Journal of the Senate

WEDNESDAY, MAY 8, 2024

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 66

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered Senate proposal of amendment to House bill:

H. 655. An act relating to qualifying offenses for sealing criminal history records and access to sealed criminal history records.

And has concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

S. 192. An act relating to forensic facility admissions criteria and processes.

S. 195. An act relating to how a defendant's criminal record is considered in imposing conditions of release.

S. 204. An act relating to supporting Vermont's young readers through evidence-based literacy instruction.

S. 254. An act relating to including rechargeable batteries and battery-containing products under the State battery stewardship program.

S. 310. An act relating to natural disaster government response, recovery, and resiliency.

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

Message from the House No. 67

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered a bill originating in the Senate of the following title:

S. 246. An act relating to amending the Vermont basic needs budget and livable wage.

And has passed the same in concurrence.

The House has considered a bill originating in the Senate of the following title:

S. 259. An act relating to climate change cost recovery.

And has passed in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

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

S. 209. An act relating to prohibiting unserialized firearms and unserialized firearms frames and receivers.

And has concurred therein.

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

H. 173. An act relating to prohibiting manipulating a child for the purpose of sexual contact.

And has concurred therein.

Rules Suspended; Bill Not Referred to Committee Appropriations

H. 585

Appearing on the Calendar for notice, and, pending referral of the bill to the Committee on Appropriations pursuant to Senate Rule 31, Senator Baruth moved that the rules be suspended and that House bill entitled:

An act relating to amending the pension system for sheriffs and certain deputy sheriffs.

Not be referred to the Committee on Appropriations pursuant to Senate Rule 31 (and thereby remain on the Calendar for notice),

Which was agreed to.

Rules Suspended; Committee Relieved of Further Consideration; Bill Committed

H. 702.

On motion of Senator Sears, the Committee on Appropriations was relieved of further consideration of House bill entitled:

An act relating to legislative operations and government accountability.

And the bill was committed to the Committee on Judiciary with the report of the Committee on Government Operations *intact*.

Bill Referred to Committee on Finance

H. 885.

House bill of the following title, appearing on the Calendar for notice, and affecting the revenue of the state, under the rule was referred to the Committee on Finance:

An act relating to approval of an amendment to the charter of the Town of Berlin.

Bills Referred to Committee on Appropriations

House bills of the following titles, appearing on the Calendar for notice, and carrying an appropriation or requiring the expenditure of funds, under the rule were severally referred to the Committee on Appropriations:

H. 55. An act relating to miscellaneous unemployment insurance amendments.

H. 233. An act relating to licensure and regulation of pharmacy benefit managers.

H. 622. An act relating to emergency medical services.

H. 873. An act relating to financing the testing for and remediation of the presence of polychlorinated biphenyls (PCBs) in schools.

Bill Referred

Pursuant to Temporary Rule 44A the following bill having failed to meet cross-over and referred to the Committee on Rules was released and referred as follows:

H. 888. An act relating to approval of amendments to the charter of the Town of Hartford

To the Committee on Government Operations.

Proposal of Amendment; Third Reading Ordered

H. 121.

Senator Ram Hinsdale, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to enhancing consumer privacy.

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

Sec. 1. 9 V.S.A. chapter 61A is added to read:

CHAPTER 61A. VERMONT DATA PRIVACY ACT

§ 2415. DEFINITIONS

As used in this chapter:

(1) "Abortion" has the same meaning as in section 2492 of this title.

(2)(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 (2), "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.

(3) "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.

(4)(A) "Biometric data" means personal 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.

(5) "Broker-dealer" has the same meaning as in 9 V.S.A. § 5102.

(6) "Business associate" has the same meaning as in HIPAA.

(7) "Child" has the same meaning as in COPPA.

(8)(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.

(9)(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.

(10) "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.

(11) "Consumer health data controller" means any controller that, alone or jointly with others, determines the purpose and means of processing consumer health data.

(12) "Consumer reporting agency" has the same meaning as in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f);

(13) "Controller" means a person who, alone or jointly with others, determines the purpose and means of processing personal data.

(14) "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.

(15) "Covered entity" has the same meaning as in HIPAA.

(16) "Credit union" has the same meaning as in 8 V.S.A. § 30101.

(17) "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."

(18) "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.

(19) "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 (19).

(20) "Educational institution" has the same meaning as "educational agency or institution" in 20 U.S.C. § 1232g (family educational and privacy rights);

(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) material physical or financial injury to a minor;

(B) emotional distress, as that term is defined in 13 V.S.A. § 1061(2), to a minor;

(C) a highly offensive intrusion on the reasonable privacy expectations of a minor;

(D) the encouragement of excessive or compulsive use of an online service, product, or feature by a minor; or

(E) discrimination against the minor based upon the minor's race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, or national origin.

