

House Calendar

Wednesday, May 8, 2024

127th DAY OF THE ADJOURNED SESSION

House Convenes at 10:00 A.M.

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ACTION CALENDAR

Action Postponed Until May 8, 2024

Senate Proposal of Amendment

H. 687

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

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

* * * Act 250 * * *

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

§ 6000. PURPOSE; CONSTRUCTION

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

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

§ 6021. BOARD; VACANCY; REMOVAL

(a) ~~A Natural Resources Board~~ established. The Land Use Review Board is created.

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

(A) The Governor shall appoint a chair of the Board, a position that shall be a full-time position. The Governor shall ensure Board membership

reflects, to the extent possible, the racial, ethnic, gender, and geographic diversity of the State. The Board shall not contain two members who reside in the same county.

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

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

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

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

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

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

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

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

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

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

§ 6032. LAND USE REVIEW BOARD NOMINATING COMMITTEE

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

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

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

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

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

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

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

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

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

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

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

(1) operating procedures of the Committee;

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

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

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

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

(j) Duties.

(1) When a vacancy occurs, the Committee shall review applicants to determine which are well qualified for the Board and submit those names to the Governor. The Committee shall submit to the Governor a summary of the qualifications and experience of each candidate whose name is submitted to the Governor together with any further information relevant to the matter.

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

professional regulatory entity, and that entity shall disclose to the Committee any professional disciplinary action taken or pending concerning the candidate.

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

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

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

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

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

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

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

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

§ 6025. RULES

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

* * *

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

§ 6027. POWERS

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

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

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

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

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

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

(c) The ~~Natural Resources~~ Board may designate or establish ~~such~~ regional offices as it deems necessary to implement the provisions of this chapter and the rules adopted ~~hereunder~~. The ~~Natural Resources~~ Board may designate or require a regional planning commission to receive applications, provide administrative assistance, perform investigations, and make recommendations.

(d) At the request of a District Commission, if the Board Chair determines that the workload in the requesting district is likely to result in unreasonable delays or that the requesting District Commission is disqualified to hear a case, the Chair may authorize the District Commission of another district to sit in the requesting district to consider one or more applications.

(e) The ~~Natural Resources~~ Board may by rule allow joint hearings to be conducted with specified State agencies or specified municipalities.

(f) The Board may publish online or contract to publish annotations and indices of the decisions of the Environmental Division and the text of those decisions. The published product shall be available at a reasonable rate to the general public and at a reduced rate to libraries and governmental bodies within the State.

(g) The ~~Natural Resources~~ Board shall manage the process by which land use permits are issued under section 6086 of this title, may initiate enforcement on related matters under the provisions of chapters 201 and 211 of this title, and may petition the Environmental Division for revocation of land use permits issued under this chapter. Grounds for revocation are:

(1) noncompliance with this chapter, rules adopted under this chapter, or an order that is issued that relates to this chapter;

(2) noncompliance with any permit or permit condition;

(3) failure to disclose all relevant and material facts in the application or during the permitting process;

(4) misrepresentation of any relevant and material fact at any time;

(5) failure to pay a penalty or other sums owed pursuant to, or other failure to comply with, court order, stipulation agreement, schedule of compliance, or other order issued under Vermont statutes and related to the permit; or

(6) failure to provide certification of construction costs, as required under subsection 6083a(a) of this title, or failure to pay supplemental fees as required under that section.

(h) The ~~Natural Resources~~ Board may hear appeals of fee refund requests under section 6083a of this title.

(i) The Chair, subject to the direction of the Board, shall have general charge of the offices and employees of the Board and the offices and employees of the District Commissions.

(j) The ~~Natural Resources~~ Board may participate as a party in all matters before the Environmental Division that relate to land use permits issued under this chapter.

(k) The Board shall review applications for Tier 1A areas and approve or disapprove based on whether the application demonstrates compliance with the requirements of section 6034 of this title. The Board shall produce guidelines for municipalities seeking to obtain the Tier 1A area status.

* * *

(n) The Board shall review for compliance regional plans and the future land use maps, including proposed Tier 1B areas, developed by the regional planning commissions pursuant to 24 V.S.A. § 4348a.

Sec. 6. 10 V.S.A. § 6022 is amended to read:

§ 6022. PERSONNEL

(a) Regular personnel. The Board may appoint legal counsel, scientists, engineers, experts, investigators, temporary employees, and administrative personnel as it finds necessary in carrying out its duties, unless the Governor shall otherwise provide in providing personnel to assist the District Commissions and in investigating matters within its jurisdiction.

(b) Executive Director. The Board shall appoint an Executive Director. The Director shall be a full-time State employee, shall be exempt from the State classified system, and shall serve at the pleasure of the Board. The Director shall be responsible for:

(1) supervising and administering the operation and implementation of this chapter and the rules adopted by the Board as directed by the Board;

(2) assisting the Board in its duties and administering the requirements of this chapter; and

(3) employing any staff as may be required to carry out the functions of the Board.

Sec. 7. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF REVIEW

~~(a) On or before the date of~~ Upon the filing of an application with the District Commission, the ~~applicant~~ District Commission shall send, by electronic means, notice ~~and a copy~~ of the ~~initial~~ application to the owner of the land if the applicant is not the owner; the municipality in which the land is located; the municipal and regional planning commissions for the municipality in which the land is located; the Vermont Agency of Natural Resources; and any adjacent Vermont municipality and municipal and regional planning commission if the land is located on a municipal or regional boundary. ~~The applicant shall furnish to the District Commission the names of those furnished notice by affidavit, and shall post~~ send by electronic means a copy of the notice ~~in~~ to the town clerk's office of the town or towns in which the project lies. The town clerk shall post the notice in the town office. The applicant shall also provide a list of adjoining landowners to the District Commission. Upon request and for good cause, the District Commission may authorize the applicant to provide a partial list of adjoining landowners in accordance with Board rules.

* * *

(e) Any notice for a major or minor application, as required by this section, shall also be published by the District Commission in a local newspaper generally circulating in the area where the development or subdivision is located and on the Board's website not more than ~~ten~~ 10 days after receipt of a complete application.

* * *

(f) The applicant shall post a sign provided by the District Commission on the subject property in a visible location 14 days prior to the hearing on the application and until the permit is issued or denied. The District Commission shall provide the sign that shall include a general description of the project, the date and place of the hearing, the identification number of the application and the internet address, and the contact information for the District Commission.

The design of the signs shall be consistent throughout the State and prominently state “This Property has applied for an Act 250 Permit.”

* * *

Sec. 8. 10 V.S.A. § 6086(h) is added to read:

(h) Compliance self-certification. The District Commission may require that a person who receives a permit under this chapter report on a regular schedule to the District Commission on whether or not the person has complied with and is in compliance with the conditions required in that permit. The report shall be made on a form provided by the Board and shall be notarized and contain a self-certification to the truth of statements.

Sec. 9. 10 V.S.A. § 6083a is amended to read:

§ 6083a. ACT 250 FEES

* * *

(i) Any municipality filing an application for a Tier 1A area status shall pay a fee of \$295.00.

(j) Any regional planning commission filing a regional plan or future land use map to be reviewed by the Board shall pay a fee of \$295.00.

* * * Transition; Revision authority * * *

Sec. 10. LAND USE REVIEW BOARD POSITIONS;
APPROPRIATION

(a) The following new positions are created at the Land Use Review Board for the purposes of carrying out this act:

(1) one Staff Attorney; and

(2) four full-time Land Use Review Board members.

(b) In fiscal year 2025, \$56,250.00 is appropriated from the General Fund to the Land Use Review Board for the attorney positions established in subdivision (a)(1) of this section.

Sec. 11. LAND USE REVIEW BOARD APPOINTMENTS; REVISION
AUTHORITY

(a) The Governor shall appoint the members of Land Use Review Board on or before July 1, 2025, and the terms of any Land Use Review Board member not appointed consistent with the requirements of 10 V.S.A. § 6021(a)(1)(A) or (B) shall expire on that day.

(b) As of July 1, 2025, all appropriations and employee positions of the Natural Resources Board are transferred to the Land Use Review Board.

(c) In preparing the Vermont Statutes Annotated for publication in 2025, the Office of Legislative Counsel shall replace all references to the “Natural Resources Board” with the “Land Use Review Board” in Title 3, Title 10, Title 24, Title 29, Title 30, and Title 32.

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before January 15, 2026, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of non-profit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board’s administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

(c) The report shall be submitted to the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy and the House Committee on Environment and Energy.

* * * Forest Blocks * * *

Sec. 12. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(47) “Habitat connector” means land or water, or both, that links patches of habitat within a landscape, allowing the movement, migration, and dispersal of wildlife and plants and the functioning of ecological processes. A habitat connector may include features including recreational trails and improvements constructed for farming, logging, or forestry purposes.

(48) “Forest block” means a contiguous area of forest in any stage of succession and not currently developed for nonforest use. A forest block may include features including recreational trails, wetlands, or other natural features that do not themselves possess tree cover and improvements constructed for farming, logging, or forestry purposes.

(49) “Habitat” means the physical and biological environment in which a particular species of plant or wildlife lives.

Sec. 13. 10 V.S.A. § 6086(a)(8) is amended to read:

(8) Ecosystem protection; scenic beauty; historic sites.

(A) Scenic beauty, historic sites, and rare and irreplaceable natural areas. Will not have an undue adverse effect on the scenic or natural beauty of the area, aesthetics, historic sites, or rare and irreplaceable natural areas.

(A)(B) Necessary wildlife habitat and endangered species. A permit will not be granted if it is demonstrated by any party opposing the applicant that a development or subdivision will destroy or significantly imperil necessary wildlife habitat or any endangered species; and:

(i) the economic, social, cultural, recreational, or other benefit to the public from the development or subdivision will not outweigh the economic, environmental, or recreational loss to the public from the destruction or imperilment of the habitat or species; or

(ii) all feasible and reasonable means of preventing or lessening the destruction, diminution, or imperilment of the habitat or species have not been or will not continue to be applied; or

(iii) a reasonably acceptable alternative site is owned or controlled by the applicant which would allow the development or subdivision to fulfill its intended purpose.

(C) Forest blocks and habitat connectors. A permit will not be granted for a development or subdivision within or partially within a forest block or habitat connector unless the applicant demonstrates that a project will not result in an undue adverse impact on the forest block or habitat connector. If a project as proposed would result in an undue adverse impact, a permit may only be granted if effects are avoided, minimized, or mitigated as allowed in accordance with rules adopted by the Board.

Sec. 14. CRITERION 8(C) RULEMAKING

(a) The Land Use Review Board (Board), in collaboration with the Agency of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6086(a)(8)(C). It is the intent of the General Assembly that these rules discourage fragmentation of the forest blocks and habitat connectors by encouraging clustering of development. Rules adopted by the Board shall include:

(1) How forest blocks and habitat connectors are further defined, including their size, location, and function, which may include:

(A) information that will be available to the public to determine where forest blocks and habitat connectors are located; or

(B) advisory mapping resources, how they will be made available, how they will be used, and how they will be updated.

(2) Standards establishing how impacts can be avoided or minimized, including how fragmentation of forest blocks or habitat connectors is avoided or minimized, which may include steps to promote proactive site design of buildings, roadways and driveways, utility location, and location relative to existing features such as roads, tree lines, and fence lines.

(3)(A) As used in this section, “fragmentation” generally means dividing land that has naturally occurring vegetation and ecological processes into smaller areas as a result of land uses that remove vegetation and create physical barriers that limit species’ movement and interrupt ecological processes between previously connected natural vegetation. However, the rules shall further define “fragmentation” for purposes of avoiding,

minimizing, and mitigating undue adverse impacts on forest blocks and habitat connectors. “Fragmentation” does not include the division or conversion of a forest block or habitat connector by an unpaved recreational trail or by improvements constructed for farming, logging, or forestry purposes below the elevation of 2,500 feet.

(B) As used in this subsection (a), “recreational trail” has the same meaning as “trails” in 10 V.S.A. § 442.

(4) Criteria to identify the circumstances when a forest block or habitat connector is eligible for mitigation. As part of this, the criteria shall identify the circumstances when the function, value, unique sensitivity, or location of the forest block or habitat connector would not allow mitigation.

(5) Standards for how impacts to a forest block or habitat connector may be mitigated. Standards may include:

(A) appropriate ratios for compensation;

(B) appropriate forms of compensation such as conservation easements, fee interests in land, and other forms of compensation; and

(C) appropriate uses of on-site and off-site mitigation.

(b) The Board shall convene a working group of stakeholders to provide input to the rule prior to pre-filing with the Interagency Committee on Administrative Rules. The Board shall convene the working group on or before July 1, 2025.

(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before June 15, 2026.

Sec. 15. 10 V.S.A. § 127 is amended to read:

§ 127. RESOURCE MAPPING

~~(a) On or before January 15, 2013, the~~ The Secretary of Natural Resources shall complete and maintain resource mapping based on the Geographic Information System (GIS) or other technology. The mapping shall identify natural resources throughout the State, including forest blocks and habitat connectors, that may be relevant to the consideration of energy projects and projects subject to chapter 151 of this title. The Center for Geographic Information shall be available to provide assistance to the Secretary in carrying out the ~~GIS-based~~ resource mapping.

~~(b) The Secretary of Natural Resources~~ shall consider the GIS-based resource maps developed under subsection (a) of this section when providing

evidence and recommendations to the Public Utility Commission under 30 V.S.A. § 248(b)(5) and when commenting on or providing recommendations under chapter 151 of this title to District Commissions on other projects.

(c) The Secretary shall establish and maintain written procedures that include a process and science-based criteria for updating resource maps developed under subsection (a) of this section. Before establishing or revising these procedures, the Secretary shall provide opportunities for affected parties and the public to submit relevant information and recommendations.

* * * Wood Products Manufacturers * * *

Sec. 16. 10 V.S.A. § 6093 is amended to read:

§ 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

(a) Mitigation for loss of primary agricultural soils. Suitable mitigation for the conversion of primary agricultural soils necessary to satisfy subdivision 6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.

* * *

(5) Wood products manufacturers. Notwithstanding any provision of this chapter to the contrary, a conversion of primary agricultural soils by a wood products manufacturing facility shall be allowed to pay a mitigation fee computed according to the provisions of subdivision (1) of this subsection, except that it shall be entitled to a ratio of 1:1 protected acres to acres of affected primary agricultural soil.

* * *

* * * Accessory on-farm businesses * * *

Sec. 17. 24 V.S.A. § 4412(11) is amended to read:

(11) Accessory on-farm businesses. No bylaw shall have the effect of prohibiting an accessory on-farm business at the same location as a farm.

(A) Definitions. As used in this subdivision (11):

(i) “Accessory on-farm business” means activity ~~that is accessory to~~ on a farm, the revenues of which may exceed the revenues of the farming operation, and comprises one or both of the following:

(I) The storage, preparation, processing, and sale of qualifying products, provided that ~~more than 50 percent of the total annual sales are from~~ the qualifying products that are produced on the a farm at which the business

is located; the sale of products that name, describe, or promote the farm or accessory on-farm business, including merchandise or apparel that features the farm or accessory on-farm business; or the sale of bread or baked goods.

* * *

(iv) “Qualifying product” means a product that is wholly:

(I) an agricultural, horticultural, viticultural, or dairy commodity, or maple syrup;

(II) livestock or cultured fish or a product thereof;

(III) a product of poultry, bees, an orchard, or fiber crops;

(IV) a commodity otherwise grown or raised on a farm; or

(V) a product manufactured on one or more farms from commodities wholly grown or raised on one or more farms.

* * *

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

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(t) No permit or permit amendment is required for the construction of improvements for an accessory on-farm business for the storage or sale of qualifying products or the other eligible enumerated products as defined in 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for the construction of improvements for an accessory on-farm business for the preparation or processing of qualifying products as defined in 24 V.S.A. § 4412(11)(A)(i)(I), provided that more than 50 percent of the total annual sales of the prepared or processed qualifying products come from products produced on the farm where the business is located. This subsection shall not apply to the construction of improvements related to hosting events or farm stays as part of an accessory on-farm business as defined in 24 V.S.A. § 4412(11)(A)(i)(II).

* * *

* * * Road Rule * * *

Sec. 19. 10 V.S.A. § 6001(3)(A)(xii) is added to read:

(xii) The construction of a road or roads and any associated driveways to provide access to or within a tract of land owned or controlled by a person. For the purposes of determining jurisdiction under this subdivision, any new development or subdivision on a parcel of land that will be provided

access by the road and associated driveways is land involved in the construction of the road.

(I) Jurisdiction under this subdivision shall not apply unless the length of any single road is greater than 800 feet, or the length of all roads and any associated driveways in combination is greater than 2,000 feet.

(II) As used in this subdivision (xii), “roads” include any new road or improvement to a class 4 town highway by a person other than a municipality, including roads that will be transferred to or maintained by a municipality after their construction or improvement.

(III) For the purpose of determining the length of any road and associated driveways, the length of all other roads and driveways within the tract of land constructed after July 1, 2026 shall be included.

(IV) This subdivision (xii) shall not apply to:

(aa) a State or municipal road, a utility corridor of an electric transmission or distribution company, or a road used primarily for farming or forestry purposes; and

(bb) development within a Tier 1A area established in accordance with section 6034 of this title or a Tier 1B area established in accordance with section 6033 of this title

(V) The conversion of a road used for farming or forestry purposes that also meets the requirements of this subdivision (xii) shall constitute development.

(VI) The intent of this subdivision (xii) is to encourage the design of clustered subdivisions and development that does not fragment Tier 2 areas or Tier 3 areas.

Sec. 20. RULEMAKING; ROAD CONSTRUCTION

The Natural Resources Board may adopt rules after consulting with stakeholders, providing additional specificity to the necessary elements of 10 V.S.A. § 6001(3)(A)(xii). It is the intent of the General Assembly that any rules encourage the design of clustered subdivisions and development that does not fragment Tier 2 areas or Tier 3 areas.

* * * Location-Based Jurisdiction * * *

Sec. 21. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

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

(i) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than 10 acres of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has adopted permanent zoning and subdivision bylaws.

(ii) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has not adopted permanent zoning and subdivision bylaws.

(iii) The construction of improvements for commercial or industrial purposes on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a municipality that has adopted permanent zoning and subdivision bylaws, if the municipality in which the proposed project is located has elected by ordinance, adopted under 24 V.S.A. chapter 59, to have this jurisdiction apply.

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

* * *

(vi) The construction of improvements for commercial, industrial, or residential use at or above the elevation of 2,500 feet.

* * *

(xiii) The construction of improvements for commercial, industrial, or residential purposes in a Tier 3 area as determined by rules adopted by the Board.

* * *

(45) "Tier 2" means an area that is not a Tier 1 area or a Tier 3 area.

(46) "Tier 3" means an area consisting of critical natural resources defined by the rules of the Board. The Board's rules shall at a minimum determine whether and how to protect river corridors, headwater streams,

habitat connectors of statewide significance, riparian areas, class A waters, natural communities, and other critical natural resources.

Sec. 22. TIER 3 RULEMAKING

(a) The Natural Resources Board, in consultation with the Secretary of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46). It is the intent of the General Assembly that these rules identify critical natural resources for protection. The Board shall review the definition of Tier 3 area; determine the critical natural resources that shall be included in Tier 3, giving due consideration to river corridors, headwater streams, habitat connectors of statewide significance, riparian areas, class A waters, natural communities; recommend any additional critical natural resources that should be added to the definition; and how to define the boundaries. Rules adopted by the Board shall include:

(1) any necessary clarifications to how the Tier 3 definition is used in 10 V.S.A. chapter 151;

(2) any necessary changes to how 10 V.S.A. § 6001(3)(A)(xiii) should be administered, and when jurisdiction should be triggered to protect the functions and values of resources of critical natural resources;

(3) the process for how Tier 3 areas will be mapped or identified by the Agency of Natural Resources and the Board; and

(4) other policies or programs that shall be developed to review development impacts to Tier 3 areas if they are not included in 10 V.S.A. § 6001(46).

(b) On or before January 1, 2025, the Board shall convene a working group of stakeholders to provide input to the rule prior to pre-filing with the Interagency Committee on Administrative Rules. The working group shall include representation from regional planning commissions; environmental groups; science and ecological research organizations; woodland or forestry organizations; the Vermont Housing and Conservation Board; the Vermont Chamber of Commerce; the League of Cities of Towns; the Land Access and Opportunity Board; the State Natural Resources Conservation Council; and other stakeholders, such as the Vermont Ski Areas Association, the Department of Taxes, Division of Property Valuation and Review, the Department of Forests, Parks and Recreation, the Department of Environmental Conservation, the Department of Fish and Wildlife, the Vermont Woodlands Association, and the Professional Logging Contractors of the Northeast.

(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before February 1, 2026.

(d) During the rule development, the stakeholder group established under subsection (b) of this section shall solicit participation from representatives of municipalities and landowners that host Tier 3 critical resource areas on their properties to determine the responsibilities and education needed to understand, manage, and interact with the resources.

* * * Tier 1 Areas * * *

Sec. 23. 10 V.S.A. § 6001(3)(A)(xi) is amended to read:

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

Sec. 24. 10 V.S.A. § 6001(3)(D)(viii)(III) is amended to read:

(III) Notwithstanding any other provision of law to the contrary, until July 1, 20262028, the construction of a priority housing project located entirely within a designated downtown development district, designated neighborhood development area, or a designated growth center or within one-half mile around such designated center. For purposes of this subdivision (III), in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-half mile of the designated center boundary. If the one-half mile around the designated center extends into an adjacent municipality, the legislative body of the adjacent municipal may inform the Board that it does not want the exemption to extend into that area.

Sec. 25. REPEALS

(a) 2023 Acts and Resolves No. 47, Sec. 16a is repealed.

(b) 2023 Acts and Resolves No. 47, Sec. 19c is repealed.

Sec. 26. 10 V.S.A. § 6081(y) is amended to read:

(y) ~~No~~ Until December 31, 2030, no permit or permit amendment is required for a retail electric distribution utility's rebuilding of existing electrical distribution lines and related facilities to improve reliability and service to existing customers, through overhead or underground lines in an existing corridor, road, or State or town road right-of-way. Nothing in this section shall be interpreted to exempt projects under this subsection from other required permits or the conditions on lands subject to existing permits required by this section.

Sec. 27. 10 V.S.A. § 6033 is added to read:

§ 6033. REGIONAL PLAN FUTURE LAND USE MAP REVIEW

(a) The Board shall review requests from regional planning commissions to approve or disapprove portions of future land use maps for the purposes of changing jurisdictional thresholds under this chapter by identifying areas on future land use maps for Tier 1B area status and to approve designations pursuant to 24 V.S.A. chapter 139. The Board may produce guidelines for regional planning commissions seeking Tier 1B area status. If requested by the regional planning commission, the Board shall complete this review concurrently with regional plan approval. A request for Tier 1B area status made by a regional planning commission separate from regional plan approval shall follow the process set forth in 24 V.S.A. § 4348.

(b) The Board shall review the portions of future land use maps that include downtowns or village centers, planned growth areas, and village areas to ensure they meet the requirements under 24 V.S.A. §§ 5803 and 5804 for designation as downtown and village centers and neighborhood areas.

(c) To obtain a Tier 1B area status under this section, the regional planning commission shall demonstrate to the Board that the municipalities with Tier 1B areas meet the requirements for village areas included in 24 V.S.A. § 4348a(a)(12)(C). A municipality may have multiple noncontiguous areas receive Tier 1B area status.

(d) A municipality that is eligible for Tier 1B status may formally request of the Board that they be excluded from Tier 1B area status if the municipality has elected by ordinance adopted under 24 V.S.A. chapter 59. If a municipality seeks to be excluded from Tier 1B, it shall lose any center or neighborhood designations and be ineligible for future designation until it seeks Tier 1B status.

Sec. 28. 10 V.S.A. § 6034 is added to read:

§ 6034. TIER 1A AREA STATUS

(a) Application and approval.

(1) Beginning on January 1, 2026, a municipality, by resolution of its legislative body, may apply to the Land Use Review Board for Tier 1A status for the area of the municipality that is suitable for dense development and meets the requirements of subsection (b) of this section. A municipality may apply for multiple noncontiguous areas to be receive Tier 1A area status. Applications may be submitted at different times.

(2) The Board shall issue an affirmative determination on finding that the municipality meets the requirements of subsection (b) of this section within 45 days after the application is received.

(b) Tier 1A area status requirements.

(1) To obtain a Tier 1A area status under this section, a municipality shall demonstrate to the Board that:

(A) The boundaries are consistent with downtown or village centers and planned growth areas as defined 24 V.S.A. § 4348a(a)(12) in an approved regional plan future land use map with any minor amendments.

(B) The municipality has adopted flood hazard and river corridor bylaws, applicable to the entire municipality, that are consistent with or stronger than the standards established pursuant to subsection 755(b) of this title (flood hazard) and subsection 1428(b) of this title (river corridor) or the proposed Tier 1A area excludes the flood hazard areas and river corridor.

(C) The municipality has adopted permanent zoning and subdivision bylaws that do not include broad exemptions that exclude significant private or public land development from requiring a municipal land use permit.

(D) The municipality has permanent land development regulations for the Tier 1A area that further the smart growth principles of 24 V.S.A. chapters 76A, adequately regulate the physical form and scale of development, provide reasonable provision for a portion of the areas with sewer and water to allow at least four stories, and conform to the guidelines established by the Board.

(E) The Tier 1A area is compatible with the character of adjacent National Register Historic Districts, National or State Register Historic Sites, and other significant cultural and natural resources identified by local or State government.

(F) To the extent that they are not covered under State permits, the municipality has identified and planned for the maintenance of significant natural communities, rare, threatened, and endangered species located in the Tier 1A area or excluded those areas from the Tier 1A area.

(G) Public water and wastewater systems or planned improvements have the capacity to support additional development within the Tier 1A area.

(2) If any party entitled to notice under subdivision (c)(3)(A) of this section or any resident of the municipality raises concerns about the municipality's compliance with the requirements, those concerns shall be addressed as part of the municipality's application.

(c) Process for issuing determinations of Tier 1A area status.

(1) A preapplication meeting shall be held with the Board staff, municipal staff, and staff of the relevant regional planning commission (RPC) to review the requirements of subsection (b) of this section. The meeting shall be held in person or electronically.

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

(3) After receipt of a complete final application, the Land Use Review Board shall convene a public hearing in the municipality to consider whether to issue a determination of Tier 1A area status under this section.

(A) Notice.

(i) At least 35 days in advance of the Board's meeting, the regional planning commission shall post notice of the meeting on its website.

(ii) The municipality shall publish notice of the meeting 30 days and 15 days in advance of the Board's meeting in a newspaper of general circulation in the municipality, and deliver physically or electronically, with proof of receipt or by certified mail, return receipt requested to the Agency of Natural Resources; the Division for Historic Preservation; the Agency of Agriculture, Food and Markets; the Agency of Transportation; the regional planning commission; the regional development corporations; and the entities providing educational, police, and fire services to the municipality.

(iii) The notice shall also be posted by the municipality in or near the municipal clerk's office and in at least two other designated public places in the municipality, on the websites of the municipality and the regional planning commission, and on any relevant e-mail lists or social media that the municipality uses.

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

(v) Notice of an application for Tier 1A area status shall be delivered physically or electronically with proof of receipt or sent by certified mail, return receipt requested, to each of the following:

(I) the chair of the legislative body of each adjoining municipality;

(II) the executive director of each abutting regional planning commission;

(III) the Department of Housing and Community Development and the Community Investment Board for a formal review and comment; and

(IV) business, conservation, low-income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned.

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

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

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

(d) Review of status.

(1) Initial determination of status may be made at any time. Thereafter, review of a status shall occur every eight years with a check-in after four years.

(2) The Board, on its motion, may review compliance with the Tier 1A area requirements at more frequent intervals.

(3) If at any time the Board determines that the Tier 1A area no longer meets the standards for the status, it shall take one of the following actions:

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

(B) terminate the status.

Sec. 29. TIER 1A AREA GUIDELINES

On or before January 1, 2026, the Land Use Review Board shall publish guidelines to direct municipalities seeking to obtain the Tier 1A area status.

Sec. 30. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

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

* * *

(2) A land use plan, which shall consist of a map and statement of present and prospective land uses, that:

* * *

(C) Identifies those areas, if any, proposed for designation under chapter 76A of this title and for status under 10 V.S.A. §§ 6033 and 6034, together with, for each area proposed for designation, an explanation of how the designation would further the plan’s goals and the goals of section 4302 of this title, and how the area meets the requirements for the type of designation to be sought.

* * *

Sec. 31. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(z)(1) Notwithstanding any other provision of this chapter to the contrary, no permit or permit amendment is required for any subdivision, development, or change to an existing project that is located entirely within a Tier 1A area under section 6034 of this chapter.

(2) Notwithstanding any other provision of this chapter to the contrary, no permit or permit amendment is required within a Tier 1B area approved by the Board under section 6033 of this chapter for 50 units or fewer of housing on a tract or tracts of land involving 10 acres or less or for mixed-use development with 50 units or fewer of housing on a tract or tracts of land involving 10 acres or less.

(3) Upon receiving notice and a copy of the permit issued by an appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously

issued permit for a development or subdivision located in a Tier 1A area shall remain attached to the property. However, neither the Board nor the Agency of Natural Resources shall enforce the permit or assert amendment jurisdiction on the tract or tracts of land unless the designation is revoked or the municipality has not taken any reasonable action to enforce the conditions of the permit.

(aa) No permit amendment is required for the construction of improvements for a hotel or motel converted to permanently affordable housing developments as defined in 24 V.S.A. § 4303(2).

(bb) Until July 1, 2028, no permit or permit amendment is required for the construction of improvements for one accessory dwelling unit constructed within or appurtenant to a single-family dwelling. Units constructed pursuant to this subsection shall not count towards the total units constructed in other projects.

(cc) Until July 1, 2028, no permit amendment is required for the construction of improvements for converting a structure used for a commercial purpose to 29 or fewer housing units.

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until July 1, 2028, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 75 or units fewer, constructed or maintained on a tract or tracts of land, located entirely within a designated new town center, a designated growth center, or a designated neighborhood development area. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains.

(2)(A) Notwithstanding any other provision of law to the contrary, until July 1, 2028, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 50 or fewer units, constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within:

(i) a designated village center with permanent zoning and subdivision bylaws or within one-quarter mile of its boundary; or

(ii) areas of a municipality that are within a census-designated urbanized area with over 50,000 residents and within one-quarter mile of a transit route.

(B) Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains. For purposes of this subdivision (B), in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-quarter mile of the designated village center boundary or the center line of the transit route. If the one-quarter mile extends into an adjacent municipality, the legislative body of the adjacent municipal may inform the Board that it does not want the exemption to extend into that area.

(3) Notwithstanding any other provision of law to the contrary, until July 1, 2028, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains.

Sec. 32. 10 V.S.A. § 6001(50) and (51) are added to read :

(50) “Accessory dwelling unit” means a distinct unit that is clearly subordinate to a single-family dwelling, located on an owner-occupied lot and has facilities and provisions for independent living, including sleeping, food preparation and sanitation, provided there is compliance with all of the following:

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

(B) the unit is located within or appurtenant to a single-family dwelling, whether the dwelling is existing or new construction.

(51) “Transit route” means a set route or network of routes on which a public transit service as defined in 24 V.S.A. § 5088 operates a regular schedule.

Sec. 33. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(g)(1) This subsection shall apply to a subdivision or development that:

(A) was previously permitted pursuant to 10 V.S.A. chapter 151;

(B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and

(C) has applied for a permit or permit amendment required by zoning regulations or bylaws adopted pursuant to this subchapter.

(2) The appropriate municipal panel reviewing a municipal permit or permit amendment pursuant to this subsection shall include conditions contained within a permit previously issued pursuant to 10 V.S.A. chapter 151 unless the panel determines that the permit condition pertains to any of the following:

(A) the construction phase of the project that has already been constructed;

(B) compliance with another State permit that has independent jurisdiction;

(C) federal or State law that is no longer in effect or applicable;

(D) an issue that is addressed by municipal regulation and the project will meet the municipal standards; or

(E) a physical or use condition that is no longer in effect or applicable or that will no longer be in effect or applicable once the new project is approved.

(3) After issuing or amending a permit containing conditions pursuant to this subsection, the appropriate municipal panel shall provide notice and a copy of the permit to the Land Use Review Board.

(4) The appropriate municipal panel shall comply with the notice and hearing requirements provided in subdivision 4464(a)(1) of this title. In addition, notice shall be provided to those persons requiring notice under 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

(5) The appropriate municipal panel's decision shall be issued in accordance with subsection 4464(b) of this title and shall include specific findings with respect to its determinations pursuant to subdivision (2) of this subsection.

(6) Any final action by the appropriate municipal panel affecting a condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall be recorded in the municipal land records.

(h) Within a Tier 1A area, the appropriate municipal panel shall enforce any existing permits issued under 10 V.S.A. chapter 151 that has not had its permit conditions transferred to a municipal permit pursuant to subsection (g) of this section.

Sec. 34. TIER 2 AREA REPORT

(a) On or before February 15, 2026, the Land Use Review Board shall report recommendations to address Act 250 jurisdiction in Tier 2 areas. The recommendations shall:

(1) recommend statutory changes to address fragmentation of rural and working lands while allowing for development;

(2) address how to apply location-based jurisdiction to Tier 2 areas while meeting the statewide planning goals, including how to address commercial development and which shall also include:

(A) review of the effectiveness of mitigation of impacts on primary agricultural soils and making recommendations for how to improve protections for this natural resource;

(B) review of the effectiveness of jurisdictional triggers for development of retail and service businesses outside village centers, and criterion 9(L), in addressing sprawl and strip development, and how to improve the effectiveness of criterion 9(L); and

(C) review of whether and how Act 250 jurisdiction over commercial activities on farms should be revised, including accessory on-farm businesses.

(b) The report shall be submitted to the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment and Energy and the Senate Committees on Agriculture and on Natural Resources and Energy.

Sec. 35. WOOD PRODUCTS MANUFACTURERS REPORT

(a) The Land Use Review Board, in consultation with the Department of Forests, Parks and Recreation, shall convene a stakeholder group to report on how to address the Act 250 permitting process to better support wood products manufacturers and their role in the forest economy.

(b) The group shall examine the Act 250 permitting process and identify how the minor permit process provided for in 10 V.S.A. § 6084(g) has been working and whether there are shortcomings or challenges.

(c) The group may look at permitting holistically to understand the role of permits from the Agency of Natural Resources, municipal permits, where they apply, and Act 250 permits and develop recommendations to find efficiencies in the entire process or recommend an alternative permitting process for wood products manufacturers.

(d) On or before December 15, 2024, the Land Use Review Board shall submit the report to the House Committees on Agriculture, Food Resiliency,

and Forestry and on Environment and Energy and the Senate Committee on Natural Resources and Energy.

Sec. 36. LOCATION-BASED JURISDICTION REVIEW

On or before February 1, 2029, the Land Use Review Board shall review and report on the new Tier jurisdiction framework used to establish location-based jurisdiction for 10 V.S.A. chapter 151. The Board shall report on the outcomes and outline successes and any changes that are needed. The Board shall undertake an in-depth review of the Act 250 updates, including the duties and responsibilities of all the staff and the Board itself, specifically whether the updates have reduced appeals and whether the updates have created more equity and cohesion amongst the District Commissions and district coordinators.

Sec. 37. AFFORDABLE HOUSING DEVELOPMENT REGULATORY INCENTIVES STUDY

(a) The Department of Housing and Community Development, the Vermont Housing and Conservation Board, the Land Access and Opportunity Board, and the Vermont Housing Finance Agency shall:

(1) engage with diverse stakeholders, including housing developers, local government officials, housing advocacy organizations, financial institutions, and community members to identify regulatory policies that incentivize mixed-income, mixed-use development and support affordable housing production as a percentage of new housing units in communities throughout the State, including examining the impact of inclusionary zoning; and

(2) develop recommendations for legislative, regulatory, and administrative actions to improve and expand affordable housing development incentives within State designated areas.

(b) On or before December 15, 2024, the Department of Housing and Community Development shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy and the House Committees on General and Housing and on Environment and Energy with its findings and recommendations.

Sec. 37a. TRANSPORTATION SUPPORT STUDY

(a) On or before December 15, 2025, the Agency of Transportation, after consultation with the Department of Housing and Community Development, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, and the Natural Resources Board, shall review the revenue received by the State, both current and projected, for transit support

through Act 250 and the revenue and benefits to developers, to the State, and to the community received through transportation impact fees, and shall suggest processes to preserve these revenues, requirements, and benefits.

(b) The Agency shall consider including transportation demand management and subsidy requirements in development review authority for municipalities, the authority or ability of the Agency of Transportation to enforce transportation impact fees as part of the municipal process, and any other proposals.

(c) The Agency shall hear from a diverse group of stakeholders including developers, local government officials, alternative transportation organizations, transit providers, and financial institutions.

(d) On or before December 15, 2025, the Agency of Transportation shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs, on Natural Resources and Energy, and on Transportation and the House Committees on Transportation and on Environment and Energy with its findings and recommendations.

Sec. 38. [Deleted.]

* * * Environmental Justice * * *

Sec. 39. 3 V.S.A. § 6004 is amended to read:

§ 6004. IMPLEMENTATION OF STATE POLICY

* * *

(c) Each of the covered agencies shall create and adopt on or before July 1, ~~2025~~ 2027 a community engagement plan that describes how the agency will engage with environmental justice focus populations as it evaluates new and existing activities and programs. Community engagement plans shall align with the core principles developed by the Interagency Environmental Justice Committee pursuant to subdivision 6006(c)(2)(B) of this title and take into consideration the recommendations of the Environmental Justice Advisory Council pursuant to subdivision 6006(c)(1)(B) of this title. Each plan shall describe how the agency plans to provide meaningful participation in compliance with Title VI of the Civil Rights Act of 1964.

(d) The covered agencies shall submit an annual summary beginning on ~~January~~ March 15, 2024 and annually thereafter to the Environmental Justice Advisory Council, detailing all complaints alleging environmental justice issues or Title VI violations and any agency action taken to resolve the complaints. The Advisory Council shall provide any recommendations concerning those reports within 60 days after receipt of the complaint

summaries. Agencies shall consider the recommendations of the Advisory Council pursuant to subdivision 6006(c)(1)(E) of this title and substantively respond in writing if an agency chooses not to implement any of the recommendations, within 90 days after receipt of the recommendations.

* * *

(f) The Agency of Natural Resources, in consultation with the Interagency Environmental Justice Committee and the Environmental Justice Advisory Council, shall issue guidance on how the covered agencies shall determine which investments provide environmental benefits to environmental justice focus populations on or before September 15, ~~2023~~ 2025. A draft version of the guidance shall be released for a 40-day public comment period before being finalized.

(g)(1) On or before February 15, ~~2024~~ 2026, the covered agencies shall, in accordance with the guidance document developed by the Agency of Natural Resources pursuant to subsection (f) of this section, review the past three years and generate baseline spending reports that include:

* * *

(h) On or before July 1, ~~2024~~ 2026, it shall be the goal of the covered agencies to direct investments proportionately in environmental justice focus populations.

(i)(1) Beginning on January 15, ~~2026~~ 2028, and annually thereafter, the covered agencies shall either integrate the following information into existing annual spending reports or issue annual spending reports that include:

* * *

(j) Beginning on January 15, ~~2025~~ 2027, the covered agencies shall each issue and publicly post an annual report summarizing all actions taken to incorporate environmental justice into its policies or determinations, rulemaking, permit proceedings, or project review.

Sec. 40. 3 V.S.A. § 6005 is amended to read:

§ 6005. RULEMAKING

(a) On or before July 1, ~~2025~~ 2027, the Agency of Natural Resources, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall adopt rules to:

* * *

(b) On or before July 1, ~~2026~~ 2028 and as appropriate thereafter, the covered agencies, in consultation with the Environmental Justice Advisory

Council, shall adopt or amend policies and procedures, plans, guidance, and rules, where applicable, to implement this chapter.

* * *

Sec. 41. 3 V.S.A. § 6006 is amended to read:

§ 6006. ENVIRONMENTAL JUSTICE ADVISORY COUNCIL AND
INTERAGENCY ENVIRONMENTAL JUSTICE COMMITTEE

* * *

(b) Meetings. The Advisory Council and Interagency Committee shall each meet not more than ~~eight~~ 12 times per year, with at least four meetings occurring jointly. Meetings may be held in person, remotely, or in a hybrid format to facilitate maximum participation and shall be recorded and publicly posted on the Secretary's website.

(c) Duties.

* * *

(2) The Interagency Committee shall:

(A) consult with the Agency of Natural Resources in the development of the guidance document required by subsection 6004(g) of this title on how to determine which investments provide environmental benefits to environmental justice focus populations; and

(B) on or before July 1, ~~2023~~ 2025, develop, in consultation with the Agency of Natural Resources and the Environmental Justice Advisory Council, a set of core principles to guide and coordinate the development of the State agency community engagement plans required under subsection 6004(d) of this title.

(3) The Advisory Council and the Interagency Committee shall jointly:

(A) consider and recommend to the General Assembly, on or before December 1, ~~2023~~ 2025, amendments to the terminology, thresholds, and criteria of the definition of environmental justice focus populations, including whether to include populations more likely to be at higher risk for poor health outcomes in response to environmental burdens; and

* * *

Sec. 42. 3 V.S.A. § 6007 is amended to read:

§ 6007. ENVIRONMENTAL JUSTICE MAPPING TOOL

* * *

(c) On or before January 1, ~~2025~~ 2027, the mapping tool shall be available for use by the public as well as by the State government.

Sec. 43. 2022 Acts and Resolves No. 154, Sec. 3 is amended to read:

Sec. 3. SPENDING REPORT

On or before December 15, ~~2025~~ 2027, the Agency of Natural Resources shall submit a report to the General Assembly describing whether the baseline spending reports completed pursuant to 3 V.S.A. § 6004(g) of this section indicate if any municipalities or portions of municipalities are routinely underserved with respect to environmental benefits, taking into consideration whether those areas receive, averaged across three years, a significantly lower percentage of environmental benefits from State investments as compared to other municipalities or portions of municipalities in the State. This report shall include a recommendation as to whether a statutory definition of “underserved community” and any other revisions to this chapter are necessary to best carry out the Environmental Justice State Policy.

* * * Amicus briefs * * *

Sec. 44. 10 V.S.A. § 8504(q) is added to read:

(q) Amicus curiae. Notwithstanding the hearing of an appeal as de novo, any judge presiding over appeals from chapter 151 of this title and Agency permits pursuant to subsection (a) of this section may allow participation in such appeals by amicus curiae following the Rules of Appellate Procedure Rule 29.

* * * Future Land Use Maps * * *

Sec. 45. 24 V.S.A. § 4302 is amended to read:

§ 4302. PURPOSE; GOALS

* * *

(c) In addition, this chapter shall be used to further the following specific goals:

(1) To plan development so as to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside.

(A) Intensive residential development should be encouraged primarily in ~~areas related to community centers~~ downtown centers, village centers, planned growth areas, and village areas as described in section 4348a of this title, and strip development along highways should be discouraged avoided. These areas should be planned so as to accommodate a substantial

majority of housing needed to reach the housing targets developed for each region pursuant to subdivision 4348a(a)(9) of this title.

(B) Economic growth should be encouraged in locally and regionally designated growth areas, employed to revitalize existing village and urban centers, or both, ~~and should be encouraged in growth centers designated under chapter 76A of this title.~~

(C) Public investments, including the construction or expansion of infrastructure, should reinforce the ~~general character and~~ planned growth patterns of the area.

(D) Development should be undertaken in accordance with smart growth principles as defined in subdivision 2791(13) of this title.

* * *

(5) To identify, protect, and preserve important natural and historic features of the Vermont landscape, including:

(A) significant natural and fragile areas;

(B) outstanding water resources, including lakes, rivers, aquifers, shorelands, and wetlands;

(C) significant scenic roads, waterways, and views;

(D) important historic structures, sites, or districts, archaeological sites, and archaeologically sensitive areas.

(6) To maintain and improve the quality of air, water, wildlife, forests, and other land resources.

(A) Vermont's air, water, wildlife, mineral, and land resources should be planned for use and development according to the principles set forth in 10 V.S.A. § 6086(a).

(B) Vermont's water quality should be maintained and improved according to the policies and actions developed in the basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253.

(C) Vermont's forestlands should be managed so as to maintain and improve forest blocks and habitat connectors.

* * *

(11) To ensure the availability of safe and affordable housing for all Vermonters.

(A) Housing should be encouraged to meet the needs of a diversity of social and income groups in each Vermont community, particularly for those

citizens of low and moderate income, and consistent with housing targets provided for in subdivision 4348a(a)(9) of this title.

(B) New and rehabilitated housing should be safe, sanitary, located conveniently to employment and commercial centers, and coordinated with the provision of necessary public facilities and utilities.

(C) Sites for ~~multi-family~~ multifamily and manufactured housing should be readily available in locations similar to those generally used for single-family ~~conventional~~ dwellings.

(D) Accessory ~~apartments~~ dwelling units within or attached to single-family residences ~~which~~ that provide affordable housing in close proximity to cost-effective care and supervision for relatives, elders, or persons who have a disability should be allowed.

* * *

(14) To encourage flood resilient communities.

(A) New development in identified flood hazard, ~~fluvial erosion,~~ and river corridor protection areas should be avoided. If new development is to be built in such areas, it should not exacerbate flooding and fluvial erosion.

(B) The protection and restoration of floodplains and upland forested areas that attenuate and moderate flooding and fluvial erosion should be encouraged.

(C) Flood emergency preparedness and response planning should be encouraged.

(15) To equitably distribute environmental benefits and burdens as described in 3 V.S.A. chapter 72.

* * *

Sec. 46. 24 V.S.A. § 4345a is amended to read:

§ 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

A regional planning commission created under this chapter shall:

* * *

(5) Prepare a regional plan and amendments that are consistent with the goals established in section 4302 of this title, and compatible with approved municipal and adjoining regional plans. When preparing a regional plan, the regional planning commission shall:

(A) ~~develop~~ Develop and carry out a process that will encourage and enable widespread citizen involvement; and meaningful participation, as defined in 3 V.S.A. § 6002.

