

# House Calendar

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Thursday, March 14, 2024

72nd DAY OF THE ADJOURNED SESSION

House Convenes at 3:00 P.M.

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**ORDERS OF THE DAY**

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**ACTION CALENDAR**

**Action Postponed Until March 14, 2024**

**Favorable with Amendment**

**S. 18**

An act relating to banning flavored tobacco products and e-liquids

**Rep. Brumsted of Shelburne**, for the Committee on Human Services, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Tobacco use is costly. Vermont spends more than \$400 million annually to treat tobacco-caused illnesses, including more than \$90 million each year in Medicaid expenses. This translates into a tax burden each year of over \$1,000.00 per Vermont household. Smoking-related productivity losses add another \$576 million in additional costs each year.

(2) Youth tobacco use is growing due to e-cigarettes. Seven percent of Vermont high school students smoke, but if e-cigarette use is included, 28 percent of Vermont youths use some form of tobacco product. More than one in four Vermont high school students now uses e-cigarettes. Use more than doubled among this age group, from 12 percent to 26 percent, between 2017 and 2019.

(3) Menthol cigarette use is more prevalent among persons of color who smoke than among white persons who smoke and is more common among lesbian, gay, bisexual, and transgender smokers than among heterosexual smokers. Eighty-five percent of African American adult smokers use menthol cigarettes, and of Black youths 12–17 years of age who smoke, seven out of 10 use menthol cigarettes. Tobacco industry documents show a concerted effort to target African Americans through specific advertising efforts.

Sec. 2. 7 V.S.A. chapter 40 is amended to read:

CHAPTER 40. TOBACCO PRODUCTS

§ 1001. DEFINITIONS

As used in this chapter:

(1) “Bidis” or “Beedies” means a product containing tobacco that is wrapped in temburni leaf (diospyros melanoxylon) or tendu leaf (diospyros exculpra), or any other product that is offered to, or purchased by, consumers as bidis or beedies.

(2) “Board” means the Board of Liquor and Lottery.

(3) “Characterizing flavor” means a taste or aroma, other than the taste or aroma of tobacco, imparted either prior to or during consumption of a tobacco product or tobacco substitute, or a component part or byproduct of a tobacco product or tobacco substitute. The term includes tastes or aromas relating to any fruit, chocolate, vanilla, honey, maple, candy, cocoa, dessert, alcoholic beverage, mint, menthol, wintergreen, herb or spice, or other food or drink, or to any conceptual flavor that imparts a taste or aroma that is distinguishable from tobacco flavor but may not relate to any particular known flavor. The term also includes induced sensations, such as those produced by synthetic cooling agents, regardless of whether the agent itself imparts any taste or aroma.

(4) “Child-resistant packaging” means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance in the container within a reasonable time and not difficult for normal adults to use properly but does not mean packaging that all children under five years of age cannot open or obtain a toxic or harmful amount of the substance in the container within a reasonable time.

(5) “Cigarette” means:

(A) any roll of tobacco wrapped in paper or any substance not containing tobacco; and

(B) any roll of tobacco wrapped in a substance containing tobacco that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subdivision (A) of this subdivision (5).

~~(2)(6)~~ “Commissioner” means the Commissioner of Liquor and Lottery.

~~(3) “Tobacco products” means cigarettes, little cigars, roll-your-own tobacco, snuff, cigars, new smokeless tobacco, and other tobacco products as defined in 32 V.S.A. § 7702.~~

~~(4) “Vending machine” means any mechanical, electronic, or other similar device that dispenses tobacco products for money.~~

(7) “E-liquid” means the solution, substance, or other material used in or with a tobacco substitute that is heated or otherwise acted upon to produce an aerosol, vapor, or other emission to be inhaled or otherwise absorbed by the user, regardless of whether the solution, substance, or other material contains nicotine. The term does not include cannabis products as defined in section 831 of this title or products that are regulated by the Cannabis Control Board.

(8) “E-liquid container or other container holding a liquid or gel substance containing nicotine” means a bottle or other container of an e-liquid containing nicotine or a nicotine liquid or other substance containing nicotine that is sold, marketed, or intended for use in a tobacco substitute. The term does not include a container containing nicotine in a cartridge that is sold, marketed, or intended for use in a tobacco substitute if the cartridge is prefilled and sealed by the manufacturer and not intended to be opened by the consumer.

(9) “Flavored e-liquid” means any e-liquid with a characterizing flavor. An e-liquid shall be presumed to be a flavored e-liquid if a licensee, a manufacturer, or a licensee’s or manufacturer’s agent or employee has made a statement or claim directed to consumers or the public, whether express or implied, that the product has a distinguishable taste or aroma other than the taste or aroma of tobacco.

(10) “Flavored tobacco product” means any tobacco product with a characterizing flavor. A tobacco product shall be presumed to be a flavored tobacco product if a licensee, a manufacturer, or a licensee’s or manufacturer’s agent or employee has made a statement or claim directed to consumers or the public, whether express or implied, that the product has a distinguishable taste or aroma other than the taste or aroma of tobacco.

(11) “Flavored tobacco substitute” means any tobacco substitute with a characterizing flavor. A tobacco substitute shall be presumed to be a flavored tobacco substitute if a licensee, a manufacturer, or a licensee’s or manufacturer’s agent or employee has made a statement or claim directed to consumers or the public, whether express or implied, that the product has a distinguishable taste or aroma other than the taste or aroma of tobacco.

(12) “Licensed wholesale dealer” means a wholesale dealer licensed under 32 V.S.A. chapter 205.

(13) “Little cigars” means any rolls of tobacco wrapped in leaf tobacco or any substance containing tobacco, other than any roll of tobacco that is a cigarette, and as to which 1,000 units weigh not more than three pounds.

(14) “Nicotine” means the chemical substance named 3-(1-Methyl-2-pyrrolidinyl)pyridine or C[10]H[14]N[2], including any salt or complex of nicotine, whether naturally or synthetically derived.

(15) “Proper proof of age” means a valid authorized form of identification as defined in section 589 of this title.

(16) “Retail dealer” means a person licensed pursuant to section 1002 of this title.

(17) “Roll-your-own tobacco” means any tobacco that, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes.

(18) “Snuff” means any finely cut, ground, or powdered tobacco that is not intended to be smoked, has a moisture content of not less than 45 percent, and is not offered in individual single-dose tablets or other discrete single-use units.

~~(5)~~(19) “Tobacco license” means a license issued by the Division of Liquor Control under this chapter permitting the licensee to engage in the retail sale of tobacco products.

~~(6) “Bidis” or “Beedies” means a product containing tobacco that is wrapped in temburni leaf (diospyros melanoxylon) or tendu leaf (diospyros exculpra), or any other product that is offered to, or purchased by, consumers as bidis or beedies.~~

~~(7)~~(20) “Tobacco paraphernalia” means any device used, intended for use, or designed for use in smoking, inhaling, ingesting, or otherwise introducing tobacco products, tobacco substitutes, e-liquids, or a combination of these, into the human body, or for preparing tobacco for smoking, inhaling, ingesting, or otherwise introducing into the human body, including devices for holding tobacco, rolling paper, wraps, cigarette rolling machines, pipes, water pipes, carburetion devices, bongs, and hookahs, and clothing or accessories adapted for use with a tobacco product, a tobacco substitute, an e-liquid, or tobacco paraphernalia.

(21) “Tobacco products” means cigarettes, little cigars, roll-your-own tobacco, snuff, cigars, new smokeless tobacco, and any other product manufactured from, derived from, or containing tobacco that is intended for human consumption by smoking, by chewing, or in any other manner.

~~(8)~~(22)(A) “Tobacco substitute” means products any product that is not a tobacco product, as defined in subdivision (21) of this section, and that meets one or both of the following descriptions:

(i) a product, including an electronic cigarettes cigarette or other electronic or battery-powered devices device, or any component, part, or accessory thereof, that contain or are contains or is designed to deliver nicotine or other substances into the body through the inhalation or other absorption of aerosol, vapor, or other emission and that have has not been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes; or

(ii) an oral nicotine product or any other item that is designed to deliver nicotine into the body, including a product or item containing or delivering nicotine that has been extracted from a tobacco plant or leaf.

(B) Cannabis products as defined in section 831 of this title or products that have been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes shall not be considered to be tobacco substitutes.

(23) “Vending machine” means any mechanical, electronic, or other similar device that sells or dispenses tobacco products, tobacco substitutes, e-liquids, tobacco paraphernalia, or a combination of these.

(24) “Wholesale dealer” means a person who imports or causes to be imported into the State any cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco product for sale or who sells or furnishes any of these products to other wholesale dealers or retail dealers for the purpose of resale, but not by small quantity or parcel to consumers thereof.

#### § 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

(a)(1) Except as provided in subsection (h) of this section, no person shall engage in the retail sale of tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia in the person’s place of business without a tobacco license obtained from the Division of Liquor Control.

\* \* \*

(e) A person who sells tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia without obtaining a tobacco license and a tobacco substitute endorsement, as applicable, in violation of this section shall be guilty of a misdemeanor and fined not more than \$200.00 for the first offense and not more than \$500.00 for each subsequent offense.

(f) No individual under 16 years of age may sell tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia.

(g) No person shall engage in the retail sale of tobacco products, tobacco substitutes, ~~substances containing nicotine or otherwise intended for use with a~~



~~tobacco substitute e-liquids~~, or tobacco paraphernalia in the State unless the person is a licensed wholesale dealer as ~~defined in 32 V.S.A. § 7702~~ or has purchased the tobacco products, tobacco substitutes, ~~substances containing nicotine or otherwise intended for use with a tobacco substitute e-liquids~~, or tobacco paraphernalia from a licensed wholesale dealer.

(h) This section shall not apply to a cannabis establishment licensed pursuant to chapter 33 of this title to engage in the retail sale of cannabis products as defined in section 831 of this title but not engaged in the sale of tobacco products or tobacco substitutes.

\* \* \*

§ 1003. SALE OF TOBACCO PRODUCTS; TOBACCO SUBSTITUTES;  
E-LIQUIDS; TOBACCO PARAPHERNALIA; REQUIREMENTS;  
PROHIBITIONS

(a)(1) A person shall not:

(A) sell or provide tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia to any person under 21 years of age; or

(B) knowingly enable the usage of tobacco products, tobacco substitutes, or e-liquids by a person under 21 years of age.

(2)(A) Except as otherwise provided in subdivision (B) of this subdivision (2), a person, including a retail dealer, who violates subdivision (1) of this subsection (a) shall be subject to a civil penalty of not more than \$500.00 for the first offense and not more than \$2,000.00 for any subsequent offense.

(B) An employee of a retail dealer who violates subdivision (1) of this subsection (a) in the course of employment shall be subject to a civil penalty of not more than \$100.00 for a first offense and not more than \$500.00 for any subsequent offense. This penalty shall be in addition to the penalty imposed on the retail dealer pursuant to subdivision (A) of this subdivision (2).

(C) An action under this subsection (a) shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours after the occurrence of the alleged violation.

(b) All vending machines selling or dispensing tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia, or a combination of these, are prohibited.

(c)(1) Persons holding a tobacco license may only display or store tobacco products ~~or~~ tobacco substitutes, and e-liquids:

(A) behind a sales counter or in any other area of the establishment that is inaccessible to the public; or

(B) in a locked container.

(2) This subsection shall not apply to the following:

(A) a display of tobacco products, tobacco substitutes, or e-liquids that is located in a commercial establishment in which by law no person under 21 years of age is permitted to enter at any time;

(B) cigarettes in unopened cartons and smokeless tobacco in unopened multipack containers of 10 or more packages, any of which shall be displayed in plain view and under the control of a responsible employee so that removal of the cartons or multipacks from the display can be readily observed by that employee; or

(C) cigars and pipe tobacco stored in a humidor on the sales counter in plain view and under the control of a responsible employee so that the removal of these products from the humidor can be readily observed by that employee.

(d) The sale and the purchase of bidis is prohibited. A person who holds a tobacco license who sells bidis as prohibited by this subsection ~~shall be fined not more than \$500.00.~~ A or a person who purchases bidis from any source shall be fined subject to a civil penalty of not more than \$250.00 for a first offense and not more than \$500.00 for a subsequent offense.

(e) No person holding a tobacco license shall sell cigarettes or little cigars individually or in packs that contain fewer than 20 cigarettes or little cigars.

(f) As used in this section, ~~“little cigars” means any rolls of tobacco wrapped in leaf tobacco or any substance containing tobacco, other than any roll of tobacco that is a cigarette within the meaning of 32 V.S.A. § 7702(1), and as to which 1,000 units weigh not more than three pounds~~ “enable the usage of tobacco products, tobacco substitutes, or e-liquids” means creating a direct and immediate opportunity for a person to use tobacco products, tobacco substitutes, or e-liquids, or a combination of these.

#### § 1004. PROOF OF AGE FOR THE SALE OF TOBACCO PRODUCTS;

TOBACCO SUBSTITUTES; E-LIQUIDS; TOBACCO

PARAPHERNALIA

(a) A person shall exhibit proper proof of ~~his or her~~ the person's age upon demand of a person licensed under this chapter, an employee of a licensee, or a law enforcement officer. If the person fails to provide proper proof of age, the

licensee shall be entitled to refuse to sell tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia to the person. The sale or furnishing of tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia to a person exhibiting proper proof of age shall be prima facie evidence of a licensee's compliance with section 1007 of this title.

~~(b) As used in this section, "proper proof of age" means a valid authorized form of identification as defined in section 589 of this title.~~

§ 1005. PERSONS UNDER 21 YEARS OF AGE; POSSESSION OR  
PURCHASE OF TOBACCO PRODUCTS; MISREPRESENTING  
AGE OR PURCHASING TOBACCO PRODUCTS; PENALTY,  
TOBACCO SUBSTITUTES, E-LIQUIDS, OR TOBACCO  
PARAPHERNALIA PROHIBITED

(a)(1) A person under 21 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia unless:

(A) the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia to effect a sale in the course of employment; or

(B) the person is in possession of tobacco products or tobacco paraphernalia in connection with Indigenous cultural tobacco practices.

(2) A person under 21 years of age shall not misrepresent ~~his or her~~ the person's age to purchase or attempt to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia.

~~(b)(1) A person who possesses tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia in violation of subsection (a) of this section shall be subject to having the tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of \$25.00~~ complete a tobacco cessation program approved by the Department of Health.

(2) Within 90 days following the date of confiscation, the person shall provide to the Division of Liquor Control a certificate or attestation of completion of the tobacco cessation program. If the person does not submit the certificate or attestation within 90 days, the person shall be subject to a civil penalty of up to \$50.00.

(3) An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

(c)(1) A person under 21 years of age who misrepresents his or her the person's age by presenting false identification to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia shall be fined not more than \$50.00 or provide up to 10 hours of community service, or both subject to:

(A) having the tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia immediately confiscated;

(B) having the false identification immediately confiscated; and

(C) completing a tobacco cessation program approved by the Department of Health.

(2) Within 90 days following the date of confiscation, the person shall provide to the Division of Liquor Control a certificate or attestation of completion of the tobacco cessation program. If the person does not submit the certificate or attestation within 90 days, the person shall be subject to a civil penalty of up to \$50.00.

(3) An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

#### § 1006. POSTING OF SIGNS

(a) A person licensed under this chapter shall post in a conspicuous place on the premises identified in the tobacco license a warning sign stating that the sale of tobacco products, tobacco substitutes, e-liquids, and tobacco paraphernalia to persons under 21 years of age is prohibited. The Board shall prepare the sign and make it available with the license forms issued under this chapter. The sign may include information about the health effects of tobacco and tobacco cessation services. The Board, in consultation with a representative of the licensees when appropriate, is authorized to change the design of the sign as needed to maintain its effectiveness.

(b) A person violating this section shall be guilty of a misdemeanor and fined not more than \$100.00.

#### § 1007. FURNISHING TOBACCO TO PERSONS UNDER 21 YEARS OF AGE; REPORT

~~(a) A person that sells or furnishes tobacco products, tobacco substitutes, or tobacco paraphernalia to a person under 21 years of age shall be subject to a civil penalty of not more than \$100.00 for the first offense and not more than \$500.00 for any subsequent offense. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A.~~

~~chapter 24 and shall be brought within 24 hours of the occurrence of the alleged violation. [Repealed.]~~

(b)(1) The Division of Liquor Control shall conduct or contract for compliance tests of tobacco licensees as frequently and as comprehensively as necessary to ensure consistent statewide compliance with the prohibition on sales to persons under 21 years of age of at least 90 percent for buyers who are between 17 and 20 years of age. An individual under 21 years of age participating in a compliance test shall not be in violation of section 1005 of this title.

(2) Any violation by a tobacco licensee of subsection 1003(a) of this title and this section after a sale violation or during a compliance test conducted within six months of a previous violation shall be considered a multiple violation and shall result in the minimum license suspension in addition to any other penalties available under this title. Minimum license suspensions for multiple violations shall be assessed as follows:

- |                      |                      |
|----------------------|----------------------|
| (A) two violations   | two weekdays;        |
| (B) three violations | 15-day suspension;   |
| (C) four violations  | 90-day suspension;   |
| (D) five violations  | one-year suspension. |

(3) The Division shall report to the House Committee on ~~General, Housing, Government Operations~~ and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the ~~Tobacco Evaluation and Review Board~~ Substance Misuse Prevention Oversight and Advisory Council annually, on or before January 15, the methodology and results of compliance tests conducted during the previous year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the required report to be made under this subdivision.

\* \* \*

#### § 1009. CONTRABAND AND SEIZURE

(a) Any cigarettes or other tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia that have been sold, offered for sale, or possessed for sale in violation of section 1003, 1010, or 1013 of this title, 20 V.S.A. § 2757, 32 V.S.A. § 7786, or 33 V.S.A. § 1919, and any commercial cigarette rolling machines possessed or utilized in violation of section 1011 of this title, shall be deemed contraband and shall be subject to seizure by the Commissioner, the Commissioner's agents or employees, the Commissioner of Taxes or any agent or employee of the Commissioner of Taxes, or by any law enforcement officer

of this State when directed to do so by the Commissioner. All ~~cigarettes or other tobacco products~~ items seized under this subsection shall be destroyed.

\* \* \*

## § 1010. INTERNET SALES

(a) ~~As used in this section:~~

(1) ~~“Cigarette” has the same meaning as in 32 V.S.A. § 7702(1).~~

(2) ~~[Repealed.]~~

(3) ~~“Licensed wholesale dealer” has the same meaning as in 32 V.S.A. § 7702(5).~~

(4) ~~“Little cigars” has the same meaning as in 32 V.S.A. § 7702(6).~~

(5) ~~“Retail dealer” has the same meaning as in 32 V.S.A. § 7702(10).~~

(6) ~~“Roll your own tobacco” has the same meaning as in 32 V.S.A. § 7702(11).~~

(7) ~~“Snuff” has the same meaning as in 32 V.S.A. § 7702(13). [Repealed.]~~

(b) No person shall cause cigarettes, roll-your-own tobacco, little cigars, snuff, tobacco substitutes, ~~substances containing nicotine or otherwise intended for use with a tobacco substitute~~ e-liquids, or tobacco paraphernalia, ordered or purchased by mail or through a computer network, telephonic network, or other electronic network, to be shipped to anyone other than a licensed wholesale dealer or retail dealer in this State.

(c) No person shall, with knowledge or reason to know of the violation, provide substantial assistance to a person in violation of this section.

(d) A violation of this section is punishable as follows:

(1) A knowing or intentional violation of this section shall be punishable by imprisonment for not more than five years or a fine of not more than \$5,000.00, or both.

(2) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed \$5,000.00 for each violation. For purposes of this subsection, each shipment or transport of cigarettes, roll-your-own tobacco, little cigars, ~~or snuff,~~ tobacco substitutes, e-liquids, or tobacco paraphernalia shall constitute a separate violation.

\* \* \*

§ 1012. LIQUID NICOTINE E-LIQUIDS AND OTHER SUBSTANCES  
CONTAINING NICOTINE; PACKAGING

(a) Unless specifically preempted by federal law, no person shall manufacture, regardless of location, for sale in; offer for sale in; sell in or into the stream of commerce in; or otherwise introduce into the stream of commerce in Vermont:

(1) any e-liquid containing nicotine or any other liquid or gel substance containing nicotine unless that product is contained in child-resistant packaging; or

(2) any nicotine liquid e-liquid container or other container holding a liquid or gel substance containing nicotine unless that container constitutes child-resistant packaging.

