the Department of Health pursuant to that section.

(b) The Department of Health shall report on or before October 1, 2024, January 1, 2025, April 1, 2025, and July 1, 2025 to the Joint Fiscal Committee and the Joint Health Reform Oversight Committee regarding the status of distribution of the grants authorized in subsection (a) of this section.

Sec. 3. STUDY; OVERDOSE PREVENTION CENTERS

(a) On or before December 1, 2024, the Department of Health shall contract with a researcher or independent consulting entity with expertise in the field of rural addiction or overdose prevention centers, or both, to study the impact of the overdose prevention center pilot program authorized in Sec. 2 of this act. The study shall evaluate the current impacts of the overdose crisis in Vermont, as well as any changes up to four years following the implementation

of the overdose prevention center pilot program. The work of the researcher or independent consulting entity shall be governed by the following goals:

(1) the current state of the overdose crisis and deaths across the State of Vermont and the impact of the overdose prevention center pilot program on the overdose crisis and deaths across Vermont, with a focus on the community where the pilot program is established;

(2) the current crime rates in the community where the overdose prevention center pilot program will be established and the impact of the overdose prevention center pilot program on crime rates in the community where the overdose prevention center pilot program is established;

(3) the current rates of syringe litter in the community where the overdose prevention center pilot program will be established and the impact of the overdose prevention center pilot program on the rate of syringe litter where the overdose prevention center pilot program is established;

(4) the current number of emergency medical services response calls related to overdoses across Vermont, with a focus on the community where the pilot program will be established and the impact of the overdose prevention center pilot program on the number of emergency response calls related to overdoses;

(5) the current rate of syringe service program participant uptake of treatment and recovery services and the impact of the overdose prevention center pilot program on the rates of participant uptake of treatment and recovery services; and

(6) the impact of the overdose prevention center pilot program on the number of emergency response calls related to overdoses and other opioid-related medical needs across Vermont, with a focus on the community where the pilot program is established.

(b) The Department of Health shall collaborate with the researcher or independent consulting entity to provide the General Assembly with interim annual reports on or before January 15 of each year with a final report containing the results of the study and any recommendations on or before January 15, 2029.

Sec. 4. APPROPRIATION; STUDY; OVERDOSE PREVENTION CENTER

In fiscal year 2025, \$300,000.00 is appropriated to the Department of Health from the Opioid Abatement Special Fund for the purpose of funding the study of the impact of overdose prevention center pilot programs authorized in Sec. 2 of this act.

* * * Syringe Service Programs * * *

Sec. 5. 18 V.S.A. § 4475(a)(2) is amended to read:

(2) “Organized community-based needle exchange program” means a program approved by the Commissioner of Health under section 4478 of this title, the purpose of which is to provide access to clean needles and syringes; ~~and that is operated by an AIDS service organization, a substance abuse treatment provider, or a licensed health care provider or facility.~~ Such programs shall be operated in a manner that is consistent with the provisions of 10 V.S.A. chapter 159 (waste management; hazardous waste), and any other applicable laws.

Sec. 6. 18 V.S.A. § 4478 is amended to read:

§ 4478. NEEDLE EXCHANGE PROGRAMS

The Department of Health, in ~~collaboration~~ consultation with ~~the statewide harm reduction coalition~~ community stakeholders, shall develop operating guidelines for needle exchange programs. If a program complies with such operating guidelines and with existing laws and rules, it shall be approved by the Commissioner of Health. ~~Such operating guidelines shall be established not later than September 30, 1999. A needle exchange program may apply to be an overdose prevention center pursuant to section 4256 of this title.~~

Sec. 7. APPROPRIATION; SYRINGE SERVICE PROGRAMS

In fiscal year 2025, the Department of Health shall provide grants in the amount of \$1,450,000.00 from the Opioid Settlement Fund to syringe service programs for HIV and Harm Reduction Services not later than September 1, 2024. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the current approved syringe service providers, and other relevant community overdose prevention and harm reduction service providers with the goal of increasing the number and reach of such programs and availability and efficacy of services throughout Vermont, especially in underserved rural areas.