(B) ~~develop~~ Develop a regional data base that is compatible with, useful to, and shared with the geographic information system established under 3 V.S.A. § 20;

(C) ~~conduct~~ Conduct capacity studies;

(D) ~~identify~~ Identify areas of regional significance. Such areas may be, but are not limited to, historic sites, earth resources, rare and irreplaceable natural areas, recreation areas, and scenic areas;

(E) ~~use a land evaluation and site assessment system, that shall at a minimum use the criteria established by the Secretary of Agriculture, Food and Markets under 6 V.S.A. § 8, to identify viable agricultural lands;~~ Consider the potential environmental benefits and environmental burdens, as defined in 3 V.S.A. §6002, of the proposed plan.

(F) ~~consider~~ Consider the probable social and economic benefits and consequences of the proposed plan;~~and.~~

(G) ~~prepare~~ Prepare a report explaining how the regional plan is consistent with the goals established in section 4302 of this title.

* * *

(11) Review proposed State capital expenditures prepared pursuant to 32 V.S.A. chapter 5 and the Transportation Program prepared pursuant to 19 V.S.A. chapter 1 for compatibility and consistency with regional plans and submit comments to the Secretaries of Transportation and Administration and the legislative committees of jurisdiction.

* * *

(17) As part of its regional plan, define a substantial regional impact, as the term may be used with respect to its region. This definition shall be given ~~due consideration~~ substantial deference, where relevant, in State regulatory proceedings.

* * *

Sec. 47. 24 V.S.A. § 4347 is amended to read:

§ 4347. PURPOSES OF REGIONAL PLAN

A regional plan shall be made with the general purpose of guiding and accomplishing a coordinated, efficient, equitable, and economic development

of the region ~~which that~~ will, in accordance with the present and future needs and resources, best promote the health, safety, order, convenience, prosperity, and welfare of ~~the~~ current and future inhabitants as well as efficiency and economy in the process of development. This general purpose includes recommending a distribution of population and of the uses of the land for urbanization, trade, industry, habitation, recreation, agriculture, forestry, and other uses as will tend to:

(1) create conditions favorable to transportation, health, safety, civic activities, and educational and cultural opportunities;

(2) reduce the wastes of financial, energy, and human resources ~~which that~~ result from either excessive congestion or excessive scattering of population;

(3) promote an efficient and economic utilization of drainage, energy, sanitary, and other facilities and resources;

(4) promote the conservation of the supply of food, water, energy, and minerals;

(5) promote the production of food and fiber resources and the reasonable use of mineral, water, and renewable energy resources; ~~and~~

(6) promote the development of housing suitable to the needs of the region and its communities; ~~and~~

(7) help communities equitably build resilience to address the effects of climate change through mitigation and adaptation consistent with the Vermont Climate Action Plan adopted pursuant to 10 V.S.A. § 592 and 3 V.S.A. chapter 72.

Sec. 48. 24 V.S.A. § 4348 is amended to read:

§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

(a) A regional planning commission shall adopt a regional plan. Any plan for a region, and any amendment ~~thereof~~, shall be prepared by the regional planning commission. At the outset of the planning process and throughout the process, regional planning commissions shall solicit the participation of each of their member municipalities, local citizens, and organizations by holding informal working sessions that suit the needs of local people. The purpose of these working sessions is to allow for meaningful participation as defined in 3 V.S.A. § 6002, provide consistent information about new statutory requirements related to the regional plan, explain the reasons for new requirements, and gather information to be used in the development of the regional plan and future land use element.

(b) 60 days prior to holding the first public hearing on a regional plan, a regional planning commission shall submit a draft regional plan to the Land Use Review Board review and comments related to conformance of the draft with sections 4302 and 4348a of this title and chapter 139 of this title. The Board shall coordinate with other State agencies and respond within 60 days unless more time is granted by the regional planning commission.

(c) The regional planning commission shall hold two or more public hearings within the region after public notice on any proposed plan or amendment. The minimum number of required public hearings may be specified within the bylaws of the regional planning commission.

(e)(d)(1) At least 30 days prior to the first hearing, a copy of the proposed plan or amendment, a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter, and a description of any changes to the Regional Future Land Use Map with a request for general comments and for specific comments with respect to the extent to which the plan or amendment is consistent with the goals established in section 4302 of this title, shall be delivered physically or electronically with proof of receipt or sent by certified mail, return receipt requested, to each of the following:

(1)(A) the chair of the legislative body or municipal manager, if any of each municipality within the region;

(2)(B) the executive director of each abutting regional planning commission;

(3)(C) the Department of Housing and Community Development within the Agency of Commerce and Community Development and the Community Investment Board for a formal review and comment;

(4)(D) business, conservation, low-income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned; and

(5)(E) the Agency of Natural Resources and; the Agency of Agriculture, Food and Markets; the Agency of Transportation; the Department of Public Service; the Department of Public Safety's Division of Emergency Management; and the Land Use Review Board.

(2) At least 30 days prior to the first hearing, the regional planning commission shall provide each of its member municipalities with a written description of map changes within the municipality, a municipality-wide map showing old versus new areas with labels, and information about the new Tier

structure under 10 V.S.A. chapter 151, including how to obtain Tier 1A or 1B status, and the process for updating designated area boundaries.

~~(d)~~(e) Any of the foregoing bodies, or their representatives, may submit comments on the proposed regional plan or amendment to the regional planning commission, and may appear and be heard in any proceeding with respect to the adoption of the proposed plan or amendment.

~~(e)~~(f) The regional planning commission may make revisions to the proposed plan or amendment at any time not less than 30 days prior to the final public hearing held under this section. If the proposal is changed, a copy of the proposed change shall be delivered physically ~~or~~; electronically with proof of receipt; or by certified mail, return receipt requested, to the chair of the legislative body of each municipality within the region; and to any individual or organization requesting a copy, at least 30 days prior to the final hearing.

~~(f)~~(g) A regional plan or amendment shall be adopted by not less than a 60 percent vote of the commissioners representing municipalities, in accordance with the bylaws of the regional planning commission, ~~and immediately submitted to the legislative bodies of the municipalities that comprise the region. The plan or amendment shall be considered duly adopted and shall take effect 35 days after the date of adoption, unless, within 35 days of the date of adoption, the regional planning commission receives certification from the legislative bodies of a majority of the municipalities in the region vetoing the proposed plan or amendment. In case of such a veto, the plan or amendment shall be deemed rejected.~~

(h)(1) Within 15 days following adoption, a regional planning commission shall submit its regionally adopted regional plan to the Land Use Review Board for a determination of regional plan compliance with a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter and a description of any changes to the regional plan future land use map.

(2) The Land Use Review Board shall hold a public hearing within 60 days after receiving a plan and provide notice of it at least 15 days in advance by direct mail or electronically with proof of receipt to the requesting regional planning commission, posting on the website of the Land Use Review Board, and publication in a newspaper of general circulation in the region affected. The regional planning commission shall notify its municipalities and post on its website the public hearing notice.

(3) The Land Use Review Board shall issue the determination in writing within 15 days after the close of the hearing on the plan. If the determination

is affirmative, a copy of the determination shall be provided to the regional planning commission and the Community Investment Board. If the determination is negative, the Land Use Review Board shall state the reasons for denial in writing and, if appropriate, suggest acceptable modifications. Submissions for a new determination that follow a negative determination shall receive a new determination within 45 days.

(4) The Land Use Review Board’s affirmative determination shall be based upon finding the regional plan meets the following requirements:

(A) Consistency with the State planning goals as described in section 4302 of this chapter with consistency determined in the manner described under subdivision 4302(f)(1) of this chapter.

(B) Consistency with the purposes of the regional plan established in section 4347 of chapter.

(C) Consistency with the regional plan elements as described in section 4348a of this chapter, except that the requirements of section 4352 of this chapter related to enhanced energy planning shall be the under the sole authority of the Department of Public Service.

(D) Compatibility with adjacent regional planning areas in the manner described under subdivision 4302(f)(2) of this chapter.

(i) Objections of interested parties.

(1) An interested party who has participated in the regional plan adoption process may object to the approval of the plan or approval of the future land use maps by the Land Use Review Board within 15 days following plan adoption by the regional planning commission. Participation is defined as providing written or oral comments stating objections for consideration at a public hearing held by the regional planning commission. Objections shall be submitted using a form provided by the Land Use Review Board.

(2) As used in this section, an “interested party” means any one of the following:

(A) Any 20 persons by signed petition who own property or reside within the region. The petition must designate one person to serve as the representative of the petitioners regarding all matters related to the objection. The designated representative shall have participated in the regional plan adoption process.

(B) A party entitled to notice under subsection (d) of this section.

(3) Any objection under this section shall be limited to the question of whether the regional plan is consistent with the regional plan elements and

future land use areas as described in section 4348a of this title. The requirements of section 4352 of this title related to enhanced energy planning shall be under the sole authority of the Department of Public Service and shall not be reviewed by the Land Use Review Board.

(4) The Land Use Review Board shall hear any objections of regional plan adoption concurrently with regional plan review under subsection (h) of this section and 10 V.S.A. § 6033. The Land Use Review Board decision of approval of a regional plan shall expressly evaluate any objections and state the reasons for their decisions in writing. If applicable, the decision to uphold an objection shall suggest modifications to the regional plan.

(j) Minor amendments to regional plan future land use map. A regional planning commission may submit a request for a minor amendment to boundaries of a future land use area for consideration by the Land Use Review Board with a letter of support from the municipality. The request may only be submitted after an affirmative vote of the municipal legislative body and the regional planning commission board. The Land Use Review Board, after consultation with the Community Investment Board and the regional planning commissions, shall provide guidance about what constitutes a minor amendment. Minor amendments may include any change to a future land use area consisting of fewer than 10 acres. A minor amendment to a future land use area shall not require an amendment to a regional plan and shall be included in the next iteration of the regional plan. The Board may adopt rules to implement this section.

(k) An affirmative determination of regional plan compliance issued pursuant to this section shall remain in effect until the end of the period for expiration or readoption of the plan to which it applies.

(l) Regional planning commissions shall be provided up to 18 months from a negative determination by the Land Use Review Board to obtain an affirmative determination of regional plan compliance. If a regional planning commission is unable to obtain affirmative determination of regional plan compliance, the plan shall be considered unapproved and member municipalities shall lose any associated benefits related to designations, such as Act 250 exemptions or eligibility for State infrastructure investments.

(m) Upon approval by the Land Use Review Board, the plan shall be considered duly adopted, shall take effect, and is not appealable. The plan shall be immediately submitted to the entities listed in subsection (d) of this section.

~~(g)~~(n) Regional plans may be reviewed from time to time and may be amended in the light of new developments and changed conditions affecting the region.

~~(h)~~(o) In proceedings under 10 V.S.A. chapter 151, 10 V.S.A. chapter 159, and 30 V.S.A. § 248, in which the provisions of a regional plan or a municipal plan are relevant to the determination of any issue in those proceedings:

(1) the provisions of the regional plan shall be given effect to the extent that they are not in conflict with the provisions of a duly adopted municipal plan; and

(2) to the extent that such a conflict exists, the regional plan shall be given effect if it is demonstrated that the project under consideration in the proceedings would have a substantial regional impact as determined by the definition in the regional plan.

(p) Regional planning commissions shall adopt a regional plan in conformance with this title on or before December 31, 2026.

Sec. 49. 24 V.S.A. § 4348a is amended to read:

§4348a. ELEMENTS OF A REGIONAL PLAN

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

(1) A statement of basic policies of the region to guide the future growth and development of land and of public services and facilities, and to protect the environment.

(2) A ~~land-use~~ natural resources and working lands element, which shall consist of a map or maps and ~~statement of present and prospective land uses policies,~~ based on ecosystem function, consistent with Vermont Conservation Design, support compact centers surrounded by rural and working lands, and that:

(A) Indicates those areas of significant natural resources, including existing and proposed for forests, wetlands, vernal pools, rare and irreplaceable natural areas, floodplains, river corridors, recreation, agriculture, (using the agricultural lands identification process established in 6 V.S.A. § 8), residence, commerce, industry, public, and ~~semi-public~~ semipublic uses, open spaces, areas reserved for flood plain, forest blocks, habitat connectors, recreation areas and recreational trails, and areas identified by the State, regional planning commissions, or municipalities that require special consideration for aquifer protection; for wetland protection; for the

maintenance of forest blocks, wildlife habitat, and habitat connectors; or for other conservation purposes.

~~(B) Indicates those areas within the region that are likely candidates for designation under sections 2793 (downtown development districts), 2793a (village centers), 2793b (new town centers), and 2793c (growth centers) of this title.~~

~~(C) Indicates locations proposed for developments with a potential for regional impact, as determined by the regional planning commission, including flood control projects, surface water supply projects, industrial parks, office parks, shopping centers and shopping malls, airports, tourist attractions, recreational facilities, private schools, public or private colleges, and residential developments or subdivisions.~~

~~(D) Sets forth the present and prospective location, amount, intensity, and character of such land uses and the appropriate timing or sequence of land development activities in relation to the provision of necessary community facilities and services.~~

~~(E) Indicates those areas that have the potential to sustain agriculture and recommendations for maintaining them which that may include transfer of development rights, acquisition of development rights, or farmer assistance programs.~~

~~(F)(C) Indicates those areas that are important as forest blocks and habitat connectors and plans for land development in those areas to minimize forest fragmentation and promote the health, viability, and ecological function of forests. A plan may include specific policies to encourage the active management of those areas for wildlife habitat, water quality, timber production, recreation, or other values or functions identified by the regional planning commission.~~

~~(D) Encourages preservation of rare and irreplaceable natural areas, scenic and historic features and resources.~~

~~(E) Encourages protection and improvement of the quality of waters of the State to be used in the development and furtherance of the applicable basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253.~~

(3) An energy element, ~~which may include~~ including an analysis of resources, needs, scarcities, costs, and problems within the region across all energy sectors, including electric, thermal, and transportation; a statement of policy on the conservation and efficient use of energy and the development and siting of renewable energy resources; a statement of policy on patterns and

densities of land use likely to result in conservation of energy; and an identification of potential areas for the development and siting of renewable energy resources and areas that are unsuitable for siting those resources or particular categories or sizes of those resources.

(4) A transportation element, ~~which may consist~~ consisting of a statement of present and prospective transportation and circulation facilities, and a map showing existing and proposed highways, including limited access highways, and streets by type and character of improvement, and where pertinent, anticipated points of congestion, parking facilities, transit routes, terminals, bicycle paths and trails, scenic roads, airports, railroads and port facilities, and other similar facilities or uses, and recommendations to meet future needs for such facilities, with indications of priorities of need, costs, and method of financing.

(5) A utility and facility element, consisting of a map and statement of present and prospective local and regional community facilities and public utilities, whether publicly or privately owned, showing existing and proposed educational, recreational and other public sites, buildings and facilities, including public schools, State office buildings, hospitals, libraries, power generating plants and transmission lines, wireless telecommunications facilities and ancillary improvements, water supply, sewage disposal, refuse disposal, storm drainage, and other similar facilities and activities, and recommendations to meet future needs for those facilities, with indications of priority of need.

(6) ~~A statement of policies on the:~~

~~(A) preservation of rare and irreplaceable natural areas, scenic and historic features and resources; and~~

~~(B) protection and improvement of the quality of waters of the State to be used in the development and furtherance of the applicable basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253. [Repealed.]~~

* * *

(12) A future land use element, based upon the elements in this section, that sets forth the present and prospective location, amount, intensity, and character of such land uses in relation to the provision of necessary community facilities and services and that consists of a map delineating future land use area boundaries for the land uses in subdivisions (A)–(J) of this subdivision (12) as appropriate and any other special land use category the regional planning commission deems necessary; descriptions of intended future land

uses; and policies intended to support the implementation of the future land use element using the following land use categories:

(A) Downtown or village centers. These areas are the mixed-use centers bringing together community economic activity and civic assets. They include downtowns, villages, and new town centers previously designated under chapter 76A and downtowns and village centers seeking benefits under the Community Investment Program under section 5804 of this title. The downtown or village centers are the traditional and historic central business and civic centers within planned growth areas, village areas, or may stand alone. Village centers are not required to have public water, wastewater, zoning, or subdivision bylaws.

(B) Planned growth areas. These areas include the high-density existing settlement and future growth areas with high concentrations of population, housing, and employment in each region and town, as appropriate. They include a mix of historic and nonhistoric commercial, residential, and civic or cultural sites with active streetscapes, supported by land development regulations; public water or wastewater, or both; and multimodal transportation systems. These areas include new town centers, downtowns, village centers, growth centers, and neighborhood development areas previously designated under chapter 76A of this title. These areas should generally meet the smart growth principles definition in chapter 139 of this title and the following criteria:

(i) The municipality has a duly adopted and approved plan and a planning process that is confirmed in accordance with section 4350 of this title and has adopted bylaws and regulations in accordance with sections 4414, 4418, and 4442 of this title.

(ii) This area is served by public water or wastewater infrastructure.

(iii) The area is generally within walking distance from the municipality's or an adjacent municipality's downtown, village center, new town center, or growth center.

(iv) The area excludes identified flood hazard and river corridor areas, except those areas containing preexisting development in areas suitable for infill development as defined in section 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(v) The municipal plan indicates that this area is intended for higher-density residential and mixed-use development.

(vi) The area provides for housing that meets the needs of a diversity of social and income groups in the community.

(vii) The area is served by planned or existing transportation infrastructure that conforms with “complete streets” principles as described under 19 V.S.A. chapter 24 and establishes pedestrian access directly to the downtown, village center, or new town center. Planned transportation infrastructure includes those investments included in the municipality’s capital improvement program pursuant to section 4430 of this title.

(C) Village areas. These areas include the traditional settlement area or a proposed new settlement area, typically composed of a cohesive mix of residential, civic, religious, commercial, and mixed-use buildings, arranged along a main street and intersecting streets that are within walking distance for residents who live within and surrounding the core. These areas include existing village center designations and similar areas statewide, but this area is larger than the village center designation. Village areas shall meet the following criteria:

(i) The municipality has a duly adopted and approved plan and a planning process that is confirmed in accordance with section 4350 of this title.

(ii) The municipality has adopted bylaws and regulations in accordance with sections 4414, 4418, and 4442 of this title.

(iii) Unless the municipality has adopted flood hazard and river corridor bylaws, applicable to the entire municipality, that are consistent with the standards established pursuant to 10 V.S.A. § 755b (flood hazard) and 10 V.S.A. § 1428(b) (river corridor), the area excludes identified flood hazard and river corridors, except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(iv) The municipality has either municipal water or wastewater. If no public wastewater is available, the area must have soils that are adequate for wastewater disposal.

(v) The area has some opportunity for infill development or new development areas where the village can grow and be flood resilient.

(D) Transition or infill area. These areas include areas of existing or planned commercial, office, mixed-use development, or residential uses either adjacent to a planned growth or village area or a new stand-alone transition or infill area and served by, or planned for, public water or wastewater, or both. The intent of this land use category is to transform these areas into higher-

density, mixed-use settlements, or residential neighborhoods through infill and redevelopment or new development. New commercial linear strip development is not allowed as to prevent it negatively impacting the economic vitality of commercial areas in the adjacent or nearby planned growth or village area. This area could also include adjacent greenfields safer from flooding and planned for future growth.

(E) Resource-based recreation areas. These areas include large-scale resource-based recreational facilities, often concentrated around ski resorts, lakeshores, or concentrated trail networks, that may provide infrastructure, jobs, or housing to support recreational activities.

(F) Enterprise areas. These areas include locations of high economic activity and employment that are not adjacent to planned growth areas. These include industrial parks, areas of natural resource extraction, or other commercial uses that involve larger land areas. Enterprise areas typically have ready access to water supply, sewage disposal, electricity, and freight transportation networks.

(G) Hamlets. Small historic clusters of homes and may include a school, place of worship, store, or other public buildings not planned for significant growth; no public water supply or wastewater systems; and mostly focused along one or two roads. These may be depicted as points on the future land use map.

(H) Rural; general. These areas include areas that promote the preservation of Vermont's traditional working landscape and natural area features. They allow for low-density residential and some limited commercial development that is compatible with productive lands and natural areas. This may also include an area that a municipality is planning to make more rural than it is currently.

(I) Rural; agricultural and forestry. These areas include blocks of forest or farmland that sustain resource industries, provide critical wildlife habitat and movement, outdoor recreation, flood storage, aquifer recharge, and scenic beauty, and contribute to economic well-being and quality of life. Development in these areas should be carefully managed to promote the working landscape and rural economy, and address regional goals, while protecting the agricultural and forest resource value.

(J) Rural; conservation. These are areas of significant natural resources, identified by regional planning commissions or municipalities based upon existing Agency of Natural Resources mapping that require special consideration for aquifer protection; for wetland protection; for the maintenance of forest blocks, wildlife habitat, and habitat connectors; or for

other conservation purposes. The mapping of these areas and accompanying policies are intended to help meet requirements of 10 V.S.A. chapter 89. Any portion of this area that is approved by the LURB as having Tier 3 area status shall be identified on the future land use map as an overlay upon approval.

(b) The various elements and statements shall be correlated with the land use element and with each other. The maps called for by this section may be incorporated on one or more maps, and may be referred to in each separate statement called for by this section.

(c) The regional plan future land use map shall delineate areas within the regional planning commission's member municipalities that are eligible to receive designation benefits as centers and neighborhoods when the future land use map is approved by the Land Use Review Board per 10 V.S.A. § 6033. The areas eligible for designation as centers shall be identified on the regional plan future land use map as regional downtown centers and village centers. The areas eligible for designation as neighborhoods shall be identified on the regional plan future land use map as planned growth areas and village areas in a manner consistent with this section and chapter 139 of this title. This methodology shall include all approved designated downtowns, villages, new town centers, neighborhood development areas, and growth centers existing on December 31, 2025, unless the subject member municipality requests otherwise.

(d) With the exception of preexisting, nonconforming designations approved prior to the establishment of the program, the areas eligible for designation benefits upon the Land Use Review Board's approval of the regional plan future land use map for designation as a center shall not include development that is disconnected from a downtown or village center and that lacks an existing or planned pedestrian connection to the center via a complete street.

(e) The Vermont Association of Planning and Development Agencies shall develop, maintain, and update standard methodology and process for the mapping of areas eligible for Tier 1B status under 10 V.S.A. § 6033 and designation under chapter 139 of this title. The methodology shall be issued on or before December 31, 2024, in consultation with the Department of Housing and Community Development and Land Use Review Board.

Sec. 50. REGIONAL PLANNING COMMISSION STUDY

(a) The Vermont Association of Planning and Development Agencies (VAPDA) shall hire an independent contractor to study the strategic opportunities for regional planning commissions to better serve municipalities and the State. This study shall seek to ensure that the regional planning

commissions are statutorily enabled and strategically positioned to meet ongoing and emerging State and municipal needs and shall review the following: governance, funding, programs, service delivery, equity, accountability, and staffing.

(b) A stakeholder group composed of the Vermont League of Cities and Towns, Vermont Council on Rural Development, the Department of Housing and Community Development, the Agency of Administration, the Office of Racial Equity, legislators, and others will be invited to participate in the study to provide their insights into governance structure, accountability, and performance standards.

(c) The study shall identify the gaps in statutory enabling language, structure, and local engagement and make recommendations on how to improve and ensure consistent and equitable statewide programming and local input and engagement, including methods to improve municipal participation; the amount of regional planning grant funding provided to each regional planning commission relative to statutory responsibilities, the number of municipalities, and other demands; and how to make it easier for municipalities to work together.

(d) On or before December 31, 2024, the study report shall be submitted to the House Committees on Environment and Energy, on Commerce and Economic Development, and on Government Operations and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs, on Natural Resources and Energy, and on Government Operations.

* * * Municipal Zoning * * *

Sec. 51. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

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

* * *

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

* * *

Sec. 52. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

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

* * *

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be ~~an allowed~~ a permitted use with ~~the same~~ dimensional standards as that are not more restrictive than is required for a single-unit dwelling, including no additional land or lot area than would be required for a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use on the same size lot as single-unit dwelling, unless that district specifically requires multiunit structures to have more than four dwelling units.

* * *

(12) In any area served by municipal sewer and water infrastructure that allows residential development, bylaws shall establish lot and building dimensional standards that allow five or more dwelling units per acre for each allowed residential use, ~~and density.~~ Any lot that is smaller than one acre but granted a variance of not more than 10 percent shall be treated as one acre for the purposes of this subsection. Density and minimum lot size standards for multiunit dwellings shall not be more restrictive than those required for single-family dwellings.

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

(14) No zoning or subdivision bylaw shall have the effect of prohibiting unrelated occupants from residing in the same dwelling unit.

Sec. 53. 24 V.S.A. § 4413 is amended to read:

§ 4413. LIMITATIONS ON MUNICIPAL BYLAWS

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

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

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

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

(D) public and private hospitals;

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

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

(G) emergency shelters; and

(H) hotels and motels converted to permanently affordable housing developments.

* * *

Sec. 54. 24 V.S.A. § 4428 is added to read:

§ 4428. PARKING BYLAWS

(a) Parking regulation. Consistent with section 4414 of this title and with this section, a municipality may regulate parking.

(b) Parking space size standards. For the purpose of residential parking, a municipality shall define a standard parking space as not larger than nine feet by 18 feet, however a municipality may allow a portion of parking spaces to be smaller for compact cars or similar use. A municipality may require a larger space wherever American with Disabilities Act-compliant spaces are required.

(c) Existing nonconforming parking. A municipality shall allow an existing nonconforming parking space to count toward the parking requirement of an existing residential building if new residential units are added to the building.

(d) Adjacent lots. A municipality may allow a person with a valid legal agreement for use of parking spaces in an adjacent or nearby lot to count toward the parking requirement of a residential building.

Sec. 55. 2023 Acts and Resolves No. 47, Sec. 1 is amended to read:

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

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

* * *

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

* * *

Sec. 56. 2023 Acts and Resolves No. 81, Sec. 10 is amended to read:

Sec. 10. 2023 Acts and Resolves No. 47, Sec. 47 is amended to read:

Sec. 47. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that:

(1) Sec. 1 (24 V.S.A. § 4414) shall take effect on ~~December~~ July 1, 2024.

* * *

Sec. 57. 24 V.S.A. § 4429 is added to read:

§ 4429. LOT COVERAGE BYLAWS

A municipality shall allow for a lot coverage bonus of 10 percent on lots that allow access to new or subdivided lots without road frontage.

Sec. 58. 24 V.S.A. § 4464 is amended to read:

§ 4464. HEARING AND NOTICE REQUIREMENTS; DECISIONS AND CONDITIONS; ADMINISTRATIVE REVIEW; ROLE OF ADVISORY COMMISSIONS IN DEVELOPMENT REVIEW

* * *

(b) Decisions.

(1) The appropriate municipal panel may recess the proceedings on any application pending submission of additional information. The panel should close the evidence promptly after all parties have submitted the requested information. The panel shall adjourn the hearing and issue a decision within 45 ~~180~~ days after the adjournment of the hearing, and failure of the panel to issue a decision within this period shall be deemed approval and shall be effective on the 46th day complete application was submitted unless both the applicant and the panel agree to waive the deadline. Decisions shall be issued in writing and shall include a statement of the factual bases on which the appropriate municipal panel has made its conclusions and a statement of the conclusions. The minutes of the meeting may suffice, provided the factual bases and conclusions relating to the review standards are provided in conformance with this subsection.

* * *

Sec. 59. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

* * *

(b) As used in this chapter, an “interested person” means any one of the following:

* * *

(4) Any ~~10~~ 25 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this

title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.

* * *

Sec. 60. [Deleted.]

Sec. 61. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days of following the date of that decision; and

(4) it shall be the goal of the Environmental Division to issue a decision on a case regarding an appeal of an appropriate municipal panel decision under 24 V.S.A. chapter 117 within 90 days following the close of the hearing.

* * *

* * * Resilience Planning * * *

Sec. 62. 24 V.S.A. § 4306 is amended to read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE
FUND

(a)(1) The Municipal and Regional Planning and Resilience Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be composed of 17 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

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

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

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

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

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

(3) Of the annual disbursement to municipalities, an amount not to exceed 20 percent of the total may be disbursed to the Department to administer a program providing direct technical consulting assistance under retainer on a rolling basis to any eligible municipality to meet the requirements for designated neighborhood development area under chapter 76A of this title,

provided that the municipality is eligible for funding under subdivision (2) of this subsection and meets funding guidelines established by the Department to ensure accessibility for lower capacity communities, municipal readiness, and statewide coverage.

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

(c) Funds allocated to municipalities shall be used for the purposes of:

(1) funding the regional planning commission in undertaking capacity studies;

(2) carrying out the provisions of subchapters 5 through 10 of this chapter;

(3) acquiring development rights, conservation easements, or title to those lands, areas, and strictures identified in either regional or municipal plans as requiring special consideration for provision of needed housing, aquifer protection, flood protection, climate resilience, open space, farmland preservation, or other conservation purposes; and

(4) reasonable and necessary costs of administering the Fund by the Department of Housing and Community Development, not to exceed six percent of the municipality allocation.

(d) Until July 1, 2027, the annual disbursement to municipalities shall:

(1) prioritize funding grants to municipalities that do not have zoning or subdivision bylaws to create zoning or subdivision bylaws;

(2) allow a regional planning commission to submit an application for disbursement on behalf of a municipality; and

(3) not require a municipality without zoning or subdivision bylaws to contribute matching funds in order to receive a grant.

Sec. 63. [Deleted.]

Sec. 64. [Deleted.]

* * * Designated Areas Update * * *

Sec. 65. REPEALS

(a) 24 V.S.A. chapter 76A (Historic Downtown Development) is repealed on July 1, 2034.

(b) 24 V.S.A. § 2792 (Vermont Downtown Development Board) is repealed on July 1, 2024.

Sec. 66. 24 V.S.A. chapter 139 is added to read:

CHAPTER 139. STATE COMMUNITY INVESTMENT PROGRAM

§ 5801. DEFINITIONS

As used in this chapter:

(1) “Community Investment Program” means the program established in this chapter, as adapted from the former State designated areas program formerly in chapter 76A of this title. Statutory references outside this chapter referring to the former State-designated downtown, village centers, and new town centers shall mean designated center, once established. Statutory references outside this chapter referring to the former State-designated neighborhood development areas and growth centers shall mean designated neighborhood, once established. The program shall extend access to benefits that sustain and revitalize existing buildings and maintain the basis of the program’s primary focus on revitalizing historic downtowns, villages and surrounding neighborhoods by promoting smart growth development patterns and historic preservation practices vital to Vermont’s economy, cultural landscape, equity of opportunity, and climate resilience.

(2) “Complete streets” or “complete street principles” has the same meaning as in 19 V.S.A. chapter 24.

(3) “Department” means the Department of Housing and Community Development.

(4) “Downtown center” or “village center” means areas on the regional plan future land use maps that may be designated as a center consistent with section 4348a of this title.

(5) “LURB” refers to the Land Use Review Board established pursuant to 10 V.S.A. § 6021.

(6) “Infill” means the use of vacant land or property or the redevelopment of existing buildings within a built-up area for further construction or land development.

(7) “Local downtown organization” means either a nonprofit corporation, or a board, council, or commission created by the legislative body of the municipality, whose primary purpose is to administer and implement the community reinvestment agreement and other matters regarding the revitalization of the downtown.

(8) “Planned growth area” means an area on the regional plan future land use maps required under section 4348a of this title, which may encompass

a downtown center or village center on the regional future land use map and may be designated as a center or neighborhood, or both.

(9) “Regional plan future land use map” means the map prepared pursuant to section 4348a of this title.

(10) “Sprawl repair” means the redevelopment of lands with buildings, traffic and circulation, parking, or other land coverage in a pattern that is consistent with smart growth principles.

(11) “State Board” means the Vermont Community Investment Board established in section 5802 of this title.

(12) “State Designated Downtown and Village Center” or “center” means a contiguous downtown or village a portion of which is listed or eligible for listing in the national register of historic places area approved as part of the LURB review of regional plan future land use maps, which may include an approved preexisting designated designated downtown, village center, or designated new town center established prior to the approval of the regional plan future land use maps.

(13) “State designated neighborhood” or “neighborhood” means a contiguous geographic area approved as part of the Land Use Review Board review of regional plan future land use maps that is compact and adjacent and contiguous to a center.

(14) “Vermont Downtown Program” means a program within the Department that coordinates with Main Street America that helps support community investment and economic vitality while preserving the historic character of Vermont’s downtowns. The Vermont Downtown Program provides downtowns with financial incentives, training, and technical assistance supporting local efforts to restore historic buildings, improve housing, design walkable communities, and encourage economic development by incentivizing public and private investments.

(15) “Village area” means an area on the regional plan future land use maps adopted pursuant to section 4348a of this title, which may encompass a village center on the regional future land use map.

§ 5802. VERMONT COMMUNITY INVESTMENT BOARD

(a) A Vermont Community Investment Board, also referred to as the “State Board,” is created to administer the provisions of this chapter. The State Board shall be composed of the following members or their designees:

- (1) the Secretary of Commerce and Community Development;
- (2) the Secretary of Transportation;

- (3) the Secretary of Natural Resources;
 - (4) the Commissioner of Public Safety;
 - (5) the State Historic Preservation Officer;
 - (6) a member of the community designated by the Director of Racial Equity;
 - (7) a person, appointed by the Governor from a list of three names submitted by the Vermont Natural Resources Council and the Preservation Trust of Vermont;
 - (8) a person, appointed by the Governor from a list of three names submitted by the Vermont Association of Chamber of Commerce Executives;
 - (9) three public members representative of local government, one of whom shall be designated by the Vermont League of Cities and Towns and two of whom shall be appointed by the Governor;
 - (10) the Executive Director of the Vermont Bond Bank;
 - (11) the State Treasurer;
 - (12) a member of the Vermont Planners Association designated by the Association;
 - (13) a representative of a regional development corporation designated by the regional development corporations; and
 - (14) a representative of a regional planning commission designated by the Vermont Association of Planning and Development Agencies.
- (b) The State Board shall elect a chair and vice chair from among its membership.
- (c) The Department shall provide legal, staff, and administrative support to the State Board; shall produce guidelines to direct municipalities seeking to obtain designation under this chapter and for other purposes established by this chapter; and shall pay per diem compensation for board members pursuant to 32 V.S.A. § 1010(b).
- (d) The State Board shall meet at least quarterly.
- (e) The State Board shall have authority to adopt rules of procedure to use for appeal of its decisions and rules on handling conflicts of interest.
- (f) In addition to any other duties confirmed by law, the State Board shall have the following duties:

(1) to serve as the funding and benefits coordination body for the State Community Investment Program;

(2) to review and comment on proposed regional plan future land use maps prepared by the regional planning commission and presented to the LURB for designated center and designated neighborhood recognition under 10 V.S.A. § 6033;

(3) to award tax credits under the 32 V.S.A. § 5930aa et seq.;

(4) to manage the Downtown Transportation and Related Capital Improvement Fund Program established by section 5808 of this title; and

(5) to review and comment on LURB guidelines, rules, or procedures for the regional plan future land use maps as they relate to the designations under this chapter.

§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

(a) Designation established. A regional planning commission may apply to the LURB for approval and designation of all centers by submitting the regional plan future land use map adopted by the regional planning commission. The regional plan future land use map shall identify downtown centers and village centers as the downtown and village areas eligible for designation as centers. The Department and State Board shall provide comments to the LURB on areas eligible for center designation as provided under this chapter.

(b) Inclusions. The areas mapped by the regional planning commissions as a center shall allow for the designation of preexisting, designated downtowns, village centers and new town centers in existence on or before December 31, 2025.

(c) Exclusions. With the exception for preexisting, nonconforming designations approved prior to the establishment of the program under this chapter or areas included in the municipal plan for the purposes of relocating a municipality's center for flood resiliency purposes, the areas eligible for designation benefits upon the LURB's approval of the regional plan future land use map for designation as a Center shall not include development that is disconnected from a Center and that lacks a pedestrian connection to the Center via a complete street.

(d) Approval. The LURB shall conduct its review pursuant to 10 V.S.A. § 6033.

(e) Transition. All designated downtowns, village centers, or new town centers existing as of December 31, 2025 will retain current benefits until

December 31, 2026 or until approval of the regional future land use maps by the LURB, whichever comes first. All existing designations in effect December 31, 2025 will expire December 31, 2026 if the regional plan does not receive LURB approval under this chapter. All benefits for unexpired designated downtowns, village centers, and new town centers that are removed under this chapter shall remain in effect until July 1, 2034. Prior to June 30, 2026, no check-in or renewals shall be required for the preexisting designations. New applications for downtowns, villages, and new town centers may be approved by the State Board prior to the first public hearing on a regional future land use map or until December 31, 2025, whichever comes first.

(f) Benefits Steps. A center may receive the benefits associated with the steps in this section by meeting the established requirements. The Department shall review applications from municipalities to advance from Step One to Two and from Step Two to Three and issue written decisions. The Department shall issue a written administrative decision within 30 days following an application. If a municipal application is rejected by the Department, the municipality may appeal the administrative decision to the State Board. To maintain a downtown approved under chapter 76A after December 31, 2026, the municipality shall apply for renewal following a regional planning approval by the LURB and meet the program requirements. Step Three designations that are not approved for renewal revert to Step Two. The municipality may appeal the administrative decision of the Department to the State Board. Appeals of administrative decisions shall be heard by the State Board at the next meeting following a timely filing stating the reasons for the appeal. The State Board's decision is final. The Department shall issue guidance to administer these steps.

(1) Step One.

(A) Requirements. Step One is established to create an accessible designation for all villages throughout the State to become eligible for funding and technical assistance to support site-based improvements and planning. All downtown and village centers shall automatically reach Step One upon approval of the regional plan future land use map by the LURB. Regional plan future land use maps supersede preexisting designated areas that may already meet the Step One requirement.

(B) Benefits. A center that reaches Step One is eligible for the following benefits:

(i) funding and technical assistance eligibility for site-based projects, including the Better Places Grant Program under section 5810 of this

chapter, access to the Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq., and other programs identified in the Department's guidance; and

(ii) funding priority for developing or amending the municipal plan, visioning, and assessments.

(2) Step Two.

(A) Requirements. Step Two is established to create a mid-level designation for villages throughout the State to increase planning and implementation capacity for community-scale projects. A center reaches Step Two if it:

(i) meets the requirements of Step One or if it has a designated village center or new town center under chapter 76A of this title upon initial approval of the regional plan future land use map and prior to December 31, 2026;

(ii) has a confirmed municipal planning process pursuant to 24 V.S.A. § 4350;

(iii) has a municipal plan with goals for investment in the center;
and

(iv) a portion of the center is listed or eligible for listing in the National Register of Historic Places.

(B) Benefits. In addition to the benefits of Step One, a center that reaches Step Two is eligible for the following benefits:

(i) funding priority for bylaws and special-purpose plans, capital plans, and area improvement or reinvestment plans, including priority consideration for the Better Connections Program and other applicable programs identified by Department guidance;

(ii) funding priority for infrastructure project scoping, design, engineering, and construction by the State Program and State Board;

(iii) the authority to create a special taxing district pursuant to chapter 87 of this title for the purpose of financing both capital and operating costs of a project within the boundaries of a center;

(iv) priority consideration for State and federal affordable housing funding;

(v) authority for the municipal legislative body to establish speed limits of less than 25 mph within the center under 23 V.S.A. § 1007(g);

(vi) State wastewater permit fees capped at \$50.00 for residential development under 3 V.S.A. § 2822;

(vii) exemption from the land gains tax under 32 V.S.A. § 10002(p); and

(viii) assistance and guidance from the Department for establishing local historic preservation regulations.

(3) Step Three.

(A) Requirements. Step Three is established to create an advanced designation for downtowns throughout the State to create mixed-use centers and join the Vermont Downtown Program. A center reaches Step Three if the Department finds that it meets the following requirements:

(i) Meets the requirements of Step Two, or if it has an existing downtown designated under chapter 76A of this title in effect upon initial approval of the regional future land use map and prior to December 31, 2026.

(ii) Is listed or eligible for listing in the National Register of Historic Places.

(iii) Has a downtown improvement plan.

(iv) Has a downtown investment agreement.

(v) Has a capital program adopted under section 4430 of this title that implements the Step Three requirements.

(vi) Has a local downtown organization with an organizational structure necessary to sustain a comprehensive long-term downtown revitalization effort, including a local downtown organization that will collaborate with municipal departments, local businesses, and local nonprofit organizations. The local downtown organization shall work to:

(I) enhance the physical appearance and livability of the area by implementing local policies that promote the use and rehabilitation of historic and existing buildings, by developing pedestrian-oriented design requirements, by encouraging new development and infill that satisfy such design requirements, and by supporting long-term planning that is consistent with the goals set forth in section 4302 of this title;

(II) build consensus and cooperation among the many groups and individuals who have a role in the planning, development, and revitalization process;

(III) market the assets of the area to customers, potential investors, new businesses, local citizens, and visitors;

(IV) strengthen, diversify, and increase the economic activity within the downtown; and

(V) measure annually progress and achievements of the revitalization efforts as required by Department guidelines.

(vii) Has available public water and wastewater service and capacity.

(viii) Has permanent zoning and subdivision bylaws.

(ix) Has adopted historic preservation regulations for the district with a demonstrated commitment to protect and enhance the historic character of the downtown through the adoption of bylaws that adequately meet the historic preservation requirements in subdivisions 4414(1)(E) and (F) of this title, unless recognized by the program as a preexisting designated new town center.

(x) Has adopted design or form-based regulations that adequately regulate the physical form and scale of development with compact lot, building, and unit density, building heights, and complete streets.

(B) Benefits. In addition to the benefits of Steps One and Two, a municipality that reaches Step Three is eligible for the following benefits:

(i) Funding for the local downtown organization and technical assistance from the Vermont Downtown Program for the center.

(ii) A reallocation of receipts related to the tax imposed on sales of construction materials as provided in 32 V.S.A. § 9819.

(iii) Eligibility to receive National Main Street Accreditation from Main Street America through the Vermont Downtown Program.

(iv) Signage options pursuant to 10 V.S.A. § 494(13) and (17).

(v) Housing appeal limitations as described in chapter 117 of this title.

(vi) Highest priority for locating proposed State functions by the Commissioner of Buildings and General Services or other State officials, in consultation with the municipality, Department, State Board, the General Assembly committees of jurisdiction for the Capital Budget, and the regional planning commission. When a downtown location is not suitable, the Commissioner shall issue written findings to the consulted parties demonstrating how the suitability of the State function to a downtown location is not feasible.

(vii) Funding for infrastructure project scoping, design, and engineering, including participation in the Downtown Transportation and Related Capital Improvement Fund Program established by section 5808 of this title.

§ 5804. DESIGNATED NEIGHBORHOOD

(a) Designation established.

(1) A regional planning commission may request approval from the LURB for designation of areas on the regional plan future land use maps as a designated neighborhood under 10 V.S.A. § 6033. Areas eligible for designation include planned growth areas and village areas identified on the regional plan future land use map. This designation recognizes that the vitality of downtowns and villages is supported by adjacent and walkable neighborhoods and that the benefits structure must ensure that investments for sprawl repair or infill development within a neighborhood is secondary to a primary purpose to maintain the vitality and livability and maximize the climate resilience and infill potential of centers.

(2) Approval of planned growth areas and village areas as designated neighborhoods shall follow the same process as approval for designated centers provided for in 10 V.S.A. § 6033 and consistent with sections 4348 and 4348a of this title.

(b) Transition. All designated growth center or neighborhood development areas existing as of December 31, 2025 will retain current benefits until December 31, 2026 or upon approval of the regional plan future land use maps, whichever comes first. All existing neighborhood development area and growth center designations in effect on December 31, 2025 will expire on December 31, 2026 if the regional plan future land use map is not approved. All benefits that are removed for unexpired neighborhood development areas and growth centers under this chapter shall remain active with prior designations existing as of December 31, 2025 until December 31, 2034. Prior to December 31, 2026, no check-ins or renewal shall be required for the existing designations. New applications for neighborhood development area designations may be approved by the State Board prior to the first hearing for a regional plan adoption or until December 31, 2025, whichever comes first.

(c) Requirements. A designated neighborhood shall meet the requirements for planned growth area or village area as described in section 4348a of this title.

(d) Benefits. A designated neighborhood is eligible for the following benefits:

(1) funding priority for bylaws and special-purpose plans, capital plans, and area improvement or reinvestment plans, including priority consideration for the Better Connections Program and other applicable programs identified by Department guidance;

(2) funding priority for Better Connections and other infrastructure project scoping, design, engineering, and construction by the State Community Investment Program and Board;

(3) eligibility for the Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.;

(4) priority consideration for State and federal affordable housing funding;

(5) certain housing appeal limitations under chapter 117 of this title;

(6) authority for the municipal legislative body to lower speed limits to less than 25 mph within the neighborhood;

(7) State wastewater application fee capped at \$50.00 for residential development under 3 V.S.A. § 2822(j)(4)(D);

(8) exclusion from the land gains tax provided by 32 V.S.A. § 10002(p); and

(9) the authority to create a special taxing district pursuant to chapter 87 of this title for the purpose of financing both capital and operating costs of a project within the boundaries of a neighborhood.

§ 5805. GRANTS AND GIFTS

The Department of Housing and Community Development may accept funds, grants, gifts, or donations of up to \$10,000.00 from individuals, corporations, foundations, governmental entities, or other sources, on behalf of the Community Planning and Revitalization Division to support trainings, conferences, special projects, and initiatives.

§ 5806. DESIGNATION DATA CENTER

The Department, in coordination with the LURB, shall maintain an online municipal planning data center publishing approved regional plan future land use maps adoptions and amendments and indicating the status of each approved designation within the region, and associated steps for centers.

§ 5807. BETTER PLACES PROGRAM; CROWD GRANTING

(a)(1) There is created the Better Places Program within the Department of Housing and Community Development, and the Better Places Fund, which the

Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5. This shall be the same Fund created under the prior section 2799 of this title.

(2) The purpose of the Program is to utilize crowdfunding to spark community revitalization through collaborative grantmaking for projects that create, activate, or revitalize public spaces.

(3) The Department may administer the Program in coordination with and support from other State agencies and nonprofit and philanthropic partners.

(b) The Fund is composed of the following:

(1) State or federal funds appropriated by the General Assembly;

(2) gifts, grants, or other contributions to the Fund; and

(3) any interest earned by the Fund.

(c) As used in this section, "public space" means an area or place that is open and accessible to all persons with no charge for admission and includes village greens, squares, parks, community centers, town halls, libraries, and other publicly accessible buildings and connecting spaces such as sidewalks, streets, alleys, and trails.

(d)(1) The Department of Housing and Community Development shall establish an application process, eligibility criteria, and criteria for prioritizing assistance for awarding grants through the Program.