(b) ~~As used in this section:~~

(1) ~~“Child-resistant packaging” means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance in the container within a reasonable time and not difficult for normal adults to use properly, but does not mean packaging that all children under five years of age cannot open or obtain a toxic or harmful amount of the substance in the container within a reasonable time.~~

(2) ~~“Nicotine liquid container” means a bottle or other container of a nicotine liquid or other substance containing nicotine that is sold, marketed, or intended for use in a tobacco substitute. The term does not include a container containing nicotine in a cartridge that is sold, marketed, or intended for use in a tobacco substitute if the cartridge is prefilled and sealed by the manufacturer and not intended to be opened by the consumer. [Repealed.]~~

§ 1013. FLAVORED TOBACCO SUBSTITUTES, FLAVORED E-  
LIQUIDS, AND MENTHOL TOBACCO PRODUCTS  
PROHIBITED

(a) No person shall engage in the retail sale of:

(1) any flavored tobacco substitute;

(2) any flavored e-liquid; or

(3) any menthol-flavored tobacco product.

(b)(1) A person who violates subsection (a) of this section shall be subject to a civil penalty of not more than \$200.00 for the first offense and not more than \$500.00 for any subsequent offense.

(2) An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours after the occurrence of the alleged violation.

§ 1014. SALE OF DISCOUNTED TOBACCO PRODUCTS, TOBACCO  
SUBSTITUTES, E-LIQUIDS, AND TOBACCO  
PARAPHERNALIA PROHIBITED

(a) As used in this section, “price reduction instrument” means any coupon, voucher, rebate, card, paper, note, form, statement, ticket, image, or other issue, whether in paper, digital, or any other form, used for commercial purposes to receive an article, product, service, or accommodation without charge or at a discounted price.

(b) No person shall do any of the following:

(1) sell or offer for sale a tobacco product, tobacco substitute, e-liquid, or tobacco paraphernalia to a consumer at a price lower than the price that was in effect at the time the seller purchased the item from the wholesale dealer;

(2) sell or offer for sale a tobacco product, tobacco substitute, e-liquid, or tobacco paraphernalia through any multipackage discount; or

(3) honor or accept a price reduction instrument in any transaction related to the sale of a tobacco product, tobacco substitute, e-liquid, or tobacco paraphernalia to a consumer.

(c) A person who violates subsection (b) of this section shall be subject to a civil penalty of not more than \$200.00 for the first offense and not more than \$500.00 for any subsequent offense. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours after the occurrence of the alleged violation.

Sec. 3. 4 V.S.A. § 1102(b) is amended to read:

(b) The Judicial Bureau shall have jurisdiction of the following matters:

\* \* \*

(5) Violations of 7 V.S.A. § ~~1007~~ 1003(a), relating to furnishing tobacco products, tobacco substitutes, e-liquids, and tobacco paraphernalia to a person under 21 years of age.



\* \* \*

(33) Violations of 7 V.S.A. § 1013, relating to sale of flavored tobacco substitutes, flavored e-liquids, and menthol-flavored tobacco products.

(34) Violations of 7 V.S.A. § 1014, relating to sale of discounted tobacco products, tobacco substitutes, e-liquids, and tobacco paraphernalia.

Sec. 4. 7 V.S.A. § 661(c) is amended to read:

(c) The provisions of subsection (b) of this section shall not apply to a violation of subsection 1005(a) of this title, relating to purchase of tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia by a person under 21 years of age.

Sec. 5. 16 V.S.A. § 140 is amended to read:

§ 140. ~~TOBACCO~~ USE OF TOBACCO PRODUCTS, TOBACCO  
SUBSTITUTES, AND E-LIQUIDS PROHIBITED ON PUBLIC  
SCHOOL GROUNDS

No person shall be permitted to use tobacco products ~~or~~, tobacco substitutes, or e-liquids, as those terms are defined in 7 V.S.A. § 1001, on public school grounds or at public school sponsored functions. ~~Public school boards may adopt policies that include confiscation and appropriate referrals to law enforcement authorities.~~

Sec. 6. 18 V.S.A. § 4226 is amended to read:

§ 4226. MINORS; TREATMENT; CONSENT

(a)(1) If a minor 12 years of age or older is suspected to ~~be dependent upon~~ have a substance use disorder, including a dependence on regulated drugs as defined in section 4201 of this title, on alcohol, on nicotine, or on tobacco products or tobacco substitutes as defined in 7 V.S.A. § 1001, or to have venereal disease, or to be an alcoholic as defined in section 8401 of this title a sexually transmitted infection, and the finding of such ~~dependency, disease, or alcoholism~~ substance use disorder or infection is verified by a licensed ~~physician~~ health care professional, the minor may give:

(A) ~~his or her consent to medical treatment~~ health care services and hospitalization; and

(B) in the case of ~~a drug dependent or alcoholic person~~ an individual who has a substance use disorder, consent to nonmedical inpatient or outpatient treatment at a program approved by the Agency of Human Services to provide treatment for ~~drug dependency or alcoholism~~ substance use disorder

if deemed necessary by the examining ~~physician for diagnosis or treatment of such dependency or disease or alcoholism~~ health care professional.

(2) Consent under this section shall not be subject to disaffirmance due to minority of the person consenting. The consent of the parent or legal guardian of a minor consenting under this section shall not be necessary to authorize care as described in this subsection.

(b) The parent, parents, or legal guardian shall be notified by the physician if the condition of a minor child requires immediate hospitalization as the result of ~~drug usage, alcoholism,~~ or alcohol use or for the treatment of a ~~venereal disease~~ sexually transmitted infection.

(c) As used in this section, "health care professional" means an individual licensed as a physician under 26 V.S.A. chapter 23 or 33, an individual licensed as a physician assistant under 26 V.S.A. chapter 31, or an individual licensed as a registered nurse or advanced practice registered nurse under 26 V.S.A. chapter 28.

Sec. 7. 18 V.S.A. § 4803(a) is amended to read:

(a) Creation. There is created the Substance Misuse Prevention Oversight and Advisory Council within the Department of Health to improve the health outcomes of all Vermonters through a consolidated and holistic approach to substance misuse prevention that addresses all categories of substances. The Council shall provide advice to the Governor and General Assembly for improving prevention policies and programming throughout the State and to ensure that population prevention measures are at the forefront of all policy determinations. The Advisory Council's prevention initiatives shall encompass all substances at risk of misuse, including:

(1) alcohol;

(2) cannabis;

(3) controlled substances, such as opioids, cocaine, and methamphetamines; and

(4) tobacco products and, tobacco substitutes, and e-liquids, as those terms are defined in 7 V.S.A. § 1001 ~~and substances containing nicotine or that are otherwise intended for use with a tobacco substitute.~~

Sec. 8. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

As used in this chapter unless the context otherwise requires:

\* \* \*

(15) “Other tobacco products” means any product manufactured from, derived from, or containing tobacco that is intended for human consumption by smoking, by chewing, or in any other manner, ~~including~~. The term also includes products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids, whether nicotine-based or not, or; e-liquids, as defined in 7 V.S.A. § 1001; and delivery devices sold separately for use with a tobacco substitute or e-liquid, but shall not include cigarettes, little cigars, roll-your-own tobacco, snuff, or new smokeless tobacco as defined in this section, or cannabis products as defined in 7 V.S.A. § 831.

\* \* \*

Sec. 9. 18 V.S.A. § 9503 is amended to read:

§ 9503. VERMONT TOBACCO PREVENTION AND TREATMENT

(a) Except as otherwise specifically provided, the tobacco prevention and treatment program shall be administered and coordinated statewide by the Department of Health, pursuant to the provisions of this chapter. The program shall be comprehensive and research-based.

(b) The Department shall establish goals for reducing adult and youth smoking rates, including performance measures for each goal in conjunction with the Substance Misuse Prevention Oversight and Advisory Council established pursuant to section 4803 of this title. The services provided by a quitline approved by the Department of Health shall be offered and made available to any minor, upon ~~his or her~~ the minor’s consent, who is a smoker or user of tobacco products, tobacco substitutes, or e-liquids, as those terms are defined in 7 V.S.A. § 1001.

(c) The Department of Liquor and Lottery shall administer the component of the program that relates to enforcement activities.

(d) The Agency of Education shall administer school-based programs.

(e) The Department shall pay all fees and costs of the surveillance and evaluation activities, including the costs associated with hiring a contractor to conduct an independent evaluation of the program.

Sec. 10. 33 V.S.A. § 1900 is amended to read:

§ 1900. DEFINITIONS

As used in this subchapter, unless otherwise indicated:

\* \* \*

(10) “Tobacco” means all of the products listed in the definition of “tobacco products” in 7 V.S.A. § 1001(3).

\* \* \*

Sec. 11. HEALTH EQUITY ADVISORY COMMISSION; MENTHOL  
TOBACCO PRODUCT BAN; REPORT

On or before January 15, 2025, in its annual report due pursuant to 18 V.S.A. § 252(e), the Health Equity Advisory Commission shall recommend to the General Assembly whether the sale of tobacco products containing menthol, including menthol cigarettes, should be banned in Vermont.

Sec. 12. TOBACCO SUBSTITUTES AND E-LIQUIDS; ADVERTISING  
RESTRICTIONS; REPORT

On or before December 1, 2024, the Office of the Attorney General shall report to the House Committees on Commerce and Economic Development and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare regarding whether and to what extent Vermont may legally restrict advertising and regulate the content of labels for tobacco substitutes, including oral nicotine products, and e-liquids in this State.

Sec. 13. DEPARTMENT OF HEALTH; VERMONT YOUTH RISK  
BEHAVIOR SURVEY; TOBACCO SALES; REPORT

On or before March 1, 2027, the Department of Health shall report to the House Committee on Human Services and the Senate Committee on Health and Welfare the results of the 2025 Vermont Youth Risk Behavior Survey that relate to youth use of tobacco products, tobacco substitutes, and e-liquids, along with a comparison of the rates of use from previous Vermont Youth Risk Behavior Surveys. In its report, the Department shall also provide data on retail sales of tobacco products, tobacco substitutes, and e-liquids during calendar years 2024, 2025, and 2026.

Sec. 14. DEPARTMENT OF HEALTH; SCHOOL-BASED USAGE AND  
CESSATION EFFORTS; REPORT

The Department of Health shall collaborate with relevant school and community partners to survey and report on the use of tobacco products, tobacco substitutes, and e-liquids, as well as on nicotine and tobacco cessation efforts, in Vermont's schools. On or before January 15, 2026, the Department shall report to the House Committees on Human Services and on Education and the Senate Committees on Health and Welfare and on Education with its findings and any recommendations for legislative action.

Sec. 15. EFFECTIVE DATES

(a) Sec. 2 (7 V.S.A. chapter 40) shall take effect on January 1, 2025, except that 7 V.S.A. § 1013(a)(3) (prohibiting retail sale of menthol-flavored tobacco products) shall take effect on July 1, 2025.

(b) Secs. 1 (findings), 6 (18 V.S.A. § 4226; minor consent to treatment), 9 (18 V.S.A. § 9503; tobacco prevention and treatment), 11 (Health Equity Advisory Commission; menthol ban; report), 12 (advertising restrictions; report), 13 (Youth Risk Behavior Survey; tobacco sales; report), and 14 (school-based usage and cessation efforts; report) and this section shall take effect on passage.

(c) Secs. 3 (4 V.S.A. § 1102(b); Judicial Bureau jurisdiction), 4 (7 V.S.A. § 661(c); penalties), 5 (16 V.S.A. § 140; use prohibited on school grounds), 7 (18 V.S.A. § 4803(a); Substance Misuse Prevention Oversight and Advisory Council), 8 (32 V.S.A. § 7702; definition for tobacco tax purposes), and 10 (33 V.S.A. § 1900; definition for medical assistance statutes) shall take effect on January 1, 2025.

**(Committee Vote: 10-0-1)**

**Rep. Ode of Burlington**, for the Committee on Ways and Means, recommends that the report of the Committee on Human Services be amended as follows:

First: In Sec. 2, in 7 V.S.A. § 1001, striking out subdivision (7) in its entirety and inserting in lieu thereof a new subdivision (7) to read as follows:

(7) “E-liquid” means the solution, substance, or other material that contains nicotine and is used in or with a tobacco substitute, and that is heated or otherwise acted upon to produce an aerosol, vapor, or other emission to be inhaled or otherwise absorbed by the user. The term does not include cannabis products as defined in section 831 of this title or products that are regulated by the Cannabis Control Board.

Second: In Sec. 2, in 7 V.S.A. § 1001, striking out subdivision (22) in its entirety and inserting in lieu thereof a new subdivision (22) to read as follows:

(8)(22)(A) “Tobacco substitute” means ~~products~~ any product that is not a tobacco product, as defined in subdivision (21) of this section, and that meets one or both of the following descriptions:

(i) a product, including an electronic ~~eigarettes~~ cigarette or other electronic or battery-powered ~~deveies~~ device, or any component, part, or accessory thereof, that ~~contain or are~~ contains or is designed to deliver nicotine or other substances into the body through the inhalation or other absorption of

aerosol, vapor, or other emission and that ~~have~~ has not been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes; or

(ii) an oral nicotine product or any other item that is designed to deliver nicotine into the body, including a product or item containing or delivering nicotine that has been extracted from a tobacco plant or leaf.

(B) Cannabis products as defined in section 831 of this title or products that have been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes shall not be considered to be tobacco substitutes.

Third: In Sec. 2, by striking out 7 V.S.A. § 1005 in its entirety and inserting in lieu thereof a new 7 V.S.A. § 1005 to read as follows:

§ 1005. PERSONS UNDER 21 YEARS OF AGE; POSSESSION OR PURCHASE OF TOBACCO PRODUCTS; MISREPRESENTING AGE OR PURCHASING TOBACCO PRODUCTS; PENALTY, TOBACCO SUBSTITUTES, E-LIQUIDS, OR TOBACCO PARAPHERNALIA PROHIBITED

(a)(1) Prohibited conduct. A person under 21 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia unless:

(A) the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia to effect a sale in the course of employment; or

(B) the person is in possession of tobacco products or tobacco paraphernalia in connection with Indigenous cultural tobacco practices.

(2) A person under 21 years of age shall not misrepresent ~~his or her~~ the person's age to purchase or attempt to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia.

(b) Offense. A person who possesses tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia in violation of subsection (a) of this section commits a civil violation and shall be subject to having the tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia immediately confiscated and shall be ~~further subject to a civil penalty of \$25.00. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24~~ referred to the Court Diversion Program for the purpose of enrollment in a tobacco cessation program approved by the

Department of Health. A person who fails to complete the program shall be subject to a civil penalty of \$50.00.

(c) Issuance of notice of violation. A law enforcement officer shall issue a person who violates this section a notice of violation, in a form approved by the Court Administrator. The notice of violation shall require the person to provide the person's name and address and shall explain procedures under this section, including that:

(1) the person shall contact the Diversion Program in the county where the offense occurred within 15 days;

(2) failure to contact the Diversion Program within 15 days will result in the case being referred to the Judicial Bureau, where the person, if found liable for the violation, will be subject to a civil penalty;

(3) no money should be submitted to pay any penalty until after adjudication; and

(4) the person shall notify the Diversion Program if the person's address changes.

(d) Summons and complaint. When a person is issued a notice of violation under this section, the law enforcement officer shall complete a summons and complaint for the offense and send it to the Diversion Program in the county where the offense occurred. The summons and complaint shall not be filed with the Judicial Bureau at that time.

(e) Registration in tobacco cessation program. Within 15 days after receiving a notice of violation, the person shall contact the Diversion Program in the county where the offense occurred and register for a tobacco cessation program approved by the Department of Health. If the person fails to do so, the Diversion Program shall file the summons and complaint with the Judicial Bureau for adjudication under 4 V.S.A. chapter 29. The Diversion Program shall provide a copy of the summons and complaint to the law enforcement officer who issued the notice of violation and shall provide two copies to the person charged with the violation.

(f) Notice to report to Diversion. Upon receipt from a law enforcement officer of a summons and complaint completed under this section, the Diversion Program shall send the person a notice to report to the Diversion Program. The notice to report shall provide that:

(1) the person is required to complete the tobacco cessation program;

(2) if the person does not satisfactorily complete the tobacco cessation program, the case will be referred to the Judicial Bureau, where the person, if found liable for the violation, will be subject to a civil penalty; and

(3) if the person satisfactorily completes the tobacco cessation program, no penalty shall be imposed.

(g) Diversion Program requirements.

(1) Upon being contacted by a person who has been issued a notice of violation, the Diversion Program shall register the person in a tobacco cessation program approved by the Department of Health.

(2) When a person has satisfactorily completed the tobacco cessation program, the Diversion Program shall do all of the following:

(A) Void the summons and complaint with no penalty due.

(B) Send copies of the voided summons and complaint to the Judicial Bureau and to the law enforcement officer who completed them. Before sending copies of the voided summons and complaint to the Judicial Bureau under this subdivision, the Diversion Program shall redact all language containing the person's name, address, Social Security number, and any other information that identifies the person.

(3) If a person does not satisfactorily complete the tobacco cessation program or if the person fails to pay the Diversion Program any required program fees, the Diversion Program shall file the summons and complaint with the Judicial Bureau for adjudication under 4 V.S.A. chapter 29. The Diversion Program shall provide a copy of the summons and complaint to the law enforcement officer who issued the notice of violation and shall provide two copies to the person charged with the violation.

(4) A person aggrieved by a decision of the Diversion Program or of the tobacco cessation program may seek review of that decision pursuant to Rule 75 of the Vermont Rules of Civil Procedure.

(e)(h) Confiscation of false identification. A In addition to the procedures set forth in subsections (b)–(g) of this section, a person under 21 years of age who misrepresents his or her the person's age by presenting false identification to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia shall be fined not more than \$50.00 or provide up to 10 hours of community service, or both have the person's false identification immediately confiscated.

Fourth: By striking out Sec. 15, effective dates, in its entirety and inserting in lieu thereof a new Sec. 15 to read as follows:



Sec. 15. EFFECTIVE DATES

(a) Secs. 2 (7 V.S.A. chapter 40), 3 (4 V.S.A. § 1102(b); Judicial Bureau jurisdiction), 4 (7 V.S.A. § 661(c); penalties), 5 (16 V.S.A. § 140; use prohibited on school grounds), 7 (18 V.S.A. § 4803(a); Substance Misuse Prevention Oversight and Advisory Council), 8 (32 V.S.A. § 7702; definition for tobacco tax purposes), and 10 (33 V.S.A. § 1900; definition for medical assistance statutes) shall take effect on January 1, 2026.

(b) Secs. 1 (findings), 6 (18 V.S.A. § 4226; minor consent to treatment), 9 (18 V.S.A. § 9503; tobacco prevention and treatment), 11 (Health Equity Advisory Commission; menthol ban; report), 12 (advertising restrictions; report), 13 (Youth Risk Behavior Survey; tobacco sales; report), and 14 (school-based usage and cessation efforts; report) and this section shall take effect on passage.

**(Committee Vote: 7-5-0)**

**Amendment to be offered by Reps. Donahue of Northfield and Brumsted of Shelburne to the report of the Committee on Ways and Means on S. 18**

That the report of the Committee on Ways and Means be amended by striking out the third instance of amendment in its entirety and inserting in lieu thereof the following:

Third: [Deleted.]

**Amendment to be offered by Rep. Marcotte of Coventry to the report of the Committee on Human Services on S. 18**

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

Sec. 14a. INVESTIGATOR POSITION CREATED; APPROPRIATION;  
REPORT

(a) One new permanent classified position, Investigator, is established in the Department of Liquor and Lottery to enforce, and to investigate potential violations of, Vermont laws relating to direct-to-consumer sales and delivery of alcohol and tobacco products, including 7 V.S.A. §§ 277, 279, 280, and 1010.

(b)(1) The sum of \$160,000.00 is appropriated to the Department of Liquor and Lottery from the Tobacco Litigation Settlement Fund in fiscal year 2025 to fund the Investigator position established in subsection (a) of this section.

(2) It is the intent of the General Assembly that the position established in subsection (a) of this section should be funded from the Tobacco Litigation Settlement Fund for fiscal years 2025 and 2026. It is also the intent of the

General Assembly that, beginning in fiscal year 2027, the funding for the Investigator position should be built into base funding for the Department of Liquor and Lottery's budget, with the amount of the salary and benefits for the Investigator position offset by an equivalent amount of the revenue generated to the Department or to the Office of the Attorney General, or both, by the Investigator's activities in enforcing and in investigating violations of Vermont law, with the remainder of the revenue deposited into the General Fund.

(c) If the revenue generated by the Investigator's activities becomes insufficient to cover the cost of the position in the future, the Department of Liquor and Lottery shall propose eliminating the position as part of its next budget or budget adjustment presentation to the General Assembly.