* * * Technical Amendments * * *

Sec. 8. 18 V.S.A. § 4254 is redesignated to read:

§ 4254. REPORTING A DRUG OVERDOSE; IMMUNITY FROM LIABILITY

Sec. 9. REDESIGNATION

18 V.S.A. §§ 4240 and 4240a are redesignated as 18 V.S.A. §§ 4257 and 4258.

* * * Effective Date * * *

Sec. 10. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 3-2-0)

(For House amendments, see House Journal of January 10, 2024, pages 73-79 and January 11, 2024, page 97)

Reported favorably by Senator Cummings 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 Health and Welfare.

(Committee vote: 4-1-2)

H. 707.

An act relating to revising the delivery and governance of the Vermont workforce system.

Reported favorably with recommendation of proposal of amendment by Senator Clarkson for the Committee on Economic Development, Housing and General Affairs.

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. 10 V.S.A. chapter 22A is amended to read:

CHAPTER 22A. WORKFORCE EDUCATION AND TRAINING

* * *

§ 541. OFFICE OF WORKFORCE STRATEGY AND DEVELOPMENT

(a) There is created within the Executive Branch the Office of Workforce Strategy and Development.

(b) The Office of Workforce Strategy and Development shall have the administrative, legal, and technical support of the Department of Labor.

(c) There shall be at least two full-time staff to accomplish the duties of the Office. One of these staff positions shall be the Executive Director of the Office of Workforce Strategy and Development, who shall be an exempt employee and who shall report to and be under the general supervision of the Governor. Another position shall be a staff member, who shall be a classified

employee, who shall support the work of the Executive Director, and who shall report to and be under the general supervision of the Executive Director.

(d) The Executive Director of the Office of Workforce Strategy and Development shall:

- (1) coordinate the efforts of workforce development in the State;
- (2) oversee the affairs of the State Workforce Development Board;
- (3) work with State agencies and private partners to:

(A) develop strategies for comprehensive and integrated workforce education and training;

(B) manage the collection of outcome information; and

(C) align workforce efforts with other State strategies; and

(4) perform other workforce development duties as directed by the Governor.

(e) The Governor shall appoint the Executive Director with the advice and consent of the Senate, and the Executive Committee of the State Workforce Development Board may provide a list to the Governor of recommended candidates for Executive Director.

§ 541a. STATE WORKFORCE DEVELOPMENT BOARD; EXECUTIVE COMMITTEE

(a) Board established; duties. Pursuant to the requirements of 29 U.S.C. § 3111, the Governor shall establish the State Workforce Development Board to assist the Governor in the execution of his or her duties under the Workforce Innovation and Opportunity Act of 2014 and to assist the Commissioner of Labor as specified in section 540 of this title.

* * *

(c) Membership. The Board shall consist of the Governor and the following members who are appointed by the Governor and serve at the Governor's pleasure unless otherwise indicated, in conformance with the federal Workforce Innovation and Opportunity Act and who serve at his or her pleasure, unless otherwise indicated (WIOA), and who shall be selected from diverse backgrounds to represent the interests of ethnic and diverse communities and represent diverse regions of the State, including urban, rural, and suburban areas:

- (1) ~~the Commissioner of Labor;~~

~~(2) two members~~ one member of the Vermont House of Representatives, who shall serve for the duration of the biennium, appointed by the Speaker of the House;

~~(3)(2) two members~~ one member of the Vermont Senate, who shall serve for the duration of the biennium, appointed by the Senate Committee on Committees;

~~(4) the President of the University of Vermont;~~

~~(5) the Chancellor of the Vermont State Colleges;~~

~~(6) the President of the Vermont Student Assistance Corporation;~~

~~(7) a representative of an independent Vermont college or university;~~

~~(8) a director of a regional technical center;~~

~~(9) a principal of a Vermont high school;~~

~~(10) two representatives of labor organizations who have been nominated by a State labor federation;~~

~~(11)(3) two~~ four members who are core program representatives of individuals and organizations who have experience with respect to youth activities, as defined in 29 U.S.C. § 3102(71), as follows:

(A) the Commissioner of Labor, or designee, for the Adult, Dislocated Worker, and Youth program and Wagner-Peyser;

(B) the Secretary of Education, or designee, for the Adult Education and Family Literacy Act program;

(C) the Secretary of Human Services, or designee, for the Vocational Rehabilitation program; and

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

~~(12)(4) two~~ six workforce representatives of individuals and organizations who have experience in the delivery of workforce investment activities, as defined in 29 U.S.C. § 3102(68), as follows:

(A) two representatives from labor organizations operating in this State who are nominated by a State labor federation;