(2) The Department may award a grant to a municipality, a nonprofit organization, or a community group with a fiscal sponsor for a project that is located in or serves an area designated under this chapter that will create a new public space or revitalize or activate an existing public space.

(3) The Department may award a grant to not more than three projects per calendar year within a municipality.

(4) The minimum amount of a grant award is \$5,000.00, and the maximum amount of a grant award is \$40,000.00.

(5) The Department shall develop matching grant eligibility requirements to ensure a broad base of community and financial support for the project, subject to the following:

(A) A project shall include in-kind support and matching funds raised through a crowdfunding approach that includes multiple donors.

(B) An applicant may not donate to its own crowdfunding campaign.

(C) A donor may not contribute more than \$10,000.00 or 35 percent of the campaign goal, whichever is less.

(D) An applicant shall provide matching funds raised through crowdfunding of not less than 33 percent of the grant award. The Department may require a higher percent of matching funds for certain project areas to ensure equitable distribution of resources across Vermont.

(e) The Department of Housing and Community Development, with the assistance of a fiscal agent, shall distribute funds under this section in a manner that provides funding for projects of various sizes in as many geographical areas of the State as possible.

(f) The Department of Housing and Community Development may use up to 15 percent of any appropriation to the Fund from the General Fund to assist with crowdfunding, administration, training, and technological needs of the Program.

Sec. 67. MUNICIPAL TECHNICAL ASSISTANCE REPORT

(a) On or before December 31, 2025, the Commissioner of Housing and Community Development shall develop recommendations for providing coordinated State agency technical assistance to municipalities participating in the programs under 24 V.S.A. chapter 139 to the Senate Committee on Natural Resources and Energy and the House Committee on Environment and Energy.

(b) The recommendations shall address effective procedures for interagency coordination to support municipal community investment, revitalization, and development including coordination for:

- (1) general project advising;
- (2) physical improvement planning design;
- (3) policy making; and
- (4) project management.

(c) The recommendations shall support the implementation of State agency plans and the following strategic priorities for municipal and community investment, revitalization, and development assistance:

- (1) housing development growth;
- (2) climate resilience;
- (3) public infrastructure investment;
- (4) local administrative capacity;
- (5) equity, diversity, and access;

(6) livability and social service; and

(7) historic preservation.

* * * Tax Credits * * *

Sec. 68. 32 V.S.A. § 5930aa is amended to read:

§ 5930aa. DEFINITIONS

As used in this subchapter:

* * *

(2) “Qualified building” means a building built at least 30 years before the date of application, located within a designated ~~downtown, village center, or neighborhood development area~~ center or neighborhood, which, upon completion of the project supported by the tax credit, will be an income-producing building not used solely as a single-family residence. Churches and other buildings owned by a religious organization may be qualified buildings, but in no event shall tax credits be used for religious worship.

(3) “Qualified code improvement project” means a project:

(A) to install or improve platform lifts suitable for transporting personal mobility devices, limited use or limited application elevators, elevators, sprinkler systems, and capital improvements in a qualified building, and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, and accessibility codes as determined by the Department of Public Safety;

(B) to abate lead paint conditions or other substances hazardous to human health or safety in a qualified building; or

(C) to redevelop a contaminated property in a designated ~~downtown, village center, or neighborhood development area~~ center or neighborhood under a plan approved by the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

* * *

(5) “Qualified façade improvement project” means the rehabilitation of the façade of a qualified building that contributes to the integrity of the designated ~~downtown, designated village center, or neighborhood development area~~ center or neighborhood. Façade improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places must be consistent with the Secretary of the Interior Standards, as determined by the Vermont Division for Historic Preservation.

* * *

(9) “State Board” means the Vermont ~~Downtown Development~~ Community Investment Board established pursuant to 24 V.S.A. chapter ~~76A~~ 139.

Sec. 69. 32 V.S.A. § 5930aa(6) is amended to read:

(6) “Qualified Flood Mitigation Project” means any combination of structural and nonstructural changes to a qualified building located within the flood hazard area as mapped by the Federal Emergency Management Agency that reduces or eliminates flood damage to the building or its contents. This may include relocation of HVAC, electrical, plumbing, and other building systems, and equipment above the flood level; repairs or reinforcement of foundation walls, including flood gates; or elevation of an entire eligible building above the flood level. Further eligible projects may be defined via program guidance. The project shall comply with the municipality’s adopted flood hazard bylaw, if applicable, and a certificate of completion shall be submitted by a registered engineer, architect, qualified contractor, or qualified local official to ~~the State Board program staff~~. Improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places shall be consistent with Secretary of the Interior’s Standards for Rehabilitation, as determined by the Vermont Division for Historic Preservation.

Sec. 70. 32 V.S.A. § 5930bb is amended to read:

§ 5930bb. ELIGIBILITY AND ADMINISTRATION

(a) Qualified applicants may apply to the State Board to obtain the tax credits provided by this subchapter for a qualified project at any time before the completion of the qualified project.

(b) To qualify for any of the tax credits under this subchapter, expenditures for the qualified project must exceed \$5,000.00.

(c) Application shall be made in accordance with the guidelines set by the State Board.

~~(d) Notwithstanding any other provision of this subchapter, qualified applicants may apply to the State Board at any time prior to June 30, 2013, to obtain a tax credit not otherwise available under subsections 5930cc(a)-(c) of this title of 10 percent of qualified expenditures resulting from damage caused by a federally declared disaster in Vermont in 2011. The credit shall only be claimed against the taxpayer’s State individual income tax under section 5822 of this title. To the extent that any allocated tax credit exceeds the taxpayer’s tax liability for the first tax year in which the qualified project is completed,~~

~~the taxpayer shall receive a refund equal to the unused portion of the tax credit. If within two years after the date of the credit allocation no claim for a tax credit or refund has been filed, the tax credit allocation shall be rescinded and recaptured pursuant to subdivision 5930ee(6) of this title. The total amount of tax credits available under this subsection shall not be more than \$500,000.00 and shall not be subject to the limitations contained in subdivision 5930ee(2) of this subchapter.~~

(e) Beginning on July 1, 2025, under this subchapter no new tax credit may be allocated by the State Board to a qualified building located in a neighborhood development area unless specific funds have been appropriated for that purpose.

Sec. 71. 32 V.S.A. § 5930cc is amended to read:

§ 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX
CREDITS

* * *

(c) Code improvement tax credit. The qualified applicant of a qualified code improvement project shall be entitled, upon the approval of the State Board, to claim against the taxpayer's State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of \$12,000.00 for installation or improvement of a platform lift, a maximum credit of \$60,000.00 for the installation or improvement of a limited use or limited application elevator, a maximum tax credit of \$75,000.00 for installation or improvement of an elevator, a maximum tax credit of \$50,000.00 for installation or improvement of a sprinkler system, and a maximum tax credit of ~~\$50,000.00~~ \$100,000.00 for the combined costs of all other qualified code improvements.

(d) Flood Mitigation Tax Credit. The qualified applicant of a qualified flood mitigation project shall be entitled, upon the approval of the State Board, to claim against the taxpayer's State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of ~~\$75,000.00~~ \$100,000.00.

Sec. 72. [Deleted.]

Sec. 73. 32 V.S.A. § 9602 is amended to read:

§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

A tax is hereby imposed upon the transfer by deed of title to property located in this State, or a transfer or acquisition of a controlling interest in any person with title to property in this State. The amount of the tax equals one and one-quarter percent of the value of the property transferred, or \$1.00, whichever is greater, except as follows:

(1) With respect to the transfer of property to be used for the principal residence of the transferee, the tax shall be imposed at the rate of five-tenths of one percent of the first \$100,000.00 in value of the property transferred and at the rate of one and one-quarter percent of the value of the property transferred in excess of \$100,000.00; except that no tax shall be imposed on the first ~~\$110,000.00~~ \$150,000.00 in value of the property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase; and tax at the rate of one and one-quarter percent shall be imposed on the value of that property in excess of ~~\$110,000.00~~ \$150,000.00.

* * *

(4) Tax shall be imposed at the rate of two and one-half percent of the value of the property transferred with respect to transfers of:

(A) residential property that is fit for habitation on a year-round basis;

(B) will not be used as the principal residence of the transferee; and

(C) for which the transferee will not be required to provide a landlord certificate pursuant to section 6069 of this title.,

Sec. 74. ALLOCATIONS; PROPERTY TRANSFER TAX

Notwithstanding 10 V.S.A. § 312, 24 V.S.A. § 4306(a), 32 V.S.A. § 9610(c), or any other provision of law to the contrary, amounts in excess of \$32,954,775.00 from the property transfer tax shall be transferred into the General Fund. Of this amount:

(1) \$5,113,510.00 shall be transferred from the General Fund into the Vermont Housing and Conservation Trust Fund.

(2) \$1,279,740.00 shall be transferred from the General Fund into the Municipal and Regional Planning Fund.

Sec. 75. [Deleted.]

Sec. 76. [Deleted.]

Sec. 77. 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF RETURNS

* * *

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10) of this title, two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and ~~subsection~~ subsections (c) and (e) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least \$12,000,000.00.

(e) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, \$900,000.00 of the revenue received from the property transfer tax shall be transferred to the Act 250 Permit Fund established under 10 V.S.A. § 6029. Prior to a transfer under this subsection, the Commissioner shall adjust the amount transferred according to the percent change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) by determining the increase or decrease, to the nearest one-tenth of a percent, for the month ending on June 30 in the calendar year one year prior to the first day of the fiscal year for which the transfer will be made compared to the CPI-U for the month ending on June 30 in the calendar year two years prior to the first day of the fiscal year for which the transfer will be made.

Sec. 78. 10 V.S.A. § 6029 is amended to read:

§ 6029. ACT 250 PERMIT FUND

There is hereby established a special fund to be known as the Act 250 Permit Fund for the purposes of implementing the provisions of this chapter. ~~Revenues to the fund~~ The Fund shall be composed of the revenue deposited pursuant to 32 V.S.A. § 9610(e), those fees collected in accordance with section 6083a of this title, gifts, appropriations, and copying and distribution fees. The Board shall be responsible for the Fund and shall account for revenues and expenditures of the Board. At the Commissioner's discretion, the Commissioner of Finance and Management may anticipate amounts to be collected and may issue warrants based thereon for the purposes of this section. Disbursements from the Fund shall be made through the annual appropriations process to the Board and to the Agency of Natural Resources to support those programs within the Agency that directly or indirectly assist in the review of Act 250 applications. This Fund shall be administered as provided in 32 V.S.A. chapter 7, subchapter 5.

Sec. 79. 32 V.S.A. § 3800(q) is added to read:

(q) The statutory purpose of the exemption under 32 V.S.A. chapter 125, subchapter 3 for new construction or rehabilitation is to lower the cost of new construction or rehabilitation of residential properties in flood-impacted communities.

Sec. 80. 32 V.S.A. chapter 125, subchapter 3 is added to read:

Subchapter 3. New Construction or Rehabilitation in Flood-Impacted
Communities

§ 3870. DEFINITIONS

As used in this subchapter:

(1) "Agency" means the Agency of Commerce and Community Development as established under 3 V.S.A. § 2402.

(2) "Appraisal value" has the same meaning as in subdivision 3481(1)(A) of this title.

(3) "Exemption period" has the same meaning as in subsection 3871(d) of this subchapter.

(4) "New construction" means the building of new dwellings.

(5) "Principal residence" means the dwelling occupied by a resident individual as the individual's domicile during the taxable year and for a property owner, owned, or for a renter, rented under a rental agreement other than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

(6)(A) “Qualifying improvement” means new construction or a physical change to an existing dwelling or other structure beyond normal and ordinary maintenance, painting, repairs, or replacements, provided the change:

(i) results in new or rehabilitated dwellings that are designed to be occupied as principal residences and not as short-term rentals as defined under 18 V.S.A. § 4301(a)(14); and

(ii) occurred through new construction or rehabilitation, or both, during the 12 months immediately preceding or immediately following submission of an exemption application under this subchapter.

(B) “Qualifying improvement” does not mean new construction or a physical change to any portion of a mixed-use building as defined under 10 V.S.A. § 6001(28) that is not used as a principal residence.

(7)(A) “Qualifying property” means a parcel with a structure that is:

(i) located within, or within one half of a mile of, a designated downtown district, village center, or neighborhood development area determined pursuant to 24 V.S.A. chapter 76A or a new market tax credit area determined pursuant to 26 U.S.C. § 45D, or both;

(ii) composed of one or more dwellings designed to be occupied as principal residences, provided:

(I) none of the dwellings shall be occupied as short-term rentals as defined under 18 V.S.A. § 4301(a)(14) before the exemption period ends; and

(II) a structure with more than one dwelling shall only qualify if it meets the definition of mixed-income housing under 10 V.S.A. § 6001(27);

(iii) undergoing, has undergone, or will undergo qualifying improvements;

(iv) in compliance with all relevant permitting requirements; and

(v) located in an area that was declared a federal disaster between July 1, 2023 and October 15, 2023 that was eligible for Individual Assistance from the Federal Emergency Management Agency or located in Addison or Franklin county.

(B) “Qualifying property” may have a mixed use as defined under 10 V.S.A. § 6001(28).

(C) “Qualifying property” includes property located outside a tax increment financing district established under 24 V.S.A. chapter 53, subchapter

5. By vote of the legislative body, a municipality with a tax increment financing district, or a municipality applying for a tax increment financing district, may elect to deem properties within a tax increment financing district as “qualifying property” under this subdivision (C), provided, notwithstanding 24 V.S.A. § 1896, an increase in the appraisal value of a qualifying property due to qualifying improvements shall be excluded from the total assessed valuation used to determine the district’s tax increment under 24 V.S.A. § 1896 during the exemption period.

(i) For a municipality that elects to consider properties within an existing tax increment financing district under this subdivision (C) as “qualifying property,” the municipality shall submit a substantial change request and file an alternate financial plan to the Vermont Economic Progress Council, which shall detail the effect of this action for approval by the Council.

(ii) For a municipality that elects to consider properties within a tax increment financing district under this subdivision (C) as “qualifying property” at the time of creation of a new district, prior to implementation of an exemption under this chapter, the municipality shall present a financial plan to the Vermont Economic Progress Council, which shall detail the impact of the action on approval by the Council.

(8) “Rehabilitation” means extensive repair, reconstruction, or renovation of an existing dwelling or other structure, with or without demolition, new construction, or enlargement, provided the repair, reconstruction, or renovation:

(A) is for the purpose of eliminating substandard structural, housing, or unsanitary conditions or stopping significant deterioration of the existing structure; and

(B) equals or exceeds a total cost of 15 percent of the grand list value prior to repair, reconstruction, or renovation or \$75,000.00, whichever is less.

(9) “Taxable value” means the value of qualifying property that is taxed during the exemption period.

§ 3871. EXEMPTION

(a) Value increase exemption. An increase in the appraisal value of a qualifying property due to qualifying improvements shall be exempted from property taxation pursuant to this subchapter by fixing and maintaining the taxable value of the qualifying property at the property’s grand list value in the year immediately preceding any qualifying improvements. A decrease in appraisal value of a qualifying property due to damage or destruction from fire

or act of nature may reduce the qualifying property's taxable value below the value fixed under this subsection.

(b) State education property tax exemption. The appraisal value of qualifying improvements to qualifying property shall be exempt from the State education property tax imposed under chapter 135 of this title as provided under this subchapter. The appraisal value exempt under this subsection shall not be exempt from municipal property taxation unless the qualifying property is located in a municipality that has voted to approve an exemption under subsection (c) of this section.

(c) Municipal property tax exemption. If the legislative body of a municipality by a majority vote recommends, the voters of a municipality may, at an annual or special meeting warned for that purpose, adopt by a majority vote of those present and voting an exemption from municipal property tax for the value of qualifying improvements to qualifying property exempt from State property taxation under subsection (b) of this section. The municipal exemption shall remain in effect until rescinded in the same manner the exemption was adopted. Not later than 30 days after the adjournment of a meeting at which a municipal exemption is adopted or rescinded under this subsection, the town clerk shall report to the Director of Property Valuation and Review and the Agency the date on which the exemption was adopted or rescinded.

(d) Exemption period.

(1) An exemption under this subchapter shall start in the first property tax year immediately following the year in which an application for exemption under section 3872 of this title is approved and one of the following occurs:

(A) issuance of a certificate of occupancy by the municipal governing body for the qualifying property; or

(B) the property owner's declaration of ownership of the qualifying property as a homestead pursuant to section 5410 of this title.

(2) An exemption under this subchapter shall remain in effect for three years, provided the property continues to comply with the requirements of this subchapter. When the exemption period ends, the property shall be taxed at its most recently appraised grand list value.

(3) The municipal exemption period for a qualifying property shall start and end at the same time as the State exemption period; provided that, if a municipality first votes to approve a municipal exemption after the State exemption period has already started for a qualifying property, the municipal exemption shall only apply after the vote and notice requirements have been

met under subsection (c) of this section and shall only continue until the State exemption period ends.

§ 3872. ADMINISTRATION AND CERTIFICATION

(a) To be eligible for exemption under this subchapter, a property owner shall:

(1) submit an application to the Agency of Commerce and Community Development in the form and manner determined by the Agency, including certification by the property owner that the property and improvements qualify for exemption at the time of application and annually thereafter until the exemption period ends; and

(2) the certification shall include an attestation under the pains and penalties of perjury that the property will be used in the manner provided under this subchapter during the exemption period, including occupancy of dwellings as principal residences and not as short-term rentals as defined under 18 V.S.A. § 4301(a)(14), and that the property owner will either provide alternative housing for tenants at the same rent or that the property has been unoccupied either by a tenant's choice or for 60 days prior to the application. A certification by the property owner granted under this subdivision shall:

(A) be coextensive with the exemption period;

(B) require notice to the Agency of the transfer or assignment of the property prior to transfer, which shall include the transferee's or assignee's full names, phone numbers, and e-mail and mailing addresses;

(C) require notice to any prospective transferees or assignees of the property of the requirements of the exemption under this subchapter; and

(D) require a new certification to be signed by the transferees or assignees of the property.

(b) The Agency shall establish and make available application forms and procedures necessary to verify initial and ongoing eligibility for exemption under this subchapter. Not later than 60 days after receipt of a completed application, the Agency shall determine whether the property and any proposed improvements qualify for exemption and shall issue a written decision approving or denying the exemption. The Agency shall notify the property owner, the municipality where the property is located, and the Commissioner of Taxes of its decision.

(c) If the property owner fails to use the property according to the terms of the certification, the Agency shall, after notifying the property owner, determine whether to revoke the exemption. If the exemption is revoked, the

Agency shall notify the property owner, the municipality where the property is located, and the Commissioner of Taxes. Upon notification of revocation, the Commissioner shall assess to the property owner:

(1) all State and municipal property taxes as though no exemption had been approved, including for any exemption period that had already begun; and

(2) interest pursuant to section 3202 of this title on previously exempt taxes.

(d) No new applications for exemption shall be approved pursuant to this subchapter after December 31, 2027.

Sec. 81. 32 V.S.A. § 4152(a) is amended to read:

(a) When completed, the grand list of a town shall be in such form as the Director prescribes and shall contain such information as the Director prescribes, including:

* * *

(6) For those parcels that are exempt, the insurance replacement value reported to the local assessing officials by the owner under section 3802a of this title or what the full listed value of the property would be absent the exemption and the statutory authority for granting such exemption and, for properties exempt pursuant to a vote, the year in which the exemption became effective and the year in which the exemption ends; provided that, for parcels exempt under chapter 125, subchapter 3 of this title, the insurance replacement value shall not be substituted for the full listed value of the property absent the exemption and the grand list shall indicate whether the exemption applies to the State property tax or both the State and municipal property taxes.

* * *

Sec. 82. REPEALS; NEW CONSTRUCTION OR REHABILITATION EXEMPTION

The following are repealed on July 1, 2037:

(1) 32 V.S.A. § 3800(q) (statutory purpose); and

(2) 32 V.S.A. chapter 125, subchapter 3 (new construction or rehabilitation exemption).

Sec. 83. 32 V.S.A. § 4152(a) is amended to read:

(a) When completed, the grand list of a town shall be in such form as the Director prescribes and shall contain such information as the Director prescribes, including:

* * *

(6) For those parcels that are exempt, the insurance replacement value reported to the local assessing officials by the owner under section 3802a of this title or what the full listed value of the property would be absent the exemption and the statutory authority for granting such exemption and, for properties exempt pursuant to a vote, the year in which the exemption became effective and the year in which the exemption ends; ~~provided that, for parcels exempt under chapter 125, subchapter 3 of this title, the insurance replacement value shall not be substituted for the full listed value of the property absent the exemption and the grand list shall indicate whether the exemption applies to the State property tax or both the State and municipal property taxes.~~

Sec. 84. [Deleted.]

Sec. 85. [Deleted.]

* * * Housing Programs * * *

Sec. 86. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

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

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

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

(4) The Department may utilize a reasonable percentage, up to a cap of five percent, of appropriations made to the Department for the Program to administer the Program.

(5) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of this subsection.

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

(1) Non-code compliant.

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

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

* * *

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

(1)(A) A grant or loan shall not exceed:

(i) \$70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or

(ii) \$50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit.

(B) In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit and, whether the unit is being rehabilitated or newly created, whether the project includes accessibility improvements, and whether the unit is being converted from nonresidential to residential purposes.

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

(3) A project may include a weatherization component.

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

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

(6) The identity of a recipient and, the amount of a grant or forgivable loan, the year in which the grant or forgivable loan was extended, and the year in which any affordability covenant ends are public records that shall be

available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(7) A project for rehabilitation or creation of an accessible unit may apply funds to the creation of a parking spot for individuals with disabilities.

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

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

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is:

(i) exiting homelessness or, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; or

(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household ~~exiting homelessness~~ under subdivision (A) of this subdivision (2) is not available to lease the unit, then the landlord shall lease the unit:

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

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

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

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

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

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

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

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

(2)(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; or

(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:

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

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

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

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

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

* * *

Sec. 87. [Deleted.]

Sec. 88. RESIDENT SERVICES PROGRAM

(a) The Agency of Human Services shall work in coordination with the Vermont Housing and Conservation Board to develop the Resident Services Program for the purpose of distributing funds to eligible affordable housing organizations to respond to timely and urgent resident needs and aid with housing retention.

(b) For purposes of this section, an “eligible affordable housing organization” is a Vermont-based nonprofit or public housing organization that makes available at least 15 percent of its affordable housing portfolio to, or a Vermont-based nonprofit that provides substantial services to, families and individuals experiencing homelessness, including those who require service support or rental assistance to secure and maintain their housing, consistent with the goal of Executive Order No. 03-16 (Publicly Funded Housing for the Homeless).

Sec. 89. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT PROGRAM

* * *

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, ~~which the~~ at the time of approval of the project, unless the Agency later determines that the project will not result in affordable owner-occupied housing for income-eligible homebuyers without additional subsidy, in which case the Agency may, at its discretion, reasonably exceed this limitation and only to the extent required to achieve affordable owner-occupied housing. The Agency may shall allocate subsidies consistent with the following:

* * *

Sec. 90. APPROPRIATION; FIRST-GENERATION HOMEBUYER PROGRAM

The sum of \$1,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for a grant to the Vermont Housing Finance Agency for the First-Generation Homebuyer Program established by 2022 Acts and Resolves No. 182, Sec. 2, and amended from time to time.

Sec. 91. APPROPRIATION; LAND ACCESS AND OPPORTUNITY BOARD

The sum of \$1,000,000.00 is appropriated from the General Fund to the Vermont Housing and Conservation Board in fiscal year 2025 to administer and support the Land Access and Opportunity Board.

* * * Accessibility Priority for Housing Authorities * * *

Sec. 92. 24 V.S.A. § 4010 is amended to read:

§ 4010. DUTIES

(a) In the operation of or management of housing projects, an authority shall at all times observe the following duties with respect to rentals and tenant selection:

* * *

(6) When renting or leasing accessible dwelling accommodations, it shall give priority to tenants with a disability. As used in this subdivision, “accessible” means a dwelling that complies with the requirements for an accessible unit set forth in section 1102 of the 2017 ICC Standard for Accessible and Useable Buildings and Facilities or a similar standard adopted by the Access Board by rule pursuant to 20 V.S.A. § 2901.

* * *

* * * Housing Accountability * * *

Sec. 93. VERMONT STATEWIDE AND REGIONAL HOUSING TARGETS PROGRESS; REPORT

(a) Upon publication of the Statewide Housing Needs Assessment setting out the statewide and regional housing targets required pursuant to 24 V.S.A. § 4348a, the Department of Housing and Community Development, in coordination with regional planning commissions, shall develop metrics for measuring progress toward the statewide and regional housing targets, including:

(1) for any housing target, a timeline separating the target into discrete steps with specific deadlines; and

(2) for any regional housing target:

(A) a rate measuring progress toward the total needed housing investment published in the regional plan for a region subject to the regional housing target by separate measure for each of price, quality, unit size or type, and zoning district, as applicable; and

(B) steps taken to achieve any actions recommended to satisfy the regional housing needs published in the regional plan for a region subject to the regional housing target.

(b) The Department shall employ the metrics developed under subsection (a) of this section to set annual goals for achieving the statewide and regional housing targets required pursuant to 24 V.S.A. § 4348a.

(c) Within one year following publication of the Statewide Housing Needs Assessment setting out the statewide and regional housing targets required pursuant to 24 V.S.A. § 4348a and annually thereafter through 2030, the Department shall publish a report on progress toward the statewide and regional housing targets, including:

(1)(A) annual and cumulative progress toward the statewide and regional housing targets based on the metrics developed pursuant to subsection (a) of this section; and

(B) for any statewide or regional housing target the Department determines may not practicably be measured by any of the metrics developed pursuant to subsection (a) of this section, an explanation that the statewide or regional housing target may not practicably be measured by the Department's metrics and a description of the status of progress toward the statewide or regional housing target;

(2) progress toward the annual goals for the year of publication set pursuant to subsection (b) of this section;

(3) an overall assessment whether, in the Department's discretion, annual progress toward the statewide and regional housing targets is satisfactory based on the measures under subdivisions (1) and (2) of this subsection and giving due consideration to the complete timeline for achieving the statewide and regional housing targets; and

(4) if the Department determines pursuant to subdivision (3) of this subsection that annual progress toward the statewide and regional housing targets is not satisfactory, recommendations for accelerating progress. The Department shall specifically consider whether the creation of a process that permits developers to propose noncompliant housing developments under certain conditions, like a builder's remedy, or a cause of action would be likely to accelerate progress.

(d) The Department shall have broad discretion to determine any timeline or annual goal under subsection (a) or (b) of this section, provided the Department determines that any step in a timeline or annual goal, when considered together with the other steps or annual goals, will reasonably lead

to achievement of the statewide or regional housing targets published in the Statewide Housing Needs Assessment.

(e) If the statewide and regional housing targets are not published in the Statewide Housing Needs Assessment published in 2024, the Department shall develop and publish the required housing targets within six months following publication of the Statewide Housing Needs Assessment. Any reference to the statewide and regional housing targets published in the Statewide Housing Needs Assessment in this section shall be deemed to refer to the housing targets published under this subsection, and any reference to the date of publication of the Statewide Housing Needs Assessment in this section shall be deemed to refer to the date of publication of the housing targets published under this subsection.

Sec. 94. [Deleted.]

Sec. 95. [Deleted.]

Sec. 96. [Deleted.]

Sec. 97. [Deleted.]

* * * Rental Data Collection and Protection * * *

Sec. 98. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

(a) On or before January 31 of each year, the owner of land rented as a portion of a homestead in the prior calendar year shall furnish a certificate of rent to the Department of Taxes and to each claimant who owned a portion of the homestead and rented that land as a portion of a homestead in the prior calendar year. The certificate shall indicate the proportion of total property tax on that parcel that was assessed for municipal property tax and for statewide property tax.

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of the renter;

(2) the address and any property tax parcel identification number of the homestead, ~~the information required under subsection (f) of this section;~~

(3) the name of the owner or landlord of the rental unit;

(4) the phone number, e-mail address, and mailing address of the

landlord, as available;

- (5) the location of the rental unit;
- (6) the type of rental unit;
- (7) the number of rental units in the building;
- (8) the gross monthly rent per unit;
- (9) the year in which the rental unit was built;
- (10) the ADA accessibility of the rental unit; and

(11) any additional information that the Commissioner determines is appropriate.

(d) An owner who knowingly fails to furnish a certificate to the Department as required by this section shall be liable to the Commissioner for a penalty of \$200.00 for each failure to act. Penalties under this subsection shall be assessed and collected in the manner provided in chapter 151 of this title for the assessment and collection of the income tax.

(e) [Repealed.]

~~(f) Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

- ~~(1) name of owner or landlord;~~
- ~~(2) mailing address of landlord;~~
- ~~(3) location of rental unit;~~
- ~~(4) type of rental unit;~~
- ~~(5) number of units in building; and~~

~~(6) School Property Account Number. Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing.~~

Sec. 99. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than \$1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, the offender shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

(b) The following definitions shall apply for purposes of this chapter:

* * *

(3) "Return information" includes a person's name, address, date of birth, Social Security or federal identification number or any other identifying number; information as to whether or not a return was filed or required to be filed; the nature, source, or amount of a person's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liabilities, tax payments, deficiencies, or over-assessments; and any other data, from any source, furnished to or prepared or collected by the Department of Taxes with respect to any person.

* * *

(e) The Commissioner may, in the Commissioner's discretion and subject to such conditions and requirements as the Commissioner may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(22) To the Agency of Natural Resources and the Department of Public Service, provided that the disclosure relates to the sales and use tax for aviation jet fuel and natural gas under chapter 233 of this title or to the fuel tax under 33 V.S.A. chapter 25 and is subject to any confidentiality requirements of the Internal Revenue Service and the disclosure exemption provisions of 1 V.S.A. § 317.

(23) To the Division of Vermont Emergency Management at the Department of Public Safety for the purposes of emergency management and communication, and to the Department of Housing and Community Development and any organization then under contract with the Department of Housing and Community Development to carry out a statewide housing needs assessment for the purpose of the statewide housing needs assessment, provided that the disclosure relates to the information collected on the landlord certificate pursuant to subsection 6069(c) of this title.

* * * Short-Term Rentals * * *

Sec. 100. 20 V.S.A. § 2676 is amended to read:

§ 2676. DEFINITION

As used in this chapter:

(1) ~~“rental~~ Rental housing” means:

~~(1)(A)~~ a “premises” as defined in 9 V.S.A. § 4451 that is subject to 9 V.S.A. chapter 137 (residential rental agreements); and

~~(2)(B)~~ a “short-term rental” as ~~defined in 18 V.S.A. § 4301 and~~ subject to 18 V.S.A. chapter 85, subchapter 7.

(2) “Short-term rental” has the same meaning as in 18 V.S.A. § 4301.

Sec. 101. 20 V.S.A. § 2678 is added to read:

§ 2678. SHORT-TERM RENTALS; HEALTH AND SAFETY
DISCLOSURE

(a) The Department of Public Safety’s Division of Fire Safety shall prepare concise guidance on the rules governing health, safety, sanitation, and fitness for habitation of short-term rentals in this State and provide the guidance to any online platform or travel agent hosting or facilitating the offering of a short-term rental in this State.

(b) Any online platform or travel agent hosting or facilitating the offering of a short-term rental in this State shall make available the guidance under subsection (a) of this section to a short-term rental operator in this State.

(c) A short-term rental operator shall:

(1) physically post the guidance under subsection (a) of this section in a conspicuous place in any short-term rental offered for rent in this State; and

(2) provide the guidance under subsection (a) of this section as part of any offering or listing of a short-term rental in this State.

* * * Flood Risk Disclosure * * *

Sec. 102. 27 V.S.A. § 380 is added to read:

§ 380. DISCLOSURE OF INFORMATION; CONVEYANCE OF REAL
ESTATE

(a) Prior to or as part of a contract for the conveyance of real property, the seller shall provide notice to the buyer whether the property is subject to any requirement under federal law to obtain and maintain flood insurance on the property. This notice shall be provided in a clear and conspicuous manner in a

separate written document and attached as an addendum to the contract.

(b) The failure of the seller to provide the buyer with the information required under subsection (a) of this section is grounds for the buyer to terminate the contract prior to transfer of title or occupancy, whichever occurs earlier.

(c) A buyer of real estate who fails to receive the information required to be disclosed by a seller under subsection (a) of this section may bring an action to recover from the seller the amount of the buyer's damages and reasonable attorney's fees. The buyer may also seek punitive damages when the seller knowingly failed to provide the required information.

(d) A seller shall not be liable for damages under this section for any error, inaccuracy, or omission of any information required to be disclosed to the buyer under subsection (a) of this section when the error, inaccuracy, or omission was based on information provided by a public body or a by another person with a professional license or special knowledge who provided a written report that the seller reasonably believed to be correct and that was provided by the seller to the buyer.

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

Sec. 103. 9 V.S.A. § 4466 is added to read:

§ 4466. REQUIRED DISCLOSURE

A landlord shall disclose in advance of entering a rental agreement with a tenant whether any portion of the premises offered for rent is located in a Federal Emergency Management Agency mapped flood hazard area. This notice shall be provided in a separate written document given to the tenant at or before execution of the lease.

Sec. 104. 10 V.S.A. § 6236(e) is amended to read:

(e) All mobile home lot leases shall contain the following:

* * *

(8) Notice that the mobile home park is in a flood hazard area if any lot within the mobile home park is wholly or partially located in a flood hazard area according to the flood insurance rate map effective for the mobile home park at the time the proposed lease is furnished to a prospective leaseholder. This notice shall be provided in a clear and conspicuous manner in a separate written document attached as an addendum to the proposed lease.

Sec. 105. 10 V.S.A. § 6201 is amended to read:

§ 6201. DEFINITIONS

As used in this chapter, ~~unless the context requires otherwise:~~

* * *

(13) “Flood hazard area” has the same meaning as in section 752 of this title.

(14) “Flood insurance rate map” means, for any mobile home park, the official flood insurance rate map describing that park published by the Federal Emergency Management Agency on its website.

* * * Mobile Homes * * *

Sec. 106. 2022 Acts and Resolves No. 182, Sec. 3, as amended by 2023 Acts and Resolves No. 3, Sec. 75 and 2023 Acts and Resolves No. 78, Sec. C.119, is further amended to read:

Sec. 3. MANUFACTURED HOME IMPROVEMENT AND
REPLACEMENT REPAIR PROGRAM

(a) ~~Of the amounts available from the American Rescue Plan Act (ARPA) recovery funds, \$4,000,000 is appropriated to the Department of Housing and Community Development for the purposes specified~~ Amounts appropriated to the Department of Housing and Community Development for the Manufactured Home Improvement and Repair Program shall be used for one or more of the following purposes:

* * *

(b) The Department administers the Manufactured Home Improvement and Repair Program and may utilize a reasonable percentage, up to a cap of five percent, of appropriations made to the Department for the Program to administer the Program.

(c) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of subsection (a) of this section.

Sec. 107. MANUFACTURED HOME IMPROVEMENT AND REPAIR
PROGRAM APPROPRIATIONS; INFRASTRUCTURE; MOBILE
HOME REPAIR

The sum of \$1,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for the following purposes:

(1) to improve mobile home park infrastructure under the Manufactured Home Improvement and Repair Program established by 2022 Acts and Resolves No. 182, Sec. 3, and amended from time to time; and

(2) to expand the Home Repair Awards program under the Manufactured Home Improvement and Repair Program established by 2022 Acts and Resolves No. 182, Sec. 3, and amended from time to time.

Sec. 108. [Deleted.]

* * * Age-Restricted Housing * * *

Sec. 109. 10 V.S.A. § 325c is added to read:

§ 325c. AGE-RESTRICTED HOUSING; RIGHT OF FIRST REFUSAL

(a) Definitions. As used in this section:

(1) “Age-restricted property” means a privately owned age-restricted residential property that is not licensed pursuant to 33 V.S.A. chapter 71 or 8 V.S.A. chapter 151.

(2) “Eligible buyer” means a nonprofit housing provider.

(b) Right of first refusal; assignment to eligible buyer.

(1) The Vermont Housing and Conservation Board shall have a right of first refusal for age-restricted properties as set out in this section. The Board may assign this right to an eligible buyer.

(2) For any offer made under this section, the Board or its assignee shall contractually commit to maintaining any affordability requirements in place for the age-restricted property at the time of sale.

(c) Content of notice. An owner of age-restricted property shall give to the Board notice by certified mail, return receipt requested, of the owner’s intention to sell the age-restricted property. The requirements of this section shall not be construed to restrict the price at which the owner offers the age-restricted housing for sale. The notice shall state all the following:

(1) that the owner intends to sell the age-restricted property;

(2) the price, terms, and conditions under which the owner offers the age-restricted property for sale;

(3) that for 60 days following the notice, the owner shall not make a final unconditional acceptance of an offer to purchase the age-restricted property and that if within the 60 days the owner receives notice pursuant to subsection (d) of this section that the Board or its assignee intends to consider purchase of the age-restricted property, the owner shall not make a final

unconditional acceptance of an offer to purchase the age-restricted property for an additional 120 days, starting from the 61st day following notice, except one from the Board or its assignee.

(d) Intent to negotiate; timetable. The Board or its assignee shall have 60 days following notice under subsection (c) of this section in which to determine whether the buyer intends to consider purchase of the age-restricted property. During this 60-day period, the owner shall not accept a final unconditional offer to purchase the age-restricted property.

(e) Response to notice; required action. If the owner receives no notice from the Board or its assignee during the 60-day period or if the Board notifies the owner that neither it nor its designee intends to consider purchase of the age-restricted property, the owner has no further restrictions regarding sale of the age-restricted property pursuant to this section. If, during the 60-day period, the owner receives notice in writing that the Board or its assignee intends to consider purchase of the age-restricted property, then the owner shall do all the following:

(1) not accept a final unconditional offer to purchase from a party other than the Board or its assignee giving notice under subsection (d) of this section for 120 days following the 60-day period, a total of 180 days following the notice under subsection (c);

(2) negotiate in good faith with the Board or its assignee giving notice under subsection (d) of this section; and

(3) consider any offer to purchase from the Board or its assignee giving notice under subsection (d) of this section.

(f) Exceptions. The provisions of this section do not apply when the sale, transfer, or conveyance of the age-restricted property is any one or more of the following:

(1) through a foreclosure sale;

(2) to a member of the owner's family or to a trust for the sole benefit of members of the owner's family;

(3) among the partners who own the age-restricted property;

(4) incidental to financing the age-restricted property;

(5) between joint tenants or tenants in common;

(6) pursuant to eminent domain; or

(7) pursuant to a municipal tax sale.

(g) Requirement for new notice of intent to sell.

(1) Subject to subdivision (2) of this subsection, a notice of intent to sell issued pursuant to subsection (b) of this section shall be valid:

(A) for a period of one year from the expiration of the 60-day period following the date of the notice; or

(B) if the owner has entered into a binding purchase and sale agreement with the Board or its assignee within one year from the expiration of the 60-day period following the date of the notice, until the completion of the sale of the age-restricted property under the agreement or the expiration of the agreement, whichever is sooner.

(2) During the period in which a notice of intent to sell is valid, an owner shall provide a new notice of intent to sell, consistent with the requirements of subsection (b) of this section, prior to making an offer to sell the age-restricted property or accepting an offer to purchase the age-restricted property that is either more than five percent below the price for which the age-restricted property was initially offered for sale or less than five percent above the final written offer from the Board or its assignee.

(h) "Good faith." The Board or its assignee shall negotiate in good faith with the owner for purchase of the age-restricted property.

Sec. 110. 9 V.S.A. § 4468a is added to read:

§ 4468a. AGE-RESTRICTED HOUSING; RENT INCREASE; NOTICE

(a) Except as provided in subsection (c) of this section, an owner of privately owned age-restricted residential property within the State that is not licensed pursuant to 33 V.S.A. chapter 71 or 8 V.S.A. chapter 151 shall provide written notification on a form provided by the Department of Housing and Community Development to the Department and all the affected residents of any rent increase at the property not later than 60 days before the effective date of the proposed increase. The notice shall include all the following:

- (1) the amount of the proposed rent increase;
- (2) the effective date of the increase;
- (3) a copy of the resident's rights pursuant to this section; and
- (4) the percentage of increase from the current base rent.

(b) If the owner fails to notify either the residents or the Department of a rent increase as required by subsection (a) of this section, the proposed rent increase shall be ineffective and unenforceable.

(c) This section shall not apply to any rent increase at any publicly subsidized affordable housing that is monitored by a State or federal agency for rent limitations.

* * * Reports and Studies * * *

Sec. 111. LAND BANK REPORT

(a) The Department of Housing and Community Development and the Vermont League of Cities and Towns shall analyze the feasibility of a land bank program that would identify, acquire, and restore to productive use vacant, abandoned, contaminated, and distressed properties. The Department and the League shall engage with local municipalities, regional organizations, community organizations, and other stakeholders to explore:

(1) existing authority for public interest land acquisition for redevelopment and use;

(2) successful models and best practices for land bank programs in Vermont and other jurisdictions, including local, regional, nonprofit, state, and hybrid approaches that leverage the capacities of diverse communities and organizations within Vermont;

(3) potential benefits and challenges to creating and implementing a land bank program in Vermont;

(4) alternative approaches to State and municipal land acquisition, including residual value life estates and eminent domain, for purposes of revitalization and emergency land management, including for placement of trailers and other temporary housing;

(5) funding mechanisms and resources required to establish and operate a land bank program; and

(6) the legal and regulatory framework required to govern a State land bank program.

(b) On or before December 15, 2024, the Department of Housing and Community Development and the Vermont League of Cities and Towns shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing with its findings and recommendations, including proposed draft legislation for the establishment and operation of a land bank.

Sec. 112. RENT PAYMENT REPORTING REPORT

(a) To facilitate the development of a pilot program for housing providers to report tenant rent payments for inclusion in consumer credit reports, the

Office of the State Treasurer shall study:

- (1) any entities currently facilitating landlord credit reporting;
- (2) the number of landlords in Vermont utilizing rent payment software, related software expenses, and the need for or benefit of utilizing software for positive pay reporting;
- (3) the impacts on tenants from rent payment reporting programs, including, if feasible, data gathered from the Champlain Housing Trust's program;
- (4) any logistical steps the State must take to facilitate the program and any associated administrative costs; and
- (5) any other issues the Treasurer deems appropriate for facilitating the development of the pilot program.

(b) On or before December 15, 2024, the Treasurer shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs with its findings and recommendations, which may be in the form of proposed legislation.

Sec. 113. LANDLORD-TENANT LAW; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Landlord-Tenant Law Study Committee to review and consider modernizing the landlord-tenant laws and evictions processes in Vermont.

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

(1) two current members of the House of Representatives, not all from the same political party and only one of whom may be a landlord, who shall be appointed by the Speaker of the House;

(2) two current members of the Senate, not all from the same political party and only one of whom may be a landlord, who shall be appointed by the Committee on Committees;

(3) a representative of Vermont Legal Aid with experience defending tenants in evictions actions;

(4) a representative of the Vermont Landlords Association;

(5) a representative of the Department of Housing and Community Development;

(6) a representative of the Judiciary; and

(7) a person with lived experience of eviction, who shall be appointed

by the Champlain Valley Office of Economic Opportunity.

(c) Powers and duties. The Committee shall study issues with Vermont's landlord-tenant laws and current evictions process, including the following issues:

- (1) whether Vermont's landlord-tenant laws require modernization;
- (2) the impact of evictions policies on rental housing availability;
- (3) whether current termination notice periods and evictions processing timelines reflect the appropriate balance between landlord and tenant interests;
- (4) practical obstacles to the removal of unlawful occupants; and
- (5) whether existing bases for termination are properly utilized, including specifically 9 V.S.A. § 4467(b)(2) (termination for criminal activity, illegal drug activity, or acts of violence).

(d) Assistance. For purposes of scheduling meetings and preparing recommended legislation, the Committee shall have the assistance of the Office of Legislative Operations and the Office of Legislative Counsel.

(e) Report. On or before December 15, 2024, the Committee shall report to the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action, which may be in the form of proposed legislation.

(f) Meetings.

(1) The ranking member of the Senate shall call the first meeting of the Committee to occur on or before August 31, 2024.

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

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

(4) The Committee shall cease to exist upon submission of its findings and any recommendations for legislative action.

(g) Compensation and reimbursement.

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

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

§ 1010 for not more than six meetings

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

(h) Appropriation. The sum of \$10,500.00 is appropriated to the General Assembly from the General Fund in fiscal year 2025 for per diem compensation and reimbursement of expenses for members of the Committee.

Sec. 113a. LONG-TERM AFFORDABLE HOUSING; STUDY
COMMITTEE; REPORT

(a) Creation. There is created the Long-Term Affordable Housing Study Committee for the purpose of creating a plan to develop, sustain, and preserve affordable housing in response to Vermont's housing and homelessness crisis. The Committee shall focus on creating permanently affordable housing; reducing both sheltered and unsheltered homelessness; providing opportunities for housing mobility, including homeownership; and ensuring services and specialized housing options are available to Vermonters currently unable to access safe or affordable housing.

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

(1) two current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House;

(2) two current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees;

(3) the Executive Director of the Vermont Housing and Conservation Board or designee;

(4) the Executive Director of the Vermont Housing Finance Agency or designee;

(5) the Commissioner of the Department of Housing and Community Development or designee;

(6) the Commissioner of the Department for Children and Families or designee; and

(7) three members appointed by the Housing and Homelessness Alliance of Vermont.

(c) Powers and duties. The Committee shall collect data and information on housing and homelessness, Vermonters' experience with housing in Vermont, and successful housing models within and outside Vermont; provide an analysis of Vermont's affordable housing development needs; and make

recommendations on a long-term plan to create permanently affordable housing, including:

(1) the number of affordable rental-, homeownership-, and other service-supported housing units needed to fulfill the needs of Vermonters;

(2) the cost of building or rehabilitating the housing to meet Vermont's need for affordable housing broken down by program, with a schedule that establishes affordable housing needs annually for the next 10 years;

(3) an evaluation of the subsidy need to make both rental and homeownership housing affordable to people at different income levels; and

(4) an annual estimate of the number of people who would no longer experience homelessness as a result of implementation of the recommendations of the Committee.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Vermont Housing and Conservation Board.

(e) Report. On or before December 1, 2024, the Committee shall report to the House Committees on General and Housing, on Appropriations, and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs, on Appropriations, and on Finance with its findings and any recommendations for legislative action, which may be in the form of proposed legislation or revenue or appropriations recommendations.