(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 (33).

(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 personal data derived from technology that accurately identifies within a radius of 1,850 feet a consumer's present or past location or the present or past location of a device that links or is linkable to a consumer or any data that is derived from a device that is used or intended to be used to locate a consumer within a radius of 1,850 feet by means of technology that includes a global positioning system that provides latitude and longitude coordinates.

(B) "Precise geolocation data" does not include the content of communications or any data generated by or connected to advanced utility metering infrastructure systems or equipment for use by a utility.

(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) "Publicly available information" means information that:

(A) is lawfully made available through federal, state, or local government records or widely distributed media; or

(B) a controller has a reasonable basis to believe a consumer has lawfully made available to the general public.

(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.

(B) "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 child;

(J) is a photograph, film, video recording, or other similar medium that shows the naked or undergarment-clad private area of a consumer; or

(K) is precise geolocation data.

(51)(A) "Targeted advertising" means displaying an advertisement to a consumer where the advertisement is selected based on personal data obtained or inferred from that consumer's activities over time and across nonaffiliated

internet websites or online applications to predict the consumer's preferences or interests.

(B) "Targeted advertising" does not include:

(i) an advertisement based on activities within a controller's own websites or online applications;

(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) derived more than 50 percent of the person's gross revenue from the sale of personal data.

(b) Sections 2420 and 2426 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, that 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 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;

(C) the Farm Credit Act, Pub. L. No. 92-181, as may be amended; or

(D) 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 or data 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 part 3 of Title 8 (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) a nonprofit organization that is established to detect and prevent fraudulent acts in connection with insurance;

(18) a public service company subject to the rules and orders of the Vermont Public Utility Commission regarding data sharing and service quality;

(19) an educational institution subject to the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and regulations adopted to implement that act;

(20) 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;

(21) personal data of health care service volunteers held by nonprofit organizations to facilitate provision of health care services; or

(22) 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 or not a controller is processing the consumer's personal data and access the personal data, unless the confirmation or access would require the controller to reveal a trade secret;

(2) obtain from a controller a list of third parties, other than individuals, to which the controller has transferred, at the controller's election, either the consumer's personal data or any 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;

(5) 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, where the processing is carried out by automated means, provided such controller shall not be required to reveal any trade secret; and

(6) opt out of the processing of the 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 60 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 60-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.

§ 2419. DUTIES OF CONTROLLERS

(a) A controller shall:

(1) specify in the privacy notice described in subsection (d) of this section the express purposes for which the controller is collecting and processing personal data;

(2) process personal data only:

(A) as reasonably necessary and proportionate to achieve a disclosed purpose for which the personal data was collected, consistent with the reasonable expectations of the consumer whose personal data is being processed;

(B) for another disclosed purpose that is compatible with the context in which the personal data was collected; or

(C) for a further disclosed purpose if the controller obtains the consumer's consent;

(3) 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; and

(4) 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, upon revocation of the consent, cease to process the data as soon as practicable, but not later than 60 days after receiving the request.

(b) A controller shall not:

(1) process personal data beyond what is reasonably necessary and proportionate to the processing 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)(A) except as provided in subdivision (B) of this subdivision (3), 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 (3) 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.

(4) process a consumer's personal data for the purposes of targeted advertising, of profiling the consumer in furtherance of decisions that produce legal or similarly significant effects concerning the consumer, or of selling the consumer's personal data without the consumer's consent if the controller knows that the consumer is at least 13 years of age and not older than 16 years of age; or

(5) discriminate or retaliate against a consumer who exercises a right provided to the consumer under this chapter or refuses to consent to the collection or 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.

(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.

(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) 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.

(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 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 2425 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) Unless a controller has obtained consent in accordance with subsection (c) of this section, a controller that offers any online service, product, or feature to a consumer whom the controller knows is a minor shall not:

(1) process a minor's personal data for the purposes of:

(A) targeted advertising;

(B) the sale of personal data; or

(C) profiling in furtherance of any solely automated decisions that produce legal or similarly significant effects concerning the consumer;

(2) process a minor's personal data for any purpose other than:

(A) the processing purpose that the controller disclosed at the time the controller collected the minor's personal data; or

(B) a processing purpose that is reasonably necessary for, and compatible with, the processing purpose that the controller disclosed at the time the controller collected the minor's personal data; or

(3) process a minor's personal data for longer than is reasonably necessary to provide the online service, product, or feature;

(4) use any system design feature, except for a service or application that is used by and under the direction of an educational entity, to significantly increase, sustain, or extend a minor's use of the online service, product, or feature; or

(5) collect a minor's precise geolocation data unless:

(A) the minor's precise geolocation data is reasonably necessary for the controller to provide the online service, product, or feature;

(B) the controller only collects the minor's precise geolocation data for the time necessary to provide the online service, product, or feature; and

(C) the controller provides to the minor a signal indicating that the controller is collecting the minor's precise geolocation data and makes the signal available to the minor for the entire duration of the collection of the minor's precise geolocation data.