(B) one representative from a State-registered apprenticeship program; and

(C) three representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of individuals with barriers to employment, which may include:

(i) organizations that serve veterans;

(ii) organizations that provide or support competitive, integrated employment for individuals with disabilities;

(iii) organizations that support the training or education needs of eligible youth as described in 20 CFR § 681.200, including representatives of organizations that serve out-of-school youth as described in 20 CFR § 681.210; and

(iv) organizations that connect volunteers in national or State service programs to the workforce;

~~(13) the lead State agency officials with responsibility for the programs and activities carried out by one-stop partners, as described in 29 U.S.C. § 3151(b), or if no official has that responsibility, representatives in the State with responsibility relating to these programs and activities;~~

~~(14) the Commissioner of Economic Development;~~

~~(15) the Secretary of Commerce and Community Development;~~

~~(16) the Secretary of Human Services;~~

~~(17) the Secretary of Education;~~

~~(18) two individuals who have experience in, and can speak for, the training needs of underemployed and unemployed Vermonters; and~~

(5) two elected local government officials who represent a city or town within different regions of the State; and

~~(19)(6) a number of appointees sufficient to constitute a majority of the Board 13 business representatives who:~~

~~(A) are owners, chief executives, or operating officers of businesses, and including nonprofits, or other business executives or employers with optimum policymaking or hiring authority, with at least one member representing a small business as defined by the U.S. Small Business Administration;~~

~~(B) represent businesses with employment opportunities that reflect in-demand sectors and employment opportunities in the State; and~~

~~(C) are appointed from among individuals nominated by State business organizations and business trade associations.~~

(d) Operation of Board.

(1) Executive Committee.

(A) Creation. There is created an Executive Committee that shall manage the affairs of the Board.

(B) Members. The members of the Executive Committee shall comprise the following:

(i) the Chair of the Board;

(ii) the Commissioner of Labor or designee;

(iii) the Secretary of Education or designee;

(iv) the Secretary of Human Services or designee;

(v) the Secretary Commerce and Community Development or designee;

(vi) two business representatives, appointed by the Chair of the Board, who serve on the Board; and

(vii) two workforce representatives, appointed by the Chair of the Board, who serve on the Board.

(C) Meetings. The Chair of the Board shall chair the Executive Committee. The Executive Committee shall meet at least once monthly and shall hold additional meetings upon call of the Chair.

(D) Duties. The Executive Committee shall have the following duties and responsibilities:

(i) recommend to the Board changes to the Board's rules or bylaws;

(ii) establish one or more subcommittees as it determines necessary and appropriate to perform its work; and

(iii) other duties as provided in the Board's bylaws.

(2) Member representation and vacancies.

(A) A member of the State Board may send a designee ~~that~~ who meets the requirements of subdivision (B) of this subdivision ~~(1)(2)~~ to any State Board meeting, who shall count toward a quorum, and who shall be allowed to vote on behalf of the Board member for whom ~~he or she~~ the individual serves as a designee.

(B) Members of the State Board or their designees who represent organizations, agencies, or other entities shall be individuals with optimum

policymaking authority or relevant subject matter expertise within the organizations, agencies, or entities.

(C) ~~The members of the Board shall represent diverse regions of the State, including urban, rural, and suburban areas~~ The Chair of the Board shall provide notice within 30 days after a vacancy on the Board to the relevant appointing authority, which shall appoint a replacement within 90 days after receiving notice.

(2)(3) Chair. The Governor shall select a chair for the Board from among the business representatives appointed pursuant to subdivision (c)(18)(6) of this section.

(3)(4) Meetings. The Board shall meet at least three times annually and shall hold additional meetings upon call of the Chair.

(4)(5) Committees; work groups; ad hoc committees. The Chair, in consultation with the Commissioner of Labor, may:

(A) assign one or more members or their designees to standing committees, ad hoc committees, or work groups to carry out the work of the Board; and

(B) appoint one or more nonmembers of the Board to a standing committee, ad hoc committee, or work group and determine whether the individual serves as an advisory or voting member, provided that the number of voting nonmembers on a standing committee shall not exceed the number of Board members or their designees.