(f) Meetings.

(1) The ranking member of the Senate shall call the first meeting of the Committee to occur on or before August 31, 2024.

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

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

(4) The Committee shall cease to exist upon submission of its recommendations for legislative action and any findings to the House Committees on General and Housing, on Appropriations, and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs, on Appropriations, and on Finance.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and

reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 12 meetings.

(2) Other members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 12 meetings.

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

* * * Natural Resources Board Appropriation * * *

Sec. 113b. APPROPRIATION; NATURAL RESOURCES BOARD

The sum of \$400,000.00 is appropriated from the General Fund to the Natural Resources Board in fiscal year 2025 for compensation of board members.

* * * Effective Dates * * *

Sec. 114. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 12 (10 V.S.A. § 6001), 13 (10 V.S.A. § 6086(a)(8)), and 20 (10 V.S.A. § 6001) shall take effect on December 31, 2026;

(2) Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on July 1, 2026;

(3) Sec. 68 (32 V.S.A. § 5930aa) shall take effect on January 1, 2027;

(4) Sec. 83 (grand list contents, 32 V.S.A. § 4152(a)) shall take effect on July 1, 2037; and

(5) Sec. 73 (property transfer tax) shall take effect on August 1, 2024.

and that after passage the title of the bill be amended to read: “An act relating to land use planning, development, and housing”

New Business

Third Reading

S. 114

An act relating to the establishment of the Psychedelic Therapy Advisory Working Group

S. 159

An act relating to the County and Regional Governance Study Committee

S. 167

An act relating to miscellaneous amendments to education law

S. 183

An act relating to reenvisioning the Agency of Human Services

S. 253

An act relating to building energy codes

S. 302

An act relating to public health outreach programs regarding dementia risk

S. 305

An act relating to miscellaneous changes related to the Public Utility Commission

Favorable with Amendment

S. 96

An act relating to privatization contracts

Rep. McCarthy of St. Albans City, for the Committee on Government Operations and Military Affairs, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. § 341 is amended to read:

§ 341. DEFINITIONS

* * *

(3) "Privatization contract" means a contract for services valued at \$25,000.00 or more per year, which:

(A) is the same or substantially similar to and in lieu of services ~~previously~~ currently provided, in whole or in part, by permanent, classified State employees; or

(B) will substantially replace the duties of a vacant position in State government, ~~and which results in a reduction in force of at least one permanent, classified employee, or the elimination of a vacant position of an employee covered by a collective bargaining agreement.~~

* * *

Sec. 2. 3 V.S.A. §§ 342 and 343 are amended to read:

§ 342. CONTRACTING STANDARDS; CONTRACTS FOR SERVICES

Each contract for services valued at \$25,000.00 or more per year shall require certification by the Office of the Attorney General to the Secretary of Administration that such contract for services is not contrary to the ~~spirit and~~ intent of the classification plan and merit system and standards of this title. A contract for services is contrary to the ~~spirit and~~ intent of the classification plan and merit system and standards of this title, and shall not be certified by the Office of the Attorney General as provided in this section, unless the provisions of subdivisions (1), (2), and (3) of this section are met, or one or more of the exceptions described in subdivision (4) of this section apply.

* * *

§ 343. PRIVATIZATION CONTRACTS; PROCEDURE

(a) An agency shall not enter into a privatization contract unless all of the following are satisfied:

(1)(A) Thirty-five days prior to the beginning of any open bidding process, the agency provides written notice to the collective bargaining representative of the intent to seek to enter a privatization contract. During those 35 days, the collective bargaining representative shall have the opportunity to discuss alternatives to contracting. Such alternatives may include amendments to the contract if mutually agreed upon by the parties. Notices regarding the bid opportunity may not be issued during the 35-day discussion period. The continuation of discussions beyond the end of the 35-day period shall not delay the issuance of notices.

(B) During this 35-day period, the agency shall prepare a specific written statement of the services proposed to be the subject of the privatization contract, including the specific quantity and standard or quality of the subject services. For each position in which a bidder will employ any person pursuant to a privatization contract and for which the duties are substantially similar to the duties performed by a permanent, classified State employee, the statement shall also include the prevailing wage rate to be paid for each position, which shall not be less than the average step of the grade under which the comparable State employee position is paid. This statement shall be provided to the collective bargaining representative, the Agency of Administration, and be posted where it is viewable to the public. This statement shall be subject to 1 V.S.A. chapter 5, subchapter 3 (Public Records Act).

* * *

(4) Every bid for a privatization contract shall include:

(A) the wage rate for each position, which shall not be less than the prevailing wage rate contained in the statement described in subdivision (1)(B) of this subsection (a); and

(B) whether health, dental, and vision insurance coverage is provided to employees and, if applicable, the cost to employees for such coverage.

(5) The Agency and the Secretary of Administration shall each certify in writing that:

(A) they have complied with all provisions of this section and with all other applicable laws;

(B) the quality of the services to be provided by the designated bidder is likely to satisfy the quality requirements of the statement prepared pursuant to subdivision (1) of this subsection (a);

(C) the designated bidder and its supervisory employees, while in the employ of the designated bidder, have no record of substantial or repeated willful noncompliance with any relevant federal or State regulatory statute, including statutes concerning labor relations, occupational safety and health, nondiscrimination and affirmative action, environmental protection, and conflicts of interest; and

(D) the proposed privatization contract is in the public interest in that it meets the applicable quality and fiscal standards set forth in this section.

(b) Each privatization contract shall include:

(1) the wage rate for each position, which shall not be less than the prevailing wage rate contained in the statement described in subdivision (a)(1) of this section;

(2) a provision that the cost and coverage of the health, dental, and vision insurance provided to employees is substantially similar to the cost and coverage of the health, dental, and vision insurance provided to State employees;

(3) a provision that the contractor shall submit quarterly payroll records to the agency that list the hours worked and the hourly wage paid for each employee in the previous quarter;

(4) a provision that the agency shall not amend any privatization contract if the amendment has the purpose or effect of voiding any requirement of this section;

(5) a provision requiring the contractor to comply with a policy of nondiscrimination and equal opportunity for all persons and to take affirmative steps to provide such equal opportunity for all persons;

(6) a provision granting all employees employed under the contract just cause employment protection; and

(7) a provision requiring the contractor to comply with a policy of whistleblower protection equal to those defined in sections 971–978 of this title.

~~(b)(c)~~(1) A privatization contract shall contain specific performance measures regarding quantity, quality, and results and guarantees regarding the services performed.

(2) The agency shall provide information in the State’s Workforce Report on the contractor’s compliance with the specific performance measures set out in the contract.

(3) The agency may not renew the contract if the contractor fails to comply with the specific performance measures set out in the contract as required by subdivision (1) of this subsection.

~~(e)(d)~~(1) Before an agency may renew a privatization contract for the first time, the Auditor of Accounts shall review the privatization contract, along with employer payroll and benefits records, analyzing whether it is achieving:

(A) the 10 percent cost-savings requirement set forth in subdivision (a)(2) of this section; and

(B) the performance measures incorporated into the contract as required under subdivision ~~(b)(c)~~(1) of this section.

(2) If the Auditor of Accounts finds that a privatization contract has not achieved the cost savings required under subdivision (a)(2) of this section or complied with performance measures required under ~~subdivision (b)~~ subdivisions (c)(1) and (d)(1) of this section, the Auditor of Accounts shall file a report with the agency and the House Committee on Government Operations and Military Affairs and Senate ~~Committees~~ Committee on Government Operations, and the agency ~~review whether to renew the privatization contract or perform the work with State employees~~ shall not renew the privatization contract.

Sec. 3. FISCAL AND OPERATIONAL IMPACT OF PRIVATIZATION
CONTRACT CHANGES

(a) The Agency of Administration, in consultation with the Joint Fiscal Office, the State Auditor, the Vermont State Employees' Association, and the Office of the Attorney General, shall assess the fiscal and operational impacts of:

(1) modifying the definition of "privatization contract" as set forth in 3 V.S.A. § 341, to include grants;

(2) increasing the required cost savings of a privatization contract from 10 percent to 20 percent; and

(3) removing exceptions set forth in 3 V.S.A. § 342(4) that, after review, are used excessively or arbitrarily to certify contracts by the Office of the Attorney General.

(b) The Agency shall submit a written report to the House Committees on Appropriations and on Government Operations and Military Affairs and the Senate Committees on Appropriations and on Government Operations with its analysis conducted pursuant to this section on or before February 1, 2025.

Sec. 4. LEGISLATIVE INTENT; PRIVATIZATION CONTRACTS

It is the intent of the General Assembly that a privatization contract shall not be required for a contract for services when there is no permanent, classified State employee position to perform the equivalent of such proposed contracted services, which includes health services and capital construction.

Sec. 5. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on July 1, 2025.

(Committee vote: 8-3-1)

Rep. Mihaly of Calais, for the Committee on Appropriations, recommends the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations and Military Affairs.

(Committee Vote: 8-3-1)

S. 289

An act relating to age-appropriate design code

Rep. Priestley of Bradford, for the Committee on Commerce and Economic Development, recommends that the House propose to the Senate

that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 9 V.S.A. chapter 61A is added to read:

CHAPTER 61A. VERMONT DATA PRIVACY ACT

§ 2415. DEFINITIONS

As used in this chapter:

(1)(A) “Affiliate” means a legal entity that shares common branding with another legal entity or controls, is controlled by, or is under common control with another legal entity.

(B) As used in subdivision (A) of this subdivision (1), “control” or “controlled” means:

(i) ownership of, or the power to vote, more than 50 percent of the outstanding shares of any class of voting security of a company;

(ii) control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or

(iii) the power to exercise controlling influence over the management of a company.

(2) “Age estimation” means a process that estimates that a consumer is likely to be of a certain age, fall within an age range, or is over or under a certain age.

(A) Age estimation methods include:

(i) analysis of behavioral and environmental data the controller already collects about its consumers;

(ii) comparing the way a consumer interacts with a device or with consumers of the same age;

(iii) metrics derived from motion analysis; and

(iv) testing a consumer’s capacity or knowledge.

(B) Age estimation does not require certainty, and if a controller estimates a consumer’s age for the purpose of advertising or marketing, that estimation may also be used to comply with this chapter.

(3) “Age verification” means a system that relies on hard identifiers or verified sources of identification to confirm a consumer has reached a certain age, including government-issued identification or a credit card.

(4) “Authenticate” means to use reasonable means to determine that a request to exercise any of the rights afforded under subdivisions 2418(a)(1)–(5) of this title is being made by, or on behalf of, the consumer who is entitled to exercise the consumer rights with respect to the personal data at issue.

(5)(A) “Biometric data” means data generated from the technological processing of an individual’s unique biological, physical, or physiological characteristics that is linked or reasonably linkable to an individual, including:

- (i) iris or retina scans;
- (ii) fingerprints;
- (iii) facial or hand mapping, geometry, or templates;
- (iv) vein patterns;
- (v) voice prints; and
- (vi) gait or personally identifying physical movement or patterns.

(B) “Biometric data” does not include:

- (i) a digital or physical photograph;
- (ii) an audio or video recording; or
- (iii) any data generated from a digital or physical photograph, or an audio or video recording, unless such data is generated to identify a specific individual.

(6) “Broker-dealer” has the same meaning as in 9 V.S.A. § 5102.

(7) “Business associate” has the same meaning as in HIPAA.

(8) “Child” has the same meaning as in COPPA.

(9)(A) “Consent” means a clear affirmative act signifying a consumer’s freely given, specific, informed, and unambiguous agreement to allow the processing of personal data relating to the consumer.

(B) “Consent” may include a written statement, including by electronic means, or any other unambiguous affirmative action.

(C) “Consent” does not include:

- (i) acceptance of a general or broad terms of use or similar document that contains descriptions of personal data processing along with other, unrelated information;
- (ii) hovering over, muting, pausing, or closing a given piece of content; or

(iii) agreement obtained through the use of dark patterns.

(10)(A) “Consumer” means an individual who is a resident of the State.

(B) “Consumer” does not include an individual acting in a commercial or employment context or as an employee, owner, director, officer, or contractor of a company, partnership, sole proprietorship, nonprofit, or government agency whose communications or transactions with the controller occur solely within the context of that individual’s role with the company, partnership, sole proprietorship, nonprofit, or government agency.

(11) “Consumer health data” means any personal data that a controller uses to identify a consumer’s physical or mental health condition or diagnosis, including gender-affirming health data and reproductive or sexual health data.

(12) “Consumer health data controller” means any controller that, alone or jointly with others, determines the purpose and means of processing consumer health data.

(13) “Consumer reporting agency” has the same meaning as in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f);

(14) “Controller” means a person who, alone or jointly with others, determines the purpose and means of processing personal data.

(15) “COPPA” means the Children’s Online Privacy Protection Act of 1998, 15 U.S.C. § 6501–6506, and any regulations, rules, guidance, and exemptions promulgated pursuant to the act, as the act and regulations, rules, guidance, and exemptions may be amended.

(16) “Covered entity” has the same meaning as in HIPAA.

(17) “Credit union” has the same meaning as in 8 V.S.A. § 30101.

(18) “Dark pattern” means a user interface designed or manipulated with the substantial effect of subverting or impairing user autonomy, decision-making, or choice and includes any practice the Federal Trade Commission refers to as a “dark pattern.”

(19) “Decisions that produce legal or similarly significant effects concerning the consumer” means decisions made by the controller that result in the provision or denial by the controller of financial or lending services, housing, insurance, education enrollment or opportunity, criminal justice, employment opportunities, health care services, or access to essential goods or services.

(20) “De-identified data” means data that does not identify and cannot reasonably be used to infer information about, or otherwise be linked to, an

identified or identifiable individual, or a device linked to the individual, if the controller that possesses the data:

(A)(i) takes reasonable measures to ensure that the data cannot be used to re-identify an identified or identifiable individual or be associated with an individual or device that identifies or is linked or reasonably linkable to an individual or household;

(ii) for purposes of this subdivision (A), “reasonable measures” shall include the de-identification requirements set forth under 45 C.F.R. § 164.514 (other requirements relating to uses and disclosures of protected health information);

(B) publicly commits to process the data only in a de-identified fashion and not attempt to re-identify the data; and

(C) contractually obligates any recipients of the data to satisfy the criteria set forth in subdivisions (A) and (B) of this subdivision (20).

(21) “Financial institution”:

(A) as used in subdivision 2417(a)(12) of this title, has the same meaning as in 15 U.S.C. § 6809; and

(B) as used in subdivision 2417(a)(14) of this title, has the same meaning as in 8 V.S.A. § 11101.

(22) “Gender-affirming health care services” has the same meaning as in 1 V.S.A. § 150.

(23) “Gender-affirming health data” means any personal data concerning a past, present, or future effort made by a consumer to seek, or a consumer’s receipt of, gender-affirming health care services, including:

(A) precise geolocation data that is used for determining a consumer’s attempt to acquire or receive gender-affirming health care services;

(B) efforts to research or obtain gender-affirming health care services; and

(C) any gender-affirming health data that is derived from nonhealth information.

(24) “Genetic data” means any data, regardless of its format, that results from the analysis of a biological sample of an individual, or from another source enabling equivalent information to be obtained, and concerns genetic material, including deoxyribonucleic acids (DNA), ribonucleic acids (RNA), genes, chromosomes, alleles, genomes, alterations or modifications to DNA or RNA, single nucleotide polymorphisms (SNPs), epigenetic markers,

uninterpreted data that results from analysis of the biological sample or other source, and any information extrapolated, derived, or inferred therefrom.

(25) “Geofence” means any technology that uses global positioning coordinates, cell tower connectivity, cellular data, radio frequency identification, wireless fidelity technology data, or any other form of location detection, or any combination of such coordinates, connectivity, data, identification, or other form of location detection, to establish a virtual boundary.

(26) “Health care facility” has the same meaning as in 18 V.S.A. § 9432.

(27) “Heightened risk of harm to a minor” means processing the personal data of a minor in a manner that presents a reasonably foreseeable risk of:

(A) unfair or deceptive treatment of, or unlawful disparate impact on, a minor;

(B) financial, physical, or reputational injury to a minor;

(C) unintended disclosure of the personal data of a minor; or

(D) any physical or other intrusion upon the solitude or seclusion, or the private affairs or concerns, of a minor if the intrusion would be offensive to a reasonable person.

(28) “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, and any regulations promulgated pursuant to the act, as may be amended.

(29) “Identified or identifiable individual” means an individual who can be readily identified, directly or indirectly, including by reference to an identifier such as a name, an identification number, specific geolocation data, or an online identifier.

(30) “Independent trust company” has the same meaning as in 8 V.S.A. § 2401.

(31) “Investment adviser” has the same meaning as in 9 V.S.A. § 5102.

(32) “Mental health facility” means any health care facility in which at least 70 percent of the health care services provided in the facility are mental health services.

(33) “Nonpublic personal information” has the same meaning as in 15 U.S.C. § 6809.

(34)(A) “Online service, product, or feature” means any service, product, or feature that is provided online, except as provided in subdivision (B) of this subdivision (34).

(B) “Online service, product, or feature” does not include:

(i) telecommunications service, as that term is defined in the Communications Act of 1934, 47 U.S.C. § 153;

(ii) broadband internet access service, as that term is defined in 47 C.F.R. § 54.400 (universal service support); or

(iii) the delivery or use of a physical product.

(35) “Patient identifying information” has the same meaning as in 42 C.F.R. § 2.11 (confidentiality of substance use disorder patient records).

(36) “Patient safety work product” has the same meaning as in 42 C.F.R. § 3.20 (patient safety organizations and patient safety work product).

(37)(A) “Personal data” means any information, including derived data and unique identifiers, that is linked or reasonably linkable to an identified or identifiable individual or to a device that identifies, is linked to, or is reasonably linkable to one or more identified or identifiable individuals in a household.

(B) “Personal data” does not include de-identified data or publicly available information.

(38)(A) “Precise geolocation data” means information derived from technology that can precisely and accurately identify the specific location of a consumer within a radius of 1,850 feet.

(B) “Precise geolocation data” does not include:

(i) the content of communications;

(ii) data generated by or connected to an advanced utility metering infrastructure system; or

(iii) data generated by equipment used by a utility company.

(39) “Process” or “processing” means any operation or set of operations performed, whether by manual or automated means, on personal data or on sets of personal data, such as the collection, use, storage, disclosure, analysis, deletion, or modification of personal data.

(40) “Processor” means a person who processes personal data on behalf of a controller.

(41) “Profiling” means any form of automated processing performed on personal data to evaluate, analyze, or predict personal aspects related to an identified or identifiable individual’s economic situation, health, personal preferences, interests, reliability, behavior, location, or movements.

(42) “Protected health information” has the same meaning as in HIPAA.

(43) “Pseudonymous data” means personal data that cannot be attributed to a specific individual without the use of additional information, provided the additional information is kept separately and is subject to appropriate technical and organizational measures to ensure that the personal data is not attributed to an identified or identifiable individual.

(44)(A) “Publicly available information” means information that:

(i) is lawfully made available through federal, state, or local government records; or

(ii) a controller has a reasonable basis to believe that the consumer has lawfully made available to the general public through widely distributed media.

(B) “Publicly available information” does not include biometric data collected by a business about a consumer without the consumer’s knowledge.

(45) “Qualified service organization” has the same meaning as in 42 C.F.R. § 2.11 (confidentiality of substance use disorder patient records).

(46) “Reproductive or sexual health care” has the same meaning as “reproductive health care services” in 1 V.S.A. § 150(c)(1).

(47) “Reproductive or sexual health data” means any personal data concerning a past, present, or future effort made by a consumer to seek, or a consumer’s receipt of, reproductive or sexual health care.

(48) “Reproductive or sexual health facility” means any health care facility in which at least 70 percent of the health care-related services or products rendered or provided in the facility are reproductive or sexual health care.

(49)(A) “Sale of personal data” means the exchange of a consumer’s personal data by the controller to a third party for monetary or other valuable consideration or otherwise for a commercial purpose.

(B) As used in this subdivision (49), “commercial purpose” means to advance a person’s commercial or economic interests, such as by inducing another person to buy, rent, lease, join, subscribe to, provide, or exchange

products, goods, property, information, or services, or enabling or effecting, directly or indirectly, a commercial transaction.

(C) “Sale of personal data” does not include:

(i) the disclosure of personal data to a processor that processes the personal data on behalf of the controller;

(ii) the disclosure of personal data to a third party for purposes of providing a product or service requested by the consumer;

(iii) the disclosure or transfer of personal data to an affiliate of the controller;

(iv) the disclosure of personal data where the consumer directs the controller to disclose the personal data or intentionally uses the controller to interact with a third party;

(v) the disclosure of personal data that the consumer:

(I) intentionally made available to the general public via a channel of mass media; and

(II) did not restrict to a specific audience; or

(vi) the disclosure or transfer of personal data to a third party as an asset that is part of a merger, acquisition, bankruptcy or other transaction, or a proposed merger, acquisition, bankruptcy, or other transaction, in which the third party assumes control of all or part of the controller’s assets.

(50) “Sensitive data” means personal data that:

(A) reveals a consumer’s government-issued identifier, such as a Social Security number, passport number, state identification card, or driver’s license number, that is not required by law to be publicly displayed;

(B) reveals a consumer’s racial or ethnic origin, national origin, citizenship or immigration status, religious or philosophical beliefs, or union membership;

(C) reveals a consumer’s sexual orientation, sex life, sexuality, or status as transgender or nonbinary;

(D) reveals a consumer’s status as a victim of a crime;

(E) is financial information, including a consumer’s tax return and account number, financial account log-in, financial account, debit card number, or credit card number in combination with any required security or access code, password, or credentials allowing access to an account;

(F) is consumer health data;

(G) is personal data collected and analyzed concerning consumer health data or personal data that describes or reveals a past, present, or future mental or physical health condition, treatment, disability, or diagnosis, including pregnancy, to the extent the personal data is not used by the controller to identify a specific consumer’s physical or mental health condition or diagnosis;

(H) is biometric or genetic data;

(I) is personal data collected from a known minor; or

(J) is precise geolocation data.

(51)(A) “Targeted advertising” means the targeting of an advertisement to a consumer based on the consumer’s activity with one or more businesses, distinctly branded websites, applications, or services, other than the controller, distinctly branded website, application, or service with which the consumer is intentionally interacting.

(B) “Targeted advertising” does not include:

(i) an advertisement based on activities within the controller’s own commonly branded website or online application;

(ii) an advertisement based on the context of a consumer’s current search query, visit to a website, or use of an online application;

(iii) an advertisement directed to a consumer in response to the consumer’s request for information or feedback; or

(iv) processing personal data solely to measure or report advertising frequency, performance, or reach.

(52) “Third party” means a person, such as a public authority, agency, or body, other than the consumer, controller, or processor or an affiliate of the processor or the controller.

(53) “Trade secret” has the same meaning as in section 4601 of this title.

(54) “Victim services organization” means a nonprofit organization that is established to provide services to victims or witnesses of child abuse, domestic violence, human trafficking, sexual assault, violent felony, or stalking.

§ 2416. APPLICABILITY

(a) Except as provided in subsection (b) of this section, this chapter applies to a person that conducts business in this State or a person that produces

products or services that are targeted to residents of this State and that during the preceding calendar year:

(1) controlled or processed the personal data of not fewer than 25,000 consumers, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or

(2) controlled or processed the personal data of not fewer than 12,500 consumers and derived more than 25 percent of the person's gross revenue from the sale of personal data.

(b) Sections 2420, 2424, and 2428 of this title and the provisions of this chapter concerning consumer health data and consumer health data controllers apply to a person that conducts business in this State or a person that produces products or services that are targeted to residents of this State.

§ 2417. EXEMPTIONS

(a) This chapter does not apply to:

(1) a federal, State, tribal, or local government entity in the ordinary course of its operation;

(2) protected health information that a covered entity or business associate processes in accordance with, or documents that a covered entity or business associate creates for the purpose of complying with HIPAA;

(3) information used only for public health activities and purposes described in 45 C.F.R. § 164.512 (disclosure of protected health information without authorization);

(4) information that identifies a consumer in connection with:

(A) activities that are subject to the Federal Policy for the Protection of Human Subjects, codified as 45 C.F.R. Part 46 (HHS protection of human subjects) and in various other federal regulations;

(B) research on human subjects undertaken in accordance with good clinical practice guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use;

(C) activities that are subject to the protections provided in 21 C.F.R. Parts 50 (FDA clinical investigations protection of human subjects) and 56 (FDA clinical investigations institutional review boards); or

(D) research conducted in accordance with the requirements set forth in subdivisions (A) through (C) of this subdivision (a)(4) or otherwise in accordance with applicable law;

(5) patient identifying information that is collected and processed in accordance with 42 C.F.R. Part 2 (confidentiality of substance use disorder patient records);

(6) patient safety work product that is created for purposes of improving patient safety under 42 C.F.R. Part 3 (patient safety organizations and patient safety work product);

(7) information or documents created for the purposes of the Healthcare Quality Improvement Act of 1986, 42 U.S.C. § 11101–11152, and regulations adopted to implement that act;

(8) information that originates from, or is intermingled so as to be indistinguishable from, or that is treated in the same manner as information described in subdivisions (2)–(7) of this subsection that a covered entity, business associate, or a qualified service organization program creates, collects, processes, uses, or maintains in the same manner as is required under the laws, regulations, and guidelines described in subdivisions (2)–(7) of this subsection;

(9) information processed or maintained solely in connection with, and for the purpose of, enabling:

(A) an individual’s employment or application for employment;

(B) an individual’s ownership of, or function as a director or officer of, a business entity;

(C) an individual’s contractual relationship with a business entity;

(D) an individual’s receipt of benefits from an employer, including benefits for the individual’s dependents or beneficiaries; or

(E) notice of an emergency to persons that an individual specifies;

(10) any activity that involves collecting, maintaining, disclosing, selling, communicating, or using information for the purpose of evaluating a consumer’s creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living if done strictly in accordance with the provisions of the Fair Credit Reporting Act, 15 U.S.C. § 1681–1681x, as may be amended, by:

(A) a consumer reporting agency;

(B) a person who furnishes information to a consumer reporting agency under 15 U.S.C. § 1681s-2 (responsibilities of furnishers of information to consumer reporting agencies); or

(C) a person who uses a consumer report as provided in 15 U.S.C. § 1681b(a)(3) (permissible purposes of consumer reports);

(11) information collected, processed, sold, or disclosed under and in accordance with the following laws and regulations:

(A) the Driver's Privacy Protection Act of 1994, 18 U.S.C. § 2721–2725;

(B) the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and regulations adopted to implement that act;

(C) the Airline Deregulation Act, Pub. L. No. 95-504, only to the extent that an air carrier collects information related to prices, routes, or services, and only to the extent that the provisions of the Airline Deregulation Act preempt this chapter;

(D) the Farm Credit Act, Pub. L. No. 92-181, as may be amended;

(E) federal policy under 21 U.S.C. § 830 (regulation of listed chemicals and certain machines);

(12) nonpublic personal information that is processed by a financial institution subject to the Gramm-Leach-Bliley Act, Pub. L. No. 106-102, and regulations adopted to implement that act;

(13) information that originates from, or is intermingled so as to be indistinguishable from, information described in subdivision (12) of this subsection and that a controller or processor collects, processes, uses, or maintains in the same manner as is required under the law and regulations specified in subdivision (12) of this subsection;

(14) a financial institution, credit union, independent trust company, broker-dealer, or investment adviser or a financial institution's, credit union's, independent trust company's, broker-dealer's, or investment adviser's affiliate or subsidiary that is only and directly engaged in financial activities, as described in 12 U.S.C. § 1843(k);

(15) a person regulated pursuant to 8 V.S.A. part 3 (chapters 101–165) other than a person that, alone or in combination with another person, establishes and maintains a self-insurance program and that does not otherwise engage in the business of entering into policies of insurance;

(16) a third-party administrator, as that term is defined in the Third Party Administrator Rule adopted pursuant to 18 V.S.A. § 9417;

(17) personal data of a victim or witness of child abuse, domestic violence, human trafficking, sexual assault, violent felony, or stalking that a

victim services organization collects, processes, or maintains in the course of its operation;

(18) a nonprofit organization that is established to detect and prevent fraudulent acts in connection with insurance;

(19) information that is processed for purposes of compliance, enrollment or degree verification, or research services by a nonprofit organization that is established to provide enrollment data reporting services on behalf of postsecondary schools as that term is defined in 16 V.S.A. § 176;
or

(20) noncommercial activity of:

(A) a publisher, editor, reporter, or other person who is connected with or employed by a newspaper, magazine, periodical, newsletter, pamphlet, report, or other publication in general circulation;

(B) a radio or television station that holds a license issued by the Federal Communications Commission;

(C) a nonprofit organization that provides programming to radio or television networks; or

(D) an entity that provides an information service, including a press association or wire service.

(b) Controllers, processors, and consumer health data controllers that comply with the verifiable parental consent requirements of COPPA shall be deemed compliant with any obligation to obtain parental consent pursuant to this chapter, including pursuant to section 2420 of this title.

§ 2418. CONSUMER PERSONAL DATA RIGHTS

(a) A consumer shall have the right to:

(1) confirm whether a controller is processing the consumer's personal data and, if a controller is processing the consumer's personal data, access the personal data;

(2) obtain from a controller a list of third parties to which the controller has disclosed the consumer's personal data or, if the controller does not maintain this information in a format specific to the consumer, a list of third parties to which the controller has disclosed personal data;

(3) correct inaccuracies in the consumer's personal data, taking into account the nature of the personal data and the purposes of the processing of the consumer's personal data;

(4) delete personal data provided by, or obtained about, the consumer unless retention of the personal data is required by law;

(5) if the processing of personal data is done by automatic means, obtain a copy of the consumer's personal data processed by the controller in a portable and, to the extent technically feasible, readily usable format that allows the consumer to transmit the data to another controller without hindrance; and

(6) opt out of the processing of personal data for purposes of:

(A) targeted advertising;

(B) the sale of personal data; or

(C) profiling in furtherance of solely automated decisions that produce legal or similarly significant effects concerning the consumer.

(b)(1) A consumer may exercise rights under this section by submitting a request to a controller using the method that the controller specifies in the privacy notice under section 2419 of this title.

(2) A controller shall not require a consumer to create an account for the purpose described in subdivision (1) of this subsection, but the controller may require the consumer to use an account the consumer previously created.

(3) A parent or legal guardian may exercise rights under this section on behalf of the parent's child or on behalf of a child for whom the guardian has legal responsibility. A guardian or conservator may exercise the rights under this section on behalf of a consumer that is subject to a guardianship, conservatorship, or other protective arrangement.

(4)(A) A consumer may designate another person to act on the consumer's behalf as the consumer's authorized agent for the purpose of exercising the consumer's rights under subdivision (a)(4) or (a)(6) of this section.

(B) The consumer may designate an authorized agent by means of an internet link, browser setting, browser extension, global device setting, or other technology that enables the consumer to exercise the consumer's rights under subdivision (a)(4) or (a)(6) of this section.

(c) Except as otherwise provided in this chapter, a controller shall comply with a request by a consumer to exercise the consumer rights authorized pursuant to this chapter as follows:

(1)(A) A controller shall respond to the consumer without undue delay, but not later than 45 days after receipt of the request.

(B) The controller may extend the response period by 45 additional days when reasonably necessary, considering the complexity and number of the consumer's requests, provided the controller informs the consumer of the extension within the initial 45-day response period and of the reason for the extension.

(2) If a controller declines to take action regarding the consumer's request, the controller shall inform the consumer without undue delay, but not later than 45 days after receipt of the request, of the justification for declining to take action and instructions for how to appeal the decision.

(3)(A) Information provided in response to a consumer request shall be provided by a controller, free of charge, once per consumer during any 12-month period.

(B) If requests from a consumer are manifestly unfounded, excessive, or repetitive, the controller may charge the consumer a reasonable fee to cover the administrative costs of complying with the request or decline to act on the request.

(C) The controller bears the burden of demonstrating the manifestly unfounded, excessive, or repetitive nature of the request.

(4)(A) If a controller is unable to authenticate a request to exercise any of the rights afforded under subdivisions (a)(1)–(5) of this section using commercially reasonable efforts, the controller shall not be required to comply with a request to initiate an action pursuant to this section and shall provide notice to the consumer that the controller is unable to authenticate the request to exercise the right or rights until the consumer provides additional information reasonably necessary to authenticate the consumer and the consumer's request to exercise the right or rights.

(B) A controller shall not be required to authenticate an opt-out request, but a controller may deny an opt-out request if the controller has a good faith, reasonable, and documented belief that the request is fraudulent.

(C) If a controller denies an opt-out request because the controller believes the request is fraudulent, the controller shall send a notice to the person who made the request disclosing that the controller believes the request is fraudulent, why the controller believes the request is fraudulent, and that the controller shall not comply with the request.

(5) A controller that has obtained personal data about a consumer from a source other than the consumer shall be deemed in compliance with a consumer's request to delete the data pursuant to subdivision (a)(4) of this section by:

(A) retaining a record of the deletion request and the minimum data necessary for the purpose of ensuring the consumer's personal data remains deleted from the controller's records and not using the retained data for any other purpose pursuant to the provisions of this chapter; or

(B) opting the consumer out of the processing of the personal data for any purpose except for those exempted pursuant to the provisions of this chapter.

(6) A controller may not condition the exercise of a right under this section through:

(A) the use of any false, fictitious, fraudulent, or materially misleading statement or representation; or

(B) the employment of any dark pattern.

(d) A controller shall establish a process by means of which a consumer may appeal the controller's refusal to take action on a request under subsection (b) of this section. The controller's process must:

(1) Allow a reasonable period of time after the consumer receives the controller's refusal within which to appeal.

(2) Be conspicuously available to the consumer.

(3) Be similar to the manner in which a consumer must submit a request under subsection (b) of this section.

(4) Require the controller to approve or deny the appeal within 45 days after the date on which the controller received the appeal and to notify the consumer in writing of the controller's decision and the reasons for the decision. If the controller denies the appeal, the notice must provide or specify information that enables the consumer to contact the Attorney General to submit a complaint.

(e) Nothing in this section shall be construed to require a controller to reveal a trade secret.

§ 2419. DUTIES OF CONTROLLERS

(a) A controller shall:

(1) limit the collection of personal data to what is reasonably necessary and proportionate to provide or maintain a specific product or service requested by the consumer to whom the data pertains;

(2) establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality,

integrity, and accessibility of personal data appropriate to the volume and nature of the personal data at issue;

(3) provide an effective mechanism for a consumer to revoke consent to the controller's processing of the consumer's personal data that is at least as easy as the mechanism by which the consumer provided the consumer's consent; and

(4) upon a consumer's revocation of consent to processing, cease to process the consumer's personal data as soon as practicable, but not later than 15 days after receiving the request.

(b) A controller shall not:

(1) process personal data for a purpose not disclosed in the privacy notice required under subsection (d) of this section unless:

(A) the controller obtains the consumer's consent; or

(B) the purpose is reasonably necessary and compatible with a disclosed purpose;

(2) process sensitive data about a consumer without first obtaining the consumer's consent or, if the controller knows the consumer is a child, without processing the sensitive data in accordance with COPPA;

(3) sell sensitive data;

(4) discriminate or retaliate against a consumer who exercises a right provided to the consumer under this chapter or refuses to consent to the processing of personal data for a separate product or service, including by:

(A) denying goods or services;

(B) charging different prices or rates for goods or services; or

(C) providing a different level of quality or selection of goods or services to the consumer;

(5) process personal data in violation of State or federal laws that prohibit unlawful discrimination; or

(6)(A) except as provided in subdivision (B) of this subdivision (6), process a consumer's personal data in a manner that discriminates against individuals or otherwise makes unavailable the equal enjoyment of goods or services on the basis of an individual's actual or perceived race, color, sex, sexual orientation or gender identity, physical or mental disability, religion, ancestry, or national origin;

(B) subdivision (A) of this subdivision (6) shall not apply to:

(i) a private establishment, as that term is used in 42 U.S.C. § 2000a(e) (prohibition against discrimination or segregation in places of public accommodation);

(ii) processing for the purpose of a controller's or processor's self-testing to prevent or mitigate unlawful discrimination; or

(iii) processing for the purpose of diversifying an applicant, participant, or consumer pool.

(c) Subsections (a) and (b) of this section shall not be construed to:

(1) require a controller to provide a good or service that requires personal data from a consumer that the controller does not collect or maintain; or

(2) prohibit a controller from offering a different price, rate, level of quality, or selection of goods or services to a consumer, including an offer for no fee or charge, in connection with a consumer's voluntary participation in a financial incentive program, such as a bona fide loyalty, rewards, premium features, discount, or club card program, provided that the controller may not transfer personal data to a third party as part of the program unless:

(A) the transfer is necessary to enable the third party to provide a benefit to which the consumer is entitled; or

(B)(i) the terms of the program clearly disclose that personal data will be transferred to the third party or to a category of third parties of which the third party belongs; and

(ii) the consumer consents to the transfer.

(d)(1) A controller shall provide to consumers a reasonably accessible, clear, and meaningful privacy notice that:

(A) lists the categories of personal data, including the categories of sensitive data, that the controller processes;

(B) describes the controller's purposes for processing the personal data;

(C) describes how a consumer may exercise the consumer's rights under this chapter, including how a consumer may appeal a controller's denial of a consumer's request under section 2418 of this title;

(D) lists all categories of personal data, including the categories of sensitive data, that the controller shares with third parties;

(E) describes all categories of third parties with which the controller shares personal data at a level of detail that enables the consumer to understand what type of entity each third party is and, to the extent possible, how each third party may process personal data;

(F) specifies an e-mail address or other online method by which a consumer can contact the controller that the controller actively monitors;

(G) identifies the controller, including any business name under which the controller registered with the Secretary of State and any assumed business name that the controller uses in this State;

(H) provides a clear and conspicuous description of any processing of personal data in which the controller engages for the purposes of targeted advertising, sale of personal data to third parties, or profiling the consumer in furtherance of decisions that produce legal or similarly significant effects concerning the consumer, and a procedure by which the consumer may opt out of this type of processing; and

(I) describes the method or methods the controller has established for a consumer to submit a request under subdivision 2418(b)(1) of this title.

(2) The privacy notice shall adhere to the accessibility and usability guidelines recommended under 42 U.S.C. chapter 126 (the Americans with Disabilities Act) and 29 U.S.C. 794d (section 508 of the Rehabilitation Act of 1973), including ensuring readability for individuals with disabilities across various screen resolutions and devices and employing design practices that facilitate easy comprehension and navigation for all users.

(e) The method or methods under subdivision (d)(1)(I) of this section for submitting a consumer's request to a controller must:

(1) take into account the ways in which consumers normally interact with the controller, the need for security and reliability in communications related to the request, and the controller's ability to authenticate the identity of the consumer that makes the request;

(2) provide a clear and conspicuous link to a website where the consumer or an authorized agent may opt out from a controller's processing of the consumer's personal data pursuant to subdivision 2418(a)(6) of this title or, solely if the controller does not have a capacity needed for linking to a webpage, provide another method the consumer can use to opt out; and

(3) allow a consumer or authorized agent to send a signal to the controller that indicates the consumer's preference to opt out of the sale of personal data or targeted advertising pursuant to subdivision 2418(a)(6) of this title by means of a platform, technology, or mechanism that:

(A) does not unfairly disadvantage another controller;

(B) does not use a default setting but instead requires the consumer or authorized agent to make an affirmative, voluntary, and unambiguous choice to opt out;

(C) is consumer friendly and easy for an average consumer to use;

(D) is as consistent as possible with similar platforms, technologies, or mechanisms required under federal or state laws or regulations; and

(E)(i) enables the controller to reasonably determine whether the consumer has made a legitimate request pursuant to subsection 2418(b) of this title to opt out pursuant to subdivision 2418(a)(6) of this title; and

(ii) for purposes of subdivision (i) of this subdivision (C), use of an internet protocol address to estimate the consumer's location shall be considered sufficient to accurately determine residency.

(f) If a consumer or authorized agent uses a method under subdivision (d)(1)(I) of this section to opt out of a controller's processing of the consumer's personal data pursuant to subdivision 2418(a)(6) of this title and the decision conflicts with a consumer's voluntary participation in a bona fide reward, club card, or loyalty program or a program that provides premium features or discounts in return for the consumer's consent to the controller's processing of the consumer's personal data, the controller may either comply with the request to opt out or notify the consumer of the conflict and ask the consumer to affirm that the consumer intends to withdraw from the bona fide reward, club card, or loyalty program or the program that provides premium features or discounts. If the consumer affirms that the consumer intends to withdraw, the controller shall comply with the request to opt out.

§ 2420. DUTIES OF CONTROLLERS TO MINORS

(a)(1) A controller that offers any online service, product, or feature to a consumer whom the controller knows or consciously avoids knowing is a minor shall use reasonable care to avoid any heightened risk of harm to minors caused by the online service, product, or feature.

(2) In any action brought pursuant to section 2427 of this title, there is a rebuttable presumption that a controller used reasonable care as required under this section if the controller complied with this section.

(b) A controller that offers any online service, product, or feature to a consumer whom the controller knows or consciously avoids knowing is a minor shall not process the minor's personal data for longer than is reasonably necessary to provide the online service, product, or feature.

(c) A controller that offers any online service, product, or feature to a consumer whom the controller knows or consciously avoids knowing is a minor and who has consented under subdivision 2419(b)(2) of this title to the processing of precise geolocation data shall:

(1) collect the minor's precise geolocation data only as reasonably necessary for the controller to provide the online service, product, or feature; and

(2) provide to the minor a conspicuous signal indicating that the controller is collecting the minor's precise geolocation data and make the signal available to the minor for the entire duration of the collection of the minor's precise geolocation data.

§ 2421. DUTIES OF PROCESSORS

(a) A processor shall adhere to a controller's instructions and shall assist the controller in meeting the controller's obligations under this chapter. In assisting the controller, the processor must:

(1) enable the controller to respond to requests from consumers pursuant to subsection 2418(b) of this title by means that:

(A) take into account how the processor processes personal data and the information available to the processor; and

(B) use appropriate technical and organizational measures to the extent reasonably practicable;

(2) adopt administrative, technical, and physical safeguards that are reasonably designed to protect the security and confidentiality of the personal data the processor processes, taking into account how the processor processes the personal data and the information available to the processor; and

(3) provide information reasonably necessary for the controller to conduct and document data protection assessments.

(b) Processing by a processor must be governed by a contract between the controller and the processor. The contract must:

(1) be valid and binding on both parties;

(2) set forth clear instructions for processing data, the nature and purpose of the processing, the type of data that is subject to processing, and the duration of the processing;

(3) specify the rights and obligations of both parties with respect to the subject matter of the contract;

(4) ensure that each person that processes personal data is subject to a duty of confidentiality with respect to the personal data;

(5) require the processor to delete the personal data or return the personal data to the controller at the controller's direction or at the end of the provision of services, unless a law requires the processor to retain the personal data;

(6) require the processor to make available to the controller, at the controller's request, all information the controller needs to verify that the processor has complied with all obligations the processor has under this chapter;

(7) require the processor to enter into a subcontract with a person the processor engages to assist with processing personal data on the controller's behalf and in the subcontract require the subcontractor to meet the processor's obligations concerning personal data;

(8)(A) allow the controller, the controller's designee, or a qualified and independent person the processor engages, in accordance with an appropriate and accepted control standard, framework, or procedure, to assess the processor's policies and technical and organizational measures for complying with the processor's obligations under this chapter;

(B) require the processor to cooperate with the assessment; and

(C) at the controller's request, report the results of the assessment to the controller; and

(9) prohibit the processor from combining personal data obtained from the controller with personal data that the processor:

(A) receives from or on behalf of another controller or person; or

(B) collects from an individual.

(c) This section does not relieve a controller or processor from any liability that accrues under this chapter as a result of the controller's or processor's actions in processing personal data.

(d)(1) For purposes of determining obligations under this chapter, a person is a controller with respect to processing a set of personal data and is subject to an action under section 2427 of this title to punish a violation of this chapter, if the person:

(A) does not adhere to a controller's instructions to process the personal data; or

(B) begins at any point to determine the purposes and means for processing the personal data, alone or in concert with another person.

(2) A determination under this subsection is a fact-based determination that must take account of the context in which a set of personal data is processed.

(3) A processor that adheres to a controller's instructions with respect to a specific processing of personal data remains a processor.

§ 2422. DUTIES OF PROCESSORS TO MINORS

(a) A processor shall adhere to the instructions of a controller and shall:

(1) assist the controller in meeting the controller's obligations under sections 2420 and 2424 of this title, taking into account:

(A) the nature of the processing;

(B) the information available to the processor by appropriate technical and organizational measures; and

(C) whether the assistance is reasonably practicable and necessary to assist the controller in meeting its obligations; and

(2) provide any information that is necessary to enable the controller to conduct and document data protection assessments pursuant to section 2424 of this title.

(b) A contract between a controller and a processor must satisfy the requirements in subsection 2421(b) of this title.

(c) Nothing in this section shall be construed to relieve a controller or processor from the liabilities imposed on the controller or processor by virtue of the controller's or processor's role in the processing relationship as described in sections 2420 and 2424 of this title.

(d) Determining whether a person is acting as a controller or processor with respect to a specific processing of data is a fact-based determination that depends upon the context in which personal data is to be processed. A person that is not limited in the person's processing of personal data pursuant to a controller's instructions, or that fails to adhere to the instructions, is a controller and not a processor with respect to a specific processing of data. A processor that continues to adhere to a controller's instructions with respect to a specific processing of personal data remains a processor. If a processor begins, alone or jointly with others, determining the purposes and means of the processing of personal data, the processor is a controller with respect to the

processing and may be subject to an enforcement action under section 2427 of this title.

§ 2423. DATA PROTECTION ASSESSMENTS FOR PROCESSING
ACTIVITIES THAT PRESENT A HEIGHTENED RISK OF HARM
TO A CONSUMER

(a) A controller shall conduct and document a data protection assessment for each of the controller's processing activities that presents a heightened risk of harm to a consumer, which, for the purposes of this section, includes:

(1) the processing of personal data for the purposes of targeted advertising;

(2) the sale of personal data;

(3) the processing of personal data for the purposes of profiling, where the profiling presents a reasonably foreseeable risk of:

(A) unfair or deceptive treatment of, or unlawful disparate impact on, consumers;

(B) financial, physical, or reputational injury to consumers;

(C) a physical or other intrusion upon the solitude or seclusion, or the private affairs or concerns, of consumers, where the intrusion would be offensive to a reasonable person; or

(D) other substantial injury to consumers; and

(4) the processing of sensitive data.