(d)(1) On or before March 15, 2025, the Department of Liquor and Lottery shall provide an update to the House Committees on Government Operations and Military Affairs and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare regarding the status of its implementation of the new Investigator position.

(2) Annually on or before December 15, the Department of Liquor and Lottery shall report to the House Committees on Government Operations and Military Affairs and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare on the impact of the Investigator's activities on compliance with Vermont's laws relating to direct-to-consumer sales and delivery of alcohol and tobacco products.

Second: In Sec. 15, effective dates, by adding a new subsection to be subsection (d) to read as follows:

(d) Sec. 14a (Investigator position created; appropriation; report) shall take effect on July 1, 2024, with the first report under subdivision (d)(2) due on or before December 15, 2025.

**Amendment to be offered by Rep. Maguire of Rutland City to the report of the Committee on Human Services on S. 18**

First: In Sec. 2, 7 V.S.A. chapter 40, by striking out section 1013 in its entirety and inserting in lieu thereof the following:

§ 1013. FLAVORED TOBACCO SUBSTITUTES AND FLAVORED

E-LIQUIDS PROHIBITED

(a) No person shall engage in the retail sale of any flavored tobacco substitute or any flavored e-liquid.

(b)(1) A person who violates subsection (a) of this section shall be subject to a civil penalty of not more than \$200.00 for the first offense and not more than \$500.00 for any subsequent offense.

(2) An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours after the occurrence of the alleged violation.

Second: In Sec. 3, 4 V.S.A. § 1102(b), in subdivision (33), by striking out the comma following “substitutes” and inserting in lieu thereof “and” and following “e-liquids,” by striking out “, and menthol-flavored tobacco products”

**Amendment to be offered by Rep. Galfetti of Barre Town to the report of the Committee on Human Services on S. 18**

In Sec. 2, in 7 V.S.A. chapter 40, section 1013, by adding a new subsection to be subsection (c) to read as follows:

(c) This section shall not apply to any product:

(1) that has received a marketing authorization order or similar order from the U.S. Food and Drug Administration pursuant to 21 U.S.C. § 387j; or

(2) that was on the market in the United States as of August 8, 2016, for which the manufacturer submitted a premarket tobacco product application to the U.S. Food and Drug Administration pursuant to 21 U.S.C. § 387j on or before September 9, 2020, and for which the application either remains under investigation by the U.S. Food and Drug Administration or a final decision on the application has not otherwise taken effect.

**Amendment to be offered by Rep. Walker of Swanton to the report of the Committee on Human Services on S. 18**

First: By adding Secs. 4a–4c to read as follows:

Sec. 4a. 7 V.S.A. § 831(3) is amended to read:

(3) “Cannabis product” means concentrated cannabis and a product that is composed of cannabis and other ingredients and is intended for use or consumption, including an edible product, ointment, and tincture. Cannabis product shall include includes a vaporizer cartridge containing cannabis oil that is intended for use with a battery-powered device and any device designed to deliver cannabis into the body through inhalation of vapor that is sold at a cannabis establishment licensed pursuant to chapter 33 of this title. “Cannabis product” does not mean a “tobacco product” as defined in 32 V.S.A. § 7702, a “tobacco substitute” as defined in section 1001 of this title, or “tobacco paraphernalia” as defined in section 1001 of this title.

Sec. 4b. 7 V.S.A. § 868 is amended to read:

§ 868. PROHIBITED PRODUCTS

(a) The following are prohibited products and may not be cultivated, produced, or sold pursuant to a license issued under this chapter:

(1) cannabis flower with greater than 30 percent tetrahydrocannabinol;

(2) flavored oil cannabis products sold prepackaged for use with battery-powered devices and any cannabis flower that contains characterizing flavor that is not naturally occurring in the cannabis;

(3) flavored oil cannabis products sold prepackaged for use with battery-powered devices and any cannabis flower that include a characterizing flavor in the name or description of the product;

(4) edible cannabis products;

(5) cannabis products that contain delta-9 tetrahydrocannabinol and nicotine or alcoholic beverages; and

(4)(6) any cannabis, cannabis products, or packaging of such items that are designed to make the product more appealing to persons under 21 years of age.

\* \* \*

Sec. 4c. 7 V.S.A. § 972(3) is amended to read:

(3) ~~“Cannabis product” has the same meaning as provided in section 831 of this title~~ means concentrated cannabis and a product that is composed of cannabis and other ingredients and is intended for use or consumption, including an edible product, ointment, and tincture. Cannabis product includes a vaporizer cartridge containing cannabis oil that is intended for use with a battery-powered device and any device designed to deliver cannabis into the body through inhalation of vapor that is sold at a cannabis establishment licensed pursuant to chapter 33 of this title. “Cannabis product” does not mean a “tobacco product” as defined in 32 V.S.A. § 7702, a “tobacco substitute” as defined in section 1001 of this title, or “tobacco paraphernalia” as defined in section 1001 of this title.

Second: In Sec. 15, effective dates, by inserting a new subsection to be subsection (d) to read as follows:

(d) Secs. 4a-4c shall take effect on January 1, 2026.

**Amendment to be offered by Reps. Donahue of Northfield and Brumsted of Shelburne to the report of the Committee on Human Services on S. 18**

First: In Sec. 2, 7 V.S.A. chapter 40, by striking out § 1005 in its entirety and inserting in lieu thereof a new § 1005 to read as follows:

§ 1005. PERSONS UNDER 21 YEARS OF AGE; POSSESSION OF

TOBACCO PRODUCTS, TOBACCO SUBSTITUTES, E-LIQUIDS,

OR TOBACCO PARAPHERNALIA; MISREPRESENTING AGE

OR PURCHASING TOBACCO PRODUCTS; PENALTY

(a)(1) A person under 21 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia unless:

(A) the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia to effect a sale in the course of employment; or

(B) the person is in possession of tobacco products or tobacco paraphernalia in connection with Indigenous cultural tobacco practices.

(2) A person under 21 years of age shall not misrepresent ~~his or her~~ the person's age to purchase or attempt to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia.

(b) A person who possesses tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia in violation of subsection (a) of this section shall be subject to having the tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of \$25.00. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

(c) A person under 21 years of age who misrepresents ~~his or her~~ the person's age by presenting false identification to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia shall be fined not more than \$50.00 or provide up to 10 hours of community service, or both.

Second: By striking out Sec. 14, Department of Health; school-based usage and cessation efforts; report, in its entirety and inserting in lieu thereof a new Sec. 14 to read as follows:

Sec. 14. DEPARTMENT OF HEALTH; SCHOOL-BASED USAGE AND

CESSATION EFFORTS; DIVERSION TO TOBACCO

## CESSATION PROGRAM; REPORT

(a) The Department of Health shall collaborate with relevant school and community partners to survey and report on the use of tobacco products, tobacco substitutes, and e-liquids, as well as on nicotine and tobacco cessation efforts, in Vermont's schools.

(b) The Department of Health, in consultation with the Division of Liquor Control and the Court Diversion Program, shall develop one or more options for diversion to a tobacco cessation program as an alternative to the existing civil penalties and fines for a person under 21 years of age who possesses, purchases, or uses of false identification to purchase tobacco products, tobacco substitutes, e-liquids, or tobacco paraphernalia under 7 V.S.A. § 1005.

(c) On or before January 15, 2026, the Department shall report to the House Committees on Human Services, on Education, and on Judiciary and the Senate Committees on Health and Welfare, on Education, and on Judiciary with its findings and recommendations regarding the use of tobacco products, tobacco substitutes, and e-liquids in schools; cessation efforts in schools; and options for one or more diversion programs as set forth in subsections (a) and (b) of this section.

### **New Business**

#### **Third Reading**

##### **H. 534**

An act relating to retail theft

##### **H. 645**

An act relating to the expansion of approaches to restorative justice

#### **Committee Bill for Second Reading**

##### **H. 870**

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

**(Rep. Nugent of South Burlington will speak for the Committee on Government Operations and Military Affairs.)**

**Favorable with Amendment**

**H. 856**

An act relating to medical leave for a serious injury

**Rep. Labor of Morgan**, for the Committee on General and Housing, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

\* \* \*

(3) “Family leave” means a leave of absence from employment by an employee who works for an employer ~~which~~ that employs 15 or more individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

(A) the serious ~~illness~~ health condition of the employee; or

(B) the serious ~~illness~~ health condition of the employee’s child, stepchild or ward who lives with the employee, foster child, parent, spouse, or parent of the employee’s spouse.

(4) “Health care provider” means a licensed health care provider or a health care provider as defined pursuant to 29 C.F.R. § 825.125.

(5) “Parental leave” means a leave of absence from employment by an employee who works for an employer ~~which~~ that employs 10 or more individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

\* \* \*

~~(5)~~(6) “Serious ~~illness~~ health condition” means:

(A) an accident, illness, injury, disease, or physical or mental condition that:

~~(A)~~(i) poses imminent danger of death;

~~(B)~~(ii) requires inpatient care in a hospital, hospice, or residential medical care facility; or

~~(C)~~(iii) requires continuing ~~in-home care under the direction of treatment by a physician~~ health care provider; or

(B) rehabilitation from an accident, illness, injury, disease, or physical or mental condition described in subdivision (A) of this subdivision (5), including treatment for substance use disorder.

Sec. 2. 21 V.S.A. § 472 is amended to read:

§ 472. LEAVE

(a) During any 12-month period, an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks:

\* \* \*

(2) for family leave, for the serious ~~illness~~ health condition of the employee or the employee's child, stepchild or ward of the employee who lives with the employee, foster child, parent, spouse, or parent of the employee's spouse.

\* \* \*

(e)(1) An employee shall give reasonable written notice of intent to take leave under this subchapter. Notice shall include the date the leave is expected to commence and the estimated duration of the leave.

(2) In the case of the adoption or birth of a child, an employer shall not require that notice be given more than six weeks prior to the anticipated commencement of the leave.

(3) In the case of serious ~~illness~~ health condition of the employee or a member of the employee's family, an employer may require certification from a ~~physician~~ health care provider to verify the condition and the amount and necessity for the leave requested.

(4) An employee may return from leave earlier than estimated upon approval of the employer.

(5) An employee shall provide reasonable notice to the employer of ~~his or her~~ the need to extend leave to the extent provided by this ~~chapter~~ subchapter.

\* \* \*

(h) Except for serious ~~illness~~ health condition of the employee, an employee who does not return to employment with the employer who provided the leave shall return to the employer the value of any compensation paid to or on behalf of the employee during the leave, except payments for accrued sick leave or vacation leave.

Sec. 3. EFFECTIVE DATE



This act shall take effect on July 1, 2024.

**(Committee Vote: 11-0-1)**

**Favorable**

**H. 867**

An act relating to miscellaneous amendments to the laws governing alcoholic beverages and the Board of Liquor and Lottery

**(Rep. Boyden of Cambridge** will speak for the Committee on Government Operations and Military Affairs.)

**Rep. Anthony of Barre City**, for the Committee on Ways and Means, recommends the bill ought to pass.

**(Committee Vote: 12-0-0)**

## **NOTICE CALENDAR**

**Favorable with Amendment**

**H. 10**

An act relating to amending the Vermont Employment Growth Incentive Program

**Rep. Marcotte of Coventry**, for the Committee on Commerce and Economic Development, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; and

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate 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;

(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.

(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 30 days after receiving notice.

\* \* \*

(e) Operation.

(1) The Governor shall appoint a chair from the Council's members.

(2) The Council shall receive administrative support from the Agency of Commerce and Community Development and the Department of Taxes.

(3) The Council shall have:

(A) an executive director appointed by the Governor with the advice and consent of the Senate who is knowledgeable in subject areas of the Council's jurisdiction and who is an exempt State employee; and

(B) administrative staff.

(4) The Council shall adopt and make publicly available a policy governing conflicts of interest that meets or exceeds the requirements of the State Code of Ethics and shall include:

(A) clear standards for when a member of the Council may participate or must be recused when an actual or perceived conflict of interest exists; and

(B) a provision that requires a witness who is an officer of the State or its political subdivision or instrumentality to disclose a conflict of interest related to an application.

(5) The Council shall not enter into executive session to discuss applications or other matters pertaining to the Vermont Employment Growth Incentive Program under subchapter 2 of this chapter unless the Executive Branch State economist is present and has been provided all relevant materials concerning the session.

\* \* \*

Sec. 2. 32 V.S.A. § 3326 is amended to read:

§ 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)(1) The Council shall contract 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.

(2) The Executive Branch State economist shall consult with the Joint Fiscal Office or its agent concerning the performance of the cost-benefit analysis and the operation of the cost-benefit model for each application in which the value of potential incentives an applicant may earn equals or exceeds \$1,000,000.00.

Sec. 3. 32 V.S.A. § 3340 is amended to read:

§ 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 and the amount per business;

(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) the aggregate number of new qualifying jobs anticipated to be created;

(F) Vermont gross wages and salaries for new qualifying jobs, sorted by groups in \$25,000.00 increments;

(G) the aggregate amount of new full-time payroll anticipated to be created; and

(H) 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 approved claim; and

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

(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.

Sec. 4. 32 V.S.A. § 3341 is amended to read:

§ 3341. CONFIDENTIALITY OF PROPRIETARY BUSINESS

## INFORMATION

(a) The Vermont Economic Progress Council and the Department of Taxes shall use measures to protect proprietary financial information, including reporting information in an aggregate form.

(b) Information and materials submitted by a business concerning its application, income taxes, and other confidential financial information shall not be subject to public disclosure under the State's public records law in 1 V.S.A. chapter 5, but shall be available to the Joint Fiscal Office or its agent upon request of a legislative member of the Council or upon authorization of the Joint Fiscal Committee or a standing committee of the General Assembly, and shall also be available to the Auditor of Accounts in connection with the performance of duties under section 163 of this title; provided, however, that the Joint Fiscal Office or its agent and the Auditor of Accounts shall not disclose, directly or indirectly, to any person any proprietary business information or any information that would identify a business except in accordance with a judicial order or as otherwise specifically provided by law.

(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 the data are disclosed in a form that cannot identify or be associated with a particular business.

Sec. 5. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022 Acts and Resolves No. 164, Sec. 5, 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, ~~2024~~ 2026.

Sec. 6. ECONOMIC DEVELOPMENT INCENTIVES; STUDY

(a) Creation. There is created the Task Force on Economic Development Incentives composed of the following five members:

(1) one member of the House Committee on Commerce and Economic Development and one at-large member with experience in business and economic development appointed by the Speaker of the House of Representatives;

(2) one member of the Senate Committee on Economic Development, Housing and General Affairs and one at-large member with experience in

business and economic development appointed by the Senate Committee on Committees; and

(3) one at-large member appointed jointly by the Speaker of the House of Representatives and the Senate Committee on Committees.

(b) Powers and duties. The Task Force shall conduct hearings, receive testimony, and review and consider:

(1) the purpose and performance of current State-funded economic development incentive programs; and

(2) models and features of economic development incentive programs from other jurisdictions, including:

(A) the structure, management, and oversight features of the program;

(B) the articulated purpose, goals, and benefits of the program, and the basis of measuring success; and

(C) the mechanism for providing an economic incentive, whether through a loan, grant, equity investment, or other approach.

(c) Assistance.

(1) The Task Force shall have the administrative, fiscal, and legal assistance of the Office of Legislative Operations, the Joint Fiscal Office, and the Office of Legislative Counsel.

(2) The Task Force may direct the Joint Fiscal Office to issue a request for proposals and enter into one or more agreements for consulting services.

(d) Report. On or before January 15, 2024, the Task Force shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action, including whether and how any proposed program addition, revision, or other legislative action would:

(1) integrate with and further advance the current workforce development and economic development systems in this State; and

(2) advance the four principles of economic development articulated in 10 V.S.A. § 3.

(e) Meetings.

(1) The member of the House Committee on Commerce and Economic Development shall call the first meeting of the Task Force to occur on or before September 1, 2023.

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

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

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

(f) Compensation and reimbursement.

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

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

(g) Appropriation. The amount of \$250,000.00 is appropriated from the General Fund in fiscal year 2024 for per diem compensation and reimbursement of expenses for members of the Task Force and for consulting services approved by the Task Force pursuant to this section.

#### Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2023.

**(Committee Vote: 11-0-0)**

**Rep. Anthony of Barre City**, for the Committee on Ways and Means, recommends that the bill ought to pass when amended as recommended by the Committee on Commerce and Economic Development and when further amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 32 V.S.A. chapter 105 is amended to read:

#### CHAPTER 105. VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

\* \* \*

(b) Membership.

(1) The Council shall have ~~11~~ nine 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:

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

(B) two members, appointed by the Speaker of the House; and

(C) two members, appointed by the Senate Committee on Committees

~~(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.~~

(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 30 days after receiving notice.

(c) Terms.

(1) Members of the Council appointed by the Governor shall serve initial staggered terms with five members serving four-year terms, and four members serving two-year terms.

(2) After the initial term expires, a member's term is four years and a member may be reappointed.

(3) A term commences on April 1 of each odd-numbered year.

(d) Compensation.



(1) For attendance at a meeting and for other official duties, a member appointed by the Governor shall be entitled to compensation for services and reimbursement of expenses as provided in section 1010 of this title, except that a member who is a member of the General Assembly shall be entitled to compensation for services and reimbursement of expenses as provided in 2 V.S.A. § 23.

(2) A regional member who does not otherwise receive compensation and reimbursement of expenses from ~~his or her~~ the member's regional development or planning organization shall be entitled to compensation and reimbursement of expenses for attendance at meetings and for other official duties as provided in section 1010 of this title.

(e) Operation.

(1) The Governor shall appoint a chair from the Council's members.

(2) The Council shall receive administrative support from the Agency of Commerce and Community Development and the Department of Taxes.

(3) The Council shall have:

(A) an executive director appointed by the Governor with the advice and consent of the Senate who is knowledgeable in subject areas of the Council's jurisdiction and who is an exempt State employee; and

(B) administrative staff.

(4) The Council shall adopt and make publicly available a policy governing conflicts of interest that meets or exceeds the requirements of the State Code of Ethics and shall include:

(A) clear standards for when a member of the Council may participate or must be recused when an actual or perceived conflict of interest exists; and

(B) a provision that requires a witness who is an officer of the State or its political subdivision or instrumentality to disclose a conflict of interest related to an application.

(5) The Council shall not enter into executive session to discuss applications or other matters pertaining to the Vermont Employment Growth Incentive Program under subchapter 2 of this chapter unless the Executive Branch State economist is present and has been provided all relevant materials concerning the session.

\* \* \*

§ 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)(1) The Council shall contract 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.

(2) The Executive Branch State economist shall consult with the Joint Fiscal Office or its agent concerning the performance of the cost-benefit analysis and the operation of the cost-benefit model for each application in which the value of potential incentives an applicant may earn equals or exceeds \$1,000,000.00.

#### § 3327. ECONOMIC PROGRESS AND PERFORMANCE REPORTING

(a) Each year, the Council shall engage in a strategic planning process and produce a report on the purposes and performance of current State-funded economic development incentive programs.

(b) In furtherance of producing the report, the Council shall consult with representatives of:

(1) regional development corporations;

(2) regional chambers of commerce; and

(3) business and development organizations identified by the Vermont Sustainable Jobs Fund to be geographically and demographically diverse, in reviewing and considering:

(A) the purpose and performance of current State-funded economic development incentive programs; and

(B) appropriate incentives during low employment and during high employment.

(c) On or before December 15 of each year, the Council shall submit the report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action, including whether and how any proposed program addition, revision, or other legislative action would:

(1) integrate with and further advance the current workforce development and economic development systems in this State; and

(2) advance the four principles of economic development articulated in 10 V.S.A. § 3.

\* \* \*

#### § 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 and the amount per business;

(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) the aggregate number of new qualifying jobs anticipated to be created;

(F) Vermont gross wages and salaries for new qualifying jobs, sorted by groups in \$25,000.00 increments;

(G) the aggregate amount of new full-time payroll anticipated to be created; and

(H) 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 approved claim; and

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

(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

(a) The Vermont Economic Progress Council and the Department of Taxes shall use measures to protect proprietary financial information, including reporting information in an aggregate form.

(b) Information and materials submitted by a business concerning its application, income taxes, and other confidential financial information shall not be subject to public disclosure under the State's public records law in 1 V.S.A. chapter 5, but shall be available to the Joint Fiscal Office or its agent upon request of a legislative member of the Council or upon authorization of the Joint Fiscal Committee or a standing committee of the General Assembly, and shall also be available to the Auditor of Accounts in connection with the performance of duties under section 163 of this title; provided, however, that the Joint Fiscal Office or its agent and the Auditor of Accounts shall not disclose, directly or indirectly, to any person any proprietary business information or any information that would identify a business except in accordance with a judicial order or as otherwise specifically provided by law.