* * *

§ 541b. WORKFORCE EDUCATION AND TRAINING; DUTIES OF OTHER STATE AGENCIES, DEPARTMENTS, AND PRIVATE PARTNERS

(a) To ensure the State Workforce Development Board, ~~and the Commissioner of Labor, and the Executive Director of the Office of Workforce Strategy and Development~~ are able to fully perform their duties under this chapter, each agency and department within State government, and each person who receives funding from the State, shall comply within a reasonable period of time with a request for data and information made by the Board, ~~or the Commissioner, or the Executive Director~~ in furtherance of their duties under this chapter.

(b) The Agency of Commerce and Community Development shall coordinate its work in adopting a statewide economic development plan with the activities of the Board, ~~and the Commissioner of Labor, and the Executive Director.~~

Sec. 2. 2022 Acts and Resolves No. 183, Sec. 5a is amended to read:

Sec. 5a. REGIONAL WORKFORCE EXPANSION SYSTEM

* * *

(c) System infrastructure. The Department shall make investments that improve and expand regional capacity to strengthen networks who assist jobseekers, workers, and employers in connecting.

(1) The Department is authorized to create up to four classified, ~~two-year~~ limited-service positions, with funding allocated to perform the work described in this section, who shall report to the Workforce Development Division and of whom:

* * *

(e) Interim report. On or before ~~January 15, 2023~~ July 15, 2025, the Department shall provide a narrative update on the progress made in hiring staff, establishing interagency agreements, developing regional information exchange systems, and supporting State-level work to expand the labor force to the House and Senate committees of jurisdiction.

(f) Implementation. The Department of Labor shall begin implementing the Regional Workforce Expansion System on or before ~~July 1, 2022~~ September 1, 2024.

Sec. 3. TASK FORCE TO STUDY DATA MANAGEMENT MODELS

On or before December 15, 2025, the Executive Director of the Office of Workforce Development, in consultation with the Executive Committee of the State Workforce Development Board and the Agency of Digital Services, shall issue a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs regarding the development of a data trust as outlined in model three of the final report of the State Oversight Committee on Workforce Expansion and Development pursuant to 2022 Acts and Resolves No. 183, Sec. 5. The report shall include:

(1) a recommendation on audience, partners, use cases, outcomes, and data required for future workforce, education, and training programs;

(2) a detailed review of the current availability of public and private workforce development and training data, education data, and demographic data, including the integration of data between the State's workforce development and training programs and private programs funded through State funding dollars;

(3) a summary of the progress made in the development of data-sharing relationships with the stewards of identified data sets;

(4) draft legislative language for the creation of a data tool;

(5) the amount of funding necessary to establish and maintain the use of a data tool; and

(6) a summary of other efforts across State government and through the Agency of Digital Services regarding the development of data trusts, along with best practices identified through those efforts.

Sec. 4. WORKFORCE EDUCATION AND TRAINING LEADERSHIP REVIEW; SOCWED REAUTHORIZATION

(a) Committee reauthorization. The Special Oversight Committee on Workforce Expansion and Development (SOCWED) created pursuant to 2022 Acts and Resolves No. 183, Sec. 5 shall review and propose changes to the leadership and duties set forth in 10 V.S.A. § 540 and shall suggest a set of recommended qualifications to the Governor for consideration for the position of Executive Director of the Office of Workforce Strategy and Development.

(b) Membership. The members appointed to the SOCWED pursuant to 2022 Acts and Resolves No. 183, Sec. 5 shall continue as members of the Committee, except that the Commissioner of Labor or designee shall replace the State Director of Workforce Development on the Committee. Vacancies shall be filled by the relevant appointing authority pursuant to 2022 Acts and Resolves No. 183, Sec. 5.

(c) Meetings.

(1) The Commissioner of Labor or designee shall call the first meeting of the Committee to occur on or before June 1, 2024.

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

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

(4) The Committee shall meet not more than eight times.

(d) Powers and duties.

(1) The Committee, in consultation with the Office of Legislative Counsel, shall review 10 V.S.A. § 540 and engage with workforce development stakeholders to:

(A) evaluate the effectiveness of the current language in statute; and

(B) determine, due to changes in the State Workforce Development Board as set forth in this act, how the authorities and responsibilities for the coordination of workforce education and training set forth in 10 V.S.A. § 540 should be modified to ensure there is effective and comprehensive leadership in workforce development, education, and training between the Commissioner of Labor, the Executive Director of the Office of Workforce Strategy and Development, and any other relevant authorities.