(b)(1) Data protection assessments conducted pursuant to subsection (a) of this section shall:

(A) identify the categories of personal data processed, the purposes for processing the personal data, and whether the personal data is being transferred to third parties; and

(B) identify and weigh the benefits that may flow, directly and indirectly, from the processing to the controller, the consumer, other stakeholders, and the public against the potential risks to the consumer associated with the processing, as mitigated by safeguards that can be employed by the controller to reduce the risks.

(2) The controller shall factor into any data protection assessment the use of de-identified data and the reasonable expectations of consumers, as well as the context of the processing and the relationship between the controller and the consumer whose personal data will be processed.

(c)(1) The Attorney General may require that a controller disclose any data protection assessment that is relevant to an investigation conducted by the Attorney General pursuant to section 2427 of this title, and the controller shall make the data protection assessment available to the Attorney General.

(2) The Attorney General may evaluate the data protection assessment for compliance with the responsibilities set forth in this chapter.

(3) Data protection assessments shall be confidential and shall be exempt from disclosure and copying under the Public Records Act.

(4) To the extent any information contained in a data protection assessment disclosed to the Attorney General includes information subject to attorney-client privilege or work product protection, the disclosure shall not constitute a waiver of the privilege or protection.

(d) A single data protection assessment may address a comparable set of processing operations that present a similar heightened risk of harm.

(e) If a controller conducts a data protection assessment for the purpose of complying with another applicable law or regulation, the data protection assessment shall be deemed to satisfy the requirements established in this section if the data protection assessment is reasonably similar in scope and effect to the data protection assessment that would otherwise be conducted pursuant to this section.

(f) Data protection assessment requirements shall apply to processing activities created or generated after July 1, 2025, and are not retroactive.

(g) A controller shall retain for at least five years all data protection assessments the controller conducts under this section.

§ 2424. DATA PROTECTION ASSESSMENTS FOR ONLINE SERVICES, PRODUCTS, OR FEATURES OFFERED TO MINORS

(a) A controller that offers any online service, product, or feature to a consumer whom the controller knows or consciously avoids knowing is a minor shall conduct a data protection assessment for the online service product or feature:

(1) in a manner that is consistent with the requirements established in section 2423 of this title; and

(2) that addresses:

(A) the purpose of the online service, product, or feature;

(B) the categories of a minor’s personal data that the online service, product, or feature processes;

(C) the purposes for which the controller processes a minor’s personal data with respect to the online service, product, or feature; and

(D) any heightened risk of harm to a minor that is a reasonably foreseeable result of offering the online service, product, or feature to a minor.

(b) A controller that conducts a data protection assessment pursuant to subsection (a) of this section shall review the data protection assessment as necessary to account for any material change to the processing operations of the online service, product, or feature that is the subject of the data protection assessment.

(c) If a controller conducts a data protection assessment pursuant to subsection (a) of this section or a data protection assessment review pursuant to subsection (b) of this section and determines that the online service, product, or feature that is the subject of the assessment poses a heightened risk of harm to a minor, the controller shall establish and implement a plan to mitigate or eliminate the heightened risk.

(d)(1) The Attorney General may require that a controller disclose any data protection assessment pursuant to subsection (a) of this section that is relevant to an investigation conducted by the Attorney General pursuant to section 2427 of this title, and the controller shall make the data protection assessment available to the Attorney General.

(2) The Attorney General may evaluate the data protection assessment for compliance with the responsibilities set forth in this chapter.

(3) Data protection assessments shall be confidential and shall be exempt from disclosure and copying under the Public Records Act.

(4) To the extent any information contained in a data protection assessment disclosed to the Attorney General includes information subject to attorney-client privilege or work product protection, the disclosure shall not constitute a waiver of the privilege or protection.

(e) A single data protection assessment may address a comparable set of processing operations that include similar activities.

(f) If a controller conducts a data protection assessment for the purpose of complying with another applicable law or regulation, the data protection assessment shall be deemed to satisfy the requirements established in this section if the data protection assessment is reasonably similar in scope and

effect to the data protection assessment that would otherwise be conducted pursuant to this section.

(g) Data protection assessment requirements shall apply to processing activities created or generated after July 1, 2025, and are not retroactive.

(h) A controller that conducts a data protection assessment pursuant to subsection (a) of this section shall maintain documentation concerning the data protection assessment for the longer of:

(1) three years after the date on which the processing operations cease; or

(2) the date the controller ceases offering the online service, product, or feature.

§ 2425. DE-IDENTIFIED OR PSEUDONYMOUS DATA

(a) A controller in possession of de-identified data shall:

(1) take reasonable measures to ensure that the data cannot be used to re-identify an identified or identifiable individual or be associated with an individual or device that identifies or is linked or reasonably linkable to an individual or household;

(2) publicly commit to maintaining and using de-identified data without attempting to re-identify the data; and

(3) contractually obligate any recipients of the de-identified data to comply with the provisions of this chapter.

(b) This section does not prohibit a controller from attempting to re-identify de-identified data solely for the purpose of testing the controller's methods for de-identifying data.

(c) This chapter shall not be construed to require a controller or processor to:

(1) re-identify de-identified data; or

(2) maintain data in identifiable form, or collect, obtain, retain, or access any data or technology, in order to associate a consumer with personal data in order to authenticate the consumer's request under subsection 2418(b) of this title; or

(3) comply with an authenticated consumer rights request if the controller:

(A) is not reasonably capable of associating the request with the personal data or it would be unreasonably burdensome for the controller to associate the request with the personal data;

(B) does not use the personal data to recognize or respond to the specific consumer who is the subject of the personal data or associate the personal data with other personal data about the same specific consumer; and

(C) does not sell or otherwise voluntarily disclose the personal data to any third party, except as otherwise permitted in this section.

(d) The rights afforded under subdivisions 2418(a)(1)–(5) of this title shall not apply to pseudonymous data in cases where the controller is able to demonstrate that any information necessary to identify the consumer is kept separately and is subject to effective technical and organizational controls that prevent the controller from accessing the information.

(e) A controller that discloses or transfers pseudonymous data or de-identified data shall exercise reasonable oversight to monitor compliance with any contractual commitments to which the pseudonymous data or de-identified data is subject and shall take appropriate steps to address any breaches of those contractual commitments.

§ 2426. CONSTRUCTION OF DUTIES OF CONTROLLERS AND PROCESSORS

(a) This chapter shall not be construed to restrict a controller's, processor's, or consumer health data controller's ability to:

(1) comply with federal, state, or municipal laws, ordinances, or regulations;

(2) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, municipal, or other governmental authorities;

(3) cooperate with law enforcement agencies concerning conduct or activity that the controller, processor, or consumer health data controller reasonably and in good faith believes may violate federal, state, or municipal laws, ordinances, or regulations;

(4) carry out obligations under a contract under subsection 2421(b) of this title for a federal or State agency or local unit of government;

(5) investigate, establish, exercise, prepare for, or defend legal claims;

(6) provide a product or service specifically requested by the consumer to whom the personal data pertains consistent with subdivision 2419(a)(1) of this title;

(7) perform under a contract to which a consumer is a party, including fulfilling the terms of a written warranty;

(8) take steps at the request of a consumer prior to entering into a contract;

(9) take immediate steps to protect an interest that is essential for the life or physical safety of the consumer or another individual, and where the processing cannot be manifestly based on another legal basis;

(10) prevent, detect, protect against, or respond to a network security or physical security incident, including an intrusion or trespass, medical alert, or fire alarm;

(11) prevent, detect, protect against, or respond to identity theft, fraud, harassment, malicious or deceptive activity, or any criminal activity targeted at or involving the controller or processor or its services, preserve the integrity or security of systems, or investigate, report, or prosecute those responsible for the action;

(12) assist another controller, processor, consumer health data controller, or third party with any of the obligations under this chapter; or

(13) process personal data for reasons of public interest in the area of public health, community health, or population health, but solely to the extent that the processing is:

(A) subject to suitable and specific measures to safeguard the rights of the consumer whose personal data is being processed; and

(B) under the responsibility of a professional subject to confidentiality obligations under federal, state, or local law.

(b) The obligations imposed on controllers, processors, or consumer health data controllers under this chapter shall not restrict a controller's, processor's, or consumer health data controller's ability to collect, use, or retain data for internal use to:

(1) conduct internal research to develop, improve, or repair products, services, or technology;

(2) effectuate a product recall; or

(3) identify and repair technical errors that impair existing or intended functionality.

(c)(1) The obligations imposed on controllers, processors, or consumer health data controllers under this chapter shall not apply where compliance by the controller, processor, or consumer health data controller with this chapter would violate an evidentiary privilege under the laws of this State.

(2) This chapter shall not be construed to prevent a controller, processor, or consumer health data controller from providing personal data concerning a consumer to a person covered by an evidentiary privilege under the laws of the State as part of a privileged communication.

(3) Nothing in this chapter modifies 2020 Acts and Resolves No. 166, Sec. 14 or authorizes the use of facial recognition technology by law enforcement.

(d)(1) A controller, processor, or consumer health data controller that discloses personal data to a processor or third-party controller pursuant to this chapter shall not be deemed to have violated this chapter if the processor or third-party controller that receives and processes the personal data violates this chapter, provided, at the time the disclosing controller, processor, or consumer health data controller disclosed the personal data, the disclosing controller, processor, or consumer health data controller did not have actual knowledge that the receiving processor or third-party controller would violate this chapter.

(2) A third-party controller or processor receiving personal data from a controller, processor, or consumer health data controller in compliance with this chapter is not in violation of this chapter for the transgressions of the controller, processor, or consumer health data controller from which the third-party controller or processor receives the personal data.

(e) This chapter shall not be construed to:

(1) impose any obligation on a controller, processor, or consumer health data controller that adversely affects the rights or freedoms of any person, including the rights of any person:

(A) to freedom of speech or freedom of the press guaranteed in the First Amendment to the U.S. Constitution; or

(B) under 12 V.S.A. § 1615; or

(2) apply to any person's processing of personal data in the course of the person's purely personal or household activities.

(f)(1) Personal data processed by a controller or consumer health data controller pursuant to this section may be processed to the extent that the processing is:

(A)(i) reasonably necessary and proportionate to the purposes listed in this section; or

(ii) in the case of sensitive data, strictly necessary to the purposes listed in this section; and

(B) adequate, relevant, and limited to what is necessary in relation to the specific purposes listed in this section.

(2)(A) Personal data collected, used, or retained pursuant to subsection (b) of this section shall, where applicable, take into account the nature and purpose or purposes of the collection, use, or retention.

(B) Personal data collected, used, or retained pursuant to subsection (b) of this section shall be subject to reasonable administrative, technical, and physical measures to protect the confidentiality, integrity, and accessibility of the personal data and to reduce reasonably foreseeable risks of harm to consumers relating to the collection, use, or retention of personal data.

(g) If a controller or consumer health data controller processes personal data pursuant to an exemption in this section, the controller or consumer health data controller bears the burden of demonstrating that the processing qualifies for the exemption and complies with the requirements in subsection (f) of this section.

(h) Processing personal data for the purposes expressly identified in this section shall not solely make a legal entity a controller or consumer health data controller with respect to the processing.

(i) This chapter shall not be construed to require a controller, processor, or consumer health data controller to implement an age-verification or age-gating system or otherwise affirmatively collect the age of consumers. A controller, processor, or consumer health data controller that chooses to conduct commercially reasonable age estimation to determine which consumers are minors is not liable for an erroneous age estimation.

§ 2427. ENFORCEMENT

(a) A person who violates this chapter or rules adopted pursuant to this chapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to adopt rules to implement the provisions of this section and to conduct civil investigations, enter into assurances of discontinuance, bring civil actions, and take other enforcement actions as provided under chapter 63, subchapter 1 of this title.

(c)(1) If the Attorney General determines that a violation of this chapter or rules adopted pursuant to this chapter may be cured, the Attorney General may, prior to initiating any action for the violation, issue a notice of violation extending a 60-day cure period to the controller, processor, or consumer health data controller alleged to have violated this chapter or rules adopted pursuant to this chapter.

(2) The Attorney General may, in determining whether to grant a controller, processor, or consumer health data controller the opportunity to cure an alleged violation described in subdivision (1) of this subsection, consider:

(A) the number of violations;

(B) the size and complexity of the controller, processor, or consumer health data controller;

(C) the nature and extent of the controller's, processor's, or consumer health data controller's processing activities;

(D) the substantial likelihood of injury to the public;

(E) the safety of persons or property;

(F) whether the alleged violation was likely caused by human or technical error; and

(G) the sensitivity of the data.

(d) Annually, on or before February 1, the Attorney General shall submit a report to the General Assembly disclosing:

(1) the number of notices of violation the Attorney General has issued;

(2) the nature of each violation;

(3) the number of violations that were cured during the available cure period; and

(4) any other matter the Attorney General deems relevant for the purposes of the report.

§ 2428. CONFIDENTIALITY OF CONSUMER HEALTH DATA

Except as provided in subsections 2417(a) and (b) of this title and section 2426 of this title, no person shall:

(1) provide any employee or contractor with access to consumer health data unless the employee or contractor is subject to a contractual or statutory duty of confidentiality;

(2) provide any processor with access to consumer health data unless the person and processor comply with section 2421 of this title; or

(3) use a geofence to establish a virtual boundary that is within 1,850 feet of any health care facility, including any mental health facility or reproductive or sexual health facility, for the purpose of identifying, tracking, collecting data from, or sending any notification to a consumer regarding the consumer's consumer health data.

Sec. 2. PUBLIC EDUCATION AND OUTREACH; ATTORNEY GENERAL STUDY

(a) The Attorney General shall implement a comprehensive public education, outreach, and assistance program for controllers and processors as those terms are defined in 9 V.S.A. § 2415. The program shall focus on:

(1) the requirements and obligations of controllers and processors under the Vermont Data Privacy Act;

(2) data protection assessments under 9 V.S.A. § 2421;

(3) enhanced protections that apply to children, minors, sensitive data, or consumer health data as those terms are defined in 9 V.S.A. § 2415;

(4) a controller's obligations to law enforcement agencies and the Attorney General's office;

(5) methods for conducting data inventories; and

(6) any other matters the Attorney General deems appropriate.

(b) The Attorney General shall provide guidance to controllers for establishing data privacy notices and opt-out mechanisms, which may be in the form of templates.

(c) The Attorney General shall implement a comprehensive public education, outreach, and assistance program for consumers as that term is defined in 9 V.S.A. § 2415. The program shall focus on:

(1) the rights afforded consumers under the Vermont Data Privacy Act, including:

(A) the methods available for exercising data privacy rights; and

(B) the opt-out mechanism available to consumers;

(2) the obligations controllers have to consumers;

(3) different treatment of children, minors, and other consumers under the act, including the different consent mechanisms in place for children and other consumers;

(4) understanding a privacy notice provided under the Act;

(5) the different enforcement mechanisms available under the Act, including the consumer's private right of action; and

(6) any other matters the Attorney General deems appropriate.

(d) The Attorney General shall cooperate with states with comparable data privacy regimes to develop any outreach, assistance, and education programs, where appropriate.

(e) The Attorney General may have the assistance of the Vermont Law and Graduate School in developing education, outreach, and assistance programs under this section.

(f) On or before December 15, 2026, the Attorney General shall assess the effectiveness of the implementation of the Act and 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 recommendations, including any proposed draft legislation to address issues that have arisen since implementation.

Sec. 3. 9 V.S.A. chapter 62 is amended to read:

CHAPTER 62. PROTECTION OF PERSONAL INFORMATION

Subchapter 1. General Provisions

§ 2430. DEFINITIONS

As used in this chapter:

(1) “Biometric data” shall have the same meaning as in section 2415 of this title.

(2)(A) “Brokered personal information” means one or more of the following computerized data elements about a consumer, if categorized or organized for dissemination to third parties:

- (i) name;
- (ii) address;
- (iii) date of birth;
- (iv) place of birth;
- (v) mother's maiden name;

~~(vi) unique biometric data generated from measurements or technical analysis of human body characteristics used by the owner or licensee of the data to identify or authenticate the consumer, such as a fingerprint, retina or iris image, or other unique physical representation or digital representation of biometric data;~~

(vii) name or address of a member of the consumer's immediate family or household;

(viii) Social Security number or other government-issued identification number; or

(ix) other information that, alone or in combination with the other information sold or licensed, would allow a reasonable person to identify the consumer with reasonable certainty.

(B) "Brokered personal information" does not include publicly available information to the extent that it is related to a consumer's business or profession.

~~(2)(3)~~ "Business" means a controller, a consumer health data controller, a processor, or a commercial entity, including a sole proprietorship, partnership, corporation, association, limited liability company, or other group, however organized and whether or not organized to operate at a profit, including a financial institution organized, chartered, or holding a license or authorization certificate under the laws of this State, any other state, the United States, or any other country, or the parent, affiliate, or subsidiary of a financial institution, but does not include the State, a State agency, any political subdivision of the State, or a vendor acting solely on behalf of, and at the direction of, the State.

~~(3)(4)~~ "Consumer" means an individual residing in this State.

~~(5)~~ "Consumer health data controller" has the same meaning as in section 2415 of this title.

~~(6)~~ "Controller" has the same meaning as in section 2415 of this title.

~~(4)(7)(A)~~ "Data broker" means a business, or unit or units of a business, separately or together, that knowingly collects and sells or licenses to third parties the brokered personal information of a consumer with whom the business does not have a direct relationship.

(B) Examples of a direct relationship with a business include if the consumer is a past or present:

(i) customer, client, subscriber, user, or registered user of the business's goods or services;

- (ii) employee, contractor, or agent of the business;
- (iii) investor in the business; or
- (iv) donor to the business.

(C) The following activities conducted by a business, and the collection and sale or licensing of brokered personal information incidental to conducting these activities, do not qualify the business as a data broker:

- (i) developing or maintaining third-party e-commerce or application platforms;
- (ii) providing 411 directory assistance or directory information services, including name, address, and telephone number, on behalf of or as a function of a telecommunications carrier;
- (iii) providing publicly available information related to a consumer's business or profession; or
- (iv) providing publicly available information via real-time or near-real-time alert services for health or safety purposes.

(D) The phrase "sells or licenses" does not include:

- (i) a one-time or occasional sale of assets of a business as part of a transfer of control of those assets that is not part of the ordinary conduct of the business; or
- (ii) a sale or license of data that is merely incidental to the business.

~~(5)~~(8)(A) "Data broker security breach" means an unauthorized acquisition or a reasonable belief of an unauthorized acquisition of more than one element of brokered personal information maintained by a data broker when the brokered personal information is not encrypted, redacted, or protected by another method that renders the information unreadable or unusable by an unauthorized person.

(B) "Data broker security breach" does not include good faith but unauthorized acquisition of brokered personal information by an employee or agent of the data broker for a legitimate purpose of the data broker, provided that the brokered personal information is not used for a purpose unrelated to the data broker's business or subject to further unauthorized disclosure.

(C) In determining whether brokered personal information has been acquired or is reasonably believed to have been acquired by a person without valid authorization, a data broker may consider the following factors, among others:

(i) indications that the brokered personal information is in the physical possession and control of a person without valid authorization, such as a lost or stolen computer or other device containing brokered personal information;

(ii) indications that the brokered personal information has been downloaded or copied;

(iii) indications that the brokered personal information was used by an unauthorized person, such as fraudulent accounts opened or instances of identity theft reported; or

(iv) that the brokered personal information has been made public.

~~(6)~~(9) “Data collector” means a person who, for any purpose, whether by automated collection or otherwise, handles, collects, disseminates, or otherwise deals with personally identifiable information, and includes the State, State agencies, political subdivisions of the State, public and private universities, privately and publicly held corporations, limited liability companies, financial institutions, and retail operators.

~~(7)~~(10) “Encryption” means use of an algorithmic process to transform data into a form in which the data is rendered unreadable or unusable without use of a confidential process or key.

~~(8)~~(11) “License” means a grant of access to, or distribution of, data by one person to another in exchange for consideration. A use of data for the sole benefit of the data provider, where the data provider maintains control over the use of the data, is not a license.

~~(9)~~(12) “Login credentials” means a consumer’s user name or e-mail address, in combination with a password or an answer to a security question, that together permit access to an online account.

~~(10)~~(13)(A) “Personally identifiable information” means a consumer’s first name or first initial and last name in combination with one or more of the following digital data elements, when the data elements are not encrypted, redacted, or protected by another method that renders them unreadable or unusable by unauthorized persons:

(i) a Social Security number;

(ii) a driver license or nondriver State identification card number, individual taxpayer identification number, passport number, military identification card number, or other identification number that originates from a government identification document that is commonly used to verify identity for a commercial transaction;

(iii) a financial account number or credit or debit card number, if the number could be used without additional identifying information, access codes, or passwords;

(iv) a password, personal identification number, or other access code for a financial account;

~~(v) unique biometric data generated from measurements or technical analysis of human body characteristics used by the owner or licensee of the data to identify or authenticate the consumer, such as a fingerprint, retina or iris image, or other unique physical representation or digital representation of biometric data;~~

(vi) genetic information; and

(vii)(I) health records or records of a wellness program or similar program of health promotion or disease prevention;

(II) a health care professional's medical diagnosis or treatment of the consumer; or

(III) a health insurance policy number.

(B) "Personally identifiable information" does not mean publicly available information that is lawfully made available to the general public from federal, State, or local government records.

(14) "Processor" has the same meaning as in section 2415 of this title.

~~(11)~~(15) "Record" means any material on which written, drawn, spoken, visual, or electromagnetic information is recorded or preserved, regardless of physical form or characteristics.

~~(12)~~(16) "Redaction" means the rendering of data so that the data are unreadable or are truncated so that ~~no~~ not more than the last four digits of the identification number are accessible as part of the data.

~~(13)~~(17)(A) "Security breach" means unauthorized acquisition of electronic data, or a reasonable belief of an unauthorized acquisition of electronic data, that compromises the security, confidentiality, or integrity of a consumer's personally identifiable information or login credentials maintained by a data collector.

(B) "Security breach" does not include good faith but unauthorized acquisition of personally identifiable information or login credentials by an employee or agent of the data collector for a legitimate purpose of the data collector, provided that the personally identifiable information or login

credentials are not used for a purpose unrelated to the data collector's business or subject to further unauthorized disclosure.

(C) In determining whether personally identifiable information or login credentials have been acquired or is reasonably believed to have been acquired by a person without valid authorization, a data collector may consider the following factors, among others:

- (i) indications that the information is in the physical possession and control of a person without valid authorization, such as a lost or stolen computer or other device containing information;
- (ii) indications that the information has been downloaded or copied;
- (iii) indications that the information was used by an unauthorized person, such as fraudulent accounts opened or instances of identity theft reported; or
- (iv) that the information has been made public.

* * *

Subchapter 2. ~~Security Breach Notice Act~~ Data Security Breaches

* * *

§ 2436. NOTICE OF DATA BROKER SECURITY BREACH

(a) Short title. This section shall be known as the Data Broker Security Breach Notice Act.

(b) Notice of breach.

(1) Except as otherwise provided in subsection (c) of this section, any data broker shall notify the consumer that there has been a data broker security breach following discovery or notification to the data broker of the breach. Notice of the security breach shall be made in the most expedient time possible and without unreasonable delay, but not later than 45 days after the discovery or notification, consistent with the legitimate needs of the law enforcement agency, as provided in subdivisions (3) and (4) of this subsection, or with any measures necessary to determine the scope of the security breach and restore the reasonable integrity, security, and confidentiality of the data system.

(2) A data broker shall provide notice of a breach to the Attorney General as follows:

(A)(i) The data broker shall notify the Attorney General of the date of the security breach and the date of discovery of the breach and shall provide

a preliminary description of the breach within 14 business days, consistent with the legitimate needs of the law enforcement agency, as provided in subdivisions (3) and (4) of this subsection (b), after the data broker's discovery of the security breach or when the data broker provides notice to consumers pursuant to this section, whichever is sooner.

(ii) If the date of the breach is unknown at the time notice is sent to the Attorney General, the data broker shall send the Attorney General the date of the breach as soon as it is known.

(iii) Unless otherwise ordered by a court of this State for good cause shown, a notice provided under this subdivision (2)(A) shall not be disclosed to any person other than the authorized agent or representative of the Attorney General, a State's Attorney, or another law enforcement officer engaged in legitimate law enforcement activities without the consent of the data broker.

(B)(i) When the data broker provides notice of the breach pursuant to subdivision (1) of this subsection (b), the data broker shall notify the Attorney General of the number of Vermont consumers affected, if known to the data broker, and shall provide a copy of the notice provided to consumers under subdivision (1) of this subsection (b).

(ii) The data broker may send to the Attorney General a second copy of the consumer notice, from which is redacted the type of brokered personal information that was subject to the breach, that the Attorney General shall use for any public disclosure of the breach.

(3) The notice to a consumer required by this subsection shall be delayed upon request of a law enforcement agency. A law enforcement agency may request the delay if it believes that notification may impede a law enforcement investigation or a national or Homeland Security investigation or jeopardize public safety or national or Homeland Security interests. In the event law enforcement makes the request for a delay in a manner other than in writing, the data broker shall document the request contemporaneously in writing and include the name of the law enforcement officer making the request and the officer's law enforcement agency engaged in the investigation. A law enforcement agency shall promptly notify the data broker in writing when the law enforcement agency no longer believes that notification may impede a law enforcement investigation or a national or Homeland Security investigation, or jeopardize public safety or national or Homeland Security interests. The data broker shall provide notice required by this section without unreasonable delay upon receipt of a written communication, which includes

facsimile or electronic communication, from the law enforcement agency withdrawing its request for delay.

(4) The notice to a consumer required in subdivision (1) of this subsection shall be clear and conspicuous. A notice to a consumer of a security breach involving brokered personal information shall include a description of each of the following, if known to the data broker:

(A) the incident in general terms;

(B) the type of brokered personal information that was subject to the security breach;

(C) the general acts of the data broker to protect the brokered personal information from further security breach;

(D) a telephone number, toll-free if available, that the consumer may call for further information and assistance;

(E) advice that directs the consumer to remain vigilant by reviewing account statements and monitoring free credit reports; and

(F) the approximate date of the data broker security breach.

(5) A data broker may provide notice of a security breach involving brokered personal information to a consumer by two or more of the following methods:

(A) written notice mailed to the consumer's residence;

(B) electronic notice, for those consumers for whom the data broker has a valid e-mail address, if:

(i) the data broker's primary method of communication with the consumer is by electronic means, the electronic notice does not request or contain a hypertext link to a request that the consumer provide personal information, and the electronic notice conspicuously warns consumers not to provide personal information in response to electronic communications regarding security breaches; or

(ii) the notice is consistent with the provisions regarding electronic records and signatures for notices in 15 U.S.C. § 7001;

(C) telephonic notice, provided that telephonic contact is made directly with each affected consumer and not through a prerecorded message; or

(D) notice by publication in a newspaper of statewide circulation in the event the data broker cannot effectuate notice by any other means.

(c) Exception.

(1) Notice of a security breach pursuant to subsection (b) of this section is not required if the data broker establishes that misuse of brokered personal information is not reasonably possible and the data broker provides notice of the determination that the misuse of the brokered personal information is not reasonably possible pursuant to the requirements of this subsection. If the data broker establishes that misuse of the brokered personal information is not reasonably possible, the data broker shall provide notice of its determination that misuse of the brokered personal information is not reasonably possible and a detailed explanation for said determination to the Vermont Attorney General. The data broker may designate its notice and detailed explanation to the Vermont Attorney General as a trade secret if the notice and detailed explanation meet the definition of trade secret contained in 1 V.S.A. § 317(c)(9).

(2) If a data broker established that misuse of brokered personal information was not reasonably possible under subdivision (1) of this subsection and subsequently obtains facts indicating that misuse of the brokered personal information has occurred or is occurring, the data broker shall provide notice of the security breach pursuant to subsection (b) of this section.

(d) Waiver. Any waiver of the provisions of this subchapter is contrary to public policy and is void and unenforceable.

(e) Enforcement.

(1) With respect to a controller or processor other than a controller or processor licensed or registered with the Department of Financial Regulation under Title 8 or this title, the Attorney General and State's Attorney shall have sole and full authority to investigate potential violations of this chapter and to enforce, prosecute, obtain, and impose remedies for a violation of this chapter or any rules or regulations adopted pursuant to this chapter as the Attorney General and State's Attorney have under chapter 63 of this title. The Attorney General may refer the matter to the State's Attorney in an appropriate case. The Superior Courts shall have jurisdiction over any enforcement matter brought by the Attorney General or a State's Attorney under this subsection.

(2) With respect to a controller or processor that is licensed or registered with the Department of Financial Regulation under Title 8 or this title, the Department of Financial Regulation shall have the full authority to investigate potential violations of this chapter and to enforce, prosecute, obtain, and impose remedies for a violation of this chapter or any rules or regulations

adopted pursuant to this chapter, as the Department has under Title 8 or this title or any other applicable law or regulation.

* * *

Subchapter 5. Data Brokers

§ 2446. DATA BROKERS; ANNUAL REGISTRATION

(a) Annually, on or before January 31 following a year in which a person meets the definition of data broker as provided in section 2430 of this title, a data broker shall:

- (1) register with the Secretary of State;
- (2) pay a registration fee of \$100.00; and
- (3) provide the following information:

(A) the name and primary physical, e-mail, and ~~Internet~~ internet addresses of the data broker;

(B) if the data broker permits a consumer to opt out of the data broker's collection of brokered personal information, opt out of its databases, or opt out of certain sales of data:

- (i) the method for requesting an opt-out;
- (ii) if the opt-out applies to only certain activities or sales, which ones; and

(iii) whether the data broker permits a consumer to authorize a third party to perform the opt-out on the consumer's behalf;

(C) a statement specifying the data collection, databases, or sales activities from which a consumer may not opt out;

(D) a statement whether the data broker implements a purchaser credentialing process;

(E) the number of data broker security breaches that the data broker has experienced during the prior year, and if known, the total number of consumers affected by the breaches;

(F) where the data broker has actual knowledge that it possesses the brokered personal information of minors, a separate statement detailing the data collection practices, databases, sales activities, and opt-out policies that are applicable to the brokered personal information of minors; and

(G) any additional information or explanation the data broker chooses to provide concerning its data collection practices.

(b) A data broker that fails to register pursuant to subsection (a) of this section is liable to the State for:

(1) a civil penalty of ~~\$50.00~~ \$125.00 for each day, ~~not to exceed a total of \$10,000.00 for each year,~~ it fails to register pursuant to this section;

(2) an amount equal to the fees due under this section during the period it failed to register pursuant to this section; and

(3) other penalties imposed by law.

(c) A data broker that omits required information from its registration shall file an amendment to include the omitted information within 30 business days following notification of the omission and is liable to the State for a civil penalty of \$1,000.00 per day for each day thereafter.

(d) A data broker that files materially incorrect information in its registration:

(1) is liable to the State for a civil penalty of \$25,000.00; and

(2) if it fails to correct the false information within 30 business days after discovery or notification of the incorrect information, an additional civil penalty of \$1,000.00 per day for each day thereafter that it fails to correct the information.

(e) The Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed in this section and to seek appropriate injunctive relief.

* * *

§ 2448. DATA BROKERS; CREDENTIALING

(a) Credentialing.

(1) A data broker shall maintain reasonable procedures designed to ensure that the brokered personal information it discloses is used for a legitimate and legal purpose.

(2) These procedures shall require that prospective users of the information identify themselves, certify the purposes for which the information is sought, and certify that the information shall be used for no other purpose.

(3) A data broker shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by the prospective user prior to furnishing the user brokered personal information.

(4) A data broker shall not furnish brokered personal information to any person if it has reasonable grounds for believing that the brokered personal information will not be used for a legitimate and legal purpose.

Sec. 4. STUDY; DATA BROKERS; OPT OUT

On or before January 1, 2025, the Secretary of State, in collaboration with the Agency of Digital Services, the Attorney General, and interested parties, shall review and report their findings and recommendations to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning one or more mechanisms for Vermont consumers to opt out of the collection, retention, and sale of brokered personal information, including:

(1) an individual opt out that requires a data broker to allow a consumer to opt out of its data collection, retention, and sales practices through a request made directly to the data broker; and

(2) specifically considering the rules, procedures, and framework for implementing the “accessible deletion mechanism” by the California Privacy Protection Agency that takes effect on January 1, 2026, and approaches in other jurisdictions if applicable:

(A) how to design and implement a State-facilitated general opt out mechanism;

(B) the associated implementation and operational costs;

(C) mitigation of security risks; and

(D) other relevant considerations.

Sec. 5. 9 V.S.A. § 2416(a) is amended to read:

(a) Except as provided in subsection (b) of this section, this chapter applies to a person that conducts business in this State or a person that produces products or services that are targeted to residents of this State and that during the preceding calendar year:

(1) controlled or processed the personal data of not fewer than ~~25,000~~ 12,500 consumers, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or

(2) controlled or processed the personal data of not fewer than ~~12,500~~ 6,250 consumers and derived more than ~~25~~ 20 percent of the person’s gross revenue from the sale of personal data.

Sec. 6. 9 V.S.A. § 2416(a) is amended to read:

(a) Except as provided in subsection (b) of this section, this chapter applies to a person that conducts business in this State or a person that produces products or services that are targeted to residents of this State and that during the preceding calendar year:

(1) controlled or processed the personal data of not fewer than ~~12,500~~ 6,250 consumers, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or

(2) controlled or processed the personal data of not fewer than ~~6,250~~ 3,125 consumers and derived more than 20 percent of the person's gross revenue from the sale of personal data.

Sec. 7. 9 V.S.A. § 2427 is amended to read:

§ 2427. ENFORCEMENT

(a) A person who violates this chapter or rules adopted pursuant to this chapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to adopt rules to implement the provisions of this section and to conduct civil investigations, enter into assurances of discontinuance, bring civil actions, and take other enforcement actions as provided under chapter 63, subchapter 1 of this title.

~~(c)(1) If the Attorney General determines that a violation of this chapter or rules adopted pursuant to this chapter may be cured, the Attorney General may, prior to initiating any action for the violation, issue a notice of violation extending a 60-day cure period to the controller, processor, or consumer health data controller alleged to have violated this chapter or rules adopted pursuant to this chapter.~~

~~(2) The Attorney General may, in determining whether to grant a controller, processor, or consumer health data controller the opportunity to cure an alleged violation described in subdivision (1) of this subsection, consider:~~

~~(A) the number of violations;~~

~~(B) the size and complexity of the controller, processor, or consumer health data controller;~~

~~(C) the nature and extent of the controller's, processor's, or consumer health data controller's processing activities;~~

~~(D) the substantial likelihood of injury to the public;~~

~~(E) the safety of persons or property;~~

~~(F) whether the alleged violation was likely caused by human or technical error; and~~

~~(G) the sensitivity of the data.~~

~~(d) Annually, on or before February 1, the Attorney General shall submit a report to the General Assembly disclosing:~~

~~(1) the number of notices of violation the Attorney General has issued;~~

~~(2) the nature of each violation;~~

~~(3) the number of violations that were cured during the available cure period; and~~

~~(4) any other matter the Attorney General deems relevant for the purposes of the report.~~

Sec. 8. 9 V.S.A. § 2427 is amended to read:

§ 2427. ENFORCEMENT AND PRIVATE RIGHT OF ACTION

(a) A person who violates this chapter or rules adopted pursuant to this chapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to adopt rules to implement the provisions of this section and to conduct civil investigations, enter into assurances of discontinuance, bring civil actions, and take other enforcement actions as provided under chapter 63, subchapter 1 of this title.

(c)(1) A consumer who is harmed by a controller's, processor's, or consumer health data controller's violation of subdivision 2419(b)(2) of this title, subdivision 2419(b)(3) of this title, or section 2428 of this title may bring an action in Superior Court against the controller, processor, or consumer health data controller for the alleged violation if:

(A) the consumer notifies the controller, processor, or consumer health data controller of the violation; and

(B)(i) the controller, processor, or consumer health data controller fails to cure the violation within 60 days following receipt of the notice of violation; or

(ii) no cure is possible.

(2) A consumer bringing an action under this subsection may seek:

(A) the greater of \$1,000.00 or actual damages;

(B) injunctive relief;

(C) punitive damages in the case of an intentional violation; and

(D) reasonable costs and attorney's fees.

(d) Annually, on or before February 1, the Attorney General shall submit a report to the General Assembly disclosing:

(1) the number of actions brought under subsection (c) of this section;

(2) the number of violations asserted, broken down by statutory basis;

(3) the proportion of actions brought under subsection (c) of this section that proceed to trial;

(4) the controllers, processors, or consumer health data controllers most frequently sued under subsection (c) of this section; and

(5) any other matter the Attorney General deems relevant for the purposes of the report.

Sec. 9. 9 V.S.A. § 2427 is amended to read:

§ 2427. ENFORCEMENT AND PRIVATE RIGHT OF ACTION

(a) A person who violates this chapter or rules adopted pursuant to this chapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to adopt rules to implement the provisions of this section and to conduct civil investigations, enter into assurances of discontinuance, bring civil actions, and take other enforcement actions as provided under chapter 63, subchapter 1 of this title.

~~(c)(1) A consumer who is harmed by a controller's, processor's, or consumer health data controller's violation of subdivision 2419(b)(2) of this title, subdivision 2419(b)(3) of this title, or section 2428 of this title may bring an action in Superior Court against the controller, processor, or consumer health data controller for the alleged violation if:~~

~~(A) the consumer notifies the controller, processor, or consumer health data controller of the violation; and~~

~~(B)(i) the controller, processor, or consumer health data controller fails to cure the violation within 60 days following receipt of the notice of violation; or~~

~~(ii) no cure is possible.~~

~~(2) A consumer bringing an action under this subsection may seek:~~

- ~~(A) the greater of \$1,000.00 or actual damages;~~
- ~~(B) injunctive relief;~~
- ~~(C) punitive damages in the case of an intentional violation; and~~
- ~~(D) reasonable costs and attorney's fees.~~

~~(d) Annually, on or before February 1, the Attorney General shall submit a report to the General Assembly disclosing:~~

- ~~(1) the number of actions brought under subsection (c) of this section;~~
- ~~(2) the number of violations asserted, broken down by statutory basis;~~
- ~~(3) the proportion of actions brought under subsection (c) of this section that proceed to trial;~~
- ~~(4) the controllers, processors, or consumer health data controllers most frequently sued under subsection (c) of this section; and~~
- ~~(5) any other matter the Attorney General deems relevant for the purposes of the report.~~

Sec. 10. 9 V.S.A. chapter 62, subchapter 6 is added to read:

Subchapter 6. Age-Appropriate Design Code

§ 2449a. DEFINITIONS

As used in this subchapter:

(1)(A) "Affiliate" means a legal entity that shares common branding with another legal entity or controls, is controlled by, or is under common control with another legal entity.

(B) As used in subdivision (A) of this subdivision (1), "control" or "controlled" means:

(i) ownership of, or the power to vote, more than 50 percent of the outstanding shares of any class of voting security of a company;

(ii) control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or

(iii) the power to exercise controlling influence over the management of a company.

(2) "Age-appropriate" means a recognition of the distinct needs and diversities of minor consumers at different age ranges. In order to help support the design of online services, products, and features, covered businesses should take into account the unique needs and diversities of

different age ranges, including the following developmental stages: zero to five years of age or “preliterate and early literacy”; six to nine years of age or “core primary school years”; 10 to 12 years of age or “transition years”; 13 to 15 years of age or “early teens”; and 16 to 17 years of age or “approaching adulthood.”

(3) “Age estimation” means a process that estimates that a user is likely to be of a certain age, fall within an age range, or is over or under a certain age.

(A) Age estimation methods include:

(i) analysis of behavioral and environmental data the covered business already collects about its users;

(ii) comparing the way a user interacts with a device or with users of the same age;

(iii) metrics derived from motion analysis; and

(iv) testing a user’s capacity or knowledge.

(B) Age estimation does not require certainty, and if a covered business estimates a user’s age for the purpose of advertising or marketing, that estimation may also be used to comply with this act.

(4) “Age verification” means a system that relies on hard identifiers or verified sources of identification to confirm a user has reached a certain age, including government-issued identification or a credit card.

(5) “Business associate” has the same meaning as in HIPAA.

(6) “Collect” means buying, renting, gathering, obtaining, receiving, or accessing any personal data by any means. This includes receiving data from the consumer, either actively or passively, or by observing the consumer’s behavior.

(7)(A) “Consumer” means an individual who is a Vermont resident.

(B) “Consumer” does not include an individual acting in a commercial or employment context or as an employee, owner, director, officer, or contractor of a company, partnership, sole proprietorship, nonprofit, or government agency whose communications or transactions with the covered business occur solely within the context of that individual’s role with the company, partnership, sole proprietorship, nonprofit, or government agency.

(8) “Covered business” means a sole proprietorship, partnership, limited liability company, corporation, association, other legal entity, or an affiliate

thereof, that conducts business in this State or that produces online products, services, or features that are targeted to residents of this State and that:

(A) collects consumers' personal data or has consumers' personal data collected on its behalf by a third party;

(B) alone or jointly with others determines the purposes and means of the processing of consumers personal data; and

(C) alone or in combination annually buys, receives for commercial purposes, sells, or shares for commercial purposes, alone or in combination, the personal data of at least 50 percent of its consumers.

(9) "Covered entity" has the same meaning as in HIPAA.

(10) "Dark pattern" means a user interface designed or manipulated with the effect of subverting or impairing user autonomy, decision making, or choice, and includes any practice the Federal Trade Commission categorizes as a "dark pattern."

(11) "Default" means a preselected option adopted by the covered business for the online service, product, or feature.

(12) "Deidentified" means data that cannot reasonably be used to infer information about, or otherwise be linked to, an identified or identifiable consumer, or a device linked to such consumer, provided that the covered business that possesses the data:

(A) takes reasonable measures to ensure that the data cannot be associated with a consumer;

(B) publicly commits to maintain and use the data only in a deidentified fashion and not attempt to reidentify the data; and

(C) contractually obligates any recipients of the data to comply with all provisions of this subchapter.

(13) "Derived data" means data that is created by the derivation of information, data, assumptions, correlations, inferences, predictions, or conclusions from facts, evidence, or another source of information or data about a minor consumer or a minor consumer's device.

(14)(A) "Low-friction variable reward" means a design feature or virtual item that intermittently rewards consumers for scrolling, tapping, opening, or continuing to engage in an online service, product, or feature.

(B) Examples of low-friction variable reward designs include endless scroll, auto play, and nudges meant to encourage reengagement.

(15)(A) “Minor consumer” means an individual under 18 years of age who is a Vermont resident.

(B) “Minor consumer” does not include an individual acting in a commercial or employment context or as an employee, owner, director, officer, or contractor of a company, partnership, sole proprietorship, nonprofit, or government agency whose communications or transactions with the controller occur solely within the context of that individual’s role with the company, partnership, sole proprietorship, nonprofit, or government agency.

(16) “Online service, product, or feature” means a digital product that is accessible to the public via the internet, including a website or application, and does not mean any of the following:

(A) telecommunications service, as defined in 47 U.S.C. § 153;

(B) a broadband internet access service as defined in 47 C.F.R. § 54.400; or

(C) the sale, delivery, or use of a physical product.

(17) “Personal data” means any information, including derived data and unique identifiers, that is linked or reasonably linkable, alone or in combination with other information, to an identified or identifiable individual or to a device that identifies, is linked to, or is reasonably linkable to one or more identified or identifiable individuals in a household. Personal data does not include deidentified data or publicly available information.

(18) “Process” or “processing” means any operation or set of operations performed, whether by manual or automated means, on personal data or on sets of personal data, such as the collection, use, storage, disclosure, analysis, deletion, modification, or otherwise handling of personal data.

(19) “Processor” means a person who processes personal data on behalf of a covered business.

(20) “Profile” or “profiling” means any form of automated processing of personal data to evaluate, analyze, or predict personal aspects concerning an identified or identifiable consumer’s economic situation, health, personal preferences, interests, reliability, behavior, location, or movements.

(21) “Publicly available information” means information that:

(A) is lawfully made available through federal, state, or local government records; or

(B) a covered business has a reasonable basis to believe that the consumer has lawfully made available to the general public through widely distributed media.

(22) “Reasonably likely to be accessed” means an online service, product, or feature that is likely to be accessed by minor consumers based on any of the following indicators:

(A) the online service, product, or feature is directed to children, as defined by the Children’s Online Privacy Protection Act, 15 U.S.C. §§ 6501–6506 and the Federal Trade Commission rules implementing that Act;

(B) the online service, product, or feature is determined, based on competent and reliable evidence regarding audience composition, to be routinely accessed by an audience that is composed of at least two percent minor consumers two through under 18 years of age;

(C) the online service, product, or feature contains advertisements marketed to minor consumers;

(D) the audience of the online service, product, or feature is determined, based on internal company research, to be composed of at least two percent minor consumers two through under 18 years of age; or

(E) the covered business knew or should have known that at least two percent of the audience of the online service, product, or feature includes minor consumers two through under 18 years of age, provided that, in making this assessment, the business shall not collect or process any personal data that is not reasonably necessary to provide an online service, product, or feature with which a minor consumer is actively and knowingly engaged.

(23)(A) “Social media platform” means a public or semi-public internet-based service or application that is primarily intended to connect and allow a user to socially interact within such service or application and enables a user to:

(i) construct a public or semi-public profile for the purposes of signing into and using such service or application;

(ii) populate a public list of other users with whom the user shares a social connection within such service or application; or

(iii) create or post content that is viewable by other users, including content on message boards and in chat rooms, and that presents the user with content generated by other users.

(B) “Social media platform” does not mean a public or semi-public internet-based service or application that:

(i) exclusively provides electronic mail or direct messaging services;

(ii) primarily consists of news, sports, entertainment, interactive video games, electronic commerce, or content that is preselected by the provider for which any interactive functionality is incidental to, directly related to, or dependent on the provision of such content; or

(iii) is used by and under the direction of an educational entity, including a learning management system or a student engagement program.

(24) “Third party” means a natural or legal person, public authority, agency, or body other than the consumer or the covered business.