(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 the data are disclosed in a form that cannot identify or be associated with a particular business.

\* \* \*

Sec. 2. 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~~ 2026.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

**(Committee Vote: 12-0-0)**

**H. 140**

An act relating to requirements for State-funded grants

**Rep. Nugent of South Burlington**, for the Committee on Government Operations and Military Affairs, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. GRANT APPLICATIONS AND AGREEMENTS; INDIRECT  
RATES FOR NONPROFITS; BULLETIN 5

On or before July 1, 2025, the Secretary of Administration shall include in Administrative Bulletin 5, Policy for Grant Issuance and Monitoring, a uniform formula and approval process for use in all State-funded grants for nonprofit corporations that request to use an indirect rate higher than the standard de minimis rate, pursuant to 2 C.F.R. § 200.332(a)(4).

Sec. 2. PROMPT EXECUTION OF GRANT AGREEMENTS AND  
PROMPT PAYMENT OF GRANT FUNDS

(a) Execution of grant agreements.

(1) A State agency shall, to the greatest extent possible, execute a State-funded grant agreement with an organization not later than 30 days after:

(A) funds are appropriated in the budget to the agency for the purposes of a grant agreement between the agency and organization; or

(B) notice, either written or verbal, of an award of a State-funded grant is provided by the granting agency to the organization.

(2) If a granting agency is unable to execute a State-funded grant agreement pursuant to the terms set forth in subdivision (1) of this subsection, the granting agency shall submit in writing an explanation to the Agency of Administration as to why it was unable to meet its obligation.

(b) Prompt payment.

(1) For all executed State-funded grant agreements, the granting agency shall, to the greatest extent possible, pay the grantee within 30 days after receipt of a valid written request for payment from the grantee. A written request for payment from the grantee is valid if it meets the requirements in the executed grant agreement between the granting agency and grantee.

(2) If a granting agency is unable to promptly pay the grantee of a State-funded grant agreement pursuant to the terms set forth in subdivision (1) of this subsection, the granting agency shall submit in writing an explanation to the Agency of Administration as to why it was unable to meet its obligation.

(c) Update bulletin. On or before July 1, 2025, the Secretary of Administration shall update Administrative Bulletin 5, Policy for Grant Issuance and Monitoring, with the language provided in this section.

Sec. 3. WORKING GROUP ON STATE GRANT PROCESSES

(a) Creation. There is created the Working Group on State Grant Processes for the purpose of assessing the State's current grant awarding procedures.

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

(1) the Secretary of Administration or designee;

(2) six representatives of nonprofit organizations, selected by Common Good Vermont, with at least one representative being a certified public accountant and at least one representative being a certified financial planner, that within 12 months following July 1, 2024 have received a State-funded grant, as follows:

(A) two representatives from human service organizations;

(B) one representative from an arts, culture, or humanities organization; an environmental organization; or a recreational organization;

(C) one representative from an education organization, excluding higher education;

(D) one representative from a nonprofit agency that provides mental health care; and

(E) one representative from Common Good Vermont.

(3) one representative from a Vermont United Way organization, appointed by the Executive Director of the United Ways of Vermont;

(4) two members of the Vermont House of Representatives, appointed by the Speaker of the House;

(5) two members of the Vermont Senate, appointed by the Senate Committee on Committees;

(6) one representative of the Department of Finance and Management, appointed by the Governor; and

(7) one member, appointed by the Vermont League of Cities and Towns.

(c) Meetings.

(1) The Secretary of Administration or designee shall call the first meeting of the Working Group to occur on or before September 1, 2024.

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

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

(4) The Working Group shall meet not less than eight times.

(5) The Chair may establish subcommittees to perform the work set forth in this section.

(d) Powers and duties. The Working Group shall:

(1) assess the State's current grant and contracting funding levels and identify cost of living or other inflationary adjustments;

(2) assess the impact of bridge loans and lines of credit and identify alternative mechanisms for meeting funding needs;

(3) assess grant and contracting processes and practices across State agencies and departments and identify uniform best practices;

(4) determine the specific circumstances under which funding should be reimbursable;

(5) identify the funding sources that are currently reimbursable but are not required to be and recommend solutions to improve reimbursement practices and processes;

(6) identify system improvements that would simplify grant application and reporting processes;

(7) examine ways to ensure consistency between State and federal indirect rates, including:

(A) implementing a standard indirect rate across all State-funded grants;

(B) reviewing the process for nonprofit organizations to qualify for an indirect rate above the standard rate; and

(C) honoring federal indirect rates; and

(8) consider related issues that arise during the course of the Working Group's duties as set forth in this section.

(e) Reporting. The Working Group shall submit a written report to the House Committee on Government Operations and Military Affairs with its recommendations based on the analysis conducted pursuant to this section on or before September 1, 2025.

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Working Group 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.

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

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

(g) Expiration. The Working Group shall cease to exist on December 31, 2025.

#### Sec. 4. STATE-FUNDED GRANTS; REPORT ON PROMPT EXECUTION AND PAYMENT

On or before November 15, 2024, the Agency of Administration shall submit a written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations analyzing and summarizing:

(1) the fiscal impact of implementing a nine percent interest rate on all State-funded grant payments made to grantees more than 30 days after receipt of a request for payment; and

(2) the reports submitted to the Agency pursuant to this act that detail when execution of a State-funded grant was delayed by more than 30 days and when a granting agency was unable to promptly pay a grantee within 30 days after a request for payment.



Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

**(Committee Vote: 12-0-0)**

**H. 279**

An act relating to the Uniform Trust Decanting Act

**Rep. Andriano of Orwell**, for the Committee on Judiciary, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 14A V.S.A. chapter 14 is added to read:

CHAPTER 14. UNIFORM TRUST DECANTING ACT

§ 1401. SHORT TITLE

This chapter may be cited as the Uniform Trust Decanting Act.

§ 1402. DEFINITIONS

As used in this chapter:

(1) “Appointive property” means the property or property interest subject to a power of appointment.

(2) “Ascertainable standard” has the same meaning as in subdivision 103(2) of this title.

(3) “Authorized fiduciary” means:

(A) a trustee or other fiduciary, other than a settlor, that has discretion to distribute or direct a trustee to distribute part or all of the principal of the first trust to one or more current beneficiaries;

(B) a special fiduciary appointed under section 1409 of this title; or

(C) a special-needs fiduciary under section 1413 of this title.

(4) “Beneficiary” has the same meaning as in subdivision 103(3) of this title.

(5) “Charitable interest” means an interest in a trust that:

(A) is held by an identified charitable organization and makes the organization a qualified beneficiary;

(B) benefits only charitable organizations and, if the interest were held by an identified charitable organization, would make the organization a qualified beneficiary; or

(C) is held solely for charitable purposes and, if the interest were held by an identified charitable organization, would make the organization a qualified beneficiary.

(6) “Charitable organization” means:

(A) a person, other than an individual, organized and operated exclusively for charitable purposes; or

(B) a government or governmental subdivision, agency, or instrumentality, to the extent it holds funds exclusively for a charitable purpose.

(7) “Charitable purpose” means the relief of poverty, the advancement of education or religion, the promotion of health, a municipal or other governmental purpose, or another purpose the achievement of which is beneficial to the community.

(8) “Court” means the court in this State having jurisdiction in matters relating to trusts.

(9) “Current beneficiary” means a beneficiary that on the date the beneficiary’s qualification is determined is a distributee or permissible distributee of trust income or principal. The term includes the holder of a presently exercisable general power of appointment but does not include a person that is a beneficiary only because the person holds any other power of appointment.

(10) “Decanting power” or “the decanting power” means the power of an authorized fiduciary under this chapter to distribute property of a first trust to one or more second trusts or to modify the terms of the first trust.

(11) “Expanded distributive discretion” means a discretionary power of distribution that is not limited to an ascertainable standard or a reasonably definite standard.

(12) “First trust” means a trust over which an authorized fiduciary may exercise the decanting power.

(13) “First-trust instrument” means the trust instrument for a first trust.

(14) “General power of appointment” means a power of appointment exercisable in favor of a powerholder, the powerholder’s estate, a creditor of the powerholder, or a creditor of the powerholder’s estate.

(15) “Jurisdiction,” with respect to a geographic area, includes a state or country.

(16) “Person” has the same meaning as in section 103 of this title.

(17) “Power of appointment” means a power that enables a powerholder acting in a nonfiduciary capacity to designate a recipient of an ownership interest in or another power of appointment over the appointive property. The term does not include a power of attorney.

(18) “Powerholder” means a person in which a donor creates a power of appointment.

(19) “Presently exercisable power of appointment” means a power of appointment exercisable by the powerholder at the relevant time. The term:

(A) includes a power of appointment exercisable only after the occurrence of a specified event, the satisfaction of an ascertainable standard, or the passage of a specified time only after:

- (i) the occurrence of the specified event;
- (ii) the satisfaction of the ascertainable standard; or
- (iii) the passage of the specified time; and

(B) does not include a power exercisable only at the powerholder’s death.

(20) “Qualified beneficiary” has the same meaning as in section 103 of this title.

(21) “Reasonably definite standard” means a clearly measurable standard under which a holder of a power of distribution is legally accountable within the meaning of 26 U.S.C. § 674(b)(5)(A) and any applicable regulations.

(22) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(23) “Second trust” means:

(A) a first trust after modification under this chapter; or

(B) a trust to which a distribution of property from a first trust is or may be made under this chapter.

(24) “Second-trust instrument” means the trust instrument for a second trust.

(25) “Settlor” has the same meaning as in section 103 of this title.

(26) “Sign” means, with present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol; or

(B) to attach to or logically associate with the record an electronic symbol, sound, or process.

(27) “State” has the same meaning as in subdivision 103(17) of this title.

(28) “Terms of the trust” has the same meaning as in subdivision 103(18) of this title.

(29) “Trust instrument” has the same meaning as in subdivision 103(19) of this title.

#### § 1403. SCOPE

(a) Except as otherwise provided in subsections (b) and (c) of this section, this chapter applies to an express trust that is irrevocable or revocable by the settlor only with the consent of the trustee or a person holding an adverse interest.

(b) This chapter does not apply to a trust held solely for charitable purposes.

(c) Subject to section 1415 of this title, a trust instrument may restrict or prohibit exercise of the decanting power.

(d) This chapter does not limit the power of a trustee, powerholder, or other person to distribute or appoint property in further trust or to modify a trust under the trust instrument, law of this State other than this chapter, common law, a court order, or a nonjudicial settlement agreement.

(e) This chapter does not affect the ability of a settlor to provide in a trust instrument for the distribution of the trust property or appointment in further trust of the trust property or for modification of the trust instrument.

#### § 1404. FIDUCIARY DUTY

(a) In exercising the decanting power, an authorized fiduciary shall act in accordance with its fiduciary duties, including the duty to act in accordance with the purposes of the first trust.

(b) This chapter does not create or imply a duty to exercise the decanting power or to inform beneficiaries about the applicability of this chapter.

(c) Except as otherwise provided in a first-trust instrument, for purposes of this chapter and section 801 and subsection 802(a) of this title, the terms of the first trust are deemed to include the decanting power.

#### § 1405. APPLICATION; GOVERNING LAW

This chapter applies to a trust created before, on, or after the effective date of this act that:

(1) has its principal place of administration in this State, including a trust whose principal place of administration has been changed to this State; or

(2) provides by its trust instrument that it is governed by the law of this State or is governed by the law of this State for the purpose of:

(A) administration, including administration of a trust whose governing law for purposes of administration has been changed to the law of this State;

(B) construction of terms of the trust; or

(C) determining the meaning or effect of terms of the trust.

#### § 1406. REASONABLE RELIANCE

A trustee or other person who reasonably relies on the validity of a distribution of part or all of the property of a trust to another trust, or a modification of a trust, under this chapter, law of this State other than this chapter, or the law of another jurisdiction is not liable to any person for any action or failure to act as a result of the reliance.

#### § 1407. NOTICE; EXERCISE OF DECANTING POWER

(a) In this section, a notice period begins on the day notice is given under subsection (c) of this section and ends 59 days after the day notice is given.

(b) Except as otherwise provided in this chapter, an authorized fiduciary may exercise the decanting power without the consent of any person and without court approval.

(c) Except as otherwise provided in subsection (f) of this section, an authorized fiduciary shall give notice in a record of the intended exercise of the decanting power not later than 60 days before the exercise to:

(1) each settlor of the first trust, if living or then in existence;

(2) each qualified beneficiary of the first trust;

(3) each holder of a presently exercisable power of appointment over any part or all of the first trust;

(4) each person who currently has the right to remove or replace the authorized fiduciary;

(5) each other fiduciary of the first trust;

(6) each fiduciary of the second trust;

(7) the Attorney General, if subsection 1414(b) of this title applies; and

(8) each person acting as a trust director, as defined in section 1302 of this title, of the first trust.

(d) An authorized fiduciary is not required to give notice under subsection (c) of this section to a person that is not known to the fiduciary or is known to the fiduciary but cannot be located by the fiduciary after reasonable diligence.

(e) A notice under subsection (c) of this section shall:

(1) specify the manner in which the authorized fiduciary intends to exercise the decanting power;

(2) specify the proposed effective date for exercise of the power;

(3) include a copy of the first-trust instrument; and

(4) include a copy of all second-trust instruments.

(f) The decanting power may be exercised before expiration of the notice period under subsection (a) of this section if all persons entitled to receive notice waive the period in a signed record.

(g) The receipt of notice, waiver of the notice period, or expiration of the notice period does not affect the right of a person to file an application under section 1409 of this title asserting that:

(1) an attempted exercise of the decanting power is ineffective because it did not comply with this chapter or was an abuse of discretion or breach of fiduciary duty; or

(2) section 1422 of this title applies to the exercise of the decanting power.

(h) An exercise of the decanting power is not ineffective because of the failure to give notice to one or more persons under subsection (c) of this section if the authorized fiduciary acted with reasonable care to comply with that subsection.

#### § 1408. REPRESENTATION

(a) Notice to a person with authority to represent and bind another person under a first trust instrument or the Vermont Trust Code has the same effect as notice given directly to the person represented.

(b) Consent of or waiver by a person with authority to represent and bind another person under a first-trust instrument or the Vermont Trust Code is

binding on the person represented unless the person represented objects to the representation before the consent or waiver otherwise would become effective.

(c) A person with authority to represent and bind another person under a first-trust instrument or the Vermont Trust Code may file an application under section 1409 of this title on behalf of the person represented.

(d) A settlor shall not represent or bind a beneficiary under this chapter unless the settlor represents a minor or unborn child under subdivision 303(6) of this title.

#### § 1409. COURT INVOLVEMENT

(a) The court may, upon application of an authorized fiduciary, a person entitled to notice under subsection 1407(c) of this title, a beneficiary, or, with respect to a charitable interest, the Attorney General or another person with standing to enforce the charitable interest:

(1) provide instructions to the authorized fiduciary regarding whether a proposed exercise of the decanting power is permitted under this chapter and consistent with the fiduciary duties of the authorized fiduciary;

(2) appoint a special fiduciary and authorize the special fiduciary to determine whether the decanting power should be exercised under this chapter and to exercise the decanting power;

(3) approve an exercise of the decanting power;

(4) determine that a proposed or attempted exercise of the decanting power is ineffective because:

(A) after applying section 1422 of this title, the proposed or attempted exercise does not or did not comply with this chapter; or

(B) the proposed or attempted exercise would be or was an abuse of the fiduciary's discretion or a breach of fiduciary duty;

(5) determine the extent to which section 1422 of this title applies to a prior exercise of the decanting power;

(6) provide instructions to the trustee regarding the application of section 1422 of this title to a prior exercise of the decanting power; or

(7) order other relief to carry out the purposes of this chapter.

(b) On application of an authorized fiduciary, the court may approve:

(1) an increase in the fiduciary's compensation under section 1416 of this title; or

(2) a modification under section 1418 of this title of a provision granting a person the right to remove or replace the fiduciary.

#### § 1410. FORMALITIES

An exercise of the decanting power shall be made in a record signed by an authorized fiduciary. The signed record shall, directly or by reference to the notice required by section 1407 of this title, identify the first trust and the second trust or trusts and state the property of the first trust being distributed to each second trust and the property, if any, that remains in the first trust.

#### § 1411. DECANTING POWER UNDER EXPANDED DISTRIBUTIVE DISCRETION

(a) As used in this section:

(1) “Noncontingent right” means a right that is not subject to the exercise of discretion or the occurrence of a specified event that is not certain to occur. The term does not include a right held by a beneficiary if any person has discretion to distribute property subject to the right to any person other than the beneficiary or the beneficiary’s estate.

(2) “Presumptive remainder beneficiary” means a qualified beneficiary other than a current beneficiary.

(3) “Successor beneficiary” means a beneficiary that is not a qualified beneficiary on the date the beneficiary’s qualification is determined. The term does not include a person that is a beneficiary only because the person holds a nongeneral power of appointment.

(4) “Vested interest” means:

(A) a right to a mandatory distribution that is a noncontingent right as of the date of the exercise of the decanting power;

(B) a current and noncontingent right, annually or more frequently, to a mandatory distribution of income, a specified dollar amount, or a percentage of value of some or all of the trust property;

(C) a current and noncontingent right, annually or more frequently,  
to

withdraw income, a specified dollar amount, or a percentage of value of some or all of the trust property;

(D) a presently exercisable general power of appointment; or



(E) a right to receive an ascertainable part of the trust property on the trust's termination that is not subject to the exercise of discretion or to the occurrence of a specified event that is not certain to occur.

(b) Subject to subsection (c) of this section and section 1414 of this title, an authorized fiduciary that has expanded distributive discretion over the principal of a first trust for the benefit of one or more current beneficiaries may exercise the decanting power over the principal of the first trust.

(c) Subject to section 1413 of this title, in an exercise of the decanting power under this section, a second trust shall not:

(1) include as a current beneficiary a person who is not a current beneficiary of the first trust, except as otherwise provided in subsection (d) of this section;

(2) include as a presumptive remainder beneficiary or successor beneficiary a person who is not a current beneficiary, presumptive remainder beneficiary, or successor beneficiary of the first trust, except as otherwise provided in subsection (d) of this section; or

(3) reduce or eliminate a vested interest.

(d) Subject to subdivision (c)(3) of this section and section 1414 of this title, in an exercise of the decanting power under this section, a second trust may be a trust created or administered under the law of any jurisdiction and may:

(1) retain a power of appointment granted in the first trust;

(2) omit a power of appointment granted in the first trust, other than a presently exercisable general power of appointment;

(3) create or modify a power of appointment if the powerholder is a current beneficiary of the first trust and the authorized fiduciary has expanded distributive discretion to distribute principal to the beneficiary; and

(4) create or modify a power of appointment if the powerholder is a presumptive remainder beneficiary or successor beneficiary of the first trust, but the exercise of the power may take effect only after the powerholder becomes, or would have become if then living, a current beneficiary.

(e) A power of appointment described in subdivisions (d)(1)–(4) of this section may be general or nongeneral. The class of permissible appointees in favor of which the power may be exercised may be broader than or different from the beneficiaries of the first trust.

(f) If an authorized fiduciary has expanded distributive discretion over part but not all of the principal of a first trust, the fiduciary may exercise the decanting power under this section over that part of the principal over which the authorized fiduciary has expanded distributive discretion.

§ 1412. DECANTING POWER UNDER LIMITED DISTRIBUTIVE DISCRETION

(a) As used in this section, “limited distributive discretion” means a discretionary power of distribution that is limited to an ascertainable standard or a reasonably definite standard.

(b) An authorized fiduciary who has limited distributive discretion over the principal of the first trust for benefit of one or more current beneficiaries may exercise the decanting power over the principal of the first trust.

(c) Under this section and subject to section 1414 of this title, a second trust may be created or administered under the law of any jurisdiction. Under this section, the second trusts, in the aggregate, shall grant each beneficiary of the first trust beneficial interests that are substantially similar to the beneficial interests of the beneficiary in the first trust.

(d) A power to make a distribution under a second trust for the benefit of a beneficiary who is an individual is substantially similar to a power under the first trust to make a distribution directly to the beneficiary. A distribution is for the benefit of a beneficiary if:

(1) the distribution is applied for the benefit of the beneficiary;

(2) the beneficiary is under a legal disability or the trustee reasonably believes the beneficiary is incapacitated, and the distribution is made as permitted under the Vermont Trust Code; or

(3) the distribution is made as permitted under the terms of the first-trust instrument and the second-trust instrument for the benefit of the beneficiary.