(2) The Committee, in consultation with the Executive Committee of the State Workforce Development Board and the Department of Human Resources, shall develop qualifications to recommend to the Governor for consideration for the position of Executive Director of the Office of Workforce Strategy and Development.

(e) Assistance. For purposes of:

(1) administrative and technical support, the Committee shall have the assistance of the Office of Legislative Operations;

(2) drafting recommended legislation, the Committee shall have the assistance the Office of Legislative Counsel; and

(3) drafting recommended job qualifications, the Committee shall have the assistance the Department of Human Resources.

(f) Requirements.

(1) The Committee shall submit recommended job qualifications pursuant to subdivision (d)(2) of this section to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General on or before October 15, 2024.

(2) The Committee shall submit recommended legislative language pursuant to subdivision (d)(1)(B) of this section to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General on or before November 30, 2024.

(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 eight meetings. Payments to members of the Committee authorized under this subdivision (g)(1) shall be made from monies appropriated to the General Assembly.

(2) A nonlegislative member 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 eight meetings. Payments to members of the Committee authorized under this subdivision (g)(2) shall be made from monies appropriated to the Department of Labor.

(h) Expiration. The Committee shall cease to exist on January 15, 2025.

Sec. 5. STATE WORKFORCE DEVELOPMENT BOARD TRANSITION PERIOD

(a) An appointing authority for the State Workforce Development Board pursuant to 10 V.S.A. § 541a(c) shall make all appointments as required to the Board on or before September 1, 2024.

(b) A member of the State Workforce Development Board on June 30, 2024, except for the Governor, and unless appointed or placed on the Board after the passage of this act pursuant to 10 V.S.A. § 541a(c), shall cease being a member of the Board on July 1, 2024.

(c) Notwithstanding subsection (b) of this section, an appointing authority pursuant to 10 V.S.A. § 541a(c) may reappoint the same individual as a member to the Board after passage of this act.

(d) Members of the Board appointed by the Governor shall serve initial staggered terms with eight members serving three-year terms, eight members serving two-year terms, and seven members serving one-year terms.

(e) The Governor shall appoint a chair of the Board pursuant to 10 V.S.A. § 541a(d)(3) on or before August 1, 2024.

(f) The Board shall amend the Board's WIOA Governance Document to align it pursuant to the terms of this act on or before February 1, 2025.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2024, except that Sec. 4 shall take effect on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 22, 2024, pages 800-809)

H. 847.

An act relating to peer support provider and recovery support specialist certification.

Reported favorably with recommendation of proposal of amendment by Senator Gulick 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. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

* * *

(52) Peer support providers

(53) Peer recovery support specialists

Sec. 2. 3 V.S.A. § 123 is amended to read:

§ 123. DUTIES OF OFFICE

* * *

(j)(1) The Office may inquire into the criminal background histories of applicants for initial licensure and for license renewal of any Office-issued credential, including a license, certification, registration, or specialty designation for the following professions:

* * *

(I) speech-language pathologists licensed under 26 V.S.A. chapter 87; and

(J) peer support providers and peer recovery support specialists certified under 26 V.S.A. chapter 60; and

(K) individuals registered on the roster of psychotherapists who are nonlicensed and noncertified.

* * *

Sec. 3. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(2) Application for licensure or certification, \$115.00, except application for:

* * *

(Q) Peer support providers or peer recovery support specialists, \$50.00.

* * *

(4) Biennial renewal, \$275.00, except biennial renewal for:

* * *

(V) Peer support provider or peer recovery support specialist, \$50.00.

* * *

Sec. 3a. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(2) Application for licensure or certification, \$115.00, except application for:

* * *

(Q) Peer support providers or peer recovery support specialists, ~~\$50.00~~ \$75.00.

* * *

Sec. 4. 26 V.S.A. chapter 60 is added to read:

CHAPTER 60. PEER SUPPORT PROVIDERS AND PEER RECOVERY
SUPPORT SPECIALISTS

§ 3191. DEFINITIONS

As used in this chapter:

(1) “Certified peer support provider” means an individual who holds a certificate to engage in the practice of peer support services under this chapter.

(2) “Certified peer recovery support specialist” means an individual who holds a certificate to engage in the practice of recovery support services under this chapter.

(3) “Code of Ethics for Certified Peer Support Providers” means the code of ethics for certified peer support providers approved and adopted by the Department of Mental Health.