§ 2449b. EXCLUSIONS

This subchapter does not apply to:

(1) a federal, state, tribal, or local government entity in the ordinary course of its operation;

(2) protected health information that a covered entity or business associate processes in accordance with, or documents that a covered entity or business associate creates for the purpose of complying with, HIPAA;

(3) information used only for public health activities and purposes described in 45 C.F.R. § 164.512;

(4) information that identifies a consumer in connection with:

(A) activities that are subject to the Federal Policy for the Protection of Human Subjects as set forth in 45 C.F.R. Part 46;

(B) research on human subjects undertaken in accordance with good clinical practice guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use;

(C) activities that are subject to the protections provided in 21 C.F.R. 50 and 21 C.F.R. Part 56; or

(D) research conducted in accordance with the requirements set forth in subdivisions (A)–(C) of this subdivision (4) or otherwise in accordance with State or federal law; and

(5) an entity whose primary purpose is journalism as defined in 12 V.S.A. § 1615(a)(2) and that has a majority of its workforce consisting of individuals engaging in journalism.

§ 2449c. MINIMUM DUTY OF CARE

(a) A covered business that processes a minor consumer's data in any capacity owes a minimum duty of care to the minor consumer.

(b) As used in this subchapter, "a minimum duty of care" means the use of the personal data of a minor consumer and the design of an online service, product, or feature will not benefit the covered business to the detriment of a minor consumer and will not result in:

(1) reasonably foreseeable emotional distress as defined in 13 V.S.A. § 1061(2) to a minor consumer;

(2) the encouragement of excessive or compulsive use of the online service, product, or feature by a minor consumer; or

(3) discrimination against the minor consumer based upon race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, or national origin.

§ 2449d. COVERED BUSINESS OBLIGATIONS

(a) A covered business that is reasonably likely to be accessed and subject to this subchapter shall:

(1) configure all default privacy settings provided to a minor consumer through the online service, product, or feature to a high level of privacy;

(2) provide privacy information, terms of service, policies, and community standards concisely and prominently;

(3) provide prominent, accessible, and responsive tools to help a minor consumer or, if applicable, their parents or guardians to exercise their privacy rights and report concerns to the covered business;

(4) honor the request of a minor consumer to unpublish the minor consumer's social media platform account not later than 15 business days after a covered business receives such a request from a minor consumer; and

(5) provide easily accessible and age-appropriate tools for a minor consumer to limit the ability of users or covered businesses to send unsolicited communications.

(b) A violation of this section constitutes a violation of the minimum duty of care as provided in section 2449c of this subchapter.

§ 2449e. COVERED BUSINESS PROHIBITIONS

(a) A covered business that is reasonably likely to be accessed and subject to this subchapter shall not:

(1) use low-friction variable reward design features that encourage excessive and compulsive use by a minor consumer;

(2) permit, by default, an unknown adult to contact a minor consumer on its platform without the minor consumer first initiating that contact;

(3) permit a minor consumer to be exploited by a contract on the online service, product, or feature;

(4) use dark patterns; or

(5) permit a parent or guardian of a minor consumer, or any other consumer, to monitor the online activity of a minor consumer or to track the location of the minor consumer without providing a conspicuous signal to the minor consumer when the minor consumer is being monitored or tracked.

(b) A violation of this section constitutes a violation of the minimum duty of care as provided in section 2449c of this subchapter.

§ 2449f. ATTORNEY GENERAL ENFORCEMENT

(a) A covered business that violates this subchapter or rules adopted pursuant to this subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General shall have the same authority under this subchapter to make rules, conduct civil investigations, bring civil actions, and enter into assurances of discontinuance as provided under chapter 63 of this title.

§ 2449g. LIMITATIONS

Nothing in this subchapter shall be interpreted or construed to:

(1) Impose liability in a manner that is inconsistent with 47 U.S.C. § 230.

(2) Prevent or preclude any minor consumer from deliberately or independently searching for, or specifically requesting, content.

(3) Require a covered business to implement an age verification requirement. The obligations imposed under this act should be done with age estimation techniques and do not require age verification.

§ 2449h. RIGHTS AND FREEDOMS OF MINOR CONSUMERS

It is the intent of the General Assembly that nothing in this act may be construed to infringe on the existing rights and freedoms of minor consumers or be construed to discriminate against the minor consumer based on race,

ethnicity, sex, disability, sexual orientation, gender identity, gender expression, or national origin.

Sec. 11. EFFECTIVE DATES

(a) This section and Secs. 2 (public education and outreach), 3 (protection of personal information), and 4 (data broker opt-out study) shall take effect on July 1, 2024.

(b) Secs. 1 (Vermont Data Privacy Act) and 10 (Age-Appropriate Design Code) shall take effect on July 1, 2025.

(c) Secs. 5 (Vermont Data Privacy Act middle applicability threshold) and 8 (private right of action) shall take effect on July 1, 2026.

(d) Sec. 7 (cure period phase out) shall take effect on January 1, 2027.

(e) Sec. 6 (Vermont Data Privacy Act low applicability threshold) shall take effect on July 1, 2027.

(f) Sec. 9 (private right of action phase out) shall take effect on July 1, 2029.

and that after passage the title of the bill be amended to read: “An act relating to enhancing consumer privacy and the age-appropriate design code.”

(Committee vote: 10-0-1)

Constitutional Proposal

PROPOSAL 4

Declaration of rights; government for the people; equality of rights

Rep. Rachelson of Burlington for the Committee on Judiciary.

Sec. 1. PURPOSE

(a) This proposal would amend the Constitution of the State of Vermont to specify that the government must not deny equal treatment under the law on account of a person’s race, ethnicity, sex, religion, disability, sexual orientation, gender identity, gender expression, or national origin. The Constitution is our founding legal document stating the overarching values of our society. This amendment is in keeping with the values espoused by the current Vermont Constitution. Chapter I, Article 1 declares “That all persons are born equally free and independent, and have certain natural, inherent, and unalienable rights.” Chapter I, Article 7 states “That government is, or ought to be, instituted for the common benefit, protection, and security of the people.” The core value reflected in Article 7 is that all people should be afforded all the benefits and protections bestowed by the government, and that

the government should not confer special advantages upon the privileged. This amendment would expand upon the principles of equality and liberty by ensuring that the government does not create or perpetuate the legal, social, or economic inferiority of any class of people. This proposed constitutional amendment is not intended to limit the scope of rights and protections afforded by any other provision in the Vermont Constitution.

(b) Providing for equality of rights as a fundamental principle in the Constitution would serve as a foundation for protecting the rights and dignity of historically marginalized populations and addressing existing inequalities. This amendment would reassert the broad principles of personal liberty and equality reflected in the Constitution of the State of Vermont with authoritative force, longevity, and symbolic importance.

Sec. 2. Article 23 of Chapter I of the Vermont Constitution is added to read:

Article 23. [Equality of rights]

That the people are guaranteed equal protection under the law. The State shall not deny equal treatment under the law on account of a person's race, ethnicity, sex, religion, disability, sexual orientation, gender identity, gender expression, or national origin. Nothing in this Article shall be interpreted or applied to prevent the adoption or implementation of measures intended to provide equality of treatment and opportunity for members of groups that have historically been subject to discrimination.

Sec. 3. EFFECTIVE DATE

The amendment set forth in Sec. 2 shall become a part of the Constitution of the State of Vermont on the first Tuesday after the first Monday of November 2026 when ratified and adopted by the people of this State in accordance with the provisions of 17 V.S.A. chapter 32.

(Committee vote: 10-0-1)

NOTICE CALENDAR

Favorable

S. 206

An act relating to designating Juneteenth as a legal holiday

Rep. Mrowicki of Putney, for the Committee on Government Operations and Military Affairs, recommends that the bill ought to pass in concurrence.

(Committee Vote: 11-0-1)

Senate Proposal of Amendment

H. 534

An act relating to retail theft

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

Sec. 1. 13 V.S.A. § 2575 is amended to read:

§ 2575. OFFENSE OF RETAIL THEFT

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

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

* * *

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

§ 2577. PENALTY

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

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

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

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

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

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

* * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

H. 614

An act relating to land improvement fraud and timber trespass

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

Sec. 1. 13 V.S.A. § 2029 is amended to read:

§ 2029. HOME IMPROVEMENT AND LAND IMPROVEMENT FRAUD

(a) As used in this section, ~~“home:~~

(1) ~~“Home improvement” includes~~ means the fixing, replacing, remodeling, removing, renovation, alteration, conversion, improvement, demolition, or rehabilitation of or addition to any building ~~or land~~, or any portion thereof, including roofs, that is used or designed to be used as a residence or dwelling unit. ~~Home improvement shall include~~

(2)(A) “Land improvement” means:

(i) the construction, replacement, installation, paving, or improvement of driveways, ~~roofs,~~ and sidewalks, and trails, roads, or other landscape features;

(ii) site work, including grading, excavation, landscape irrigation, site utility installation, site preparation, and other construction work that is not part of a building on a parcel;

(iii) the limbing, pruning, and cutting, or removal of trees or shrubbery and other improvements to structures or upon land that is adjacent to a dwelling house; and

(iv) forestry operations, as that term is defined in 10 V.S.A. § 2602, including the construction of trails, roads, and structures associated with forestry operations and the transportation off-site of trees, shrubs, or timber.

(B) “Land improvement” includes activities made in connection with a residence or dwelling or those activities not made in connection with a residence or dwelling.

(b) A person commits the offense of home improvement or land improvement fraud when ~~he or she~~ the person enters into a contract or agreement, written or oral, for ~~\$500.00~~ \$1,000.00 or more, with an owner for home improvement or land improvement, or into several contracts or agreements for \$2,500.00 or more in the aggregate, with more than one owner for home improvement or land improvement, and ~~he or she~~ the person knowingly:

(1)(A) fails to perform the contract or agreement, in whole or in part;
and

(B) when the owner requests performance, payment, or a refund of payment made, the person fails to either:

(i) refund the payment; ~~or~~

(ii) make and comply with a definite plan for completion of the work that is agreed to by the owner; or

(iii) make the payment;

(2) misrepresents a material fact relating to the terms of the contract or agreement or to the condition of any portion of the property involved;

(3) uses or employs any unfair or deceptive act or practice in order to induce, encourage, or solicit such person to enter into any contract or agreement or to modify the terms of the original contract or agreement; or

(4) when there is a declared state of emergency, charges for goods or services related to the emergency a price that exceeds two times the average price for the goods or services and the increase is not attributable to the additional costs incurred in connection with providing those goods or services.

(c) Whenever a person is convicted of home improvement or land improvement fraud or of fraudulent acts related to home improvement or land improvement:

(1) the person shall notify the Office of the Attorney General;

(2) the court shall notify the Office of the Attorney General; and

(3) the Office of the Attorney General shall place the person's name on the Home Improvement and Land Improvement Fraud Registry and shall include on the Registry whether the person has notified the Office of Attorney General under subdivision (e)(1) of this section that they have filed a surety bond or an irrevocable letter of credit.

(d)(1) A person who violates subsection (b) of this section shall be imprisoned not more than two years or fined not more than \$1,000.00, or both, if the loss to a single consumer is less than ~~\$1,000.00~~ \$1,500.00.

(2) A person who is convicted of a second or subsequent violation of ~~subdivision (1) of this subsection~~ (b) of this section shall be imprisoned not more than three years or fined not more than \$5,000.00, or both.

(3) A person who violates subsection (b) of this section shall be imprisoned not more than three years or fined not more than \$5,000.00, or both, if:

(A) the loss to a single consumer is ~~\$1,000.00~~ \$1,500.00 or more; or

(B) the loss to more than one consumer is \$2,500.00 or more in the aggregate.

(4) A person who is convicted of a second or subsequent violation of subdivision (b)(3) of this ~~subsection~~ section shall be imprisoned not more than five years or fined not more than \$10,000.00, or both.

(5) A person who violates subsection (c) or (e) of this section shall be imprisoned for not more than two years or fined not more than \$1,000.00, or both.

(e)(1) A person who is sentenced pursuant to subdivision (d)(2), (3), or (4) of this section, or convicted of fraudulent acts related to home improvement or land improvement, may engage in home improvement or land improvement activities for compensation only if:

~~(1)~~(A) the work is for a company or individual engaged in home improvement or land improvement activities; and the company or individual has not previously committed a violation under this section; the person and the management of the company or the individual are not a family member, a household member, or a current or prior business associate; and the person first notifies the company or individual of the conviction and notifies the Office of the Attorney General of the person's current address and telephone number; the name, address, and telephone number of the company or individual for whom the person is going to work; and the date on which the person will start working for the company or individual; or

~~(2)~~(B) the person notifies the Office of the Attorney General of the intent to engage in home improvement or land improvement activities, and that the person has filed a surety bond or an irrevocable letter of credit with the Office in an amount of not less than ~~\$50,000.00~~, \$250,000.00 and pays on a regular basis all fees associated with maintaining such bond or letter of credit.

(2) As used in this subsection:

(A) "Business associate" means a person joined together with another person to achieve a common financial objective.

(B) "Family member" means a spouse, child, sibling, parent, next of kin, domestic partner, or legal guardian.

(C) "Household member" means a person who, for any period of time, is living or has lived together, is sharing or has shared occupancy of a dwelling.

(f) The Office of the Attorney General shall release the letter of credit at such time when:

(1) any claims against the person relating to home improvement or land improvement fraud have been paid;

(2) there are no pending actions or claims against the person for home improvement or land improvement fraud; and

(3) the person has not been engaged in home improvement or land improvement activities for at least six years and has signed an affidavit so attesting.

(g) A person convicted of home improvement or land improvement fraud is prohibited from applying for or receiving State grants or from contracting, directly or indirectly, with the State or any of its subdivisions for a period of up to three years following the date of the conviction, as determined by the Commissioner of Buildings and General Services.

(h) A person subject to the financial surety requirements of section 3605 of this title for timber trespass shall not engage in land improvement activities unless the person has satisfied the financial surety requirements for timber trespass.

Sec. 2. 13 V.S.A. § 3605 is added to read:

§ 3605. FINANCIAL SURETY REQUIRED FOR CONTINUED TIMBER HARVESTING ACTIVITIES

(a) Under one or more of the following circumstances, a person shall not engage in timber harvesting activities for compensation unless the person satisfies the conditions of subsection (b) of this section:

(1) The person was convicted of a second or subsequent violation of timber trespass under section 3606a of this title.

(2) The person is subject to two or more civil judgements under section 3606 of this title.

(3) The person is subject to the financial surety requirements of subsection 2029(e) of this title for land improvement fraud.

(4) The person was convicted of a combination of one or more violations of timber trespass and one or more occurrence of land improvement fraud.

(b)(1) A person subject to prohibition under subsection (a) of this section may engage in timber harvesting activities for compensation if:

(A) the work is for a company or individual engaged in timber harvesting activities and the company or individual has not previously committed a violation under this section; the person and the management of the company or the individual are not a family member, a household member, or a current or prior business associate; and the person first notifies the company or individual of the conviction or civil judgment and notifies the Office of the Attorney General of the person's current address and telephone number; the name, address, and telephone number of the company or individual for whom the person is going to work; and the date on which the person will start working for the company or individual; or

(B) the person notifies the Office of the Attorney General of the intent to engage in timber harvesting activities, has filed a surety bond or an irrevocable letter of credit with the Office in an amount of not less than \$250,000.00, and pays on a regular basis all fees associated with maintaining such bond or letter of credit.

(2) As used in this subsection:

(A) "Business associate" means a person joined together with another person to achieve a common financial objective.

(B) "Family member" means a spouse, child, sibling, parent, next of kin, domestic partner, or legal guardian of a person.

(C) "Household member" means a person who, for any period of time, is living or has lived together, is sharing or has shared occupancy of a dwelling.

(c) The Office of the Attorney General shall release the letter of credit at such time when:

(1) any claims against the person relating to timber harvesting activities or land improvement fraud have been paid;

(2) there are no pending actions or claims against the person from the person's timber harvesting activities or land improvement fraud; and

(3) the person has not been engaged in timber harvesting activities for at least six years and has signed an affidavit so attesting.

(d) A person who violates subsection (b) of this section or subdivision 3606a(c)(1) of this title shall be imprisoned for not more than two years or fined not more than \$1,000.00, or both.

Sec. 3. 13 V.S.A. § 3606a is amended to read:

§ 3606a. TRESPASS; CRIMINAL PENALTY

(a) No person shall knowingly or recklessly:

(1) cut down, fell, destroy, remove, injure, damage, or carry away any timber or forest product placed or growing for any use or purpose whatsoever, or timber or forest product lying or growing belonging to another person, without permission from the owner of the timber or forest product; or

(2) deface the mark of a log, forest product, or other valuable timber in a river or other place.

(b) Any person who violates subsection (a) of this section shall:

(1) for a first offense, be imprisoned not more than one year or fined not more than \$20,000.00, or both; or

(2) for a second or subsequent offense, be imprisoned not more than ~~two~~ three years or fined not more than \$50,000.00, or both.

(c) Whenever a person is convicted of timber trespass under this section:

(1) the person shall notify the Office of the Attorney General;

(2) the court shall notify the Office of the Attorney General; and

(3) the Office of the Attorney General shall place the person's name on the Home Improvement and Land Improvement Fraud Registry and shall include on the Registry whether the person has notified the Office of Attorney General under subdivision 3605(b)(1)(B) of this title that they have filed a surety bond or an irrevocable letter of credit.

Sec. 4. IMPLEMENTATION

The financial surety requirements established by 13 V.S.A. § 3605 shall apply prospectively and shall not apply to convictions or civil judgments that occurred prior to the effective date of this act.

Sec. 5. OFFICE OF THE ATTORNEY GENERAL; REPORT ON TIMBER TRESPASS ENFORCEMENT

(a) On or before January 15, 2025, the Office of the Attorney General shall submit to the House Committees on Agriculture, Food Resiliency, and Forestry and on Judiciary and the Senate Committees on Natural Resources and Energy and on Judiciary a report regarding the current enforcement of timber trespass within the State and potential methods of improving enforcement. The report shall include:

(1) a summary of the current issues pertaining to enforcement of timber trespass statutes;

(2) a summary of mechanisms or alternatives utilized in other states to effectively enforce or prevent timber theft or similar crimes;

(3) recommendations for programs, policy changes, staffing, and budget estimates to improve enforcement and prevention; ensure consumer protection; and reduce the illegal harvesting, theft, and transporting of timber in the State, including proposed statutory changes to implement the recommendations; and

(4) a recommendation of whether and how property used in the commission of land improvement fraud or timber trespass should be subject to seizure and forfeiture by law enforcement.

(b) The Office of the Attorney General shall consult with the Department of Forests, Parks and Recreation; the Department of Public Safety; the Office of the State Treasurer; the Department of State's Attorneys and Sheriffs; the Professional Logging Contractors of the Northeast; the Vermont Forest Products Association; and other interested parties in the preparation of the report required under this section.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

H. 644

An act relating to access to records by individuals who were in foster care

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

Sec. 1. 33 V.S.A. § 4921 is amended to read:

§ 4921. DEPARTMENT'S RECORDS OF ABUSE AND NEGLECT

(a) Record maintenance and disclosure generally. The Commissioner shall maintain all records of all investigations, assessments, reviews, and responses initiated under this subchapter. The Department may use and disclose information from such records in the usual course of its business, including to assess future risk to children, to provide appropriate services to the child or members of the child's family, or for other legal purposes.

(b) Duty to inform parents or guardians. The Commissioner shall promptly inform the parents, if known, or guardian of the child that a report has been accepted as a valid allegation pursuant to subsection 4915(b) of this title and the Department's response to the report. The Department shall inform the parent or guardian of ~~his or her~~ the parent's or guardian's ability to

request records pursuant to subsection (c) of this section. This section shall not apply if the parent or guardian is the subject of the investigation.

(c) Disclosure of redacted investigation files. Upon request, the redacted investigation file shall be disclosed to:

(1) the child's parents, foster parent, or guardian, absent good cause shown by the Department, provided that the child's parent, foster parent, or guardian is not the subject of the investigation;

(2) the person alleged to have abused or neglected the child, as provided for in subsection 4916a(d) of this title; and

(3) the attorney representing the child in a child custody proceeding in the Family Division of the Superior Court.

(d) Disclosure of records created by the Department. Upon request, Department records created under this subchapter shall be disclosed to:

(1) the court, parties to the juvenile proceeding, and the child's guardian ad litem if there is a pending juvenile proceeding or if the child is in the custody of the Commissioner;

(2) the Commissioner or person designated by the Commissioner to receive such records;

(3) persons assigned by the Commissioner to conduct investigations;

(4) law enforcement officers engaged in a joint investigation with the Department, an Assistant Attorney General, or a State's Attorney;

(5) other State agencies conducting related inquiries or proceedings; ~~and~~

(6) the Office of the Child, Youth, and Family Advocate for the purpose of carrying out the provisions in chapter 32 of this title; and

(e)(1) Disclosure of relevant Department records or information. Upon request, relevant Department records or information created under this subchapter shall be disclosed to:

(A) a person, agency, or organization, including a multidisciplinary team empaneled under section 4917 of this title, authorized to diagnose, care for, treat, or supervise a child or family who is the subject of a report or record created under this subchapter, or who is responsible for the child's health or welfare;

(B) health and mental health care providers working directly with the child or family who is the subject of the report or record;

(C) educators working directly with the child or family who is the subject of the report or record;

(D) licensed or approved foster caregivers for the child;

(E) mandated reporters as defined by section 4913 of this subchapter, making a report in accordance with the provisions of section 4914 of this subchapter and engaging in an ongoing working relationship with the child or family who is the subject of the report;

(F) a Family Division of the Superior Court involved in any proceeding in which:

(i) custody of a child or parent-child contact is at issue pursuant to 15 V.S.A. chapter 11, subchapter 3A;

(ii) a parent of a child challenges a presumption of parentage under 15C V.S.A. § 402(b)(3); or

(iii) a parent of a child contests an allegation that he or she fostered or supported a bonded and dependent relationship between the child and a person seeking to be adjudicated a de facto parent under 15C V.S.A. § 501(a)(2);

(G) a Probate Division of the Superior Court involved in guardianship proceedings; and

(H) other governmental entities for purposes of child protection.

(2) Determinations of relevancy shall be made by the Department.

(3) In providing records or information under this subsection, the Department may withhold:

(A) information that could compromise the safety of the reporter or the child or family who is the subject of the report; or

(B) specific details that could cause the child to experience significant mental or emotional stress.

(4) In providing records or information under this section, the Department may also provide other records related to its child protection activities for the child.

(5) Any persons or agencies authorized to receive confidential information under this section may share such information with other persons or agencies authorized to receive confidential information under this section for the purposes of providing services and benefits to the children and families those persons or agencies mutually serve.

(f) Disclosure to prevent harm. Upon request, relevant Department information created under this subchapter may be disclosed to a parent with a reasonable concern that an individual who is residing at least part time with the parent requestor's child presents a risk of abuse or neglect to the requestor's child. As it is used in this subsection, "relevant Department information" shall mean information regarding the individual that the Department determines could avert the risk of harm presented by the individual to the requestor's child. If the Department denies the request for information, the requestor may petition the Family Division of the Superior Court, which may, after weighing the privacy concerns of the individuals involved with the parent's right to protect his or her child, order the release of the information.

(g) Disclosure to adults that were subject to foster care placement.

(1) It is the intent of the General Assembly that it be the policy of the State that:

(A) adults who were subject to placement in State foster care, institutions, and other systemic placements have a statutory right to access their own records in order to more fully understand their own personal stories, including their health, education, family, and other histories; access healing in their chosen way; and be recognized and trusted as legitimate custodians of their own information;

(B) the Department make good faith efforts to disclose such records in the broadest form permitted under applicable federal or State law in order to assist with the administration of Vermont's state plan for foster care and establishing eligibility for programs or services; and

(C) any disclosures made by the Department that are prohibited by applicable federal or State law be construed as good faith efforts of the Department to comply with the State's policy and statutory scheme.

(2) Upon request, Department records created under this subchapter shall be disclosed, at no cost, to an individual who meets the following criteria, to the extent permitted by federal or State law:

(A) the individual is the subject of the records requested;

(B) the individual is 18 years of age or older; and

(C) as a minor, the individual was in foster care or subject to any juvenile judicial proceeding under this title.

(3) In providing records or information pursuant to this subsection, the Department may withhold or redact the following:

(A) identifying information about any person, other than the subject, in which there is a substantial likelihood that a person's safety would be compromised if disclosed;

(B) information that creates a substantial likelihood that would compromise an active law enforcement investigation; or

(C) reports or investigatory records about the subject of the record request in which there is a formal allegation that the subject committed an act of abuse or neglect.

~~(g)~~(h) Penalty. Any records or information disclosed under this section and information relating to the contents of those records or reports shall not be disseminated by the receiving persons or agencies to any persons or agencies, other than to those persons or agencies authorized to receive information pursuant to this section. A person who intentionally violates the confidentiality provisions of this section shall be fined not more than \$2,000.00.

Sec. 2. 33 V.S.A. § 5117 is amended to read:

§ 5117. RECORDS OF JUVENILE JUDICIAL PROCEEDINGS

(a) Except as otherwise provided, court and law enforcement reports and files concerning a person subject to the jurisdiction of the court shall be maintained separate from the records and files of other persons. Unless a charge of delinquency is transferred for criminal prosecution under chapter 52 of this title or the court otherwise orders in the interests of the child, such records and files shall not be open to public inspection nor their contents disclosed to the public by any person. However, upon a finding that a child is a delinquent child by reason of commission of a delinquent act that would have been a felony if committed by an adult, the court, upon request of the victim, shall make the child's name available to the victim of the delinquent act. If the victim is incompetent or deceased, the child's name shall be released, upon request, to the victim's guardian or next of kin.

(b)(1) Notwithstanding the foregoing subsection (a) of this section, inspection of such the records and files by or dissemination of such the records and files to the following is not prohibited:

(A) a court having the child before it in any juvenile judicial proceeding;

(B) the officers of public institutions or agencies to whom the child is committed as a delinquent child;

(C) a court in which a person is convicted of a criminal offense for the purpose of imposing sentence upon or supervising the person, or by officials of penal institutions and other penal facilities to which the person is committed, or by a parole board in considering the person's parole or discharge or in exercising supervision over the person;

(D) the parties to the proceeding, court personnel, the State's Attorney or other prosecutor authorized to prosecute criminal or juvenile cases under State law, the child's guardian ad litem, the attorneys for the parties, probation officers, and law enforcement officers who are actively participating in criminal or juvenile proceedings involving the child;

(E) the child who is the subject of the proceeding, the child's parents, guardian, and custodian may inspect ~~such~~ the records and files upon approval of ~~the Family a Superior~~ a Superior Court judge;

(F) any other person who has a need to know may be designated by order of the Family Division of the Superior Court;

(G) the Commissioner of Corrections if the information would be helpful in preparing a presentence report, in determining placement, or in developing a treatment plan for a person convicted of a sex offense that requires registration pursuant to 13 V.S.A. chapter 167, subchapter 3;

(H) the Human Services Board and the Commissioner's Registry Review Unit in processes required under chapter 49 of this title;

(I) the Department for Children and Families;

(J) the Office of the Child, Youth, and Family Advocate for the purpose of carrying out the provisions in chapter 32 of this title;

(K) a service provider named in a disposition order adopted by the court, or retained by or contracted with a party to fulfill the objectives of the disposition order, including referrals for treatment and placement;

(L) a court diversion program or youth-appropriate community-based provider to whom the child is referred by the State's Attorney or the court, if the child accepts the referral; ~~and~~

(M) other State agencies, treatment programs, service providers, or those providing direct support to the youth, for the purpose of providing supervision or treatment to the youth; and

(N) an individual who:

(i) is the subject of the records sought by the request;

(ii) is 18 years of age or older; and

(iii) as a minor, was subject to any juvenile judicial proceeding under this title.

(2) Files inspected under this subsection shall be marked: UNLAWFUL DISSEMINATION OF THIS INFORMATION IS A CRIME PUNISHABLE BY A FINE UP TO \$2,000.00.

* * *

Sec. 3. DEPARTMENT FOR CHILDREN AND FAMILIES; DISCLOSURE CATEGORIES; RECORDKEEPING; REPORT

On or before November 15, 2025, the Department for Children and Families, in consultation with the Office of the Child, Youth, and Family Advocate and the Vermont State Archives and Records Administration, shall provide a written report to the Senate Committee on Government Operations and the House Committee on Government Operations and Military Affairs on its progress implementing 33 V.S.A. § 4921(g). The report shall include:

(1) the number of requests for records pursuant to 33 V.S.A. § 4921(g);

(2) the approximate or average amount of staff time required to comply with the requests;

(3) systemic issues or barriers facing the Department, if any, in fulfilling the requests;

(4) suggestions for increasing the types of records that are available to youth who have had involvement with the Department; and

(5) any other information the Department deems pertinent for the General Assembly to consider as the State moves toward broader access of Department records to the youth whose lives are affected by Department involvement.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

H. 661

An act relating to child abuse and neglect investigation and substantiation standards and procedures

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

Sec. 1. 33 V.S.A. § 4903 is amended to read:

§ 4903. RESPONSIBILITY OF DEPARTMENT

The Department may expend, within amounts available for the purposes, what is necessary to protect and promote the welfare of children and adults in this State, including the strengthening of their homes whenever possible, by:

(1) Investigating complaints of neglect, abuse, or abandonment of children, including when, whether, and how names are placed on the Child Protection Registry.

* * *

Sec. 2. 33 V.S.A. § 4911 is amended to read:

§ 4911. PURPOSE

The purpose of this subchapter is to:

(1) protect children whose health and welfare may be adversely affected through abuse or neglect;

(2) strengthen the family and make the home safe for children whenever possible by enhancing the parental capacity for good child care;

(3) provide a temporary or permanent nurturing and safe environment for children when necessary; and for these purposes require the reporting of suspected child abuse and neglect, an assessment or investigation of such reports and provision of services, when needed, to such child and family;

(4) establish a range of responses to child abuse and neglect that take into account different degrees of child abuse or neglect and that recognize that child offenders should be treated differently from adults; ~~and~~

(5) establish a tiered child protection registry that balances the need to protect children and the potential employment consequences of a registry record for ~~persons who are~~ a person's conduct that is substantiated for child abuse and neglect; and

(6) ensure that in the Department for Children and Families' efforts to protect children from abuse and neglect, the Department also ensures that investigations are thorough, unbiased, based on accurate and reliable information weighed against other supporting or conflicting information, and adhere to due process requirements.

Sec. 3. 33 V.S.A. § 4912 is amended to read:

§ 4912. DEFINITIONS

As used in this subchapter:

* * *

(16) “Substantiated report” means that the Commissioner or the Commissioner’s designee has determined after investigation that a report is based upon accurate and reliable information ~~that would lead a reasonable person to believe~~ where there is a preponderance of the evidence necessary to support the allegation that the child has been abused or neglected.

* * *

Sec. 4. 33 V.S.A. § 4915b is amended to read:

§ 4915b. PROCEDURES FOR INVESTIGATION

(a) An investigation, to the extent that it is reasonable under the facts and circumstances presented by the particular allegation of child abuse, shall include all of the following:

(1) A visit to the child’s place of residence or place of custody and to the location of the alleged abuse or neglect.

(2) An interview with or observation of the child reportedly having been abused or neglected. If the investigator elects to interview the child, that interview may take place without the approval of the child’s parents, guardian, or custodian, provided that it takes place in the presence of a disinterested adult who may be, but shall not be limited to being, a teacher, a member of the clergy, a child care provider regulated by the Department, or a nurse.

(3) Determination of the nature, extent, and cause of any abuse or neglect.

(4) Determination of the identity of the person alleged to be responsible for such abuse or neglect. The investigator shall use best efforts to obtain the person’s mailing and e-mail address as soon as practicable once the person’s identity is determined. The person shall be notified of the outcome of the investigation and any notices sent by the Department using the mailing address, or if requested by the person, to the person’s e-mail address collected pursuant to this subdivision.

(5)(A) The identity, by name, of any other children living in the same home environment as the subject child. The investigator shall consider the physical and emotional condition of those children and may interview them, unless the child is the person who is alleged to be responsible for such abuse or neglect, in accordance with the provisions of subdivision (2) of this subsection (a).

(B) The identity, by name, of any other children who may be at risk if the abuse was alleged to have been committed by someone who is not a member of the subject child’s household. The investigator shall consider the

physical and emotional condition of those children and may interview them, unless the child is the person who is alleged to be responsible for such abuse or neglect, in accordance with the provisions of subdivision (2) of this subsection (a).

(6) A determination of the immediate and long-term risk to each child if that child remains in the existing home or other environment.

(7) Consideration of the environment and the relationship of any children therein to the person alleged to be responsible for the suspected abuse or neglect.

(8) All other data deemed pertinent, including any interviews of witnesses made known to the Department.

(b) For cases investigated and substantiated by the Department, the Commissioner shall, to the extent that it is reasonable, provide assistance to the child and the child's family. For cases investigated but not substantiated by the Department, the Commissioner may, to the extent that it is reasonable, provide assistance to the child and the child's family. Nothing contained in this section or section 4915a of this title shall be deemed to create a private right of action.

* * *

Sec. 5. 33 V.S.A. § 4916 is amended to read:

§ 4916. CHILD PROTECTION REGISTRY

(a)(1) The Commissioner shall maintain a Child Protection Registry that shall contain a record of all investigations that have resulted in a substantiated report on or after January 1, 1992. Except as provided in subdivision (2) of this subsection, prior to placement of a substantiated report on the Registry, the Commissioner shall comply with the procedures set forth in section 4916a of this title.

(2) In cases involving sexual abuse or serious physical abuse of a child, the Commissioner in ~~his or her~~ the Commissioner's sole judgment may list a substantiated report on the Registry pending any administrative review after:

- (A) reviewing the investigation file; and
- (B) making written findings in consideration of:
 - (i) the nature and seriousness of the alleged behavior; and
 - (ii) the person's continuing access to children.

(3) A person alleged to have abused or neglected a child and whose name has been placed on the Registry in accordance with subdivision (2) of this subsection shall be notified of the Registry entry, provided with the Commissioner's findings, and advised of the right to seek an administrative review in accordance with section 4916a of this title.

(4) If the name of a person has been placed on the Registry in accordance with subdivision (2) of this subsection, it shall be removed from the Registry if the substantiation is rejected after an administrative review.

(b) A Registry record means an entry in the Child Protection Registry that consists of the name of an individual whose conduct is substantiated for child abuse or neglect, the date of the finding, the nature of the finding, and at least one other personal identifier, other than a name, listed in order to avoid the possibility of misidentification.

(c) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 to permit use of the Registry records as authorized by this subchapter while preserving confidentiality of the Registry and other Department records related to abuse and neglect.

(d) For all substantiated reports of child abuse or neglect made on or after the date the final rules are adopted, the Commissioner shall create a Registry record that reflects a designated child protection level related to the risk of future harm to children. This system of child protection levels shall be based upon an evaluation of the risk the person responsible for the abuse or neglect poses to the safety of children. The risk evaluation shall include consideration of the following factors:

(1) the nature of the conduct and the extent of the child's injury, if any;

(2) the person's prior history of child abuse or neglect as either a victim or perpetrator;

(3) the person's response to the investigation and willingness to engage in recommended services; and

(4) the person's age and developmental maturity.

(e) The Commissioner shall ~~develop~~ adopt rules for the implementation of a system of Child Protection Registry levels for substantiated cases pursuant to 3 V.S.A. chapter 25. The rules shall address:

(1) when, whether, and how names are placed on the Registry;

(2) standards for determining a child protection level designation;

~~(3)~~ the length of time a person's name appears on the Registry prior to seeking expungement;

~~(2)~~~~(4)~~ when and how names are expunged from the Registry;

~~(3)~~~~(5)~~ whether the person is a juvenile or an adult;

~~(4)~~~~(6)~~ whether the person was charged with or convicted of a criminal offense arising out of the incident of abuse or neglect; and

~~(5)~~~~(7)~~ whether a Family Division of the Superior Court has made any findings against the person.

(f) [Repealed.]

Sec. 6. 33 V.S.A. § 4916a is amended to read:

§ 4916a. ~~CHALLENGING PLACEMENT ON THE REGISTRY~~
SUBSTANTIATION

(a) If an investigation conducted in accordance with section 4915b of this title results in a determination that a report of child abuse or neglect should be substantiated, the Department shall notify the person alleged to have abused or neglected a child of the following:

(1) the nature of the substantiation decision, and that the Department intends to enter the record of the substantiation into the Registry;

(2) who has access to Registry information and under what circumstances;

(3) the implications of having one's name placed on the Registry as it applies to employment, licensure, and registration;

(4) the Registry child protection level designation to be assigned to the person and the date that the person is eligible to seek expungement based on the designation level;

~~(5)~~ the right to request a review of the substantiation determination by an administrative reviewer; ~~the time in which the request for review shall be made;~~ and the consequences of not seeking a review; ~~and~~

~~(5)~~~~(6)~~ the right to receive a copy of the Commissioner's written findings made in accordance with subdivision 4916(a)(2) of this title if applicable; and

(7) ways to contact the Department for any further information.

(b) Under this section, notice by the Department to a person alleged to have abused or neglected a child shall be by first-class mail sent to the person's last known mailing address, or if requested by the person, to the person's e-mail address collected during the Department's investigation

pursuant to subdivision 4915b(a)(4) of this title. The Department shall maintain a record of the notification, including who sent the notification, the date it is sent, and the address to which it is sent.

(c)(1) ~~A person alleged to have abused or neglected a child~~ whose conduct is the subject of a substantiation determination may seek an administrative review of the Department's ~~intention to place the person's name on the Registry~~ determination by notifying the Department within ~~14~~ 30 days ~~of~~ after the date the Department ~~mailed~~ sent notice of the right to review in accordance with subsections (a) and (b) of this section. The Commissioner may grant an extension past the ~~14-day~~ 30-day period for good cause, not to exceed ~~28~~ 60 days after the Department has ~~mailed~~ sent notice of the right to review.

(2) The administrative review may be stayed upon request of the person ~~alleged to have committed abuse or neglect~~ whose conduct is the subject of a substantiation determination if there is a related case pending in the Criminal or Family Division of the Superior Court that arose out of the same incident of abuse or neglect for which the ~~person~~ person's conduct was substantiated ~~or led to placement on the Registry~~. During the period the review is stayed, the person's name shall be placed on the Registry. Upon resolution of the Superior Court criminal or family case, the person may exercise ~~his or her~~ the person's right to review under this section by notifying the Department in writing within 30 days after the related court case, including any appeals, has been fully adjudicated. If the person fails to notify the Department within 30 days, the Department's decision shall become final and no further review under this subsection is required.

(d)(1) ~~The~~ Except as provided in this subsection, the Department shall ~~hold~~ schedule an administrative review conference within ~~35~~ 60 days ~~of~~ after receipt of the request for review. At least ~~10~~ 20 days prior to the administrative review conference, the Department shall provide to the person requesting review a copy of the redacted investigation file, which shall contain sufficient unredacted information to describe the allegations and the evidence relied upon as the basis of the substantiation, notice of time and place of the conference, and conference procedures, including information that may be submitted and mechanisms for providing information. There shall be no subpoena power to compel witnesses to attend a Registry review conference. The Department shall also provide to the person those redacted investigation files that relate to prior investigations that the Department has relied upon to make its substantiation determination in the case in which a review has been requested. If an administrative review conference is not held within 60 days after receipt of the request to review, due to good cause shown, an extension

may be authorized by the Commissioner or designee in which the basis of the failure is explained.

(2) The Department may elect to not hold an administrative review conference when a person who has requested a review does not respond to Department requests to schedule the review meeting or does not appear for the scheduled review meeting. In these circumstances, unless good cause is shown, the Department's substantiation shall be accepted and the person's name shall be placed on the Registry, if applicable. Upon the Department's substantiation being accepted, the Department shall provide notice that advises the person of the right to appeal the substantiation determination to the Human Services Board pursuant to section 4916b of this title.

(e) At the administrative review conference, the person who requested the review shall be provided with the opportunity to present documentary evidence or other information that supports ~~his or her~~ the person's position and provides information to the reviewer in making the most accurate decision regarding the allegation. The Department shall have the burden of proving ~~that it has accurately and reliably concluded that a reasonable person would believe by a preponderance of the evidence~~ that the child has been abused or neglected by that person. Upon the person's request or during a declared state of emergency in Vermont, the conference may be held by teleconference through a live, interactive, audio-video connection or by telephone.

(f) The Department shall establish an administrative case review unit within the Department and contract for the services of administrative reviewers. An administrative reviewer shall be a neutral and independent arbiter who has no prior involvement in the original investigation of the allegation. Department information pertaining to the investigation that is obtained by the reviewer outside of the review meeting shall be disclosed to the person seeking the review.

(g) Within seven days of after the conference, the administrative reviewer shall:

- (1) reject the Department's substantiation;
- (2) accept the Department's substantiation; or
- (3) place the substantiation determination on hold and direct the Department to further investigate the case based upon recommendations of the reviewer.

(h) If the administrative reviewer accepts the Department's substantiation, a Registry record shall be made immediately. If the reviewer rejects the Department's substantiation, no Registry record shall be made.

(i) Within seven days ~~of~~ after the decision to reject ~~or~~, accept, or to place the substantiation on hold in accordance with subsection (g) of this section, the administrative reviewer shall provide notice to the person of ~~his or her~~ the reviewer's decision to the most recent address provided by the person. If the administrative reviewer accepts the Department's substantiation the notice shall advise the person of the right to appeal the administrative reviewer's decision to the human services board in accordance with section 4916b of this title.

* * *

Sec. 7. 33 V.S.A. § 4916b is amended to read:

§ 4916b. HUMAN SERVICES BOARD HEARING

(a) Within 30 days after the date on which the administrative reviewer mailed sent notice of placement of a report on the Registry, the person who is the subject of the substantiation may apply in writing to the Human Services Board for relief. The Board shall hold a fair hearing pursuant to 3 V.S.A. § 3091. When the Department receives notice of the appeal, it shall make note in the Registry record that the substantiation has been appealed to the Board.

* * *

Sec. 8. 33 V.S.A. § 4916c is amended to read:

§ 4916c. PETITION FOR EXPUNGEMENT FROM THE REGISTRY

(a)(1) ~~Except as provided in this subdivision~~ Pursuant to rules adopted in accordance with subsection 4916(e) of this title, a person whose name has been placed on the Registry ~~prior to July 1, 2009 and has been listed on the Registry for at least three years~~ may file a written request with the Commissioner, seeking a review for the purpose of expunging an individual Registry record. ~~A person whose name has been placed on the Registry on or after July 1, 2009 and has been listed on the Registry for at least seven years may file a written request with the Commissioner seeking a review for the purpose of expunging an individual Registry record.~~ The Commissioner shall grant a review upon an eligible person's request.

(2) A person who is required to register as a sex offender on the State's Sex Offender Registry shall not be eligible to petition for expungement of ~~his or her~~ the person's Registry record until the person is no longer subject to Sex Offender Registry requirements.

(b)(1) The person shall have the burden of proving that a reasonable person would believe that ~~he or she~~ the person no longer presents a risk to the safety or well-being of children.

(2) The Commissioner shall consider the following factors in making ~~his or her~~ a determination:

(A) the nature of the substantiation that resulted in the person's name being placed on the Registry;

(B) the number of substantiations;

(C) the amount of time that has elapsed since the substantiation;

(D) the circumstances of the substantiation that would indicate whether a similar incident would be likely to occur;

(E) any activities that would reflect upon the person's changed behavior or circumstances, such as therapy, employment, or education;

(F) references that attest to the person's good moral character; and

(G) any other information that the Commissioner deems relevant.

(3) The Commissioner may deny a petition for expungement based solely on subdivision (2)(A) or (2)(B) of this subsection. The Commissioner's decision to deny an expungement petition shall contain information about how to prepare for future expungement requests.

(c) At the review, the person who requested the review shall be provided with the opportunity to present any evidence or other information, including witnesses, that supports ~~his or her~~ the person's request for expungement. Upon the person's request or during a declared state of emergency in Vermont, the conference may be held ~~by teleconference~~ through a live, interactive, audio-video connection or by telephone.

(d) A person may seek a review under this section ~~no~~ not more than once every 36 months.

(e) Within 30 days ~~of~~ after the date on which the Commissioner ~~mailed sent~~ notice of the decision pursuant to this section, a person may appeal the decision to the Human Services Board. The person shall be prohibited from challenging ~~his or her~~ the substantiation at such hearing, and the sole ~~issue~~ issues before the Board shall be whether the Commissioner abused ~~his or her~~ the Commissioner's discretion in ~~denial of~~ denying the petition for expungement. The hearing shall be on the record below, and determinations of credibility of witnesses made by the Commissioner shall be given deference by the Board.

* * *

Sec. 9. 33 V.S.A. § 4916d is amended to read:

§ 4916d. AUTOMATIC EXPUNGEMENT OF REGISTRY RECORDS

Registry entries concerning a person ~~who~~ whose conduct was substantiated for behavior occurring before the person reached 10 years of age shall be expunged when the person reaches ~~the age of 18 years of age~~, provided that the person has had no additional substantiated Registry entries. ~~A person substantiated for behavior occurring before the person reached 18 years of age and whose name has been listed on the Registry for at least three years may file a written request with the Commissioner seeking a review for the purpose of expunging an individual Registry record in accordance with section 4916c of this title.~~

Sec. 10. 33 V.S.A. § 4922 is amended to read:

§ 4922. RULEMAKING

~~(a) The Commissioner shall develop rules to implement this subchapter. On or before September 1, 2025, the Commissioner shall file proposed rules pursuant to 3 V.S.A. chapter 25 implementing the provisions of this subchapter to become effective on April 1, 2026. These shall include:~~

- ~~(1) rules setting forth criteria for determining whether to conduct an assessment or an investigation;~~
- ~~(2) rules setting out procedures for assessment and service delivery;~~
- ~~(3) rules outlining procedures for investigations;~~
- ~~(4) rules for conducting the administrative review conference;~~
- ~~(5) rules regarding access to and maintenance of Department records of investigations, assessments, reviews, and responses; and~~
- ~~(6) rules regarding the tiered Registry as required by section 4916 of this title;~~
- ~~(7) rules requiring notice and appeal procedures for alternatives to substantiation; and~~
- ~~(8) rules implementing subsections 4916(c) and (e) of this title.~~

* * *

Sec. 11. CHILD ABUSE AND NEGLECT; INTERVIEWS; CAPABILITIES;
REPORT

~~(a) On or before November 15, 2024, the Department for Children and Families shall submit a written report to the Senate Committee on Health and Welfare and the House Committee on Human Services examining the Department's capabilities and resources necessary to safely, securely, and~~

confidentially store any interviews recorded during a child abuse and neglect investigation.