(e) If an authorized fiduciary has limited distributive discretion over part but not all of the principal of a first trust, the fiduciary may exercise the decanting power under this section over that part of the principal over which the authorized fiduciary has limited distributive discretion.

§ 1413. TRUST FOR BENEFICIARY WITH DISABILITY

(a) As used in this section:

(1) “Beneficiary with a disability” means a beneficiary of a first trust who the special-needs fiduciary believes may qualify for governmental

benefits based on disability, whether or not the beneficiary currently receives those benefits or is an individual who is subject to a guardianship or a protective arrangement.

(2) “Best interests” of a beneficiary with a disability include, without limitation, consideration of the financial impact to the family of the beneficiary who has a disability.

(3) “Governmental benefits” means financial aid or services from a state, federal, or other public agency.

(4) “Special-needs fiduciary” means, with respect to a trust that has a beneficiary with a disability:

(A) a trustee or other fiduciary, other than a settlor, who has discretion to distribute part or all of the principal of a first trust to one or more current beneficiaries;

(B) if no trustee or fiduciary has discretion under subdivision (A) of this subdivision (4), a trustee or other fiduciary, other than a settlor, who has discretion to distribute part or all of the income of the first trust to one or more current beneficiaries; or

(C) if no trustee or fiduciary has discretion under subdivision (A) or (B) of this subdivision (4), a trustee or other fiduciary, other than a settlor, who is required to distribute part or all of the income or principal of the first trust to one or more current beneficiaries.

(5) “Special-needs trust” means a trust the trustee believes would not be considered a resource for purposes of determining whether a beneficiary with a disability is eligible for governmental benefits.

(b) A special-needs fiduciary may exercise the decanting power under section 1411 of this title over the principal of a first trust as if the fiduciary had authority to distribute principal to a beneficiary with a disability subject to expanded distributive discretion if:

(1) a second trust is a special-needs trust that benefits the beneficiary with a disability; and

(2) the special-needs fiduciary determines that exercise of the decanting power will further the purposes of the first trust.

(c) In an exercise of the decanting power under this section, the following rules shall apply:

(1) Notwithstanding subdivision 1411(c)(2) of this title, the interest in the second trust of a beneficiary with a disability may:

(A) be a pooled trust as defined by Medicaid law for the benefit of the beneficiary with a disability under 42 U.S.C. § 1396p(d)(4)(C); or

(B) contain payback provisions complying with reimbursement requirements of Medicaid law under 42 U.S.C. § 1396p(d)(4)(A).

(2) Subdivision 1411(c)(3) of this title shall not apply to the interests of the beneficiary with a disability.

(3) Except as affected by any change to the interests of the beneficiary with a disability, the second trust, or if there are two or more second trusts, the second trusts in the aggregate, shall grant each other beneficiary of the first trust beneficial interests in the second trusts that are substantially similar to the beneficiary's beneficial interests in the first trust.

#### § 1414. PROTECTION OF CHARITABLE INTEREST

(a) As used in this section:

(1) "Determinable charitable interest" means a charitable interest that is a right to a mandatory distribution currently, periodically, on the occurrence of a specified event, or after the passage of a specified time and that is unconditional or will be held solely for charitable purposes.

(2) "Unconditional" means not subject to the occurrence of a specified event that is not certain to occur, other than a requirement in a trust instrument that a charitable organization be in existence or qualify under a particular provision of the U.S. Internal Revenue Code of 1986 on the date of the distribution, if the charitable organization meets the requirement on the date of determination.

(b) If a first trust contains a determinable charitable interest, the Attorney General shall have the rights of a qualified beneficiary and may represent and bind the charitable interest.

(c) If a first trust contains a charitable interest, the second trust or trusts shall not:

(1) diminish the charitable interest;

(2) diminish the interest of an identified charitable organization that holds the charitable interest;

(3) alter any charitable purpose stated in the first-trust instrument; or

(4) alter any condition or restriction related to the charitable interest.

(d) If there are two or more second trusts, the second trusts shall be treated as one trust for purposes of determining whether the exercise of the decanting

power diminishes the charitable interest or diminishes the interest of an identified charitable organization for purposes of subsection (c) of this section.

(e) If a first trust contains a determinable charitable interest, the second trust or trusts that include a charitable interest pursuant to subsection (c) of this section shall be administered under the law of this State unless:

(1) the Attorney General, after receiving notice under section 1407 of this title, fails to object in a signed record delivered to the authorized fiduciary within the notice period;

(2) the Attorney General consents in a signed record to the second trust or trusts being administered under the law of another jurisdiction; or

(3) the court approves the exercise of the decanting power.

(f) This chapter shall not limit the powers and duties of the Attorney General under the law of this State other than as provided in this chapter.

#### § 1415. TRUST LIMITATION ON DECANTING

(a) An authorized fiduciary shall not exercise the decanting power to the extent the first trust instrument expressly prohibits exercise of:

(1) the decanting power; or

(2) a power granted by State law to the authorized fiduciary to distribute part or all of the principal of the trust to another trust or to modify the trust.

(b) Exercise of the decanting power is subject to any restriction in the first-trust instrument that expressly applies to exercise of:

(1) the decanting power; or

(2) a power granted by State law to an authorized fiduciary to distribute part or all of the principal of the trust to another trust or to modify the trust.

(c) A general prohibition of the amendment or revocation of a first trust, a spendthrift clause, or a clause restraining the voluntary or involuntary transfer of a beneficiary's interest does not preclude exercise of the decanting power.

(d) Subject to subsections (a) and (b) of this section, an authorized fiduciary may exercise the decanting power under this chapter even if the first-trust instrument permits the authorized fiduciary or another person to modify the first-trust instrument or to distribute part or all of the principal of the first trust to another trust.

(e) If a first-trust instrument contains an express prohibition described in subsection (a) of this section or an express restriction described in

subsection (b) of this section, the provision shall be included in the second trust instrument.

#### § 1416. CHANGE IN COMPENSATION

(a) If a first-trust instrument specifies an authorized fiduciary's compensation, the fiduciary shall not exercise the decanting power to increase the fiduciary's compensation above the specified compensation unless:

(1) all qualified beneficiaries of the second trust consent to the increase in a signed record; or

(2) the increase is approved by the court.

(b) If a first-trust instrument does not specify an authorized fiduciary's compensation, the fiduciary shall not exercise the decanting power to increase the fiduciary's compensation above the compensation permitted by the Vermont Trust Code unless:

(1) all qualified beneficiaries of the second trust consent to the increase in a signed record; or

(2) the increase is approved by the court.

(c) A change in an authorized fiduciary's compensation that is incidental to other changes made by the exercise of the decanting power is not an increase in the fiduciary's compensation for purposes of subsections (a) and (b) of this section.

#### § 1417. RELIEF FROM LIABILITY AND INDEMNIFICATION

(a) Except as otherwise provided in this section, a second-trust instrument shall not relieve an authorized fiduciary from liability for breach of trust to a greater extent than the first trust instrument.

(b) A second-trust instrument may provide for indemnification of an authorized fiduciary of the first trust or another person acting in a fiduciary capacity under the first trust for any liability or claim that would have been payable from the first trust if the decanting power had not been exercised.

(c) A second-trust instrument shall not reduce fiduciary liability in the aggregate.

(d) Subject to subsection (c) of this section, a second-trust instrument may divide and reallocate fiduciary powers among fiduciaries, including one or more trustees, distribution advisors, investment advisors, trust protectors, or other persons, and relieve an authorized fiduciary from liability for an act or failure to act of another fiduciary as permitted by the law of this State other than this chapter.

§ 1418. REMOVAL OR REPLACEMENT OF AUTHORIZED FIDUCIARY

An authorized fiduciary shall not exercise the decanting power to modify a provision in a first-trust instrument granting another person power to remove or replace the fiduciary unless:

(1) the person holding the power consents to the modification in a signed record and the modification applies only to the person;

(2) the person holding the power and the qualified beneficiaries of the second trust consent to the modification in a signed record and the modification grants a substantially similar power to another person; or

(3) the court approves the modification and the modification grants a substantially similar power to another person.

§ 1419. TAX-RELATED LIMITATIONS

(a) As used in this section:

(1) “Grantor trust” means a trust as to which a settlor of a first trust is considered the owner under 26 U.S.C. §§ 671–677 or 26 U.S.C. § 679.

(2) “Internal Revenue Code” means the U.S. Internal Revenue Code of 1986.

(3) “Nongrantor trust” means a trust that is not a grantor trust.

(4) “Qualified benefits property” means property subject to the minimum distribution requirements of 26 U.S.C. § 401(a)(9) and any applicable regulations, or subject to any similar requirements that refer to 26 U.S.C. § 401(a)(9) or any applicable regulations.

(b) An exercise of the decanting power is subject to the following limitations:

(1) If a first trust contains property that qualified, or would have qualified but for provisions of this chapter other than this section, for a marital deduction for purposes of the gift or estate tax under the Internal Revenue Code or a state gift, estate, or inheritance tax, the second trust instrument shall not include or omit any term that, if included in or omitted from the trust instrument for the trust to which the property was transferred, would have prevented the transfer from qualifying for the deduction, or would have reduced the amount of the deduction, under the same provisions of the Internal Revenue Code or state law under which the transfer qualified.

(2) If the first trust contains property that qualified, or would have qualified but for provisions of this chapter other than this section, for a charitable deduction for purposes of the income, gift, or estate tax under the Internal Revenue Code or a state income, gift, estate, or inheritance tax, the second-trust instrument shall not include or omit any term that, if included in or omitted from the trust instrument for the trust to which the property was transferred, would have prevented the transfer from qualifying for the deduction, or would have reduced the amount of the deduction, under the same provisions of the Internal Revenue Code or state law under which the transfer qualified.

(3) If the first trust contains property that qualified, or would have qualified but for provisions of this chapter other than this section, for the exclusion from the gift tax described in 26 U.S.C. § 2503(b), the second-trust instrument shall not include or omit a term that, if included in or omitted from the trust instrument for the trust to which the property was transferred, would have prevented the transfer from qualifying under 26 U.S.C. § 2503(b). If the first trust contains property that qualified, or would have qualified but for provisions of this chapter other than this section, for the exclusion from the gift tax described in 26 U.S.C. § 2503(b) by application of 26 U.S.C. § 2503(c), the second-trust instrument shall not include or omit a term that, if included or omitted from the trust instrument for the trust to which the property was transferred, would have prevented the transfer from qualifying under 26 U.S.C. § 2503(c).

(4) If the property of the first trust includes shares of stock in an S corporation as defined in 26 U.S.C. § 1361 and the first trust is, or but for provisions of this chapter other than this section would be, a permitted shareholder under any provision of 26 U.S.C. § 1361, an authorized fiduciary may exercise the power with respect to part or all of the S corporation stock only if any second trust receiving the stock is a permitted shareholder under 26 U.S.C. § 1361(c)(2). If the property of the first trust includes shares of stock in an S corporation and the first trust is, or but for provisions of this chapter other than this section would be, a qualified subchapter-S trust within the meaning of 26 U.S.C. § 1361(d), the second-trust instrument shall not include or omit a term that prevents the second trust from qualifying as a qualified subchapter-S trust.

(5) If the first trust contains property that qualified, or would have qualified but for provisions of this chapter other than this section, for a zero inclusion ratio for purposes of the generation-skipping transfer tax under 26 U.S.C. § 2642(c), the second-trust instrument shall not include or omit a term that, if included in or omitted from the first-trust instrument, would have



prevented the transfer to the first trust from qualifying for a zero inclusion ratio under 26 U.S.C. § 2642(c).

(6) If the first trust is directly or indirectly the beneficiary of qualified benefits property, the second-trust instrument shall not include or omit any term that, if included in or omitted from the first-trust instrument, would have increased the minimum distributions required with respect to the qualified benefits property under 26 U.S.C. § 401(a)(9) and any applicable regulations, or any similar requirements that refer to 26 U.S.C. § 401(a)(9) or any applicable regulations. If an attempted exercise of the decanting power violates this subsection, the trustee is deemed to have held the qualified benefits property and any reinvested distributions of the property as a separate share from the date of the exercise of the power, and section 1422 of this title shall apply to the separate share.

(7) If the first trust qualifies as a grantor trust because of the application of 26 U.S.C. § 672(f)(2)(A), the second trust shall not include or omit a term that, if included in or omitted from the first-trust instrument, would have prevented the first trust from qualifying under 26 U.S.C. § 672(f)(2)(A).

(8) As used in this subdivision, “tax benefit” means a federal or state tax deduction, exemption, exclusion, or other benefit not listed in this section, except for a benefit arising from being a grantor trust. Subject to subdivision (9) of this subsection (b), a second-trust instrument shall not include or omit a term that, if included in or omitted from the first-trust instrument, would have prevented qualification for a tax benefit if:

(A) the first-trust instrument expressly indicates an intent to qualify for the benefit or the first-trust instrument is clearly designed to enable the first trust to qualify for the benefit; and

(B) the transfer of property held by the first trust or the first trust qualified or, but for provisions of this chapter other than this section, would have qualified for the tax benefit.

(9) Subject to subdivision (4) of this subsection:

(A) except as otherwise provided in subdivision (7) of this subsection (b), the second trust may be a nongrantor trust, even if the first trust is a grantor trust; and

(B) except as otherwise provided in subdivision (10) of this subsection (b), the second trust may be a grantor trust, even if the first trust is a nongrantor trust.

(10) An authorized fiduciary shall not exercise the decanting power if a settlor objects in a signed record delivered to the fiduciary within the notice period and:

(A) the first trust and a second trust are both grantor trusts, in whole or in part, the first trust grants the settlor or another person the power to cause the first trust to cease to be a grantor trust, and the second trust does not grant an equivalent power to the settlor or other person; or

(B) the first trust is a nongrantor trust and a second trust is a grantor trust, in whole or in part, with respect to the settlor, unless:

(i) the settlor has the power at all times to cause the second trust to cease to be a grantor trust; or

(ii) the first-trust instrument contains a provision granting the settlor or another person a power that would cause the first trust to cease to be a grantor trust and the second-trust instrument contains the same provision.

#### § 1420. DURATION OF SECOND TRUST

(a) Subject to subsection (b) of this section, a second trust may have a duration that is the same as or different from the duration of the first trust.

(b) To the extent that property of a second trust is attributable to property of the first trust, the property of the second trust is subject to any rules governing maximum perpetuity, accumulation, or suspension of the power of alienation that apply to property of the first trust.

#### § 1421. NEED TO DISTRIBUTE NOT REQUIRED

An authorized fiduciary may exercise the decanting power whether or not under the first trust's discretionary distribution standard the fiduciary would have made or could have been compelled to make a discretionary distribution of principal at the time of the exercise.

#### § 1422. SAVINGS PROVISION

(a) If exercise of the decanting power would be effective under this chapter except that the second-trust instrument in part does not comply with this chapter, the exercise of the power is effective and the following rules apply with respect to the principal of the second trust attributable to the exercise of the power:

(1) a provision in the second-trust instrument that is not permitted under this chapter is void to the extent necessary to comply with this chapter; and

(2) a provision required by this chapter to be in the second-trust instrument that is not contained in the instrument is deemed to be included in the instrument to the extent necessary to comply with this chapter.

(b) If a trustee or other fiduciary of a second trust determines that subsection (a) of this section applies to a prior exercise of the decanting power, the fiduciary shall take corrective action consistent with the fiduciary's duties.

#### § 1423. TRUST FOR CARE OF ANIMAL

(a) As used in this section:

(1) "Animal trust" means a trust or an interest in a trust created to provide for the care of one or more animals.

(2) "Protector" means a person appointed in an animal trust to enforce the trust on behalf of the animal or, if no such person is appointed in the trust, a person appointed by the court for that purpose.

(b) The decanting power may be exercised over an animal trust that has a protector to the extent the trust could be decanted under this chapter if each animal that benefits from the trust were an individual, if the protector consents in a signed record to the exercise of the power.

(c) A protector for an animal has the rights under this chapter of a qualified beneficiary.

(d) Notwithstanding any other provision of this chapter, if a first trust is an animal trust, in an exercise of the decanting power, the second trust shall provide that trust property may be applied only to its intended purpose for the period the first trust benefitted the animal.

#### § 1424. TERMS OF SECOND TRUST

A reference in the Vermont Trust Code to a trust instrument or terms of the trust includes a second-trust instrument and the terms of the second trust.

#### § 1425. SETTLOR

(a) For purposes of the law of this State other than this chapter and subject to subsection (b) of this section, a settlor of a first trust is deemed to be the settlor of the second trust with respect to the portion of the principal of the first trust subject to the exercise of the decanting power.

(b) In determining settlor intent with respect to a second trust, the intent of a settlor of the first trust, a settlor of the second trust, and the authorized fiduciary may be considered.

#### § 1426. LATER-DISCOVERED PROPERTY

(a) Except as otherwise provided in subsection (c) of this section, if exercise of the decanting power was intended to distribute all the principal of the first trust to one or more second trusts, later discovered property belonging to the first trust and property paid to or acquired by the first trust after the exercise of the power is part of the trust estate of the second trust or trusts.

(b) Except as otherwise provided in subsection (c) of this section, if exercise of the decanting power was intended to distribute less than all the principal of the first trust to one or more second trusts, later-discovered property belonging to the first trust or property paid to or acquired by the first trust after exercise of the power remains part of the trust estate of the first trust.

(c) An authorized fiduciary may provide in an exercise of the decanting power or by the terms of a second trust for disposition of later-discovered property belonging to the first trust or property paid to or acquired by the first trust after exercise of the power.

#### § 1427. OBLIGATIONS

A debt, liability, or other obligation enforceable against property of a first trust is enforceable to the same extent against the property when held by the second trust after exercise of the decanting power.

#### § 1428. UNIFORMITY OF APPLICATION AND CONSTRUCTION

In applying and construing this Uniform Act, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

#### § 1429. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT

This chapter modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., but does not modify, limit, or supersede subsection 101(c) of that act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in subsection 103(b) of that act, 15 U.S.C. § 7003(b).

#### Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

#### **(Committee Vote: 11-0-0)**

**Rep. Taylor of Colchester**, for the Committee on Ways and Means, recommends the bill ought to pass when amended as recommended by the Committee on Judiciary.

**(Committee Vote: 11-0-1)**

**H. 622**

An act relating to emergency medical services

**Rep. Boyden of Cambridge**, for the Committee on Government Operations and Military Affairs, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. § 901 is amended to read:

§ 901. PURPOSE, FINDINGS, POLICY

(a) Purpose. It is the purpose of this chapter to promote and provide for a comprehensive and effective emergency medical services system to ensure optimum patient care.

(b) Findings. The General Assembly finds that:

(1) Emergency medical services provided by an ambulance service are essential services.

(2) The provision of medical assistance in an emergency is a matter of vital concern affecting the health, safety, and welfare of the public.

(3) Key elements of an emergency medical services system include:

(A) the provision of prompt, efficient, and effective emergency medical dispatch and emergency medical care;

(B) a well-coordinated trauma care system;

(C) effective communication between prehospital care providers and hospitals; and

(D) the safe handling and transportation, and the treatment and transportation under appropriate medical guidance, of individuals who are sick or injured.

(c) Policy. It is the policy of the State of Vermont that all persons who suffer sudden and unexpected illness or injury should have access to the emergency medical services system in order to prevent loss of life or the aggravation of the illness or injury, and to alleviate suffering.

(1) The system should include competent emergency medical treatment provided by adequately trained, licensed, and equipped personnel acting under appropriate medical control.

(2) Persons involved in the delivery of emergency medical care should be encouraged to maintain and advance their levels of training and licensure, and to upgrade the quality of their vehicles and equipment.

Sec. 2. 18 V.S.A. § 908 is amended to read:

§ 908. EMERGENCY MEDICAL SERVICES SPECIAL FUND

(a)(1) The Emergency Medical Services Special Fund is established pursuant to 32 V.S.A. chapter 7, subchapter 5 comprising revenues received by the Department from the Fire Safety Special Fund, pursuant to 32 V.S.A. § 8557(a), that are designated for this Special Fund and public and private sources as gifts, grants, and donations together with additions and interest accruing to the Fund.

(2)(A) The Commissioner of Health shall administer the Fund to the extent funds are available to support online and regional training programs, data collection and analysis, and other activities relating to the training of emergency medical personnel and delivery of emergency medical services and ambulance services in Vermont, as determined by the Commissioner, after consulting with the EMS Advisory Committee established under section 909 of this title. The Commissioner shall prioritize the use of funds to provide grants to programs that offer basic emergency medical services training at low cost or no cost to participants.