(4) “Code of Ethics for Certified Peer Recovery Support Specialists” means the code of ethics for certified peer recovery support specialists approved and adopted by the Department of Health.

(5) “Office” means the Office of Professional Regulation.

(6) “Peer support provider credentialing body” means the entity authorized by the Department of Mental Health to, in addition to other duties:

(A) issue credentials to peer support providers to demonstrate that a peer support provider has met the qualifications for certification under the chapter; and

(B) approve acceptable continuing education courses.

(7) “Peer support” means the provision of those services that address mutually agreeable issues or areas of life consistent with the Code of Ethics for Certified Peer Support Providers that are reasonably related to increasing an individual’s capacity to live a self-determined life of their own choosing and that are provided in a mutual relationship between individuals with a lived experience of trauma, mental health, or substance use challenges. “Peer support” emphasizes a nonjudgmental, values-driven approach that promotes multiple perspectives, advocates for human rights and dignity, and focuses on genuine, mutual relationships that enrich the lives of those involved. “Peer support” includes providing health and wellness supports; supporting individuals in accessing community-based resources and navigating State and local systems; providing employment supports, including transitioning into and staying in the workforce; and promoting empowerment and a sense of

hope through self-advocacy. “Peer support” does not include the provision of psychotherapy as defined in section 4082 of this title.

(8) “Practice of peer support” means the provision of peer support in a manner consistent with the Code of Ethics for Certified Peer Support Providers.

(9) “Practice of recovery support services” means the provision of recovery support services in a manner consistent with the Code of Ethics for Certified Peer Recovery Support Specialists.

(10) “Recovery support services” means a set of culturally competent, nonclinical, evidence-based activities provided consistent with the Code of Ethics for Certified Peer Recovery Support Specialists and coordinated through a written individualized recovery plan of care that documents a substance use disorder and reflects the need and preferences of the individual in achieving the specific, individualized, measurable goals specified in the plan. “Recovery support services” are provided in a mutual relationship by an individual with lived experience of either recovery from a substance use disorder or having a close relationship with an individual in recovery from a substance use disorder, and include a range of social and other services that facilitate recovery from substance use disorder, support health and wellness, and link individuals with service providers and other supports shown to improve quality of life for persons, and their families, in and seeking recovery from substance use. “Recovery support services” do not include the provision of psychotherapy as defined in section 4082 of this title.

(11) “Peer recovery support specialist credentialing body” means the entity authorized by the Department of Health to, in addition to other duties:

(A) issue credentials to peer recovery support specialists to demonstrate that a peer recovery support specialist has met qualifications for certification under this chapter; and

(B) approve acceptable continuing education courses.

§ 3192. PROHIBITIONS; PENALTIES

(a) Nothing in this subchapter shall be construed to prohibit the practice of peer support by a noncertified provider. However, a person shall not use in connection with the person’s name any letters, words, or insignia indicating or implying that the person is a certified peer support provider unless that person is certified in accordance with this chapter.

(b) Nothing in this subchapter shall be construed to prohibit the practice of recovery support services by a noncertified provider. However, a person shall not use in connection with person’s name any letters, words, or insignia

indicating or implying that the person is a certified peer recovery support specialist unless that person is certified in accordance with this chapter.

(c) A person who violates this section shall be subject to the penalties provided in 3 V.S.A. § 127(c).

§ 3193. DUTIES OF THE DIRECTOR

(a) The Director shall:

(1) provide general information to applicants for certification as certified peer support providers or certified peer recovery support specialists, or both;

(2) receive applicants for certification; grant and renew certifications in accordance with this chapter; and deny, revoke, suspend, reinstate, or condition certifications as directed by an administrative law officer;

(3) explain appeal procedures to certified peer support providers, certified peer recovery support specialists, and applicants;

(4) explain complaint procedures to the public;

(5) administer fees collected in accordance with this chapter and 3 V.S.A. § 125; and

(6) refer all disciplinary matters to an administrative law officer established under 3 V.S.A. § 129(j).

(b) After consultation with the Commissioners of Health and of Mental Health, the Director shall adopt and amend rules as necessary pursuant to 3 V.S.A. chapter 25 to perform the Director's duties under this chapter.