(b) The report required pursuant to subsection (a) of this section shall include the Department's proposed model policy detailing the types of interviews that should be recorded and the storage, safety, and confidentiality requirements of such interviews.

Sec. 12. CHILD ABUSE AND NEGLECT; SUBSTANTIATION
RECOMMENDATIONS AND CATEGORIES; RULEMAKING;
REPORT

(a) On or before October 1, 2025, the Department for Children and Families, in consultation with the Secretary of Human Services, the Agency of Education, the Department of Mental Health, the Vermont Parent Representation Center, and Voices for Vermont's Children, shall submit a written report to the Senate Committee on Health and Welfare and the House Committee on Human Services on the progress towards:

(1) establishing a centralized internal substantiation determination process;

(2) rules establishing substantiation categories that require entry onto the Registry and alternatives to substantiation that do not require entry onto the Registry;

(3) rules creating procedures for how substantiation recommendations are made by the Department district offices and how substantiation determinations are made by the Department central office.

(b) The report required pursuant to subsection (a) of this section shall include legislative recommendations, if any.

(c) On or after January 15, 2026, the Department of Children and Families shall present the report required pursuant subsection (a) of this section to the Senate Committee on Health and Welfare and the House Committee on Human Services.

Sec. 13. EFFECTIVE DATE

This act shall take effect on September 1, 2024.

H. 707

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

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

Sec. 1. 10 V.S.A. chapter 22A is amended to read:

CHAPTER 22A. WORKFORCE EDUCATION AND TRAINING

* * *

§ 541. OFFICE OF WORKFORCE STRATEGY AND DEVELOPMENT

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

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

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

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

(1) coordinate the efforts of workforce development in the State;

(2) oversee the affairs of the State Workforce Development Board;

(3) work with State agencies and private partners to:

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

(B) manage the collection of outcome information; and

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

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

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

§ 541a. STATE WORKFORCE DEVELOPMENT BOARD; EXECUTIVE COMMITTEE

(a) Board established; duties. Pursuant to the requirements of 29 U.S.C. § 3111, the Governor shall establish the State Workforce Development Board

to assist the Governor in the execution of his or her duties under the Workforce Innovation and Opportunity Act of 2014 and to assist the Commissioner of Labor as specified in section 540 of this title.

* * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) organizations that serve veterans;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Operation of Board.

(1) Executive Committee.

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

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

(i) the Chair of the Board;

(ii) the Commissioner of Labor or designee;

(iii) the Secretary of Education or designee;

(iv) the Secretary of Human Services or designee;

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

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

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

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

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

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

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

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

(2) Member representation and vacancies.

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

(B) Members of the State Board or their designees who represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority or relevant subject matter expertise within the organizations, agencies, or entities.

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

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

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

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

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

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

* * *

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

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

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

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

Sec. 5a. REGIONAL WORKFORCE EXPANSION SYSTEM

* * *

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

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

* * *

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

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

Sec. 3. TASK FORCE TO STUDY DATA MANAGEMENT MODELS

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

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

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

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

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

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

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

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

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

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

shall be filled by the relevant appointing authority pursuant to 2022 Acts and Resolves No. 183, Sec. 5.

(c) Meetings.

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

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

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

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

(d) Powers and duties.

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

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

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

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

(e) Assistance. For purposes of:

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

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

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

(f) Requirements.

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

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

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than eight meetings. Payments to members of the Committee authorized under this subdivision (g)(1) shall be made from monies appropriated to the General Assembly.

(2) A nonlegislative member of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings. Payments to members of the Committee authorized under this subdivision (g)(2) shall be made from monies appropriated to the Department of Labor.

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

Sec. 5. STATE WORKFORCE DEVELOPMENT BOARD TRANSITION PERIOD

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

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

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

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

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

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

Sec. 6. EFFECTIVE DATE

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

H. 745

An act relating to the Vermont Parentage Act

The Senate proposes to the House to amend the bill as follows:

First: By adding a new section to be Sec. 11a to read as follows:

Sec. 11a. 15C V.S.A. § 802(f) is added to read:

(f) A surrogacy agreement that substantially complies with this section and section 801 of this title is enforceable.

Second: By adding five new sections to be Secs. 13a–e to read as follows:

Sec. 13a. 15 V.S.A. § 293 is amended to read:

§ 293. WHEN PARENTS LIVE SEPARATELY

(a) When parents of minor children, or parents and stepparents of minor children, whether said parents are married or unmarried, are living separately, on the complaint of either parent or stepparent or, if it is a party in interest, the Department for Children and Families, the Family Division of the Superior Court may make such decree concerning parental rights and responsibilities and parent-child contact (as defined in section 664 of this title), and the support of the children, as in cases where either parent deserts or without just cause fails to support the children. Thereafter on the motion of either of the parents, the stepparent, or the Department for Children and Families, the court may annul, vary, or modify the decrees.

(b) Any legal presumption of parentage as set forth in ~~section 308 of this title~~ 15C V.S.A. § 401 or an unrescinded acknowledgment of parentage signed by the parties and executed in accordance with 15C V.S.A. § 301 shall be sufficient basis for initiating a support action under this section without any further proceedings to establish parentage. ~~If a party raises an objection to the~~

~~presumption, the court may determine the issue of parentage as part of the support action. If no written objection to the presumption is raised, an order under this section shall constitute a judgment on the issue of parentage.~~

Sec. 13b. REPEAL

15 V.S.A. § 294 (man in the house) is repealed.

Sec. 13c. 15 V.S.A. § 295 is amended to read:

§ 295. ~~SUBSTITUTE HUSBAND AND FATHER SERVICE OF COMPLAINT~~

~~When a complaint is made under section 292, 293 or 294 of this title, a summons shall be issued to the other party directing him to cause his appearance therein to be entered such person to appear not later than 21 days after the date of the service thereof and show cause why the prayer of the complaint should not be granted, which. The summons and the complaint shall be served on such the party as provided by section 596 or by section 597 of this title Rule 4.0 of the Vermont Rules for Family Proceedings. After the filing of such the complaint, the Superior Court in which the cause is pending, or any Superior judge, may, on application of either party make such order concerning the care and custody of the minor children during the pendency of the complaint, as is deemed expedient and for the benefit of such children.~~

Sec. 13d. 15 V.S.A. § 780(7) is amended to read:

(7) “Support order” means any judgment, order, or contract for support enforceable in this state State, including, ~~but not limited to~~, orders issued pursuant to:

(A) 15 V.S.A. chapter chapters 5 (relating to desertion and support and parentage), 7 (relating to URESA) or and 11 (relating to annulment and divorce);

(B) 15B V.S.A. chapters 1–19 (relating to Uniform Interstate Family Support Act); and

(C) 15C V.S.A. chapters 1–8 (relating to parentage proceedings).

Sec. 13e. 15C V.S.A. § 808(a) is amended to read:

(a) Not enforceable. A gestational carrier agreement that does not substantially meet the requirements of this chapter is not enforceable.

H. 794

An act relating to services provided by the Vermont Veterans’ Home

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 1, 20 V.S.A. § 1714, powers and duties of the Board, after subdivision (15), by inserting a subdivision (16) to read as follows:

(16) Establish a nursing home in Vermont to provide services and supports to Vermont veterans who do not reside at the Home, provided that the nursing home shall comply with all applicable State and federal licensing and regulatory requirements.

Second: In Sec. 2, 20 V.S.A. § 1717, in subdivision (b)(2), by striking out the following: “1714(5), (13), (14), and (15)” and inserting in lieu thereof the following: 1714(5), (13), (14), (15), and (16)

H. 847

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

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

Sec. 1. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

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

* * *

(52) Peer support providers

(53) Peer recovery support specialists

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

§ 123. DUTIES OF OFFICE

* * *

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

* * *

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

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

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

* * *

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

§ 125. FEES

* * *

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

* * *

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

* * *

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

* * *

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

* * *

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

* * *

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

§ 125. FEES

* * *

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

* * *

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

* * *

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

* * *

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

CHAPTER 60. PEER SUPPORT PROVIDERS AND PEER RECOVERY SUPPORT SPECIALISTS

§ 3191. DEFINITIONS

As used in this chapter:

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

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

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

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

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

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

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

(B) approve acceptable continuing education courses.

(7) “Peer support” means the provision of those services that address mutually agreeable issues or areas of life consistent with the Code of Ethics for Certified Peer Support Providers that are reasonably related to increasing an individual’s capacity to live a self-determined life of their own choosing and that are provided in a mutual relationship between individuals with a lived experience of trauma, mental health, or substance use challenges. “Peer

support” emphasizes a nonjudgmental, values-driven approach that promotes multiple perspectives, advocates for human rights and dignity, and focuses on genuine, mutual relationships that enrich the lives of those involved. “Peer support” includes providing health and wellness supports; supporting individuals in accessing community-based resources and navigating State and local systems; providing employment supports, including transitioning into and staying in the workforce; and promoting empowerment and a sense of hope through self-advocacy. “Peer support” does not include the provision of psychotherapy as defined in section 4082 of this title.

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

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

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

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

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

(B) approve acceptable continuing education courses.

§ 3192. PROHIBITIONS; PENALTIES

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

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

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

§ 3193. DUTIES OF THE DIRECTOR

(a) The Director shall:

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

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

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

(4) explain complaint procedures to the public;

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

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

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

§ 3194. ADVISOR APPOINTEES

(a)(1) After consultation with the Commissioners of Health and of Mental Health, the Secretary of State shall appoint two certified peer support providers, two certified peer recovery support specialists, one representative from the Department of Health, and one representative from the Department of Mental Health to serve as advisors to the Director in matters relating to peer

support and recovery support. Advisors shall be appointed to five-year staggered terms to serve as advisors in matters related to the administration of this chapter. At least one of the initial appointments shall be less than a five-year term.

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

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

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

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

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

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

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

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

§ 3195. ELIGIBILITY

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

(1) is at least 18 years of age;

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

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

(b) To be eligible for certification as a peer recovery support specialist, an applicant shall complete and submit an application in the manner as the

Director prescribes by the rule, accompanied by the applicable fees, and evidence satisfactory to the Director that the applicant:

(1) is at least 18 years of age;

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

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

§ 3196. CERTIFICATE RENEWAL

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

§ 3197. UNPROFESSIONAL CONDUCT

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

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

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

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

Sec. 6. EFFECTIVE DATES

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

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

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

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

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

H. 871

An act relating to the development of an updated State aid to school construction program

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

* * * State Aid to School Construction * * *

Sec. 1. 16 V.S.A. § 3441 is added to read:

§ 3441. FACILITIES MASTER PLAN GRANT PROGRAM; REPORT

(a) Intent. It is the intent of the General Assembly that the Facilities Master Plan Grant Program established pursuant to this section shall enable supervisory unions and independent career and technical education districts to develop a supervisory union level vision for all school buildings that meets the educational needs and goals of the supervisory union. The goal of a facilities master plan shall be to facilitate an evaluation of the capacity of existing facilities to deliver on identified 21st century educational goals. A facilities master plan shall also enable and require supervisory unions to engage in intentional and robust conversations with the larger community that will hopefully lead to the successful passage of bonds needed to support the renovation or construction needs of the supervisory union. It is the intent of the General Assembly that awards shall be granted in accordance with this section and in a manner that allows a maximum number of supervisory unions and independent career and technical education districts to successfully complete facilities master plans.

(b) Definition. As used in this section, “supervisory union” has the same meaning as in subdivision 11(a)(23) of this title and includes supervisory districts and independent career and technical education districts.

(c) Establishment. There is established the Facilities Master Plan Grant Program to be administered by the Agency of Education, from funds appropriated for this purpose to supervisory unions and independent career and technical education districts to support the development of educational facilities master plans. Grant funds may be used to hire a consultant to assist in the development of the master plan with the goal of developing a final master plan that complies with State construction aid requirements.

(d) Standards for the disbursement of funds. The Agency shall develop standards for the disbursement of grant funds in accordance with the following:

(1) Grants shall be awarded to applicants with the highest facilities needs. The Agency shall develop a prioritization formula based on an applicant's poverty factor and average facilities condition index score. The Agency shall develop or choose a poverty metric to use for the prioritization formula. The Agency may give priority to applications with a regionalization focus that consist of more than one supervisory union or independent career and technical education district that apply as a consortium.

(2) Award amounts shall be commensurate with the gross square footage of buildings located within the applicable supervisory union or career and technical education district.

(3) The Agency shall develop minimum requirements for an educational facilities master plan, which shall include, at a minimum, the following elements:

(A) a description of the educational mission, vision, and goals of the supervisory union;

(B) a description of educational programs and services offered by the supervisory union;

(C) the performance of a space utilization assessment;

(D) the identification of new program needs;

(E) the development of enrollment projections;

(F) the performance of a facilities assessment; and

(G) information regarding the various design options explored to address the supervisory union's identified needs.

(e) Report. Annually on or before December 31, the Agency shall submit to the House and Senate Committees on Education a written report with information on the implementation of the grant program created in this section.

Sec. 2. REPEAL; FACILITIES MASTER PLAN GRANT PROGRAM

16 V.S.A. § 3441 (Facilities Master Plan Grant Program) as added by this act is repealed on June 30, 2029.

Sec. 3. PREQUALIFIED ARCHITECTURE AND ENGINEERING CONSULTANTS

On or before October 15, 2024, the Agency of Education shall coordinate with the Department of Buildings and General Services to develop prequalification criteria for alternative project delivery consultants and architecture and engineering firms specializing in kindergarten through grade 12 school design and construction. The Department shall assist the Agency in distributing requests for qualifications and in reviewing the resulting responses for approval and prequalification. The Department shall maintain the list of prequalified firms and consultants and shall make the list available to school districts and supervisory unions.

Sec. 4. STATE AID FOR SCHOOL CONSTRUCTION WORKING GROUP; REPORT

(a) Creation. There is created the State Aid for School Construction Working Group to study and design a plan for a statewide school construction aid program.

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

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House;

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees; and

(3) the Secretary of Education, or designee.

(c) Powers and duties.

(1) The Working Group shall study and create a recommended plan for a statewide school construction aid program, including recommendations on implementation. To facilitate its understanding of school construction projects and other school construction state aid programs, the Working Group may travel to conduct site visits at schools or other state programs. In creating its recommendations, the Working Group shall address the following topics, building from the recommendations contained in the report of the School Construction Aid Task Force, created in 2023 Acts and Resolves No. 78, Sec. E.131.1:

(A) Governance. The Working Group shall study other state governance models for school construction aid programs, including inviting testimony from school officials from those states, and make a recommendation for a governance model for Vermont that aligns with the other funding and

programmatic recommendations of the Working Group. Governance recommendations shall include recommendations on staffing levels and a stable appropriation for the funding of the recommended governance structure.

(B) Prioritization criteria. The Working Group shall make recommendations on State aid prioritization criteria that will drive funding towards projects that are aligned to the State's educational policies and priorities.

(C) Eligibility criteria. The Working Group shall consider, at a minimum, the following State aid eligibility criteria:

(i) appropriate maintenance and operations budgeting at the supervisory union level;

(ii) a requirement for eligible supervisory unions to have a five-year capital plan;

(iii) a facility condition index maximum level that would preclude eligibility but may qualify a building for a State share percentage bonus to replace the building;

(iv) a requirement for a supervisory union master planning process that would require consideration of the adaptive reuse of schools;

(v) a prohibition on exclusionary zoning regulations that would preclude lesser resourced families from living in the applicable school district; and

(vi) whether costs associated with repurposing a non-school building to use as a school should be included in a State aid to school construction program;

(D) State base share. The Working Group shall make recommendations as to whether to include a State base share and if so, whether it shall be based on student or community poverty factors. The Working Group shall consider factors such as local taxing capacity, student poverty data, environmental justice metrics, and energy burden metrics.

(E) Incentives. The Working Group shall consider the use of incentives or State share bonuses that align with Vermont's educational priorities with the goal of efficient and sustainable use of taxpayer supported school construction aid to improve student learning environments and opportunities. The Working Group shall consider appropriate limits on cumulative incentives and whether incentives shall be bundled for eligibility. Policy areas to consider for incentives include:

(i) school safety and security;

- (ii) health;
- (iii) educational enhancements;
- (iv) overcrowding solutions;
- (v) environmental performance;
- (vi) newer and fewer buildings;
- (vii) historic preservation;
- (viii) major renovations to improve PreK–12 systems educational alignment and capacity;
- (ix) replacement of facilities with a current facility condition index of 65 percent or higher, in combination with other policy area incentives; and
- (x) schools identified with actionable levels of airborne PCBs and other identified environmental hazards in critical education spaces.

(F) Assurance and certification process.

(i) The Working Group shall make recommendations for an assurance and certification process and shall consider, at a minimum, the following:

(I) a district’s commitment to adequate funding for ongoing maintenance and operations of any State-funded improvements;

(II) a district’s assurance that it will provide adequate training for facilities and custodial staff to properly operate and maintain systems funded through State aid;

(III) a district to complete a full commissioning process as a requirement to receive State funds at the end of the project; and

(IV) a clerk of the works throughout the lifespan of the project.

(ii) The Working Group shall also consider whether the assurance and certification process shall be eligible for State funding support, as well as whether a preferred vendor list for the commissioning process and clerk of the works is advisable.

(G) Environmental hazards and contaminants. The Working Group shall make recommendations that approach environmental hazards and contaminants in a comprehensive manner, incorporating existing programs into the school construction aid program where possible.

(H) Pre-program construction aid. The Working Group shall consider whether and to what extent State aid should be made available to school districts that begin construction projects prior to the establishment or renewal of a State school construction aid program.

(I) Current law. The Working Group shall review State statutes and State Board of Education rules that concern or impact school construction and make recommendations to the General Assembly for any amendments necessary to align with the Working Group's proposed construction aid program.

(J) Efficiencies. The Working Group shall identify areas where economizations or efficiencies might be gained in the creation of the program, including consideration of the following:

(i) a prequalification process for consultants with experience in the planning, renovation, and construction of kindergarten through grade 12 schools; and

(ii) cost containment strategies such as the use of building templates for new construction, alternative project delivery, and consideration of risk transfer.

(K) Fiscal modeling. The Working Group shall align the proposed construction aid program with fiscal modeling produced by the Joint Fiscal Office.

(L) School Construction Planning Guide. The Working Group shall review the Vermont School Construction Planning Guide and make recommendations for any amendments necessary to align with the Working Group's proposed construction aid program.

(M) Population considerations. The Working Group shall consider and make recommendations as to whether, and if so, how, the unique needs of different populations shall be taken into account in developing a statewide school construction aid program, including the following populations:

(i) elementary students;

(ii) high school students;

(iii) supervisory unions with low population density, as defined by 16 V.S.A. § 4010(b)(2); and

(iv) any other population the Working Group deems relevant to its work and recommendations.

(N) Grant opportunities. The Working Group shall consider and make recommendations as to whether, and if so, how State and federal grant opportunities shall impact the Working Group's proposed construction aid program.

(O) Utilization of renewable energy. The Working Group shall make recommendations that approach the utilization of renewable energy in a comprehensive manner, incorporating existing programs and laws into the school construction aid program where possible.

(P) Additional considerations. The Working Group may consider any other topic, factor, or issue that it deems relevant to its work and recommendations.

(2) The Working Group shall consult with the following entities in developing its proposed plan to ensure all applicable areas of Vermont law and federal funding opportunities are taken into consideration:

(A) the Agency of Education;

(B) the Agency of Natural Resources;

(C) the Department of Public Safety, Division of Fire Safety;

(D) the Natural Resources Board;

(E) the Agency of Commerce and Community Development, Division for Historic Preservation;

(F) the U.S. Department of Education;

(G) U.S. Department of Agriculture, Rural Development;

(H) the Vermont School Boards Association;

(I) the Vermont Superintendents Association;

(J) the Vermont Principals' Association;

(K) the Vermont National Education Association;

(L) the Vermont Bond Bank;

(M) the Vermont Legal Aid Disability Law Project;

(N) the Department of Disabilities, Aging, and Independent Living, Deaf, Hard of Hearing, DeafBlind Services;

(O) Vermont's Congressional Delegation; and

(P) any other entity the Working Group deems relevant to its work.

(d) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Agency of Education, the Office of Legislative Counsel, the Joint Fiscal Office, and the Office of Legislative Operations.

(e) Proposed legislation. On or before December 15, 2024, the Working Group shall submit its findings and recommendations in the form of proposed legislation to the General Assembly.

(f) Meetings.

(1) The Office of Legislative Counsel shall call the first meeting of the Working Group to occur on or before August 1, 2024.

(2) The Working Group shall select co-chairs from among its members at the first meeting, one a member of the House and the other a member from the Senate.

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

(4) The Working Group shall cease to exist on December 31, 2024.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, members of the Working Group shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings unless additional meetings are authorized jointly by the Speaker of the House and the President Pro Tempore, with a maximum of up to 10 meetings

. These payments shall be made from monies appropriated to the General Assembly.

Sec. 5. [Deleted.]

* * * Public Construction Bids * * *

Sec. 6. 16 V.S.A. § 559 is amended to read:

§ 559. PUBLIC BIDS

* * *

(b) High-cost construction contracts. When a school construction contract exceeds ~~\$500,000.00~~ \$2,000,000.00:

(1) The State Board shall establish, in consultation with the Commissioner of Buildings and General Services and with other knowledgeable sources, general rules for the prequalification of bidders on such a contract. The Department of Buildings and General Services, upon notice by the Secretary, shall provide to school boards undergoing construction

projects suggestions and recommendations on bidders qualified to provide construction services.

(2) At least 60 days prior to the proposed bid opening on any construction contract to be awarded by a school board that exceeds ~~\$500,000.00~~ \$2,000,000.00, the school board shall publicly advertise for contractors interested in bidding on the project. The advertisement shall indicate that the school board has established prequalification criteria that a contractor must meet and shall invite any interested contractor to apply to the school board for prequalification. All interested contractors shall submit their qualifications to the school board, which shall determine a list of eligible prospective bidders based on the previously established criteria. At least 30 days prior to the proposed bid opening, the school board shall give written notice of the board's determination to each contractor that submitted qualifications. The school board shall consider all bids submitted by prequalified bidders meeting the deadline.

(c) Contract award.

(1) A contract for any such item or service to be obtained pursuant to subsection (a) of this section shall be ~~awarded to one of~~ selected from among the three or fewer lowest responsible bids conforming to specifications, with consideration being given to quantities involved, time required for delivery, purpose for which required, competency and responsibility of bidder, and ~~his or her~~ the bidder's ability to render satisfactory service. A board shall have the right to reject any or all bids.

(2) A contract for any property, construction, good, or service to be obtained pursuant to subsection (b) of this section shall be awarded to the lowest responsible bid conforming to specifications. However, when considering the base contract amount and without considering cost overruns, if the two lowest responsible bids are within one percent of each other, the board may award the contract to either bidder. A board shall have the right to reject any bid found not to be responsible or conforming to specifications or to reject all bids.

* * *

* * * Effective Date * * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

Senate proposal of amendment to House proposal of amendment

S. 30

An act relating to creating a Sister State Program

The Senate concurs in the House proposal of amendment with further proposal of amendment thereto by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. VERMONT SISTER STATE PROGRAM; WORKING GROUP

(a) Creation. There is created the Vermont Sister State Program Working Group for the purpose of determining the administration, oversight, scope, and objectives of a Vermont Sister State Program.

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

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

(2) the Secretary of Education or designee;

(3) the Secretary of Agriculture or designee;

(4) the Chair of the Board of Trustees of the Vermont Arts Council or designee of the Board of the Trustees;

(5) the Chair of the Board of Directors of the Vermont Council on World Affairs or designee of the Board of the Directors;

(6) the Vermont Adjutant General or designee; and

(7) three members with experience in educational or cultural exchanges or in international affairs to be appointed as follows:

(A) one member by the Governor;

(B) one member by the Senate Committee on Committees; and

(C) one member by the Speaker of the House.

(c) Meetings.

(1) The Secretary of Commerce and Community Development 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) In furtherance of its duties, the Working Group is encouraged to solicit input and participation from interested stakeholders, including those with experience in cultural exchange or in international relations, agriculture, trade, education, arts, recreation, or governance.

(d) Powers and duties. The Working Group shall review sister state programs in other jurisdictions and receive testimony from relevant stakeholders in order to make recommendations for legislative action. In conducting its analysis, the Working Group shall consider and make recommendations on the following:

(1) which department in State government is best suited to administer, house, and provide support to the Program;

(2) the makeup of the membership of the Committee overseeing the Program;

(3) sources of funding that will financially support the Program;

(4) specific objectives of the Program that align with the following goals:

(A) that the Program exist to create, administer, and maintain mutually beneficial and long-lasting partnerships between Vermont and other select countries or provinces;

(B) that the Program promote peace, human rights, and environmental sustainability;

(C) that the Program foster the connection of immigrants and refugee communities in Vermont with their nations of origin;

(D) that the Program promote and foster cultural exchange, tourism, trade, and education between Vermont and Sister States; and

(E) that through the Program, the Committee communicate with and support military personnel, foreign service officers, aid organizations, nongovernmental organizations, Peace Corps volunteers, and any other relevant entities working in Sister States.

(5) the criteria for evaluating proposed and existing Sister State agreements;

(6) the requirements for creating and managing Sister State agreements, including:

(A) the term length for agreements; and

(B) the appropriate number of active agreements at one time; and

(7) any other issue the Working Group deems relevant to the success of the Vermont Sister State Program.

(e) Compensation and reimbursement.

(1) A nonlegislative member 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 10 meetings. These payments shall be made from monies appropriated to the Agency of Commerce and Community Development.

(2) 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 10 meetings. These payments shall be made from monies appropriated to the General Assembly.

(f) Reporting.

(1) An initial report on the Working Group's progress on the work set forth in this section shall be submitted to the General Assembly on or before February 15, 2025.

(2) A final report shall include the Working Group's findings and recommendations for legislative language based on the requirements set forth in this section. The report shall also include the names of the stakeholders that the Working Group heard from during its work. The report shall be submitted to the General Assembly on or before November 1, 2025.

(g) Expiration. The Working Group shall cease to exist on March 31, 2026.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

S. 58

An act relating to public safety

The Senate concurs in the House proposal of amendment with further proposal of amendment thereto as follows:

First: In Sec. 14, 18 V.S.A. § 4233a, by striking out subsection (d) in its entirety and inserting in lieu thereof the following:

(d) As used in this section, "knowingly" means actual knowledge that one or more preparations, compounds, mixtures, or substances contain fentanyl

or consciously ignoring a substantial risk that one or more preparations, compounds, mixtures, or substances contain fentanyl.

Second: In Sec. 15, 18 V.S.A. § 4234, by striking out subdivision (b)(4) in its entirety and inserting in lieu thereof the following:

(4) As used in this section, “knowingly” means actual knowledge that one or more preparations, compounds, mixtures, or substances contain the regulated drug identified in this section or consciously ignoring a substantial risk that one or more preparations, compounds, mixtures, or substances contain the regulated drug identified in this section.

Third: In Sec. 16, 18 V.S.A. § 4233b, by adding a subsection (d) to read as follows:

(d) As used in this section, “knowingly” means actual knowledge that one or more preparations, compounds, mixtures, or substances contain xylazine or consciously ignoring a substantial risk that one or more preparations, compounds, mixtures, or substances contain xylazine.

Fourth: By adding a new section to be Sec. 17a to read as follows:

Sec. 17a. VERMONT SENTENCING COMMISSION; PERMISSIVE
INFERENCE

Not later than October 15, 2024, the Vermont Sentencing Commission shall make a recommendation to the General Assembly whether in 18 V.S.A. § 4250, selling or dispensing with death resulting, there should be a permissive inference that the proximate cause of death is the person’s use of the regulated drug if the regulated drug contains fentanyl.

Fifth: In Sec. 18, 18 V.S.A. § 4252a, after the first sentence, by inserting the following:

Unless the person is held without bail for another offense, the State’s Attorney shall request conditions of release. The court may include as a condition of release that the person is prohibited from coming within a fixed distance of the dwelling.

S. 301

An act relating to miscellaneous agricultural subjects

The Senate concurs in the House proposal of amendment with further proposal of amendment thereto:

By striking out Sec. 21, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof two new sections to be Secs. 21 and 22 and their reader assistance headings to read as follows:

* * * Sale of Bear Parts * * *

Sec. 21. 10 V.S.A. § 4783 is amended to read:

§ 4783. PURCHASE AND SALE OF BIG GAME

(a) A person shall not buy or sell big game or the meat of big game within the State except during the open season and for 20 days thereafter, provided that a person shall not sell the paws or internal organs of a black bear separate from the animal as a whole unless authorized under subsection (b) as a taxidermy product.

(b) Notwithstanding subsection (a) of this section, a person may buy or sell at any time:

(1) the head, hide, and hoofs of deer or moose legally taken; or

(2) the head, or hide, paws, and internal organs of a black bear, legally taken, provided that taxidermy products that include the paws shall not be prohibited.

(c) Neither anadromous Atlantic salmon taken in the Connecticut River Basin nor wild turkey shall be bought or sold at any time. The meat of big game animals shall not be bought or sold for the purpose of being transported out of the State.

* * * Effective Date * * *

Sec. 22. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

Committee of Conference Report

S. 309

An act relating to miscellaneous changes to laws related to the Department of Motor Vehicles, motor vehicles, and vessels

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate Bill entitled:

S. 309 An act relating to miscellaneous changes to laws related to the Department of Motor Vehicles, motor vehicles, and vessels

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposals of amendment and the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Transporters * * *

Sec. 1. 23 V.S.A. § 4 is amended to read:

§ 4. DEFINITIONS

* * *

(8)(A)(i) “Dealer” means a person, partnership, corporation, or other entity engaged in the business of selling or exchanging new or used motor vehicles, snowmobiles, motorboats, or all-terrain vehicles. A dealer may, as part of or incidental to such business, repair such vehicles or motorboats, sell parts and accessories, or lease or rent such vehicles or motorboats. “Dealer” shall does not include a finance or auction dealer or a transporter.

(ii)(I) For a dealer in new or used cars or motor trucks, “engaged in the business” means having sold or exchanged at least 12 cars or motor trucks, or a combination thereof, in the immediately preceding year, or 24 in the two immediately preceding years.

(II) For a dealer in snowmobiles, motorboats, or all-terrain vehicles, “engaged in the business” means having sold or exchanged at least one snowmobile, motorboat, or all-terrain vehicle, respectively, in the immediately preceding year or two in the two immediately preceding years.

(III) For a dealer in trailers, semi-trailers, or trailer coaches, “engaged in the business” means having sold or exchanged at least one trailer, semi-trailer, or trailer coach in the immediately preceding year or a combination of two such vehicles in the two immediately preceding years. However, the sale or exchange of a trailer with a gross vehicle weight rating of 3,500 pounds or less shall be excluded under this subdivision (III).

(IV) For a dealer in motorcycles or motor-driven cycles, “engaged in the business” means having sold or exchanged at least one motorcycle or motor-driven cycle in the immediately preceding year or a combination of two such vehicles in the two immediately preceding years.

* * *

(42)(A) “Transporter” means:

(i) a person engaged in the business of delivering vehicles of a type required to be registered from a manufacturing, assembling, or distributing plant to dealers or sales agents of a manufacturer;

(ii) a person regularly engaged in the business of towing trailer coaches, owned by them or temporarily in their custody, on their own wheels over public highways, or towing office trailers owned by them or temporarily

in their custody, on their own wheels over public highways;

(iii) a person regularly engaged and properly licensed for the short-term rental of “storage trailers” owned by them and who move these storage trailers on their own wheels over public highways;

(iv) a person regularly engaged in the business of moving modular homes over public highways;

(v) dealers, owners of motor vehicle auction sites, and automobile repair shop owners when engaged in the transportation of motor vehicles to and from their place of business for repair purposes; or

(vi) the following, provided that the transportation and delivery of motor vehicles is a common and usual incident to their business:

(I) persons towing overwidth trailers owned by them in connection with their business;

(II) persons whose business is the repossession of motor vehicles; and

(III) persons whose business involves moving vehicles from the place of business of a registered dealer to another registered dealer, or between a motor vehicle auction site and a registered dealer or another motor vehicle auction site, leased vehicles to the lessor at the expiration of the lease, or vehicles purchased at the place of auction of an auction dealer to the purchaser; and

(IV) persons who sell or exchange new or used motor vehicles but who are not engaged in business as that phrase is defined in subdivision (8)(A)(ii) of this section.

* * *

Sec. 2. 23 V.S.A. § 491 is amended to read:

§ 491. TRANSPORTER APPLICATION; ELIGIBILITY; USE OF
TRANSPORTER PLATES

(a) A transporter may apply for and the Commissioner of Motor Vehicles, in ~~his or her~~ the Commissioner's discretion, may issue a certificate of registration and a general distinguishing number plate. Before a person may be registered as a transporter, ~~he or she~~ the person shall ~~present proof~~ self-certify the following on a form provided by the Commissioner:

(1) ~~of~~ compliance with section 800 of this title; and

(2) that ~~he or she~~ the person either owns or leases a permanent place of

business located in this State where business will be conducted during regularly established business hours and the required records stored and maintained.

(b) When ~~he or she~~ a transporter displays ~~thereon his or her~~ the transporter's registration plate, a the transporter or his or her the transporter's employee or contractor may transport a motor vehicle owned by the transporter, repossessed, or temporarily in the transporter's custody, and it shall be considered ~~to be~~ properly registered under this title. ~~Transporter's~~ A transporter's registration plates shall not be used for any other purposes and shall not be used by the holder of such number plates for personal purposes.

* * * Definition of All-Surface Vehicle * * *

Sec. 3. 23 V.S.A. § 4(80) is amended to read:

(80) An "all-surface vehicle" or "ASV" means any non-highway recreational vehicle, except a snowmobile, when used for cross-country travel on trails or on any one of the following or combination of the following: land, water, snow, ice, marsh, swampland, and natural terrain. An all-surface vehicle shall be designed for use both on land and in water, with or without tracks, shall be capable of flotation and shall be equipped with a skid-steering system, a sealed body, a fully contained cooling system, and ~~six or~~ up to eight tires designed to be inflated with an operating pressure not exceeding 10 pounds per square inch as recommended by the manufacturer. An all-surface vehicle shall have a net weight of 1,500 pounds or less, shall have a width of 75 inches or less, shall be equipped with an engine of not more than 50 horsepower, and shall have a maximum speed of not more than 25 miles per hour. An ASV when operated in water shall be considered to be a motorboat and shall be subject to the provisions of chapter 29, subchapter 2 of this title. An ASV operated anywhere except in water shall be subject to the provisions of chapter 31 of this title.

* * * Record Keeping * * *

Sec. 4. 23 V.S.A. § 117 is added to read:

§ 117. RECORD-KEEPING REQUIREMENTS; CERTIFICATES OF TITLE

(a) Original records. Original certificate of title records, including surrendered certificates of title and requests for salvage title, as issued pursuant to chapters 21 and 36 of this title, shall be maintained as an electronic image or electronic copy or other form of image, which allows for the tracing of anything for which the Department of Motor Vehicles issues a certificate of title, for a period of five years.

(b) Electronic format. Records of title shall be maintained in a format,

determined by the Commissioner, that allows for the tracing of anything for which the Department of Motor Vehicles issues a certificate of title.

Sec. 5. 23 V.S.A. § 2017(c) is amended to read:

~~(c) The Commissioner shall maintain a record of all certificates of title issued and of all exempt vehicle titles issued under a distinctive title number assigned to the vehicle; under the identification number of the vehicle; alphabetically, under the name of the owner; and, in the discretion of the Commissioner, by any other method the Commissioner determines. The original records may be maintained on microfilm or electronic imaging pursuant to section 117 of this title.~~

Sec. 6. 23 V.S.A. § 2027(c) is amended to read:

~~(c) The Commissioner shall file and retain for five years every surrendered certificate of title so as to permit the tracing of title of the corresponding vehicles pursuant to section 117 of this title.~~

Sec. 7. 23 V.S.A. § 2092 is amended to read:

§ 2092. ISSUANCE OF SALVAGE TITLE

The Commissioner shall file and maintain in the manner provided in section ~~2017~~ 117 of this title each application received and when satisfied as to its genuineness and regularity and that the applicant is entitled to the issuance of a salvage certificate of title, shall issue a salvage certificate of title to the vehicle.

Sec. 8. 23 V.S.A. § 3810(b)(1) is amended to read:

~~(b)(1) The Commissioner shall maintain at his or her central office a record of all certificates of title issued by him or her:~~

~~(A) under a distinctive title number assigned to the vessel, snowmobile, or all-terrain vehicle;~~

~~(B) under the identification number of the vessel, snowmobile, or all-terrain vehicle;~~

~~(C) alphabetically, under the name of the owner; and, in the discretion of the Commissioner, by any other method he or she determines the Commissioner pursuant to section 117 of this title.~~

Sec. 9. 23 V.S.A. § 3820(c) is amended to read:

~~(c) The Commissioner shall file and retain every surrendered certificate of title for five years. The file shall be maintained so as to permit the tracing of title of the vessel, snowmobile, or all-terrain vehicle designated pursuant to~~

section 117 of this title.

* * * Registration; Residents * * *

Sec. 10. 23 V.S.A. § 301 is amended to read:

§ 301. PERSONS REQUIRED TO REGISTER

(a) As used in this section:

(1) “Resident” means an individual living in the State who intends to make the State the individual’s place of domicile either permanently or for an indefinite number of years.

(2) “Temporary resident” means an individual living in the State for a particular purpose involving a defined period, including students, migrant workers employed in seasonal occupations, and individuals employed under a contract with a fixed term, provided that the motor vehicle will be used in the State on a regular basis.

(b) Residents, except as provided in chapter 35 of this title, shall annually register motor vehicles owned or leased for a period of more than 30 days and operated by them, unless currently registered in Vermont.

(c) Temporary residents and foreign partnerships, firms, associations, and corporations having a place of business in this State may annually register motor vehicles owned or leased for a period of more than 30 days and operated by them or an employee.

(d) Notwithstanding this section, a resident who has moved into the State from another jurisdiction shall register ~~his or her~~ the resident’s motor vehicle within 60 days ~~of~~ after moving into the State. ~~A person~~

(e) An individual shall not operate a motor vehicle nor draw a trailer or semi-trailer on any highway unless such vehicle is registered as provided in this chapter. Vehicle owners who have apportioned power units registered in this State under the International Registration Plan are exempt from the requirement to register their trailers in this State.

Sec. 11. 23 V.S.A. § 303(a) is amended to read:

(a) The Commissioner or ~~his or her~~ the Commissioner’s duly authorized agent shall register a motor vehicle, trailer, or semi-trailer ~~when that is required or permitted to be registered in Vermont upon application therefor,~~ on a form prescribed by the Commissioner that is filed with the Commissioner, showing such motor vehicle to be properly equipped and in good mechanical condition, ~~is filed with him or her,~~ and accompanied by the required registration fee and evidence of the applicant’s ownership of the vehicle in

such form as the Commissioner may reasonably require. Except for State or municipal vehicles, registrants and titled owners shall be identical.

* * * Weight Limitations on Low-Number Plates * * *

Sec. 12. 23 V.S.A. § 304(c) is amended to read:

(c) The Commissioner shall issue registration numbers 101 through 9999, which shall be known as reserved registration numbers, for pleasure cars, motor trucks ~~that are registered at the pleasure car rate~~ for less than 26,001 pounds, and motorcycles in the following manner:

* * *

(4) A person holding a reserved registration number on a pleasure car, a truck ~~that is registered at the pleasure car rate~~ for less than 26,001 pounds, or a motorcycle may be issued the same reserved registration number for the other authorized vehicle types, provided that the person receives ~~no~~ not more than one such plate or set of plates for each authorized vehicle type.

* * * License Plates; Registration; Prorated Refunds * * *

Sec. 13. 23 V.S.A. § 327 is amended to read:

§ 327. REFUND WHEN PLATES NOT USED

Subject to the conditions set forth in subdivisions ~~(1), (2), and (3)~~ ~~(1)-(4)~~ of this section, the Commissioner may cancel the registration of a motor vehicle, snowmobile, or motorboat when the owner returns to the Commissioner either the number plates, if any, or the registration certificate. Upon cancellation of the registration, the Commissioner shall notify the Commissioner of Finance and Management, who shall issue a refund as follows:

(1) For registrations ~~cancelled~~ canceled prior to the beginning of the registration period, the refund is the full amount of the fee paid, less a charge of \$5.00.

(2) For registrations ~~cancelled~~ canceled within 30 days ~~of~~ after the date of issue, the refund is the full amount of the fee paid, less a charge of \$5.00. The owner of a motor vehicle must prove to the Commissioner's satisfaction that the number plates have not been used or attached to a motor vehicle.

(3) For registrations ~~cancelled~~ canceled prior to the beginning of the second year of a two-year registration period, the refund is one-half of the full amount of the two-year fee paid, less a charge of \$5.00.

(4) For registrations canceled prior to conclusion of a five-year registration period, the refund is as follows:

(A) four-fifths of the full amount of the five-year fee paid less a charge of \$5.00 if canceled prior to the beginning of the second year;

(B) three-fifths of the full amount of the five-year fee paid less a charge of \$5.00 if canceled prior to the beginning of the third year;

(C) two-fifths of the full amount of the five-year fee paid less a charge of \$5.00 if canceled prior to the beginning of the fourth year; and

(D) one-fifth of the full amount of the five-year fee paid less a charge of \$5.00 if canceled prior to the beginning of the fifth year.

* * * Tinted Windows * * *

Sec. 14. 23 V.S.A. § 1125 is amended to read:

§ 1125. OBSTRUCTING WINDSHIELDS, AND WINDOWS

(a) Prohibition. Except as otherwise provided in this section, ~~a person~~ an individual shall not operate a motor vehicle on which material or items have been painted or adhered on or over, or hung in back of, any transparent part of a motor vehicle windshield, vent windows, or side windows located immediately to the left and right of the operator. The prohibition of this section on hanging items shall apply ~~only~~ to shading or tinting material or when a hanging item materially obstructs the driver's view.

(b) General exemptions. Notwithstanding subsection (a) of this section, a ~~person~~ an individual may operate a motor vehicle with material or items painted or adhered on or over, or hung in back of, the windshield, vent windows, or side windows:

(1) in a space not over four inches high and 12 inches long in the lower right-hand corner of the windshield;

(2) in such space as the Commissioner of Motor Vehicles may specify for location of any sticker required by governmental regulation;

(3) in a space not over two inches high and two and one-half inches long in the upper left-hand corner of the windshield;

(4) if the operator is ~~a person~~ an individual employed by the federal, State, or local government or a volunteer emergency responder operating an authorized emergency vehicle, who places any necessary equipment in back of the windshield of the vehicle, provided the equipment does not interfere with the operator's control of the driving mechanism of the vehicle;

(5) on a motor vehicle that is for sale by a licensed automobile dealer prior to the sale of the vehicle, in a space not over three inches high and six inches long in the upper left-hand corner of the windshield, and in a space not

over four inches high and 18 inches long in the upper right-hand corner of the windshield; or

(6) if the object is a rearview mirror; or is an electronic toll-collection transponder located either between the roof line and the rearview mirror post or behind the rearview mirror; or

(7) if the object is shading or tinting material and the visible light transmission of that shading or tinting material is not less than the level of visible light transmission required under 49 C.F.R. § 571.205, as amended.

(c) Medical exemption. The Commissioner may grant an exemption to the prohibition of this section upon application from ~~a person~~ an individual required for medical reasons to be shielded from the rays of the sun and who attaches to the application a document signed by a licensed physician or optometrist certifying that shielding from the rays of the sun is a medical necessity. The physician or optometrist certification shall be renewed every four years. However, when a licensed physician or optometrist has previously certified to the Commissioner that an applicant's condition is both permanent and stable, the exemption may be renewed by the applicant without submission of a form signed by a licensed physician or optometrist. Additionally, the window shading or tinting permitted under this subsection shall be limited to the vent windows or side windows located immediately to the left and right of the operator. The exemption provided in this subsection shall terminate upon the transfer of the approved vehicle and at that time the applicable window tinting shall be removed by the seller. ~~Furthermore, if the material described in this subsection tears or bubbles or is otherwise worn to prohibit clear vision, it shall be removed or replaced.~~

(d) Rear side window obstructions. The rear side windows and the back window may be obstructed only if the motor vehicle is equipped on each side with a securely attached mirror, ~~which~~ that provides the operator with a clear view of the roadway in the rear and on both sides of the motor vehicle.

(e) Removal. Any shading or tinting material that is painted or adhered on or over, or hung in back of, the windshield, vent windows, or side windows in accordance with subdivision (b)(7) or subsection (c) of this section shall be removed if it tears, bubbles, or is otherwise worn to prohibit clear vision.

(f) Definition. As used in this section, "visible light transmission" means the amount of visible light that can pass through shading, tinting, or glazing material applied to or within the transparent portion of a window or windshield of a motor vehicle.

Sec. 15. LEGISLATIVE INTENT; TINTED WINDOWS

It is the intent of the General Assembly that a motor vehicle with shading or tinting material that is not allowed under 23 V.S.A. § 1125, as amended by Sec. 14 of this act, poses a danger to the individual operating the motor vehicle, any passengers in the motor vehicle, and other highway users and that such a motor vehicle shall fail the annual safety inspection required under 23 V.S.A. § 1222.

Sec. 16. RULEMAKING; PERIODIC INSPECTION MANUAL; TINTED
WINDOWS; OUTREACH

(a) The Department of Motor Vehicles shall, unless extended by the Legislative Committee on Administrative Rules, adopt amendments to Department of Motor Vehicles, Inspection of Motor Vehicles (CVR 14-050-022) consistent with the legislative intent in Sec. 15 of this act to be effective not later than the effective date of Sec. 14 of this act. The amendments shall include what level of visible light transmission is required for windshields and the windows to the immediate right and left of the driver under 49 C.F.R. § 571.205 as of the effective date of the amendments.

(b) The Department of Motor Vehicles, in consultation with the Department of Public Safety, shall implement a public outreach campaign on window tinting to provide information on the prohibitions and exceptions under 23 V.S.A. § 1125, as amended by Sec. 14 of this act, and the requirements of the Inspection of Motor Vehicles (CVR 14-050-022), with amendments adopted under the Administrative Procedure Act consistent with subsection (a) of this section, including what level of visible light transmission is currently required for windshields and the windows to the immediate right and left of the driver under 49 C.F.R. § 571.205. The Department of Motor Vehicles shall start to disseminate information as required under this subsection (b) not later than two months prior to the effective date of Sec. 14 of this act and shall disseminate information on window tinting through e-mail, bulletins, software updates, and the Department of Motor Vehicles' website.