(B) The Commissioner shall make reasonable efforts to award grants in a manner that supports geographic equity among the emergency medical services districts. The Commissioner shall also provide technical assistance to emergency medical services districts to ensure that grants are available to support emergency medical services training in districts that have historically experienced challenges in receiving grants from the Fund.

(3) Any balance at the end of the fiscal year shall be carried forward in the Fund.

(b) From the funds in the Emergency Medical Services Special Fund, the Commissioner of Health shall develop and implement by September 1, 2012 online training opportunities and offer regional classes to enable individuals to comply with the requirements of subdivision 906(10)(C) of this title.

Sec. 3. 33 V.S.A. § 1901m is added to read:

§ 1901m. REIMBURSEMENT FOR EMERGENCY MEDICAL SERVICES

(a) To the extent permitted under federal law or waivers of federal law, the Agency of Human Services shall reimburse a provider of emergency medical services for delivering emergency medical services to a Medicaid beneficiary

who was not transported to a different location during the period of the emergency. The reimbursement shall be in an amount equal to the Medicare basic life support rate.

(b) Annually as part of its budget presentation, the Agency of Human Services shall report the amount of additional funds that would be necessary to reimburse emergency medical service providers at a level equal to the Medicare basic life support rate for all emergency medical services delivered to Medicaid beneficiaries.

Sec. 4. 24 V.S.A. § 2689 is amended to read:

§ 2689. REIMBURSEMENT FOR AMBULANCE SERVICE PROVIDERS

\* \* \*

(d) Reimbursement for ambulance services provided to Medicaid beneficiaries shall be in accordance with 33 V.S.A. § 1901m.

Sec. 5. 18 V.S.A. § 909 is amended to read:

§ 909. EMS ADVISORY COMMITTEE; EMS EDUCATION  
COUNCIL

(a) ~~The Commissioner shall establish the~~ Emergency Medical Services Advisory Committee ~~to~~ shall advise the Department of Health on matters relating to the delivery of emergency medical services (EMS) in Vermont.

(b) The Committee shall ~~include~~ comprise the following members:

(1) ~~One~~ one representative from each EMS district in the State, with each representative being appointed by the EMS Board in his or her that individual's district;

(2) ~~A~~ a representative from the Vermont Ambulance Association or designee;

(3) ~~A~~ a representative from the Initiative for Rural Emergency Medical Services program at the University of Vermont or designee;

(4) ~~A~~ a representative from the Professional Firefighters of Vermont or designee;

(5) ~~A~~ a representative from the Vermont Career Fire Chiefs Association or designee;

(6) ~~A~~ a representative from the Vermont State Firefighters' Association or designee;

(7) ~~An~~ an emergency department nurse manager or emergency department director of a Vermont hospital appointed by the Vermont Association of Hospitals and Health Systems;

(8) ~~The~~ the Commissioner of Health or designee; ~~and~~

(9) ~~A~~ a local government member not affiliated with emergency medical services, firefighter services, or hospital services, appointed by the Vermont League of Cities and Towns.

(c)(1) The Committee shall select from among its members a chair who is not an employee of the State.

(2) The Committee shall have the administrative, technical, and legal assistance of the Agency of Human Services.

(d) The Committee shall meet not less than quarterly and may be convened at any time by the Chair or at the request of 11 Committee members. Not more than two meetings each year shall be held in the same EMS district. One meeting each year shall be held at a Vermont EMS conference.

~~(e) Annually, on or before January 1, the Committee shall report on the EMS system to the House Committees on Government Operations, on Commerce and Economic Development, and on Human Services and to the Senate Committees on Government Operations, on Economic Development, Housing and General Affairs, and on Health and Welfare. The Committee's reports shall include information on the following:~~

~~(1) whether every Vermont municipality should be required to have in effect an emergency medical services plan providing for timely and competent emergency responses;~~

~~(2) whether the State should establish directives addressing when an agency can respond to a nonemergency request for transportation of a patient if doing so will leave the service area unattended or unable to respond to an emergency call in a timely fashion;~~

~~(3) how the EMS system is functioning statewide and the current state of recruitment and workforce development;~~

~~(4) each EMS district's response times to 911 emergencies in the previous year, based on information collected from the Vermont Department of Health's Division of Emergency Medical Services;~~

~~(5) funding mechanisms and funding gaps for EMS personnel and providers across the State, including for the funding of infrastructure, equipment, and operations and costs associated with initial and continuing training and licensure of personnel;~~



~~(6) the nature and costs of dispatch services for EMS providers throughout the State, including the annual number of mutual aid calls to an emergency medical service area that come from outside that area, and suggestions for improvement;~~

~~(7) legal, financial, or other limitations on the ability of EMS personnel with various levels of training and licensure to engage in lifesaving or health-preserving procedures;~~

~~(8) how the current system of preparing and licensing EMS personnel could be improved, including the role of Vermont Technical College's EMS program; whether the State should create an EMS academy; and how such an EMS academy should be structured; and~~

~~(9) how EMS instructor training and licensing could be improved. The Committee shall develop and maintain a five-year statewide plan for the coordinated delivery of emergency medical services in Vermont. The plan, which shall be updated at least annually, shall include:~~

~~(A) specific goals for the delivery of emergency medical services in this State;~~

~~(B) a time frame for achieving the stated goals;~~

~~(C) cost data and alternative funding sources for achieving the stated goals; and~~

~~(D) performance standards for evaluating the stated goals.~~

~~(2) Annually, on or before December 15, the Committee shall deliver to the Commissioner of Health and the General Assembly a report reviewing progress toward achieving the goals in the five-year plan and the goals set by the Committee for the coming year.~~

(f) In addition to its plan and report set forth in subsection (e) of this section, the Committee shall identify EMS resources and needs in each EMS district and provide that information to the Green Mountain Care Board to inform the Board's periodic revisions to the Health Resource Allocation Plan developed pursuant to subsection 9405(b) of this title.

(g) The Committee shall establish from among its members the EMS Education Council, which may:

(1) sponsor training and education programs required for emergency medical personnel licensure in accordance with the Department of Health's required standards for that training and education; and

(2) provide advice to the Department of Health regarding the standards for emergency medical personnel licensure and any recommendations for changes to those standards.

## Sec. 6. EMS ADVISORY COMMITTEE STATEWIDE EMS SYSTEM

### DESIGN

(a) The EMS Advisory Committee shall collect data necessary to conduct a complete inventory and assessment of the EMS services currently available in Vermont, including:

(1) the number of full-time and part-time personnel currently performing emergency medical services;

(2) the current total spending on emergency medical services in Vermont, with itemized information for each emergency medical service regarding all applicable federal, State, and municipal appropriations and revenue sources; each contract for emergency medical services; and the projected budget for each emergency medical service; and

(3) information regarding all identified gaps in services and overlapping service areas.

(b) The EMS Advisory Committee shall provide recommendations for the design of a statewide EMS system, including recommendations relating to:

(1) EMS district structure and authority, which may include recommendations on the number and configuration of EMS districts and their powers, duties, and scope of authority;

(2) workforce training standards and other staffing best practices that support the retention and well-being of EMS personnel;

(3) a resource allocation plan that ensures emergency medical services are available in all regions of the State;

(4) a process for annually reviewing EMS providers' budgets;

(5) a governance model that provides for effective State and regional oversight, management, and continuous improvement of the EMS system, including identifying staffing and other operational needs to support the oversight and management of the system;

(6) cost estimates for implementing the recommended EMS system in Vermont, including operational and capital costs;

(7) facilitation and coordination of EMS training, including mobile EMS training opportunities; and

(8) any other areas the EMS Advisory Committee deems necessary or appropriate.

(c) The EMS Advisory Committee shall facilitate stakeholder conversations in order to receive information and recommendations about ways to achieve a coordinated, statewide EMS system, including proposals regarding EMS district structure and authority, system costs, and funding options.

(d) Assistance.

(1) The EMS Advisory Committee may hire a project manager and one or more additional consultants with relevant expertise in emergency medical services design and financing to assist the Committee in its work under this section.

(2) The EMS Advisory Committee shall have the administrative, technical, and legal assistance of the Department of Health, and the Department shall contract on the Committee's behalf with the project manager and any other consultants selected by the Committee pursuant to subdivision (1) of this subsection.

(e) Reports.

(1) On or before December 15, 2025, the EMS Advisory Committee shall submit its inventory and assessment to the Commissioner of Health and the General Assembly.

(2) On or before December 15, 2026, the EMS Advisory Committee shall submit its design recommendations to the Commissioner of Health and the General Assembly.

(f) Appropriation. The sum of \$370,000.00 is appropriated to the Department of Health from the General Fund in fiscal year 2025 to support the EMS Advisory Committee in accomplishing the work set forth in this section.

Sec. 7. 32 V.S.A. § 8557 is amended to read:

§ 8557. VERMONT FIRE SERVICE TRAINING COUNCIL

(a)(1) Sums for the expenses of the operation of training facilities and curriculum of the Vermont Fire Service Training Council not to exceed ~~\$1,200,000.00~~ \$1,500,000.00 per year shall be paid to the Fire Safety Special Fund created by 20 V.S.A. § 3157 by insurance companies, writing fire, homeowners multiple peril, allied lines, farm owners multiple peril, commercial multiple peril (fire and allied lines), private passenger and commercial auto, and inland marine policies on property and persons situated within the State of Vermont within 30 days after notice from the

Commissioner of Financial Regulation of such estimated expenses. Captive companies shall be excluded from the effect of this section.

(2) The Commissioner shall annually, on or before July 1, apportion such charges among all such companies and shall assess them for the charges on a fair and reasonable basis as a percentage of their gross direct written premiums on such insurance written during the second prior calendar year on property situated in the State. The Department of Taxes shall collect all assessments under this section.

(3) An amount not less than \$100,000.00 shall be specifically allocated to the provision of what are now or formerly referred to as Level I, units I, II, and III (basic) courses for entry-level firefighters.

(4) An amount not less than ~~\$150,000.00~~ \$450,000.00 shall be specifically allocated to the Emergency Medical Services Special Fund established under 18 V.S.A. § 908 for the provision of training programs for certified Vermont EMS first responders and licensed emergency medical responders, emergency medical technicians, advanced emergency medical technicians, and paramedics.

(5) The Department of Health shall present a plan to the Joint Fiscal Committee that shall review the plan prior to the release of any funds.

(b) All administrative provisions of chapter 151 of this title, including those relating to the collection and enforcement of the income tax by the Commissioner, shall apply to this section.

#### Sec. 8. MEDICAID EMERGENCY MEDICAL SERVICES;

##### TREATMENT WITHOUT TRANSPORT; APPROPRIATION

(a) In fiscal year 2025, the sum of \$74,000.00 in Global Commitment funds is appropriated to the Department of Vermont Health Access for the increased reimbursement rate for emergency medical service providers set forth in Sec. 3 (33 V.S.A. § 1901m) of this act for delivering emergency medical services to Medicaid beneficiaries who are not transported to a different location during the period of their emergency.

(b) In fiscal year 2025, the sum of \$31,206.00 is appropriated from the General Fund to the Agency of Human Services, Global Commitment appropriation for the State match for the increased reimbursement rate set forth in Sec. 3 (33 V.S.A. § 1901m) of this act.

(c) In fiscal year 2025, the sum of \$42,794.00 in federal funds is appropriated to the Agency of Human Services, Global Commitment

appropriation for the State match for the increased reimbursement rate set forth in Sec. 3 (33 V.S.A. § 1901m) of this act.

#### Sec. 9. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 6(f) (EMS Advisory Committee appropriation) and Sec. 8 (Medicaid emergency medical services; treatment without transport; appropriation) shall take effect on July 1, 2024.

**(Committee Vote: 12-0-0)**

### H. 630

An act relating to boards of cooperative education services

**Rep. Buss of Woodstock**, for the Committee on Education, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Findings and Intent \* \* \*

#### Sec. 1. FINDINGS; INTENT

(a) Findings. The General Assembly finds that:

(1) Vermont's school districts are small by national and regional standards, which denies them some of the benefits of scale. As of 2021, Vermont was one of approximately nine states that did not have an established system of cooperative educational service agencies.

(2) Some specialized education services are higher in cost or intensity but lower in incidence. Collaborating to ensure quality education is more regionally available to serve students in the least restrictive environment, with a focus of reintegration into the classroom, may make providing such services more efficient and affordable.

(3) Students should be in the least restrictive setting to reach success. Some students require a higher level of care and access to peers that would not be available in an inclusive setting. Some students who are currently placed in substantially separate programs are not able to access their community, peers, or inclusive activities. Vermont is currently sending many of these students to programs that are geographically far away or out of state. Working cooperatively could prevent these students from being transported such long distances. Staying closer to home will also afford these students greater opportunities for afterschool or community-based activities.

(4) Market concentration means single districts cannot always rely on competitive bidding to reduce costs and improve quality. Districts often all

have separate contracts for the same service, with the same vendor or vendors, which is an avoidable duplicative cost.

(5) For services that all districts need, such as professional development and specialized settings for students with extraordinary needs, collaboration statewide ensures that the highest quality expertise and programming can be shared at scale in ways that benefit all students and districts.

(6) Collaborative management of some functions would yield the same outcome but at a lower price and with fewer demands on administrative time, such that districts can spend proportionally less of every dollar on noninstructional administrative tasks or duplicative services and capabilities.

(7) Examples of functions that can be challenging or less affordable given the small size of Vermont's districts are:

(A) applying for State, federal, and other grants;

(B) supporting staff and educator development, recruitment, and retention;

(C) supporting transformation of operations or implementation of new State initiatives or quality standards;

(D) providing high-quality, evidence- and science-based professional development in a coherent and consistent way;

(E) providing or ensuring access to regionally available specialized settings for students with unique needs or highly specialized needs in the least restrictive environment, with a focus on reintegration and early intervention;

(F) managing prekindergarten programs to ensure equitable access to high-quality prekindergarten programs;

(G) procurement of services to support education, from food service to transportation, given the lack of enough vendors to ensure competitive bidding;

(H) providing skilled facilities planning and management; and

(I) providing appropriate support and instruction for English learners.

(b) Intent. This act is one of the initial steps in ensuring the opportunity to transform Vermont's educational system. It is the intent of the General Assembly to address the delivery, governance, and financing of Vermont's education system, with the goal of transforming the educational system to ensure high-quality education for all Vermont students, sustainable and transparent use of public resources, and appropriate support and expertise from the Agency of Education.

Sec. 2. 16 V.S.A. chapter 10 is added to read:

CHAPTER 10. BOARDS OF COOPERATIVE EDUCATION SERVICES

§ 601. POLICY

It is the policy of the State to allow and encourage supervisory unions to create boards of cooperative education services to provide shared programs and services on a regional and statewide level. Formation of a board of cooperative education services shall be designed to build upon the geographically focused cooperative regions used by Vermont superintendents as of July 1, 2024; maximize the impact of available dollars through collaborative funding; reduce duplication of programs, personnel, and services; and contribute to equalizing educational opportunities for all pupils.

§ 602. DEFINITIONS

As used in this chapter:

(1) “Educator” means any:

(A) individual licensed under chapter 51 of this title, the majority of whose employed time in a public school district, supervisory union, or board of cooperative education services is assigned to furnish to students direct instructional or other educational services, as defined by rule of the Standards Board, or who is otherwise subject to licensing as determined by the Standards Board; or

(B) individual licensed under chapter 51 of this title, the majority of whose employed time in a public school, school district, or supervisory union is assigned to developing and managing school curriculum, evaluating and disciplining personnel, or supervising and managing a public school system or public school program.

(2) “Supervisory union” means an administrative, planning, and educational service unit created by the State Board under section 261 of this title that consists of two or more school districts. This term also means a supervisory district.

§ 603. CREATION OF BOARD OF COOPERATIVE EDUCATION

SERVICES; ORGANIZATION; SECRETARY APPROVAL

(a) Establishment of boards of cooperative education services. When the boards of two or more supervisory unions vote to explore the advisability of entering into a written agreement to provide shared programs and services, the interested boards shall meet and discuss the terms of any such agreement. At this meeting or a subsequent meeting, the participating boards may enter into a

proposed agreement to form an association of supervisory unions to deliver shared programs and services to complement the educational programs of member supervisory unions in a cost-effective manner. An association formed pursuant to this chapter shall be known as a board of cooperative education services (BOCES) and shall be a body politic and corporate with the powers and duties afforded them under this chapter.

(b) Articles of agreement. Agreements to form a BOCES pursuant to this chapter shall take the form of articles of agreement and shall serve as the operating agreement for a BOCES. Agreements shall include a cost-benefit analysis outlining the projected financial savings or enhanced outcomes, or both, that the parties expect to realize through shared services or programs. No agreement or subsequent amendments shall take effect unless approved by the member supervisory union boards and the Secretary of Education. The Secretary shall approve articles of agreement if the Secretary finds that the formation of the proposed BOCES is in the best interests of the State, the students, and the member supervisory unions and aligns with the policy set forth in section 601 of this title, subject to the limitations of subsection (d) of this section. At a minimum, the articles of agreement shall state:

- (1) the names of the participating supervisory unions;
- (2) the mission, purpose, and focus of the BOCES;
- (3) the programs or services to be offered by the BOCES;
- (4) the financial terms and conditions of membership of the BOCES, including any applicable membership fee;
- (5) the service fees for member supervisory unions and the service fees for nonmember supervisory unions, as applicable;
- (6) the detailed procedure for the preparation and adoption of an annual budget with carryforward provisions;
- (7) the method of termination of the BOCES and the withdrawal of member supervisory unions, which shall include the apportionment of assets and liabilities;
- (8) the procedure for admitting new members and for amending the articles of agreement;
- (9) the powers and duties of the board of directors of the BOCES to operate and manage the association, including:
  - (A) board meeting attendance requirements;
  - (B) consequences for failure to attend a board meeting;



(C) a conflict-of-interest policy; and

(D) a policy regarding board member salaries or stipends; and

(10) any other matter not incompatible with law that the member supervisory unions consider necessary to the formation of the BOCES.

(c) Board of directors. A BOCES shall be managed by a board of directors, which shall be composed of one person appointed annually by each member supervisory union board. Appointed persons shall be members of a member supervisory union board or the superintendent or designee of the member supervisory union. Each member of the BOCES board of directors shall be entitled to a vote. No member of the board of directors of a BOCES shall serve as a member of a board of directors or as an officer or employee of any related for-profit or nonprofit organization. The board of directors shall elect a chair from its members and provide for such other officers as it may determine are necessary. The board of directors may also establish subcommittees and create board policies and procedures as it may determine are necessary. The board of directors shall meet not fewer than four times annually. Each member of the board of directors shall provide updates on the activities of the BOCES on a quarterly basis to the member's appointing supervisory union board at an open board meeting.

(d) Number of BOCESs. There shall be not more than seven BOCESs statewide. Supervisory unions shall not be a member of more than one BOCES but may seek services as a nonmember from other BOCESs.

(e) Agency of Education promotion. The Agency of Education shall promote the use of BOCESs as providers of education services and programs for local school districts and supervisory unions and shall include consideration of grant applications that include the use of education cooperatives for the purpose of procuring services and programs. The Agency may designate BOCESs as eligible recipients for any applicable federal or State grants for educational programs.

#### § 604. POWERS OF BOARDS OF COOPERATIVE EDUCATION

##### SERVICES

(a) In addition to any other powers granted by law, a BOCES shall have the power to provide educational programs, services, facilities, and professional and other staff that, in its discretion, best serve the needs of its members. A BOCES shall follow all applicable State and federal laws in its provision of services, including Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482.

(b) A BOCES may employ an executive director who shall serve under the general direction of the board and who shall be responsible for the care and supervision of the BOCES. The board shall annually evaluate the executive director's performance and effectiveness in implementing the programs, policies, and goals of the BOCES. The executive director shall not serve as a board member, officer, or employee of any related for-profit or nonprofit organization.

(c) A BOCES shall be a body politic and corporate and shall have standing to sue and be sued to the same extent as a school district. A BOCES may enter into contracts for the purchase of supplies, materials, services, and for the purchase or leasing of land, buildings, and equipment as considered necessary by the board of directors. Section 559 of this title shall apply to the procurement of services or items with costs that exceed \$40,000.00, as well as high-cost construction contracts, as defined by subsection 559(b) of this title.

(d) The board of directors of a BOCES may apply for State, federal, or private grants, for which a BOCES may be otherwise eligible, to obtain funds necessary to carry out the purpose for which the BOCES is established. Nothing in this chapter is intended to create an entitlement to federal funds distributed by the Agency of Education to local education agencies.