§ 3194. ADVISOR APPOINTEES

(a)(1) After consultation with the Commissioners of Health and of Mental Health, the Secretary of State shall appoint two certified peer support providers, two certified peer recovery support specialists, one representative from the Department of Health, and one representative from the Department of Mental Health to serve as advisors to the Director in matters relating to peer support and recovery support. Advisors shall be appointed to five-year staggered terms to serve as advisors in matters related to the administration of this chapter. At least one of the initial appointments shall be less than a five-year term.

(2) A certified peer support provider serving as an advisor shall:

(A) have at least three years' experience as a peer support provider immediately preceding appointment;

(B) be certified as a peer support provider in Vermont at the time of appointment and during incumbency; and

(C) remain actively engaged in the practice of peer support in this State during incumbency.

(3) A certified peer recovery support specialist serving as an advisor shall:

(A) be certified as a peer recovery support specialist in Vermont at the time of appointment and during incumbency; and

(B) remain actively engaged in the practice of recovery support services in this State during incumbency.

(b) The Director shall seek the advice of the advisor appointees in carrying out the provisions of this chapter. Advisors who are not employed by the State shall be entitled to compensation and necessary expenses in the amount provided in 32 V.S.A. § 1010 for attendance at any meeting called by the Director for this purpose.

§ 3195. ELIGIBILITY

(a) To be eligible for certification as a certified peer support provider, an applicant shall complete and submit an application in the manner as the Director prescribes in rule, accompanied by the applicable fees, and evidence satisfactory to the Director that the applicant:

(1) is at least 18 years of age;

(2) has received a credential from the peer support provider credentialing body; and

(3) has passed registry checks and criminal history checks that may be required in rule.

(b) To be eligible for certification as a peer recovery support specialist, an applicant shall complete and submit an application in the manner as the Director prescribes by the rule, accompanied by the applicable fees, and evidence satisfactory to the Director that the applicant:

(1) is at least 18 years of age;

(2) has received a credential from the peer recovery support specialist credentialing body; and

(3) has passed registry checks and criminal history checks that may be required in rule.

§ 3196. CERTIFICATE RENEWAL

A peer support specialist provider certification and a peer recovery support specialist certification shall be renewed every two years upon application, payment of the required fee in accordance with 3 V.S.A. § 125, and proof of compliance with such continuing education or periodic reexamination requirements established in rule. The fee shall be paid biennially upon renewal.

§ 3197. UNPROFESSIONAL CONDUCT

(a) Unprofessional conduct means misusing a title in professional activity and any of the conduct listed in 3 V.S.A. § 129a, whether committed by a certified peer support provider, a certified peer recovery support specialist, or an applicant.

(b) The Office may discipline a certified peer support provider or a certified peer recovery support specialist for unprofessional conduct as provided in 3 V.S.A. § 129a.

Sec. 5. RULEMAKING; PEER SUPPORT PROVIDERS AND PEER RECOVERY SUPPORT SPECIALISTS

On or before September 1, 2024, the Director of Professional Regulation shall file an initial proposed rule with the Secretary of State pursuant to 3 V.S.A. § 836(a)(2) for the purposes of carrying out the provisions of 26 V.S.A. chapter 60.

Sec. 6. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except:

(1) this section and Sec. 5 (rulemaking; peer support providers and peer recovery support specialists) shall take effect on passage; and

(2) Sec. 3a (fees) shall take effect on July 1, 2027.

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

An act relating to peer support provider and peer recovery support specialist certification

(Committee vote: 5-0-0)

(For House amendments, see House Journal for February 27, 2024, pages 321-323)

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

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

(Committee vote: 6-0-1)

H. 883.

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

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

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:

(For text of the report of the Committee on Appropriations, see Addendum to Senate Calendar for April 23, 2024)

(Committee vote: 7-0-0)

(For House amendments, see House Journal of March 28, 2024, pages 988-990)

House Proposal of Amendment

S. 189.

An act relating to mental health response service guidelines and social service provider safety

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

Sec. 1. 18 V.S.A. § 7260 is added to read:

§ 7260. MENTAL HEALTH RESPONSE SERVICE GUIDELINES

(a) The Department shall develop guidelines for use by municipalities, including use by emergency medical technicians and public safety personnel, such as law enforcement officers as defined by 20 V.S.A. § 2351a and firefighters as defined in 20 V.S.A. § 3151, who are employed, volunteer, or are under contract with a municipality. The guidelines shall recommend best practices for de-escalation and for mental health response services, including crisis response services. The Department shall make the guidelines available to municipalities and publish the guidelines on the Department's website.