* * * Rusted Brake Rotors; Safety Inspection * * *

Sec. 17. RUSTED BRAKE ROTORS; LEGISLATIVE INTENT;
BULLETIN; CONTACT INFORMATION FOR FAILURES

(a) Legislative intent. It is the intent of the General Assembly that:

(1) the Department of Motor Vehicles provide information on the existing definition of "rust" in Department of Motor Vehicles, Inspection of Motor Vehicles (CVR 14-050-022) (Periodic Inspection Manual), which is "a condition of any swelling, delamination, or pitting," to all inspection

mechanics certified by the Commissioner of Motor Vehicles so there is consistency amongst inspection stations in how the Periodic Inspection Manual is interpreted and applied.

(2) that the presence of rust on brake rotors, by itself, does not constitute a failure for the purpose of the annual safety inspection required under 23 V.S.A. § 1222 and that the presence of rust that is temporary, also known as surface rust, which sometimes results from the vehicle being parked for a period of time, not be sufficient for a motor vehicle to fail inspection because such rust does not cause diminished braking performance that prevents a motor vehicle from adequately stopping.

(b) Bulletin. The Department of Motor Vehicles shall issue a clarifying administrative bulletin to all inspection mechanics certified by the Commissioner of Motor Vehicles that:

(1) details the rejection criteria for rotors and drums in the Periodic Inspection Manual;

(2) explains the difference between surface rust and rust that is considerable for purposes of determining if the rejection criteria are met, which requires that the existing rust be “a condition of any swelling, delamination, or pitting”; and

(3) provides information that an inspection mechanic shall provide to the owner of a vehicle that fails inspection because of rusting on rotors and drums.

(c) Contact information. The Department of Motor Vehicles shall include how to contact the Department of Motor Vehicles with questions about the annual safety inspection and the Periodic Inspection Manual on all notices of failure issued by inspection mechanics certified by the Commissioner of Motor Vehicles.

* * * Emergency Warning Lamps and Sirens * * *

Sec. 18. 23 V.S.A. § 1251 is amended to read:

§ 1251. ~~SIRENS AND COLORED SIGNAL~~ EMERGENCY WARNING
LAMPS; OUT-OF-STATE EMERGENCY AND RESCUE
VEHICLES

(a) Prohibition. A motor vehicle shall not be operated upon a highway of this State equipped with any of the following:

(1) ~~a siren or signal lamp colored other than amber unless either a permit authorizing this equipment~~ the siren, issued by the Commissioner of

Motor Vehicles, is carried in the vehicle or a permit is not required pursuant to section 1252 of this subchapter;

(2) an emergency warning lamp unless either a permit authorizing the emergency warning lamp, issued by the Commissioner, is carried in the vehicle or a permit is not required pursuant to section 1252 of this subchapter;

(3) a blue light of any kind unless either a permit authorizing the blue light, issued by the Commissioner, is carried in the vehicle or a permit is not required pursuant to section 1252 of this subchapter; or

(4) a lamp or lamps that are not emergency warning lamps and provide a flashing light in a color other than amber, except that this prohibition shall not apply to a motorcycle headlamp modulation system that meets the criteria specified in Federal Motor Vehicle Safety Standard 108, codified at 49 C.F.R. § 571.108.

(b) Permit transfer. A permit may be transferred following the same procedure and subject to the same time limits as set forth in section 321 of this title. The Commissioner may adopt additional rules as may be required to govern the acquisition of permits and the use pertaining to sirens and ~~colored~~ signal emergency warning lamps.

(b)(c) Exception for vehicles from another state. Notwithstanding the provisions of subsection (a) of this section, when responding to emergencies, law enforcement vehicles, ambulances, fire vehicles, or vehicles owned or leased by, or provided to, volunteer firefighters or rescue squad members that are registered or licensed by another state or province may use sirens and ~~signal~~ emergency warning lamps in Vermont, and a permit shall not be required for such use, as long as provided the vehicle is properly permitted or otherwise permitted to use the sirens and emergency warning lamps without permit in its home state or province.

Sec. 19. 23 V.S.A. § 1252 is amended to read:

§ 1252. LAW ENFORCEMENT AND EMERGENCY SERVICES

VEHICLES; ISSUANCE OF PERMITS FOR SIRENS OR

COLORED EMERGENCY WARNING LAMPS, OR BOTH; USE

OF AMBER LAMPS

(a) Law enforcement vehicles.

~~(1) When satisfied as to the condition and use of the vehicle, the Commissioner shall issue and may revoke, for cause, permits for sirens and colored signal lamps in the following manner~~ Law enforcement vehicles

owned and operated by the government. The following are authorized for use, without permit, on all law enforcement vehicles owned or leased by the federal government, a municipality, a county, the State, or the Vermont Criminal Justice Council:

~~(1)(A) Sirens, blue signal emergency warning lamps, or blue and white signal emergency warning lamps, or a combination thereof, may be authorized for all law enforcement vehicles owned or leased by a law enforcement agency, a certified law enforcement officer, or the Vermont Criminal Justice Council.~~

~~(B) A red signal emergency warning lamp or an a red and amber signal emergency warning lamp, or a combination thereof, may be authorized for all law enforcement vehicles owned or leased by a law enforcement agency, a certified law enforcement officer, or the Vermont Criminal Justice Council, provided that the Commissioner shall require the emergency warning lamp or lamps be is mounted so as to be visible primarily from the rear of the vehicle.~~

~~(C)(2) Law enforcement vehicles owned or leased by a certified law enforcement officer.~~

(A) When satisfied as to the condition and use of the vehicle, the Commissioner shall issue and may revoke, for cause, permits for sirens and emergency warning lamps in the following manner:

(i) sirens, blue emergency warning lamps, or blue and white emergency warning lamps, or a combination thereof; and

(ii) a red emergency warning lamp or a red and amber emergency warning lamp, provided that the emergency warning lamp is mounted so as to be visible primarily from the rear of the vehicle.

(B) No motor vehicle, other than one owned by the applicant, shall be issued a permit until the Commissioner has recorded the information regarding both the owner of the vehicle and the applicant for the permit.

(3) Law enforcement vehicles owned or leased by a certified constable.

(A) If the applicant is a The following are authorized for use, without permit, on all law enforcement vehicles owned or leased by a Vermont Criminal Justice Council certified constable, the application shall be accompanied by a certification by the town clerk that the applicant is the duly elected or appointed constable and attesting that the town for a municipality that has not voted to limit the constable's authority to engage in enforcement activities under 24 V.S.A. § 1936a: a red emergency warning lamp or a red and amber emergency warning lamp, provided that the emergency warning

lamp is mounted so as to be visible primarily from the rear of the vehicle.

(B) A constable for a municipality that has voted to limit the constable's authority to engage in enforcement activities under 24 V.S.A. § 1936a shall not operate, in the course of the constable's elected duties, a motor vehicle with a siren or an emergency warning lamp.

(2)(b) Emergency services vehicles.

(1) Emergency services vehicles owned and operated by the government. The following are authorized for use, without permit, on all emergency services vehicles owned or leased by the federal government, a municipality, or the State:

(A) sirens and red emergency warning lamps or red and white emergency warning lamps; and

(B) a blue emergency warning lamp or a blue and amber emergency warning lamp provided that the emergency warning lamp is mounted so as to be visible primarily from the rear of the vehicle.

(2) Emergency services vehicles not owned and operated by the government.

(A) When satisfied as to the condition and use of the vehicle, the Commissioner shall issue and may revoke, for cause, permits for sirens and emergency warning lamps in the following manner:

(i) Sirens and red emergency warning lamps or red and white signal emergency warning lamps may be authorized for all ambulances and other emergency medical service (EMS) vehicles, vehicles owned or leased by a fire department, vehicles used solely in rescue operations, or vehicles owned or leased by, or provided to, volunteer firefighters and voluntary rescue squad members, including a vehicle owned by a volunteer's employer when the volunteer has the written authorization of the employer to use the vehicle for emergency fire or rescue activities.

(B)(ii) A blue ~~signal~~ emergency warning lamp or ~~an~~ a blue and amber ~~signal~~ emergency warning lamp, ~~or a combination thereof,~~ may be authorized for all EMS vehicles or vehicles owned or leased by a fire department, provided that the Commissioner shall require the emergency warning lamp or lamps be mounted so as to be visible primarily from the rear of the vehicle.

(3) [Repealed.]

(4)(B) No motor vehicle, other than one owned by the applicant, shall be issued a permit until the Commissioner has recorded the information

regarding both the owner of the vehicle and the applicant for the permit.

~~(5)(C)~~ Upon application to the Commissioner, the Commissioner may issue a single permit for all the vehicles owned or leased by the applicant.

~~(6)(c)~~ Sirens and Restored vehicles. A combination of one or more of red ~~or signal lamps,~~ red and white signal lamps ~~or sirens and,~~ blue signal lamps, or blue and white signal lamps may be authorized for restored emergency or enforcement vehicles used for exhibition purposes. Sirens and lamps authorized under this ~~subdivision~~ subsection may only be activated during an exhibition, such as a car show or parade.

~~(b)(d)~~ Amber signal lamps. Amber signal lamps shall be used on road maintenance vehicles, service vehicles, and wreckers and shall be used on all registered snow removal equipment when in use removing snow on public highways, and the amber lamps shall be mounted so as to be visible from all sides of the motor vehicle.

Sec. 20. 23 V.S.A. § 1254 is added to read:

§ 1254. EMERGENCY WARNING LAMP; DEFINITION

As used in sections 1251–1255 of this subchapter, “emergency warning lamp”:

(1) means a lamp or lamps that provide a flashing light to identify an authorized vehicle on an emergency mission that may be a rotating beacon or pairs of alternately or simultaneously flashing lamps; and

(2) does not include a lamp or lamps that provide an exclusively amber flashing light.

Sec. 21. 23 V.S.A. § 1255(b) is amended to read:

(b) All persons with motor vehicles equipped as provided in ~~subdivisions~~ subsections 1252(a)(1) and ~~(2)(b)~~ of this ~~title~~ subchapter shall use the sirens or ~~colored–signal~~ emergency warning lamps, or both, only in the direct performance of ~~their~~ official duties. When any ~~person~~ individual other than a law enforcement officer is operating a motor vehicle equipped as provided in ~~subdivision~~ subsection 1252(a)(1) of this ~~title~~ subchapter, the ~~colored–signal~~ emergency warning lamps shall be either removed, covered, or hooded. When any ~~person~~ individual other than an authorized emergency medical service vehicle operator, firefighter, or authorized operator of vehicles used in rescue operations is operating a motor vehicle equipped as provided in ~~subdivision~~ subsection 1252(a)(2)(b) of this ~~title~~ subchapter, the ~~colored–signal~~ emergency warning lamps shall be either removed, covered, or hooded unless the operator holds a senior operator license.

Sec. 22. 23 V.S.A. § 4(1) is amended to read:

(1) “Authorized emergency vehicle” means a vehicle of a fire department, ~~police~~ law enforcement vehicle, public and private ambulance, and a vehicle ~~to which a permit has been issued pursuant to subdivision 1252(a)(1) or (2)~~ equipped as provided in subsections 1252(a) and (b) of this title.

Sec. 23. 23 V.S.A. § 1050a(b) is amended to read:

(b) The driver of a vehicle shall yield the right of way to any authorized vehicle obviously and actually engaged in work upon a highway when the vehicle displays flashing lights meeting the requirements of subsection 1252**(b)**(d) of this title.

* * * Child Restraint Systems * * *

Sec. 24. 23 V.S.A. § 1258 is amended to read:

§ 1258. CHILD RESTRAINT SYSTEMS; PERSONS INDIVIDUALS
UNDER AGE 18 YEARS OF AGE

(a) No ~~person~~ individual shall operate a motor vehicle, other than a type I school bus, in this State upon a public highway unless every occupant under age 18 years of age is properly restrained in a federally approved child ~~passenger restraining~~ restraint system as defined in 49 C.F.R. § 571.213, as may be amended, or a federally approved safety belt, as follows:

(1) ~~all children~~ a child under the two years of age of one and all children weighing less than 20 pounds, regardless of age, shall be restrained in a rear-facing position, properly secured in a federally approved child passenger restraining rear-facing child restraint system with a harness, which shall not be installed in front of an active air bag as those terms are defined in 49 C.F.R. § 571.213, as may be amended;

(2) ~~a child weighing more than 20 pounds, and who is one year of age or older and under the age of eight~~ five years; of age who is not properly secured in a federally approved rear-facing child restraint system in accordance with subdivision (1) of this subsection shall be restrained in a child passenger restraining system properly secured in a forward-facing federally approved child restraint system with a harness until the child reaches the weight or height limit of the child restraint system as set by the manufacturer;
and

(3) a child under eight years of age who is not properly secured in a federally approved child restraint system in accordance with subdivision (1) or (2) of this subsection shall be properly secured in a booster seat, as defined in

49 C.F.R. § 571.213, as may be amended;

(4) a child eight through 17 under 18 years of age who is not properly secured in a federally approved child restraint system in accordance with subdivision (1), (2), or (3) of this subsection shall be restrained in a safety belt system or a child passenger restraining system;

(5) a child under 13 years of age shall always, if practical, ride in a rear seat of a motor vehicle; and

(6) no child shall be secured in a rear-facing child restraint system in the front seat of a motor vehicle that is equipped with an active passenger-side airbag unless the airbag is deactivated.

(b) ~~A person~~ An individual shall not be adjudicated in violation of this section if:

(1) the motor vehicle is regularly used to transport passengers for hire, except a motor vehicle owned or operated by a child care facility;

(2) the motor vehicle was manufactured without safety belts; or

(3) the ~~person~~ individual has been ordered by an enforcement officer, a firefighter, or an authorized civil authority to evacuate ~~persons~~ individuals from a stricken area.

(c) The civil penalty for violation of this section shall be as follows:

(1) \$25.00 for a first violation;

(2) \$50.00 for a second violation; and

(3) \$100.00 for third and subsequent violations.

Sec. 25. CHILD RESTRAINT SYSTEMS; PUBLIC OUTREACH

CAMPAIGN

(a) The Department of Health, in consultation with the State Highway Safety Office, shall implement a public outreach campaign on car seat safety that builds upon the current Be Seat Smart program; utilizes materials on child safety prepared by the U.S. Department of Transportation, Traffic Safety Marketing; is consistent with the recommendations from the American Academy of Pediatrics in the Child Passenger Safety Policy Statement published in 2018; and educates Vermonters on 23 V.S.A. § 1258, as amended by Sec. 24 of this act.

(b) The public outreach campaign shall disseminate information on car seat safety through e-mail; a dedicated web page on car seat safety that is linked through the websites for the Agency of Transportation and the Department of

Health; social media platforms; community posting websites; radio; television; and informational materials that can be printed and shall be made available to all pediatricians, obstetricians, and midwives licensed in the State and all Car Seat Inspection Stations in the State.

* * * Exempt Vehicle Title * * *

Sec. 26. 23 V.S.A. § 2001(15) is amended to read:

(15) “Title or certificate of title” means a written instrument or document that certifies ownership of a vehicle and is issued by the Commissioner or equivalent official of another jurisdiction. These terms do not include an exempt vehicle title ~~authorized to be issued under subdivision 2013(a)(2) of this chapter.~~

Sec. 27. 23 V.S.A. § 2002(a)(1) is amended to read:

(1) for any certificate of title, including a salvage certificate of title, ~~or an exempt vehicle title~~, \$42.00;

Sec. 28. 23 V.S.A. § 2012 is amended to read:

§ 2012. EXEMPTED VEHICLES

No certificate of title need be obtained for:

* * *

(10) a vehicle that is more than 15 years old on January 1, 2024 that has been registered in Vermont and has not had a change in ownership since January 1, 2024.

Sec. 29. 23 V.S.A. § 2016 is amended to read:

§ 2016. COMMISSIONER TO CHECK IDENTIFICATION NUMBER

The Commissioner, upon receiving application for a first certificate of title ~~or exempt vehicle title~~, shall check the identification number of the vehicle shown in the application against the records of vehicles required to be maintained by section 2017 of this title and against the record of stolen and converted vehicles required to be maintained by section 2084 of this title.

Sec. 30. 23 V.S.A. § 2021 is amended to read:

§ 2021. REFUSAL OF CERTIFICATE

The Commissioner shall refuse issuance of a certificate of title ~~or an exempt vehicle title~~ if any required fee is not paid or ~~if he or she~~ the Commissioner has reasonable grounds to believe that:

* * *

* * * Vessels * * *

* * * Fire Extinguishers * * *

Sec. 31. 23 V.S.A. § 3306 is amended to read:

§ 3306. LIGHTS AND EQUIPMENT

* * *

(c) ~~Every motorboat, except a motorboat that is less than 26 feet in length, that has an outboard motor and an open construction, and is not carrying passengers for hire shall carry on board, fully charged and in good condition, U.S. Coast Guard-approved hand portable fire extinguishers~~ U.S. Coast Guard-approved hand portable fire extinguishers that are unexpired, fully charged, and in both good and serviceable condition shall be carried on board every motorboat as follows:

(1) motorboats with no fixed fire extinguisher system in the machinery space and that are:

(A) less than 26 feet in length, not fewer than one extinguisher;

(B) 26 feet or longer, but less than 40 feet, not fewer than two extinguishers; and

(C) 40 feet or longer, not fewer than three extinguishers; and

(2) motorboats with a fixed fire extinguisher system in the machinery space and that are:

(A) less than 26 feet in length, no extinguishers required;

(B) 26 feet or longer but less than 40 feet, not fewer than one extinguisher; and

~~(B)~~(C) 40 feet or longer, not fewer than two extinguishers.

(d) Notwithstanding subsection (c) of this section, motorboats less than 26 feet in length, propelled by outboard motors, and not carrying passengers for hire need not carry portable fire extinguishers if the construction of the boats will not permit the entrapment of explosive or flammable gases or vapors.

(e)(1) The extinguishers referred to by this section are class B-I or 5-B extinguishers, but one class B-II or 20-B extinguisher may be substituted for two class B-I or 5-B extinguishers, in compliance with 46 C.F.R. Subpart 25.30, as amended.

(2) Notwithstanding subdivision (1) of this subsection, motorboats with a model year between 1953 and 2017 with previously approved fire extinguishers that are not in compliance with the types identified in

subdivision (1) of this subsection need not be replaced until such time as they are no longer in good and serviceable condition.

~~(e)~~(f) Every marine toilet on board any vessel operated on the waters of the State shall also incorporate or be equipped with a holding tank. Any holding tank or marine toilet designed so as to provide for an optional means of discharge to the waters on which the vessel is operating shall have the discharge openings sealed shut and any discharge lines, pipes, or hoses shall be disconnected and stored while the vessel is in the waters of this State.

~~(f)~~(g) Nothing in this section shall be construed to prevent the discharge of adequately treated wastes from any vessel operating under the provisions of a valid discharge permit issued by the Department of Environmental Conservation.

~~(g)~~(h) Motorboats operated on waters that the U.S. Coast Guard has determined to be navigable waters of the United States and therefore subject to the jurisdiction of the United States must have lights and other safety equipment as required by U.S. Coast Guard rules and regulations.

* * * Vermont Numbering Provisions * * *

Sec. 32. 23 V.S.A. § 3307(a) is amended to read:

(a) A motorboat is not required to have a Vermont number under this chapter if it is:

(1) already covered by a number in effect that has been awarded to it under federal law or a federally approved numbering system of another state if the boat has not been within the State for more than ~~90~~ 60 days;

(2) a motorboat from a country other than the United States if the boat has not been within the State for more than ~~90~~ 60 days;

* * *

* * * Commercial Driver's Licenses and Permits; * * *

* * * Prohibition on Masking or Diversion * * *

Sec. 33. 23 V.S.A. § 4122 is amended to read:

§ 4122. DEFERRING IMPOSITION OF SENTENCE; PROHIBITION ON MASKING OR DIVERSION

(a) No ~~judge or court, State's Attorney, or law enforcement officer~~ may utilize the provisions of 13 V.S.A. § 7041 or any other program to defer imposition of sentence or judgment if the defendant holds a commercial driver's license or was operating a commercial motor vehicle when the

violation occurred and is charged with violating any State or local traffic law other than a parking violation.

(b) In accordance with 49 C.F.R. § 384.226, no court, State’s Attorney, or law enforcement officer may mask or allow an individual to enter into a diversion program that would prevent a commercial learner’s permit holder’s or commercial driver’s license holder’s conviction for any violation, in any type of motor vehicle, of a state or local traffic control law other than parking, vehicle weight, or vehicle defect violations from appearing on the Commercial Driver’s License Information System (CDLIS) driver record.

* * * Airbags * * *

Sec. 34. 13 V.S.A. § 2026 is amended to read:

§ 2026. INSTALLATION OF OBJECT IN LIEU OF AIR BAG

(a) No person shall knowingly:

(1) manufacture, import, distribute, offer for sale, sell, lease, transfer, install, or reinstall, or knowingly cause to be installed, or cause to be reinstalled: a counterfeit automobile supplemental restraint system component, a nonfunctional airbag, or

(1) an object in lieu of a vehicle air bag that was designed in accordance with the federal safety regulation an automobile supplement restraint system component, when the object does not comply with the requirements of 49 C.F.R. § 571.208, as amended, for the make, model, and year of a vehicle; or

(2) an inoperable vehicle air bag, knowing the air bag is inoperable install or reinstall as an automobile supplemental restraint system component anything that causes the diagnostic system for a motor vehicle to fail to warn the motor vehicle operator that an airbag is not installed or fail to warn the motor vehicle operator that a counterfeit automobile supplemental restraint system component or nonfunctional airbag is installed in the motor vehicle.

(b) A person who violates subsection (a) of this section shall be imprisoned for not more than three years or fined not more than \$10,000.00, or both.

(c) A person who violates subsection (a) of this section, and serious bodily injury, as defined in section 1021 of this title, or death results, shall be imprisoned for not more than 15 years or fined not more than \$10,000.00, or both.

(d) As used in this section:

(1) “Airbag” means an inflatable restraint device for occupants of motor

vehicles that is part of an automobile supplemental restraint system.

(2) “Automobile supplemental restraint system” means a passive inflatable crash protection system that a vehicle manufacturer designs to protect automobile occupants in the event of a collision in conjunction with a seat belt assembly, as defined in 49 C.F.R. § 571.209, and that consists of one or more airbags and all components required to ensure that each airbag:

(A) operates as designed in a crash; and

(B) meets federal motor vehicle safety standards for the specific make, model, and year of manufacture of the vehicle in which the airbag is installed.

(3) “Counterfeit automobile supplemental restraint system component” means a replacement component, including an airbag, for an automobile supplemental restraint system that without the authorization of a manufacturer, or a person that supplies parts to the manufacturer, displays a trademark that is identical or substantially similar to the manufacturer’s or supplier’s genuine trademark.

(4) “Install” and “reinstall” require the completion of installation work related to the automobile supplemental restraint system of a motor vehicle and either:

(A) for the motor vehicle to be returned to the owner or operator; or

(B) for the transfer of title for the motor vehicle.

(5) “Nonfunctional airbag” means a replacement airbag that:

(A) was previously deployed or damaged;

(B) has a fault that the diagnostic system for a motor vehicle detects once the airbag is installed;

(C) may not be sold or leased under 49 U.S.C. § 30120(j); or

(D) includes a counterfeit automobile supplemental restraint system component or other part or object that is installed for the purpose of misleading a motor vehicle owner or operator into believing that a functional airbag is installed.

(6) “Nonfunctional airbag” does not include an unrepaired deployed airbag or an airbag that is installed in a motor vehicle:

(A) that is a totaled motor vehicle, as defined in 23 V.S.A. § 2001(14); or

(B) for which the owner was issued a salvaged certificate of title

pursuant to 23 V.S.A. § 2091 or a similar title from another state.

* * * Licensed Dealers; Used Vehicle Sales; Disclosures * * *

Sec. 35. 23 V.S.A. § 466 is amended to read:

§ 466. RECORDS; DISCLOSURES; CUSTODIAN

(a) On a form prescribed or approved by the Commissioner, every licensed dealer shall maintain and retain for six years a record containing the following information, which shall be open to inspection by any law enforcement officer or motor vehicle inspector or other agent of the Commissioner during reasonable business hours:

(1) Every vehicle or motorboat that is bought, sold, or exchanged by the licensee or received or accepted by the licensee for sale or exchange.

(2) Every vehicle or motorboat that is bought or otherwise acquired and dismantled by the licensee.

(3) The name and address of the person from whom such vehicle or motorboat was purchased or acquired, the date thereof, the name and address of the person to whom any such vehicle or motorboat was sold or otherwise disposed of and the date thereof, and a sufficient description of every such vehicle or motorboat by name and identifying numbers thereon to identify the same.

(4) [Repealed.]

(b)(1) On a form prescribed or approved by the Commissioner, a licensed dealer shall provide written disclosure to each buyer of a used motor vehicle regarding the following:

(A) the month in which the vehicle was last inspected pursuant to section 1222 of this title;

(B) the month in which the inspection shall expire;

(C) whether the most recent inspection was by the dealer currently selling the motor vehicle;

(D) a statement that the condition of the motor vehicle may be different than the condition at the last inspection, unless inspected by the dealer selling the vehicle for the current transaction;

(E) a statement regarding the right of a potential buyer to have the vehicle inspected by an independent qualified mechanic of their choice and at their own expense; and

(F) a clear and conspicuous statement, if applicable, that the vehicle is being transferred without an inspection sticker, with an expired inspection sticker, or with an inspection sticker from another state.

(2) The licensed dealer shall maintain and retain record of the disclosure statement, signed by both the dealer and the buyer, for two years after transfer of ownership. The record shall be open to inspection by any law enforcement officer or motor vehicle inspector or other agent of the Commissioner during reasonable business hours.

(c) Every licensed dealer shall designate a custodian of documents who shall have primary responsibility for administration of documents required to be maintained under this title. In the absence of the designated custodian, the dealer shall have an ongoing duty to make such records available for inspection by any law enforcement officer or motor vehicle inspector or other agent of the Commissioner during reasonable business hours.

* * * DMV Credentials and Number Plates; Veteran Designations * * *

Sec. 36. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly for the State to properly honor veterans, which includes Vermonters who have served in the active military, naval, air, or space service, and who have been discharged or released from active service under conditions other than dishonorable, where active military, naval, air, or space service includes:

(1) active duty;

(2) any period of active duty for training during which the individual concerned was disabled or died from a disease or injury incurred or aggravated in line of duty; and

(3) any period of inactive duty training during which the individual concerned was disabled or died from an injury incurred or aggravated in line of duty or from an acute myocardial infarction, a cardiac arrest, or a cerebrovascular accident occurring during such training.

(b) It is also the intent of the General Assembly that the Department of Motor Vehicles and the Vermont Office of Veterans' Affairs:

(1) jointly determine which specialty plates should be offered to veterans so as to ensure specific recognition for those who have received a military award or decoration and those who have served in combat; and

(2) allow for a means for a veteran to request that a new specialty plate be designed and offered to veterans when an existing specialty plate does not provide for specific recognition of the veteran.

Sec. 37. 23 V.S.A. § 7(b) is amended to read:

(b) In addition to any other requirement of law or rule, before an enhanced license may be issued to ~~a person~~ an individual, the ~~person~~ individual shall present for inspection and copying satisfactory documentary evidence to determine identity and U.S. citizenship. An application shall be accompanied by: a photo identity document, documentation showing the ~~person's~~ individual's date and place of birth, proof of the ~~person's~~ individual's Social Security number, and documentation showing the ~~person's~~ individual's principal residence address. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the enhanced license. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of ~~Veterans~~ Veterans' Affairs confirms ~~his or her~~ the individual's status as an honorably discharged veteran ~~or~~; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face. To be issued, an enhanced license must meet the same requirements as those for the issuance of a U.S. passport. Before an application may be processed, the documents and information shall be verified as determined by the Commissioner. Any additional personal identity information not currently required by the U.S. Department of Homeland Security shall need the approval of either the General Assembly or the Legislative Committee on Administrative Rules prior to the implementation of the requirements.

Sec. 38. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

(a) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data as the Commissioner may require that shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian, or other person standing in loco parentis. Every application for an identification card shall be signed by the applicant and shall contain such

evidence of age and identity as the Commissioner may require, consistent with subsection (1) of this section. New and renewal application forms shall include a space for the applicant to request that a “veteran” designation be placed on the applicant’s identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of ~~Veterans~~ Veterans’ Affairs confirms the veteran’s status as an honorably discharged veteran ~~or; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service~~, the identification card shall include the term “veteran” on its face. The Commissioner shall require payment of a fee of \$29.00 at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to an individual who surrenders the individual’s license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition.

* * *

Sec. 39. 23 V.S.A. § 304 is amended to read:

§ 304. REGISTRATION CERTIFICATES; NUMBER PLATES; VANITY
AND OTHER SPECIAL PLATES

* * *

(j) The Commissioner of Motor Vehicles shall, upon proper application, issue special plates to Vermont veterans, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), and to members of the U.S. Armed Forces, as defined in 38 U.S.C. § 101(10), for use on vehicles registered at the pleasure car rate, on vehicles registered at the motorcycle rate, and on trucks registered for less than 26,001 pounds and excluding vehicles registered under the International Registration Plan. The type and style of the ~~plate~~ plates shall be determined by the Commissioner, ~~except that an American flag, or a veteran or military-related emblem selected by the Commissioner and the Vermont Office of Veterans’ Affairs shall appear on one side of the plate. At a minimum, emblems shall be available to recognize recipients of the Purple Heart, Pearl Harbor survivors, former prisoners of war, and disabled veterans.~~ An applicant shall apply on a form prescribed by the Commissioner, and the applicant’s eligibility as a member of one of the groups recognized will be certified by the Office of Veterans’ Affairs. The plates shall be reissued only to the original holder of the plates or the surviving spouse. The Commissioner

may adopt rules to implement the provisions of this subsection. Except for new or renewed registrations, applications for the issuance of plates under this subsection shall be processed in the order received by the Department subject to normal workflow considerations. The costs associated with developing new emblems shall be borne by the Department of Motor Vehicles.

* * *

Sec. 40. 23 V.S.A. § 610(a) is amended to read:

(a) The Commissioner shall assign a distinguishing number to each licensee and shall furnish the licensee with a license certificate that shows the number and the licensee's full name, date of birth, and residential address, except that at the request of the licensee, the licensee's mailing address may be listed, or an alternative address may be listed if otherwise authorized by law. The certificate also shall include a brief physical description and a space for the signature of the licensee. The license shall be void until signed by the licensee. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides proof of veteran status as specified in subdivision 603(a)(3) of this title, and the Office of ~~Veterans~~ Veterans' Affairs confirms ~~his or her~~ the individual's status as an honorably discharged veteran ~~or~~; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the license certificate shall include the term "veteran" on its face.

Sec. 41. 23 V.S.A. § 4111 is amended to read:

§ 4111. COMMERCIAL DRIVER'S LICENSE

(a) Contents of license. A commercial driver's license shall be marked "commercial driver's license" or "CDL" and shall be, to the maximum extent practicable, tamper proof and shall include the following information:

* * *

(12) A veteran designation if a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests the designation and provides proof of veteran status as specified in subdivision 4110(a)(5) of this title, and if the Office of ~~Veterans~~ Veterans' Affairs confirms ~~his or her~~ the individual's status as an honorably discharged veteran ~~or~~; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service.

* * *

* * * Conservation Motor Vehicle License Plates; Motorcycles * * *

Sec. 42. 23 V.S.A. § 304b is amended to read:

§ 304b. CONSERVATION MOTOR VEHICLE REGISTRATION PLATES

(a) The Commissioner shall, upon application, issue conservation registration plates for use only on vehicles registered at the pleasure car rate, on motorcycles, on trucks registered for less than 26,001 pounds, and on vehicles registered to State agencies under section 376 of this title, but excluding vehicles registered under the International Registration Plan. Plates so acquired shall be mounted on the front and rear of the vehicle, except that a motorcycle plate shall be mounted only on the rear of the motorcycle. The Commissioners of Motor Vehicles and of Fish and Wildlife shall determine the graphic design of the special plates in a manner that serves to enhance the public awareness of the State's interest in restoring and protecting its wildlife and major watershed areas. The Commissioners of Motor Vehicles and of Fish and Wildlife may alter the graphic design of these special plates, provided that plates in use at the time of a design alteration shall remain valid subject to the operator's payment of the annual registration fee. Applicants shall apply on forms prescribed by the Commissioner and shall pay an initial fee of \$32.00 in addition to the annual fee for registration. In following years, in addition to the annual registration fee, the holder of a conservation plate shall pay a renewal fee of \$32.00. The Commissioner may adopt rules under 3 V.S.A. chapter 25 to implement the provisions of this subsection.

* * *

* * * Use of Roadway by Pedestrians, Bicycle Operators, and
Vulnerable Users * * *

Sec. 43. 23 V.S.A. § 4(67) is amended to read:

(67) "Pedestrian" means any ~~person~~ individual afoot or operating a wheelchair or other personal mobility device, whether motorized or not, and shall also include any person 16 years of age or older operating including an electric personal assistive mobility device. ~~The age restriction of this subdivision shall not apply to a person who has an ambulatory disability as defined in section 304a of this title.~~

Sec. 44. 23 V.S.A. § 1033 is amended to read:

§ 1033. PASSING MOTOR VEHICLES AND VULNERABLE USERS

* * *

(b) Approaching or passing vulnerable users. ~~The operator of individual operating~~ a motor vehicle approaching or passing a vulnerable user as defined in subdivision 4(81) of this title shall exercise due care, which includes reducing speed and increasing clearance to a ~~recommended~~ distance of at least four feet, to pass the vulnerable user safely, and shall cross the center of the highway only as provided in section 1035 of this title. ~~A person~~ An individual who violates this subsection shall be subject to a civil penalty of not less than \$200.00.

(c) Approaching or passing certain stationary vehicles. ~~The operator of individual operating~~ a motor vehicle approaching or passing a stationary sanitation, maintenance, utility, or delivery vehicle with flashing lights shall exercise due care, which includes reducing speed and increasing clearance to a recommended distance of at least four feet, to pass the vehicle safely, and shall cross the center of the highway only as provided in section 1035 of this title. ~~A person~~ An individual who violates this subsection shall be subject to a civil penalty of not less than \$200.00.

Sec. 45. 23 V.S.A. § 1055 is amended to read:

§ 1055. PEDESTRIANS ON ROADWAYS

(a) ~~Where public sidewalks are provided, no person may walk along or upon an adjacent roadway. [Repealed.]~~

(b) ~~Where public sidewalks are not provided, any~~ Any pedestrian walking along and upon a highway shall, when practicable, walk only on the left side of the roadway or its shoulder facing the direction of possible oncoming traffic.

Sec. 46. AGENCY OF TRANSPORTATION; DEPARTMENT OF PUBLIC SAFETY; IDAHO STOP STUDY; REPORT

The Agency of Transportation, in collaboration with the Department of Public Safety and in consultation with bicycle safety organizations and other relevant stakeholders, shall study the potential effects of implementing a statewide policy that grants an individual operating a bicycle rights and responsibilities at traffic-control devices and traffic-control signals that differ from those applicable to operators of motor vehicles. The study shall include consideration of the potential effects of allowing individuals operating bicycles to treat stop signs as yield signs and red lights at traffic signals as stop signs, also known as an "Idaho Stop," and of allowing individuals operating bicycles to cross intersections during a pedestrian phase at pedestrian-control devices and pedestrian-control signals. On or before December 15, 2024, the Agency

shall report to the House and Senate Committees on Transportation with its findings and recommendations.

Sec. 47. AGENCY OF TRANSPORTATION; ACTIVE

TRANSPORTATION POLICY REPORT

(a) The Agency of Transportation shall prepare an Active Transportation Policy Report that provides a comprehensive review of Vermont statutes, including those in Titles 19 and 23, relating to the rights and responsibilities of vulnerable road users, in order to inform best practices and policy outcomes. The Agency shall develop the Report in consultation with relevant stakeholders identified by the Agency, which shall include bicycle safety organizations.

(b) On or before January 15, 2025, the Agency shall submit the written Active Transportation Policy Report, which shall include a summary of the Agency's review efforts and any recommendations for revisions to Vermont statutes, to the House and Senate Committees on Transportation.

* * * License Plates for Plug-In Electric Vehicles * * *

Sec. 48. LICENSE PLATES FOR PLUG-IN ELECTRIC VEHICLES;

FINDINGS

The General Assembly finds that:

(1) Plug-in electric vehicles (PEVs), which include plug-in hybrid electric vehicles and battery electric vehicles, provide new and unique challenges for first responders and firefighters when responding to the scene of a crash that may involve a PEV.

(2) PEVs are powered by high-voltage batteries, which means that if a PEV is involved in a crash resulting in a fire or in the need for extrication or rescue, or a combination of these, then fire and rescue personnel must invoke special operations to suppress the fire or initiate the extrication or rescue operation.

(3) Other states and countries have begun noting whether or not a motor vehicle is a PEV with a designation on the vehicle's license plate.

(4) First responders and firefighters in Vermont will be in a better position to safely respond to a fire, extrication, or rescue involving a motor vehicle crash if they know whether one or more vehicles involved are a PEV, which can be done, in most instances, with a license plate designation.

Sec. 49. 23 V.S.A. § 304 is amended to read:

§ 304. REGISTRATION CERTIFICATES; NUMBER PLATES; VANITY
AND OTHER SPECIAL PLATES

* * *

(k) Not later than July 1, 2026, the Commissioner shall begin issuing number and vanity plates for plug-in electric vehicles, as defined in subdivision 4(85) of this title, indicating that the vehicle is a plug-in electric vehicle. Not later than July 1, 2028, all plug-in electric vehicles registered in this State shall display plates indicating that the vehicle is a plug-in electric vehicle.

Sec. 50. LICENSE PLATES FOR PLUG-IN ELECTRIC VEHICLES;
IMPLEMENTATION PROVISIONS; REPORT

(a) In accordance with 23 V.S.A. § 304(k), not later than July 1, 2026, the Commissioner of Motor Vehicles shall begin issuing number and vanity plates for plug-in electric vehicles (PEV) indicating that the vehicle is a PEV.

(b)(1) Upon the purchase of a PEV, the purchaser shall not transfer a non-PEV plate to the newly purchased PEV unless the plate is a vanity or special number plate.

(2) For the purchaser of a PEV whose previous plate was not a vanity or special number plate, the Commissioner shall issue a new PEV plate, which the purchaser shall install upon receipt.

(3) For the purchaser of a PEV whose previous plate was a vanity or special number plate and who wishes to retain that plate for the newly purchased PEV, the purchaser may transfer and display the existing plate until the Commissioner issues the purchaser a new vanity or special number plate indicating that the vehicle is a PEV, except as set forth in subsection (d) of this section. The purchaser shall install the new PEV plate upon receipt.

(c) An individual who owns a PEV on the effective date of this act may continue to display the individual's existing plate until the individual receives a new PEV plate from the Department of Motor Vehicles. The owner shall install the new PEV plate upon receipt.

(d) The Commissioner is authorized to reject existing plates for transfer or renewal due to space limitations on the new PEV plates.

(e) On or before March 15, 2025, the Department of Motor Vehicles shall provide testimony to the House and Senate Committees on Transportation regarding the status of its efforts to implement license plates for PEVs as set forth in this section and in 23 V.S.A. § 304(k).

* * * Distracted Driving Diversion Program * * *

Sec. 51. DISTRACTED DRIVING DIVERSION PROGRAM

RECOMMENDATIONS; REPORT

(a) The Community Justice Unit of the Office of the Attorney General, in consultation with the Court Diversion programs, the Vermont Judiciary, the Department of Motor Vehicles, and representatives of Vermont law enforcement agencies, shall evaluate the feasibility of and design options for establishing a distracted driving diversion program as an alternative to civil penalties and points for individuals who violate Vermont's distracted driving laws, including 23 V.S.A. §§ 1095a, 1095b, and 1099. The issues for the Community Justice Unit to consider shall include:

(1) whether conducting a distracted driving diversion program is feasible;

(2) if so, how such a distracted driving diversion program should be structured and administered;

(3) the age groups to which the program should be made available;

(4) performance outcome measures that indicate whether the program is reducing the participants' likelihood of future distracted driving;

(5) whether fees should be imposed for participation in the program and, if so, what those fees should be;

(6) the additional resources, if any, that would be needed to implement and administer the program; and

(7) whether diversion or other alternatives should be made available to address other driving-related violations, especially youth violations.

(b) On or before December 15, 2024, the Community Justice Unit shall submit its findings and recommendations regarding a distracted driving diversion program to the House and Senate Committees on Transportation and on Judiciary.

* * * Effective Dates * * *

Sec. 52. EFFECTIVE DATES

(a) Notwithstanding 1 V.S.A. § 214, this section and Sec. 28 (certificate of title exemptions; 23 V.S.A. § 2012) shall take effect retroactively on January 1, 2024.

(b) Secs. 14 and 15 (tinted windows; 23 V.S.A. § 1125) shall take effect on July 1, 2026.

(c) Sec. 35 (records; disclosures; custodian; 23 V.S.A. § 466) shall take effect on July 1, 2025.

(d) Secs. 36–41 (DMV credentials and number plates; veteran credentials) shall take effect on passage.

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

SARA E COFFEY

CHARLES "BUTCH" H. SHAW

LEONORA DODGE

Committee on the part of the House

ANDREW J. PERCHLIK

THOMAS I. CHITTENDEN

RUSSELL H. INGALLS

Committee on the part of the Senate

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 #3202: \$3,296,092.00 to the Vermont Agency of Human Services, Department of Children and Families from the Federal Emergency Management Agency. Funds to provide services for families impacted by the July 2023 flood event.

[Received April 29, 2024]

JFO #3201: \$1,594,420.00 to the Vermont Public Service Department from the U.S. Department of Energy. The funds are for the creation of the Municipal Energy Resilience Revolving Fund (MERF) designated by the Vermont Legislature in [Act 172 of 2022](#) to support state and local energy efficiency projects.

[Received April 29, 2024]

JFO #3200: \$1,105,839.00 to the Department of Public Safety, VT Emergency Management from the Federal Emergency Management Agency. Funds for the repair and replacement of facilities affected during the severe storm and flooding event in Addison County from August 3-5, 2023.

[Received April 29, 2024]

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

[Received April 18, 2024]

JFO #3198: Bargain sale of timber rights to the Agency of Natural Resources, Department of Fish and Wildlife from the A Johnson Co., LLC. Vermont acquired the current Pond Woods Wildlife Management Area in Benson and Orwell, VT in the 1960s. At that time the A Johnson Co. retained the timber rights. The State now has the opportunity to acquire the timber rights, valued at \$2,320,529.00, for \$900,000.00. Acquisition of the timber rights will allow greater control over the property management. The \$900,000.00 sale price plus

closing costs is covered by ongoing, annual funding from the U.S. Department of Fish and Wildlife.

[Received March 24, 2024]

JFO #3197: One (1) limited-service position, Environmental Analyst IV, to the Agency of Natural Resources, Department of Environmental Conservation. The position will manage the increase in funding and the resulting increase in projects for the Healthy Homes program which provides financial assistance to low to moderate income homeowners to address failed or inadequate water, wastewater, drainage and storm water issues. A portion of the American Rescue Plan Act – Coronavirus State Fiscal Recovery Funds appropriated in Act 78 of 2023, funds this position through 12/31/2026.

[Received March 19, 2024]

JFO #3196: Two (2) limited-service positions, both Grant Specialists, to the Agency of Natural Resources, Department of Forests, Parks and Recreation. The positions will manage stewardship of existing grants and applications and outreach for annual grant cycles. Both positions are 70% funded through existing federal funds. The remaining 30% will be a combination of state special funds: State Recreation Trails Fund and Vermont Outdoor Recreation Economic Collaborative funds. The positions will not rely on annual appropriations of the General Fund. Both funded through 9/30/2024.

[Received March 19, 2024]

JFO #3195: One (1) limited-service position, Environmental Scientist III to the Agency of Natural Resources, Department of Environmental Conservation. The position will support high-priority efforts to reduce the spread of aquatic invasive species in public waters in the Lake Champlain Basin and is funded through additional federal funds received under an existing EPA grant for work in the Lake Champlain Basin program. Funding is for one-year with anticipation that funding will renew and be available for the foreseeable future. Position requested is through 12/31/2028.

[Received March 19, 2024]

JFO #3194: \$10,483,053.00 to the Agency of Commerce and Community Development, Department of Tourism and Marketing from the U.S. Department of Commerce, Economic Development Administration. Funds will support the resiliency and long-term recovery of the travel and tourism sectors in Vermont after the wide-spread disruption of these sectors during the Covid-19 pandemic. The Department of Tourism and Marketing has been working with the Economic Development Administration (EDA) for over 18 months to develop a plan that would satisfy the EDA requirements and meet the specific

needs of the Vermont travel and tourism industry. The grant includes two (2) limited-service positions, Grants Programs Manager and Travel Marketing Administrator to complete the grant administration plan. Both positions are fully funded through the new award through 10/31/2025.

[Received March 19, 2024]

JFO #3193: Land donation of 18.6 acres of undevelopable wetlands in Newport City, VT from Linda Chamberlin Mosher to the Agency of Natural Resources, Department of Fish and Wildlife. The land abuts the existing South Bay Wildlife Management Area and will expand wildlife and fish habitats and improve public access. The donation value is \$51,500.00. Estimated closing costs of \$10,000.00 and ongoing maintenance costs are covered by already budgeted federal funds. No state funds will be used for the acquisition.

Received March 12, 2024]

JFO #3192: \$327,250.00 to the Agency of Human Services, Department of Health from the Centers for Disease Control and Prevention for data collection and public awareness related to Chronic Obstructive Pulmonary Disease. The grant is expected to fund yearly through 9/29/2027. The grant includes one (1) limited-service position, Health Systems Program Administrator, to manage contracts and grants associated with the funding and communications with the CDC. The position is also funded through 9/29/2027.

[Received March 12, 2024]

JFO #3191: One (1) limited-service position to the Agency of Human Services, Department of Health to assess and carry out work related to data on maternal mortality and sudden unexpected infant deaths. Position requires quality assurance of data and transfer to federal data tracking systems. Position is funded through 09/29/2024 through previously approved JFO #1891.

[Received March 12, 2024]

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]