#### § 605. FINANCING; BUDGETING; AND ACCOUNTING

(a) Education cooperative fund. A BOCES shall establish and manage a fund to be known as an education cooperative fund. All monies contributed by the member school districts and all grants or gifts from the federal government, State government, charitable foundations, private corporations, or any other source shall be deposited into the fund.

##### (b) Treasurer.

(1) A BOCES shall appoint a treasurer who may be a treasurer of a member school district and who shall be sworn in before entering the duties of the office.

(2) The treasurer may, subject to the direction of the board of directors, receive and disburse all money belonging to the board without further appropriation.

(3) The treasurer shall keep financial records of cash receipts and disbursements and shall make those records available to the board of directors upon request.

(4) The board of directors shall ensure that its blanket bond covers a newly appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, a BOCES may choose to provide suitable

crime insurance coverage. The board of directors may pay reasonable compensation to the treasurer for services rendered and shall evaluate the treasurer's performance annually.

(c) Financial accounting system. A BOCES shall use the uniform chart of accounts and financial reporting requirements used by supervisory unions as its financial accounting system.

(d) Audit. Annually, a BOCES shall cause an independent audit to be made of its financial statements consistent with generally accepted governmental auditing standards and shall discuss and vote to accept the audit report at an open meeting of the board. The board shall transmit a copy of each audit to the boards of its member supervisory unions.

(e) Annual statement. Annually, a BOCES shall prepare financial statements, including:

(1) a statement of net assets; and

(2) a statement of revenues, expenditures, and changes in net assets.

(f) Budget. A board of cooperative education services shall adopt a budget prior to the beginning of the fiscal year for which the budget is adopted.

(g) Loans. A BOCES may, upon approval of its members, negotiate or contract with any person, corporation, association, or company for a loan not to exceed the difference between the anticipated revenues for the current fiscal year for the budget of the BOCES and the amount credited to date to said budget in order to pay current obligations. Such loan shall be liquidated within six months thereafter from monies subsequently credited to said budget. The total principal, interest, and fees to be paid on such loan shall not exceed the total amount of the authorized budget for the same length of time.

#### § 606. ANNUAL REPORT; PUBLIC INFORMATION

(a) The board of a BOCES shall prepare an annual report concerning the affairs of the BOCES and have it printed and distributed to the boards of the member supervisory unions. The annual report shall include, at a minimum:

(1) information on the programs and services offered by the BOCES, including information on the cost-effectiveness of such programs and services and progress made towards achieving the objectives and purposes set forth in the articles of agreement; and

(2) audited financial statements and the independent auditor's report.

(b) A BOCES shall maintain an internet website that makes the following information available to the public at no cost:

- (1) a list of the members of the board of directors of the BOCES;
- (2) copies of approved minutes of open meetings held by the board of the BOCES;
- (3) a copy of the articles of agreement and any subsequent amendments;  
and
- (4) a copy of the annual report required under subsection (a) of this section.

#### § 607. EMPLOYMENT

(a) A BOCES shall be considered to be a public employer and may employ personnel, including educators, to carry out the purposes and functions of the board. Annually, the board of a BOCES shall conduct an area survey of the salaries of the educators and staff employed by the BOCES's member supervisory unions and school districts.

(b) No person shall be eligible for employment by a BOCES as an educator unless the person is appropriately licensed by the Standards Board for Professional Educators pursuant to chapter 51 of this title.

(c) A person employed by a BOCES as an educator shall be a participant in the Vermont State Teachers' Retirement System pursuant to chapter 55 of this title.

(d) A person who is employed by a BOCES and who is not educator shall be a participant in the Vermont Municipal Employees' Retirement System pursuant to 24 V.S.A. chapter 125.

(e) Educators employed by a BOCES shall be entitled to organize pursuant to chapter 57 of this title.

(f) Employees employed by a BOCES and who are not educators shall be entitled to organize pursuant to 21 V.S.A. chapter 22.

(g) Educators and employees who are employed by a BOCES shall be provided health care benefits pursuant to chapter 61 of this title.

#### Sec. 3. TRANSITION; REPORT

(a) On or before July 1, 2026, each supervisory union board shall consider and vote on the desirability of establishing a board of cooperative education services pursuant to 16 V.S.A. chapter 10. There shall be not more than seven boards of cooperative service established statewide. Supervisory union boards that vote to establish a board of cooperative education services shall hold an organizational meeting pursuant to 16 V.S.A. § 603 on or before July 1, 2027.

(b) On or before July 1, 2028, the Secretary of Education shall review the boards of cooperative education services as they exist, or are anticipated to exist, on that date. On or before November 1, 2028, the Secretary shall issue a written report to the General Assembly and the State Board of Education with the following information and recommendations:

(1) the number of boards of cooperative education services in existence on July 1, 2028, including the names of member supervisory unions and services provided;

(2) the number of supervisory unions that are not members of boards of cooperative education services and information on why such supervisory unions have not joined a board of cooperative education services; and

(3) recommendations for expansion of the membership and powers of boards of cooperative education services, including recommendations for whether membership in such boards shall be mandatory.

#### Sec. 4. BOCES GRANT PROGRAM; APPROPRIATION

(a) There is established the Boards of Cooperative Education Services Start-up Grant Program, to be administered by the Agency of Education, from funds appropriated for this purpose, to award grants to boards of cooperative education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024. BOCES shall be eligible for a single \$10,000.00 grant after the Secretary of Education approves the applicant's initial articles of agreement pursuant to 16 V.S.A. § 603(b). Grants may be used for start-up costs and may include reimbursement to member supervisory unions for costs incurred during the exploration and formation of the BOCES and articles of agreement.

(b) The sum of \$70,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2025 to fund the Boards of Cooperative Education Services Start-up Grant Program created in subsection (a) of this section. Unexpended appropriations shall carry forward into the subsequent fiscal year and remain available for use for this purpose.

\* \* \* Conforming Revisions \* \* \*

Sec. 5. 16 V.S.A. § 261a is amended to read:

#### § 261a. DUTIES OF SUPERVISORY UNION BOARD

\* \* \*

(b) Virtual merger. In order to ~~promote the efficient use of financial and human resources~~ maximize the impact of available funding and resources, and to reduce duplication of educational programs, personnel, and services, and whenever legally permissible, supervisory unions are encouraged to reach

agreements with other supervisory unions jointly to provide any service or perform any duty under this section pursuant to section 267 of this title, or to form boards of cooperative education services pursuant to chapter 10 of this title. Agreements between supervisory unions are not subject to the waiver requirement of subdivision (a)(8) of this section. Agreements shall include a cost-benefit analysis outlining the projected financial savings or enhanced outcomes, or both, that the parties expect to realize through shared services or programs.

\* \* \*

Sec. 6. 16 V.S.A. § 1691a is amended to read:

§ 1691a. DEFINITIONS

As used in this chapter:

(1) “Administrator” means an individual licensed under this chapter the majority of whose employed time in a public school, school district, ~~or~~ supervisory union, or board of cooperative education services is assigned to developing and managing school curriculum, evaluating and disciplining personnel, or supervising and managing a public school system or public school program.

\* \* \*

(10) “Teacher” means an individual licensed under this chapter the majority of whose employed time in a public school district ~~or~~, supervisory union, or board of cooperative education services is assigned to furnish to students direct instructional or other educational services, as defined by rule of the Standards Board, or who is otherwise subject to licensing as determined by the Standards Board.

Sec. 7. 16 V.S.A. § 1931(20) is amended to read:

(20) “Teacher” ~~shall mean~~ means any licensed teacher, principal, supervisor, superintendent, or any professional licensed by the Vermont Standards Board for Professional Educators who is regularly employed, or otherwise contracted if following retirement, for the full normal working time for ~~his or her~~ the teacher’s position in a public day school or school district within the State, or in any school or teacher-training institution located within the State, controlled by the State Board of Education, and supported wholly by the State; or in certain public independent schools designated for such purposes by the Board in accordance with section 1935 of this title; or who is regularly employed by a board of cooperative education services created in accordance with chapter 10 of this title. In all cases of doubt, the Board shall

determine whether any person is a teacher as defined in this chapter. It ~~shall~~ does not mean a person who is teaching with an emergency license.

Sec. 8. 24 V.S.A. § 5051(10) is amended to read:

(10) “Employee” means the following persons employed on a regular basis by a school district ~~or~~, by a supervisory union, or by a board of cooperative education services for ~~no~~ not fewer than 1,040 hours in a year and for ~~no~~ not fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071, or for ~~no~~ not fewer than 1,040 hours in a year and for ~~no~~ not fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union or a board of cooperative education services in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an “employee” if these criteria are met by the combined hours worked for the supervisory union and school district. The term ~~shall~~ also ~~mean~~ means persons employed on a regular basis by a municipality other than a school district for ~~no~~ not fewer than 1,040 hours in a year and for ~~no~~ not fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding:

\* \* \*

Sec. 9. 16 V.S.A. § 1981 is amended to read:

§ 1981. DEFINITIONS

As used in this chapter unless the context requires otherwise:

\* \* \*

(8) “School board negotiations council” means, for a supervisory district, its school board, and, for school districts within a supervisory union or board of cooperative education services, the body comprising representatives designated by each school board within the supervisory union or board of cooperative education services and by the supervisory union board or board of cooperative education services to engage in professional negotiations with a teachers’ or administrators’ organization.

(9) “Teachers’ organization negotiations council” or “administrators’ organization negotiations council” means the body comprising representatives designated by each teachers’ organization or administrators’ organization within a supervisory district ~~or~~, supervisory union, or board of cooperative education services to act as its representative for professional negotiations.

Sec. 10. 21 V.S.A. § 1722 is amended to read:

§ 1722. DEFINITIONS

As used in this chapter:

\* \* \*

(18) “School board negotiations council” means, for a supervisory district, its school board, and, for school districts within a supervisory union or board of cooperative education services, the body comprising representatives designated by each school board within the supervisory union or board of cooperative education services and by the supervisory union board or board of cooperative education services to engage in collective bargaining with their school employees’ negotiations council.

(19) “School employees’ negotiations council” means the body comprising representatives designated by each exclusive bargaining agent within a supervisory district ~~or~~, supervisory union, or board of cooperative education services to engage in collective bargaining with its school board negotiations council.

(20) “Supervisory district” and “supervisory union” ~~shall~~ have the same ~~meaning~~ meanings as in 16 V.S.A. § 11.

(21) “Municipal school employee” means an employee of a supervisory union ~~or~~, school district, or board of cooperative education services who is not otherwise subject to 16 V.S.A. chapter 57 (labor relations for teachers and administrators) and who is not otherwise excluded pursuant to subdivision (12) of this section.

\* \* \*

Sec. 11. 16 V.S.A. § 2101 is amended to read:

§ 2101. DEFINITIONS

As used in this chapter:

(1) “Participating employee” means a school employee who is eligible for and has elected to receive health benefit coverage through a school employer.

(2) “School employee”:

(A) includes the following individuals:

(i) an individual employed by a school employer as a teacher or administrator as defined in section 1981 of this title;

(ii) a municipal school employee as defined in 21 V.S.A. § 1722;



(iii) an individual employed as a supervisor as defined in 21 V.S.A. § 1502;

(iv) a confidential employee as defined in 21 V.S.A. § 1722;

(v) a certified employee of a school employer; and

(vi) any other permanent employee of a school employer not covered by subdivisions (i)-(v) of this subdivision (2); and

(B) notwithstanding subdivision (A) of this subdivision (2), excludes individuals who serve in the role of superintendent.

(3) “School employer” means a supervisory union or school district as those terms are defined in section 11 of this title, or a board of cooperative education services formed pursuant to chapter 10 of this title.

\* \* \* Effective Date \* \* \*

## Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

**(Committee Vote: 11-0-1)**

## H. 673

An act relating to Vermont’s outdoor recreation economy

**Rep. Rice of Dorset**, for the Committee on Agriculture, Food Resiliency, and Forestry, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

### Sec. 1. VERMONT OUTDOOR RECREATION ECONOMIC IMPACT STUDY

(a) The Vermont Outdoor Recreation Economic Collaborative (VOREC), in consultation with the Commissioner of Forests, Parks and Recreation, Vermont Trails and Greenways Council (VTGC), and the Vermont Outdoor Business Alliance (VOBA), shall conduct the Vermont Outdoor Recreation Economic Impact Study (the Study).

(b) The Study shall evaluate the following:

(1) the overall statewide economic impact of outdoor recreation;

(2) the county-level economic impact of outdoor recreation across the State;

(3) how the economic impacts are distributed across recreational activities and land ownership;

- (4) the current carrying costs of outdoor recreation asset stewardship;
- (5) the return on investment in outdoor recreation in Vermont;
- (6) the top three opportunities for growth in the sector;
- (7) how strategic investment into climate resilient adaptation could protect Vermont's outdoor recreation economy; and
- (8) recommendations for future investments to maintain and grow Vermont's outdoor recreation economy.

(c) The organizations leading the Study shall hire a consultant to conduct the economic analysis required.

(d) The Study may include additional data points as identified by VOREC, VTGC, VOBA, and the Department of Forests, Parks and Recreations. The Study shall also incorporate findings from VOREC's Move Forward Together Vermont planning process, including incorporating findings from their Statewide inventory of Vermont's accessible recreation assets to make recommendations on ensuring equitable access to outdoor recreation for all people with a focus on promoting adaptive opportunities, and diversity and inclusion for all to access and benefit from Vermont's outdoor spaces.

(e) In fiscal year 2025, the sum of \$200,000.00 is appropriated from the General Fund to the Department of Forests, Parks and Recreation to hire the consultant to conduct the economic analysis required under this section.

(f) On or before December 15, 2025, VOREC and the Commissioner shall report back to the House Committees on Agriculture, Food Resiliency, and Forestry and on Commerce and Economic Development and the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs on the findings of the Study and propose local and State investment opportunities to bolster the economic benefit of the outdoor recreation economy.

## Sec. 2. POSITION; VERMONT TRAILS AND GREENWAYS COUNCIL

In fiscal year 2025, the sum of \$100,000.00 is appropriated from the General Fund to the Department of Forests, Parks and Recreation for one full-time program support specialist whose duties shall be to the Vermont Trails and Greenways Council (VTGC) to:

- (1) administer membership to the VTGC;
- (2) manage VTGC meetings, activities, operations, and budget;
- (3) routinely assess the needs of the Vermont trail stewardship community;

(4) develop, manage, and deploy technical assistance resources for VTGC members; and

(5) execute the VTGC's advisory role to the Agency of Natural Resources, as defined in 10 V.S.A. § 443.

### Sec. 3. APPROPRIATION

In fiscal year 2025, the sum of \$50,000.00 is appropriated from the General Fund to the Department of Forests, Parks and Recreation for the purpose of hiring a contractor, in partnership with Vermont Trails and Greenways Council to develop of a set of universal trail best management practices (BMPs). The BMPs shall aggregate existing BMPs from both the Department and nonprofit trail stewardship organizations, with the intent of these BMPs being adopted for the Vermont Trail System to ensure all public access trails are built and maintained to a high standard. These aggregated BMPs may include practices related to:

(1) trail planning and design, including permissions, siting, access, and local coordination;

(2) trail construction, including permitting, corridor clearing, soil and soil management, stream crossings, wildlife, and safety;

(3) trail use and management, including usage guidelines, monitoring, wildlife, and community engagement; and

(4) trail maintenance, including planning, permissions, signage, safety, and addressing on-call issues.

### Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

**(Committee Vote: 10-1-0)**

## H. 706

An act relating to banning the use of neonicotinoid pesticides

**Rep. Rice of Dorset**, for the Committee on Agriculture, Food Resiliency, and Forestry, recommends the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

### Sec. 1. FINDINGS

The General Assembly finds that:

(1) Wild and managed pollinators are essential to the health and vitality of Vermont's agricultural economy, environment, and ecosystems. According

to the Department of Fish and Wildlife (DFW), between 60 and 80 percent of the State's wild plants depend on pollinators to reproduce.

(2) Vermont is home to thousands of pollinators, including more than 300 native bee species. Many pollinator species are in decline or have disappeared from Vermont, including three bee species that the State lists as endangered. The Vermont Center for Ecostudies and DFW's State of Bees 2022 Report concludes that at least 55 of Vermont's native bee species need significant conservation action.

(3) Neonicotinoids are a class of neurotoxic, systemic insecticides that are extremely toxic to bees and other pollinators. Neonicotinoids are the most widely used class of insecticides in the world and include imidacloprid, clothianidin, thiamethoxam, acetamiprid, dinotefuran, thiacloprid, and nithiazine.

(4) Among other uses, neonicotinoids are commonly applied to crop seeds as a prophylactic treatment. More than 90 percent of neonicotinoids applied to treated seeds move into soil, water, and nontarget plants. According to the Agency of Agriculture, Food and Markets, at least 1197.66 tons of seeds sold in Vermont in 2022 were treated with a neonicotinoid product.

(5) Integrated pest management is a pest management technique that protects public health, the environment, and agricultural productivity by prioritizing nonchemical pest management techniques. Under integrated pest management, pesticides are a measure of last resort. According to the European Academies Science Advisory Council, neonicotinoid seed treatments are incompatible with integrated pest management.

(6) A 2020 Cornell University report that analyzed more than 1,100 peer-reviewed studies found that neonicotinoid corn and soybean seed treatments pose substantial risks to bees and other pollinators but provide no overall net income benefits to farms. DFW similarly recognizes that neonicotinoid use contributes to declining pollinator populations.

(7) A 2014 peer-reviewed study conducted by the Harvard School of Public Health and published in the journal Bulletin of Insectology concluded that sublethal exposure to neonicotinoids is likely to be the main culprit for the occurrence of colony collapse disorder in honey bees.

(8) A 2020 peer-reviewed study published in the journal Nature Sustainability found that increased neonicotinoid use in the United States between 2008 and 2014 led to statistically significant reductions in bird biodiversity, particularly among insectivorous and grassland birds.

(9) A 2022 peer-reviewed study published in the journal Environmental Science and Technology found neonicotinoids in 95 percent of the 171 pregnant women who participated in the study. Similarly, a 2019 peer-reviewed study published in the journal Environmental Research found that 49.1 percent of the U.S. general population had recently been exposed to neonicotinoids.

(10) The European Commission and the provinces of Quebec and Ontario have implemented significant prohibitions on the use of neonicotinoids.

(11) The New York General Assembly passed legislation that prohibits the sale or use of corn, soybean, and wheat seed treated with imidacloprid, clothianidin, thiamethoxam, dinotefuran, or acetamiprid. The same legislation prohibits the nonagricultural application of imidacloprid, clothianidin, thiamethoxam, dinotefuran, or acetamiprid to outdoor ornamental plants and turf.

Sec. 2. 6 V.S.A. § 1101 is amended to read:

#### § 1101. DEFINITIONS

As used in this chapter unless the context clearly requires otherwise:

(1) “Secretary” ~~shall have~~ has the same meaning stated in subdivision 911(4) of this title.

(2) “Cumulative” when used in reference to a substance means that the substance so designated has been demonstrated to increase twofold or more in concentration if ingested or absorbed by successive life forms.

(3) “Dealer or pesticide dealer” means any person who regularly sells pesticides in the course of business, but not including a casual sale.

(4) “Economic poison” ~~shall have~~ has the same meaning stated in subdivision 911(5) of this title.

(5) “Pest” means any insect, rodent, nematode, fungus, weed, or any other form of terrestrial or aquatic plant or animal life or ~~virus~~ viruses, bacteria, or other microorganisms that the Secretary declares as being injurious to health or environment. “Pest shall” does not mean any viruses, bacteria, or other microorganisms on or in living humans or other living animals.

(6) “Pesticide” for the purposes of this chapter ~~shall be~~ is used interchangeably with “economic poison.”

(7) “Treated article” means a pesticide or class of pesticides exempt under 40 C.F.R. § 152.25(a) from regulation under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136-136y.

(8) “Neonicotinoid pesticide” means any economic poison containing a chemical belonging to the neonicotinoid class of chemicals.

(9) “Neonicotinoid treated article seeds” are treated article seeds that are treated or coated with a neonicotinoid pesticide.

(10) “Agricultural commodity” means any food in its raw or natural state, including all fruits or vegetables that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing.

(11) “Agricultural emergency” means an occurrence of any pest that presents an imminent risk of significant harm, injury, or loss to agricultural crops.

(12) “Bloom” means the period from the onset of flowering or inflorescence until petal fall is complete.

(13) “Crop group” means the groupings of agricultural commodities specified in 40 C.F.R. § 180.41(c) (2023).