(b) In developing the guidelines required pursuant to subsection (a) of this section, the Department shall consult with the following entities:

- (1) the Department of Health;
- (2) the Department of Disabilities, Aging, and Independent Living;
- (3) the Department of Public Safety;
- (4) the Vermont Care Partners;
- (5) the Vermont Psychiatric Survivors;
- (6) the Vermont chapter of the National Alliance on Mental Illness;
- (7) the Vermont Criminal Justice Council;
- (8) the Vermont League of Cities and Towns;
- (9) Disability Rights Vermont;
- (10) the Department's State Program Standing Committees; and
- (11) any other stakeholders the Department deems appropriate.

Sec. 2. PRESENTATION; SOCIAL SERVICE PROVIDER SAFETY

(a) On or before November 15, 2024, the Agency of Human Services, in collaboration with the Vermont chapter of the National Association of Social Workers, shall convene one or more meetings related to social service provider safety with community-based social service organizations.

(1) The following community-based social service organizations, professions, and individuals may be included in the meeting or meetings described in this subsection:

- (A) the Vermont Network Against Domestic and Sexual Violence;
- (B) the Vermont Coalition to End Homelessness;
- (C) mental health and health care providers;
- (D) community action programs;
- (E) restorative justice service providers;
- (F) disability service providers and advocates;
- (G) individuals with lived experience of a mental health condition, substance use disorder, or any other condition or circumstance requiring social work services; and
- (H) any other stakeholder deemed appropriate by the Agency.

(2) In advance of the meeting or meetings described in this subsection, the participating community-based social service organizations and individuals from a participating profession may review relevant studies related to social service provider safety and individual social service provider safety experiences.

(b) On or before January 31, 2025, the Agency of Human Services, in collaboration with the Vermont chapter of the National Association of Social Workers, shall present findings and recommendations to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare, including a list of the community-based social service organizations that participated in the meeting or meetings and the number of meetings convened.

Sec. 3. 33 V.S.A. § 6309 is added to read:

§ 6309. STAFF SAFETY; DISCHARGE FROM SERVICE

(a) If an individual was previously discharged from service by a home health agency to protect the safety of staff in accordance with the rules adopted by the Department of Disabilities, Aging, and Independent Living pursuant to subsection 6303(a) of this chapter, and the behavior or conditions causing the discharge cannot be reasonably mitigated or eliminated, a home health agency may:

(1) deny a subsequent admission; or

(2) decline to send a home health agency employee to make a visit if the home health agency has reason to believe that the individual who exhibited the behavior that resulted in the discharge is present in the home.

(b) Nothing in this section shall be construed to require a home health agency to enter a home to determine if a risk can be mitigated or eliminated.

(c) A home health agency shall provide notice of any denial of admission made pursuant to this section. The notice shall include the reason for the denial of admission and information regarding how an individual may submit a complaint pursuant to section 6308 of this chapter in accordance with the rules adopted by the Department of Disabilities, Aging, and Independent Living pursuant to subsection 6303(a) of this chapter.

Sec. 4. REPORT; HOME HEALTH AGENCY SAFETY DISCHARGES

On or after February 15, 2025, in consultation with home health agencies, the Department of Disabilities, Aging, and Independent Living shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the implementation of Sec. 3 (33 V.S.A. § 6309) of this act. Specifically, the update shall address:

(1) the number of safety discharges made by home health agencies during the previous calendar year;

(2) the nature of the risks posed that result in a safety discharge; and

(3) the number of individuals denied subsequent admission to or services from a home health agency due to a previous safety discharge.

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

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

An act relating to mental health response service guidelines and the safety of social service and home health providers

ORDERED TO LIE

S. 94.

An act relating to the City of Barre tax increment financing district.

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.

Julie Hulburd of Colchester - Member, Cannabis Control Board - Sen. Vyhovsky for the Committee on Government Operations. (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 #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]

JFO #3199: \$1,000,000.00 from the U.S. Department of Energy through Vermont Energy Efficiency Coop to the Vermont Military Department. Funds will be used for facility upgrades in the Westminster and Berlin Armories to help study the effects of thermal energy storage on heating and cooling loads in electrified facilities. The grant requires a 20% state match of \$250,000.00 which will be funded through an appropriation of existing capital funds.

[Received April 18, 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.