(14) “Environmental emergency” means an occurrence of any pest that presents a significant risk of harm or injury to the environment, or significant harm, injury, or loss to agricultural crops or turf, including any exotic or foreign pest that may need preventative quarantine measures to avert or prevent that risk, as determined by the Secretary of Agriculture, Food and Markets.

(15) “Ornamental plants” mean perennials, annuals, and groundcover purposefully planted for aesthetic reasons.

(16) “Turf” means land planted in closely mowed, managed grasses, including residential and commercial property and publicly owned land, parks, and recreation areas. “Turf” does not include pasture, cropland, land used to grow sod, or any other land used for agricultural production.

Sec. 3. 6 V.S.A. § 1105b is added to read:

§ 1105b. USE AND SALE OF NEONICOTINOID TREATED ARTICLE

SEEDS

(a) No person shall sell, offer for sale or use, distribute, or use any neonicotinoid treated article seed for soybeans or for any crop in the cereal grains crop group (crop groups 15, 15-22, 16, and 16-22).

(b) The Secretary of Agriculture, Food and Markets, after consultation with the Secretary of Natural Resource, may issue a written exemption order to suspend the provisions of subsection (a) of this section. Such written exemption order shall not be valid for more than one year.

(c) A written exemption order issued under subsection (b) of this section shall:

(1) specify the types of neonicotinoid treated article seeds to which the exemption order applies, the date on which the exemption order takes effect; the exemption order's duration; and the exemption order's geographic scope, which may include specific farms, fields, or properties;

(2) provide a detailed evaluation of the agricultural seed market, including a determination either that the purchase of seeds that comply with subsection (a) of this section would cause agricultural producers undue financial hardship or that there is an insufficient amount of commercially available seed not treated with neonicotinoid pesticides to supply agricultural producers; and

(3) provide a detailed evaluation of the exemption order's anticipated effect on pollinator populations, bird populations, ecosystem health, and public health, including whether the exemption order will cause undue harm to pollinator populations, bird populations, ecosystem health, and public health.

(d) A written exemption order issued under subsection (b) of this section may:

(1) establish restrictions related to the use of neonicotinoid treated article seeds to which the exemption order applies to minimize harm to pollinator populations, bird populations, ecosystem health, and public health; or

(2) establish other restrictions related to the use of neonicotinoid treated article seeds to which the exemption order applies that the Secretary of Agriculture, Food and Markets considers necessary.

(e) Upon issuing a written exemption order under subsection (b) of this section, the Secretary of Agriculture, Food and Markets shall submit a copy of the exemption order to the Senate Committees on Natural Resources and Energy and on Agriculture; the House Committees on Environment and Energy and on Agriculture, Food Resiliency, and Forestry; and the Agricultural Innovation Board. The General Assembly shall manage a written exemption order submitted under this section in the same manner as a report to the General Assembly and shall post the written exemption order to the website of the General Assembly.

(f) The Secretary of Agriculture, Food and Markets, after consultation with the Secretary of Natural Resources, may rescind a written exemption order issued under subsection (b) of this section at any time. Such rescission shall come into effect not sooner than 30 days after its issuance and shall not apply to neonicotinoid treated article seeds planted or sown before such rescission comes into effect.

Sec. 4. 6 V.S.A. § 1105c is added to read:

§ 1105c. NEONICOTINOID PESTICIDES; PROHIBITED USES

(a) The following uses of neonicotinoid pesticides are prohibited:

(1) the outdoor application of neonicotinoid pesticides to any crop during bloom;

(2) the outdoor application of neonicotinoid pesticides to soybeans or any crop in the cereal grains crop group (crop groups 15, 15-22, 16, and 16-22);

(3) the outdoor application of neonicotinoid pesticides to crops in the leafy vegetables, brassica, bulb vegetables, herbs and spices, and stalk, stem, and leaf petiole vegetables crop groups (crop groups 3, 3-07, 4, 4-16, 5, 5-16, 19, 22, 25, and 26) harvested after bloom;

(4) the application of neonicotinoid pesticides to ornamental plants; and

(5) the application of neonicotinoid pesticides to turf.

(b) The Secretary of Agriculture, Food and Markets, after consultation with the Secretary of Natural Resources, may issue a written exemption order to suspend the provisions of subsection (a) of this section. Such written exemption order shall not be valid for more than one year.

(c) A written exemption order issued under subsection (b) of this section shall:

(1) specify the neonicotinoid pesticides, uses, and crops, plants, or turf to which the exemption order applies; the date on which the exemption order takes effect; the exemption order's duration; and the exemption order's geographic scope, which may include specific farms, fields, or properties;

(2) provide a detailed evaluation determining that an agricultural emergency or an environmental emergency exists;

(3) provide a detailed evaluation of reasonable responses available to address the agricultural emergency or the environmental emergency, including a determination that the use of the neonicotinoid pesticides to which the exemption order applies would be effective in addressing the emergency and a



determination that there is no other less harmful pesticide or pest management practice that would be effective in addressing the emergency; and

(4) provide a detailed evaluation of the exemption order's anticipated effects on pollinator populations, bird populations, ecosystem health, and public health, including whether the exemption order will cause undue harm to pollinator population, bird populations, ecosystem health, and public health.

(d) A written exemption order issued under subsection (b) of this section may:

(1) establish restrictions related to the use of neonicotinoid pesticides to which the exemption order applies to minimize harm to pollinator populations, bird populations, ecosystem health, and public health; or

(2) establish other restrictions related to the use of neonicotinoid pesticides to which the exemption order applies that the Secretary of Agriculture, Food and Markets considers necessary.

(e) Upon issuing a written exemption order under subsection (b) of this section, the Secretary of Agriculture, Food and Markets shall submit a copy of the exemption order to the Senate Committees on Natural Resources and Energy and on Agriculture; the House Committees on Environment and Energy and on Agriculture, Food Resiliency, and Forestry; and the Agricultural Innovation Board. The General Assembly shall manage a written exemption order submitted under this section in the same manner as a report to the General Assembly and shall post the written exemption order to the website of the General Assembly.

(f) The Secretary of Agriculture, Food and Markets, after consultation with the Secretary of Natural Resources, may rescind any written exemption order issued under subsection (b) of this section at any time. Such rescission shall come into effect not sooner than 15 days after its issuance.

Sec. 5. 6 V.S.A. § 918 is amended to read:

#### § 918. REGISTRATION

(a) Every economic poison that is distributed, sold, or offered for sale within this State or delivered for transportation or transported in intrastate commerce or between points within this State through any point outside this State shall be registered in the Office of the Secretary, and such registration shall be renewed annually, provided that products that have the same formula are manufactured by the same person, the labeling of which contains the same claims, and the labels of which bear a designation identifying the product as the same economic poison may be registered as a single economic poison, and additional names and labels shall be added by supplemental statements during

the current period of registration. It is further provided that any economic poison imported into this State, which is subject to the provisions of any federal act providing for the registration of economic poisons and that has been duly registered under the provisions of this chapter, may, in the discretion of the Secretary, be exempted from registration under this chapter when sold or distributed in the unbroken immediate container in which it was originally shipped. The registrant shall file with the Secretary a statement including:

\* \* \*

(f) The Unless the use or sale of a neonicotinoid pesticide is otherwise prohibited, the Secretary shall register as a restricted use pesticide any neonicotinoid pesticide labeled as approved for outdoor use that is distributed, sold, sold into, or offered for sale within the State or delivered for transportation or transported in intrastate commerce or between points within this State through any point outside this State, provided that the Secretary shall not register the following products as restricted use pesticides unless classified under federal law as restricted use products:

(1) pet care products used for preventing, destroying, repelling, or mitigating fleas, mites, ticks, heartworms, or other insects or organisms;

(2) personal care products used for preventing, destroying, repelling, or mitigating lice or bedbugs; and

(3) indoor pest control products used for preventing, destroying, repelling, or mitigating insects indoors; ~~and~~

~~(4) treated article seed.~~

Sec. 6. 6 V.S.A. § 1105a(c) is amended to read:

(c)(1) Under subsection (a) of this section, the Secretary of Agriculture, Food and Markets, after consultation with the Agricultural Innovation Board, shall adopt by rule BMPs for the use in the State of:

(A) neonicotinoid treated article seeds when used prior to January 1, 2029;

(B) neonicotinoid treated article seeds when the Secretary issues a written exemption order pursuant to section 1105b of this chapter authorizing the use of neonicotinoid treated article seeds;

(C) neonicotinoid pesticides when the Secretary issues a written exemption order pursuant to section 1105c of this chapter authorizing the use of neonicotinoid pesticides; and

(D) the agricultural use after July 1, 2025 of neonicotinoid pesticides the use of which is not otherwise prohibited under law.

(2) In developing the rules with the Agricultural Innovation Board, the Secretary shall address:

(A) establishment of threshold levels of pest pressure required prior to use of neonicotinoid treated article seeds or neonicotinoid pesticides;

(B) availability of nontreated article seeds that are not neonicotinoid treated article seeds;

(C) economic impact from crop loss as compared to crop yield when neonicotinoid treated article seeds or neonicotinoid pesticides are used;

(D) relative toxicities of different neonicotinoid treated article seeds or neonicotinoid pesticides and the effects of neonicotinoid treated article seeds or neonicotinoid pesticides on human health and the environment;

(E) surveillance and monitoring techniques for in-field pest pressure;

(F) ways to reduce pest harborage from conservation tillage practices; and

(G) criteria for a system of approval of neonicotinoid treated article seeds or neonicotinoid pesticides.

~~(2)~~(3) In implementing the rules required under this subsection, the Secretary of Agriculture, Food and Markets shall work with farmers, seed companies, and other relevant parties to ensure that farmers have access to appropriate varieties and amounts of untreated seed or treated seed that are not neonicotinoid treated article seeds.

Sec. 7. 2022 Acts and Resolves No. 145, Sec. 4 is amended to read:

Sec. 4. IMPLEMENTATION; REPORT; RULEMAKING

(a) On or before March 1, 2024, the Secretary of Agriculture, Food, and Markets shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture, Food Resiliency, and Forestry a copy of the proposed rules required to be adopted under 6 V.S.A. § 1105a(c)(1)(A).

(b) The Secretary of Agriculture shall not file the final proposal of the rules required by 6 V.S.A. § 1105a(c)(1)(A) under 3 V.S.A. § 841 until at least 90 days from submission of the proposed rules to the General Assembly under subsection (a) of this section or July 1, 2024, ~~which ever~~ whichever shall occur first.

Sec. 8. EFFECTIVE DATES

(a) This section and Secs. 1 (findings), 2 (definitions), 5 (registration), and 6 (BMP rules), 7 (implementation) shall take effect on passage.

(b) Sec. 4 (prohibited use; neonicotinoid pesticides) shall take effect on July 1, 2025.

(c) Sec. 3 (treated article seed) shall take effect on January 1, 2029.

**(Committee Vote: 8-2-1)**

**Rep. Taylor of Colchester**, for the Committee on Ways and Means, recommends the bill ought to pass when amended as recommended by the Committee on Agriculture, Food Resiliency, and Forestry.

**(Committee Vote: 8-4-0)**

**Favorable**

**H. 350**

An act relating to the Uniform Directed Trust Act

**Rep. Andriano of Orwell**, for the Committee on Judiciary, recommends the bill ought to pass.

**(Committee Vote: 11-0-0)**

**Rep. Taylor of Colchester**, for the Committee on Ways and Means, recommends the bill ought to pass.

**(Committee Vote: 11-0-1)**

**H. 664**

An act relating to designating a State Mushroom

**Rep. Templeman of Brownington**, for the Committee on Agriculture, Food Resiliency, and Forestry, recommends the bill ought to pass.

**(Committee Vote: 11-0-0)**

**CONSENT CALENDAR FOR NOTICE**

**Concurrent Resolutions for Adoption Under Joint Rules 16a - 16d**

The following concurrent resolutions have been introduced for approval by the Senate and House and will be adopted automatically unless a Senator or Representative requests floor consideration in that member's chamber prior to adjournment of the next legislative day. Requests for floor consideration in

either chamber should be communicated to the Senate Secretary's Office or the House Clerk's Office, as applicable. For text of resolutions, see Addendum to House Calendar and Senate Calendar.

**H.C.R. 171**

House concurrent resolution congratulating the 2023 Green Mountain Council Class of Eagle Scouts

**H.C.R. 172**

House concurrent resolution congratulating Goodridge Lumber Inc. of Albany on its 50th anniversary

**H.C.R. 173**

House concurrent resolution in memory of former Castleton State College Dean of Education Honoree Fleming

**H.C.R. 174**

House concurrent resolution congratulating the 2023 Spirit of the ADA Award winners

**H.C.R. 175**

House concurrent resolution in memory of jazz aficionado Reuben Jackson

**H.C.R. 176**

House concurrent resolution congratulating Kristi Lefebvre Huizenga of Colchester on her 2024 induction into the Vermont Sports Hall of Fame

**H.C.R. 177**

House concurrent resolution recognizing March as Colorectal Cancer Awareness Month in Vermont

**H.C.R. 178**

House concurrent resolution congratulating Lena Delores Baker on her 100th birthday

**H.C.R. 179**

House concurrent resolution congratulating the Vermont place winners at the 2023 National Senior Games and designating March 21, 2024 as Vermont Senior Games Day at the State House

**H.C.R. 180**

House concurrent resolution recognizing July 2024 as Park and Recreation Month in Vermont and designating July 19, 2024 as Vermont Park and

Recreation Professionals Day in Vermont

**S.C.R. 11**

Senate concurrent resolution congratulating Bag Balm on the company's 125th anniversary

**For Informational Purposes**

**NOTICE OF CROSSOVER DATES**

The Committee on Joint Rules adopted the following Crossover dates:

(1) All **House/Senate** bills must be reported out of the last committee of reference (including the Committees on Appropriations and on Ways and Means/Finance, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 15, 2024** and filed with the Clerk/Secretary so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by **Friday, March 15, 2024**.

(2) All **House/Senate** bills referred pursuant to House Rule 35(a) or Senate Rule 31 to the Committees on Appropriations and on Ways and Means/Finance must be reported out by the last of those committees on or before **Friday, March 22, 2024** and filed with the Clerk/Secretary so they may be placed on the Calendar for Notice the next legislative day.

**Exceptions the foregoing deadlines include the major money bills (the general Appropriations bill (“The Big Bill”), the Transportation Capital bill, the Capital Construction bill, the Pay Act, and the Fee and miscellaneous tax bills).**

**JOINT FISCAL COMMITTEE NOTICES**

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3)(D):

**JFO #3190:** \$900,000.00 to the Agency of Human Services, Department of Corrections from the U.S. Department of Justice. Funds will enhance the reentry vocational case management of incarcerated individuals who are assessed for moderate and above risk of reoffending. The funds include one (1) limited-service position, Vocational Outreach Project Manager, fully funded through 9/30/2026.

*[Received March 1, 2024]*

**JFO #3189:** \$10,000,000.00 to the Agency of Human Services, Department of Disabilities, Aging and Independent Living from the U.S. Department of Education. The funds will be used to support the transition of youths with disabilities from high school to adulthood. The grants will support six (6) limited-service positions through 9/30/2028 that will work to support partnerships with all supervisory unions and the agencies focusing on employment opportunities for adults with disabilities.

*[Received March 1, 2024]*

**JFO #3188:** There are two sources of funds related to this request: \$50,000.00 from the Vermont Land Trust and \$20,000.00 from the Lintilhac Foundation, all to the Agency of Natural Resources, Department of Forests, Parks and Recreation. All funds will go to support the acquisition of a 19-acre property in Island Pond which will expand the Brighton State Park.

*[Received March 4, 2024]*

**JFO #3187:** Two (2) limited-service positions to the Public Service Department, Vermont Community Broadband Board: Administrative Services Manager III and Data and Information Project Manager. Positions will carry out work related to the federal Broadband Equity, Access and Deployment (BEAD) program. This program has the potential to bring in additional Broadband investment, provided local applications are successful. Positions are fully funded through 11/30/2027 and are funded by previously approved JFO #3136.

*[Received February 26, 2024]*

**JFO #3186:** \$4,525,801.81 to the Agency of Agriculture, Food and Markets from the U.S. Department of Agriculture. The majority of funds to be sub-awards to Vermont's agricultural businesses and organizations to build resilience in the middle of the food supply chain and to support market development for small farms and food businesses. Includes full funding for one (1) limited-service position, Agriculture Development Specialist II and 50% support for one (1) limited-service position, Contracts and Grants Specialist I. The other 50% for the position will come from already approved JFO #2982.

*[Received February 8, 2024]*

**JFO #3185:** \$70,000.00 to the Attorney General's Office from the Sears Consumer Protection and Education Fund to improve accessibility and outreach of the Vermont Consumer Assistance Program to underserved populations in Vermont.

*[Received January 31, 2024]*

**JFO #3184:** Three (3) limited-service positions to the Agency of Human Services, Department of Health. One (1) Substance Abuse Program Evaluator, funded through 8/31/28; and one (1) Public Health Specialist II, and one (1) Family Service Specialist both funded through 9/29/2024. The positions are fully funded by previously approved JFO requests #3036 and #1891. These positions will support Vermont's Overdose Data to Action program and the Maternal Mortality Review Panel.

*[Received January 31, 2024]*

**JFO #3183:** \$182,500.00 to the Agency of Natural Resources, Department of Forests, Parks and Recreation. Funds will be used to complete the purchase of a conservation easement on a 183-acre parcel of land in Townshend, Vermont (Peterson Farm). *[Note: Remainder of the easement (\$82,500) is supported by a State appropriation agreement between the department and the VHCB. Closing costs, including department staff time, is funded by already budgeted federal funds. Ongoing enforcement costs are managed by the department's Lands and Facilities Trust Fund. A \$15,000.00 stewardship contribution to this fund will be made by the landowner at the time of the sale.]*

*[Received January 31, 2024]*

**JFO #3182:** \$125,000.00 to Agency of Natural Resources, Department of Environmental Conservation from the New England Interstate Water Pollution Control Commission to expand current monitoring of cyanotoxins in Lake Champlain and Vermont inland lakes.

*[Received January 31, 2024]*

**JFO #3181:** \$409,960.00 to the Agency of Commerce and Community Development, Department of Housing and Community Development from the U.S. Department of the Interior/National Park Service. Funds will be used for the preservation, repair, and restoration of the Old Constitution House, located in Windsor, Vermont. The first Constitution of Vermont was adopted on this site, then known as Elijah West's Tavern, on July 8, 1777. *[Note: A State match of \$53,714.00 is accomplished within the agency budget through the reduction of a fraction of an existing position base and existing capital bill funds.]*

*[Received January 31, 2024]*

**JFO #3180:** One (1) limited-service position, Administrative Services Director III, to the Agency of Administration, Recovery Office. Position will ensure that flood recovery projects are integrated with existing state and federal programs. Will also ensure compliance and tracking of already



awarded grants as well as those anticipated in the wake of the July 2023 flooding event. Position is funded through already approved JFO Request #3165 as well as Acts 74 (2021) and 185 (2022). The position is fully funded through 7/31/2027.

*[Received January 31, 2024]*

**JFO #3179:** Two (2) limited-service positions. One (1) to the Department of Mental Health, Project AWARE Lead Coordinator and one (1) to the Agency of Education, Project AWARE Co-Coordinator. The positions will liaison to coordinate and expand the state's efforts to develop sustainable infrastructure for school-based mental health. Both positions are fully funded through 9/29/28 from previous SAMHSA grant award JFO #2934.

*[Received January 26, 2024]*

**JFO #3178: \$456,436.00** to the Agency of Natural Resources, Secretary's Office from the U.S. Environmental Protection Agency. Funds will support (1) limited-service position, Environmental Analyst IV. This position will serve as administrative lead developing the updated Climate Action Plan with the Vermont Climate Council and perform added work required by the EPA grant. Position is funded through 6/30/2027.

*[Received January 11, 2024]*

**JFO #3177: \$2,543,564.00** to the Agency of Natural Resources, Secretary's Office from the U.S. Environmental Protection Agency. Funding is phase one of a two-phase funding opportunity aimed to support Vermont with climate change mitigation planning efforts. A comprehensive climate action plan will be developed, to overlap with and be synonymous to the required update to Vermont's Climate Action Plan in 2025.

*[Received January 12, 2024]*

**JFO #3176: \$250,000.00** to the Agency of Human Services, Department of Mental Health from the National Association of State Mental Health Program Directors. These funds will increase rapid access to behavioral health care by supporting the peer service component of the mental health urgent care clinic being established in Chittenden County. This clinic will offer an alternative to seeking mental health care in emergency departments

*[Received January 11, 2024]*