(c) A controller shall not engage in the activities described in subsection (b) of this section unless the controller obtains:

(1) the minor's consent; or

(2) if the minor is a child, the consent of the minor's parent or legal guardian.

(d) A controller that offers any online service, product, or feature to a consumer whom that controller knows is a minor shall not:

(1) employ any dark pattern; or

(2) except as provided in subsection (e) of this section, offer any direct messaging apparatus for use by a minor without providing readily accessible and easy-to-use safeguards to limit the ability of an adult to send unsolicited communications to the minor with whom the adult is not connected.

(e) Subdivision (d)(2) of this section does not apply to an online service, product, or feature of which the predominant or exclusive function is:

(1) e-mail; or

(2) direct messaging consisting of text, photographs, or videos that are sent between devices by electronic means, where messages are:

(A) shared between the sender and the recipient;

(B) only visible to the sender and the recipient; and

(C) not posted publicly.

§ 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; and

(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.

(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; and

(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.

(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 2425 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 assist the controller in meeting the controller's obligations under section 2420 of this title, taking into account:

(1) the nature of the processing;

(2) the information available to the processor by appropriate technical and organizational measures; and

(3) whether the assistance is reasonably practicable and necessary to assist the controller in meeting its obligations.

(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 section 2420 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 2425 of this title.

§ 2423. 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.

§ 2424. 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, State, tribal, or local government entity;

(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;

(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.

(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) reasonably necessary and proportionate 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.

§ 2425. ENFORCEMENT; ATTORNEY GENERAL'S POWERS

(a) The Attorney General shall have exclusive authority to enforce violations of this chapter.

(b)(1) The Attorney General may, prior to initiating any action for a violation of any provision of this chapter, issue a notice of violation to the controller or consumer health data controller if the Attorney General determines that a cure is possible.

(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.

(c) 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.

(d) This chapter shall not be construed as providing the basis for, or be subject to, a private right of action for violations of this chapter or any other law.

(e) A violation of the requirements of this chapter shall constitute an unfair and deceptive act in commerce in violation of section 2453 of this title and shall be enforced solely by the Attorney General, provided that a consumer private right of action under subsection 2461(b) of this title shall not apply to the violation.

§ 2426. CONFIDENTIALITY OF CONSUMER HEALTH DATA

Except as provided in subsections 2417(a) and (b) of this title and section 2424 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;

(3) use a geofence to establish a virtual boundary that is within 1,850 feet of any health care facility, 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; or

(4) sell or offer to sell consumer health data without first obtaining the consumer's consent.

Sec. 2. 3 V.S.A. § 5023 is amended to read:

§ 5023. ARTIFICIAL INTELLIGENCE AND DATA PRIVACY ADVISORY COUNCIL

(a)(1) Advisory Council. There is established the Artificial Intelligence and Data Privacy Advisory Council to:

(A) provide advice and counsel to the Director of the Division of Artificial Intelligence ~~with regard to~~ on the Division's responsibilities to review all aspects of artificial intelligence systems developed, employed, or procured in State government.;

(B) ~~The Council,~~ in consultation with the Director of the Division, ~~shall also~~ engage in public outreach and education on artificial intelligence;

(C) provide advice and counsel to the Attorney General in carrying out the Attorney General's enforcement responsibilities under the Vermont Data Privacy Act; and

(D) develop policy recommendations for improving data privacy in Vermont, including recommendations for implementing a private right of action and developing education and outreach on the Vermont Data Privacy Act, which shall be provided to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development by January 15, 2025.

(2) The Advisory Council shall have the authority to establish subcommittees to carry out the purposes of subdivision (1)(D) of this subsection.

(b) Members.

(1) Members. The Advisory Council shall be composed of the following members:

(A) the Secretary of Digital Services or designee;

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

(C) the Commissioner of Public Safety or designee;

(D) the Executive Director of the American Civil Liberties Union of Vermont or designee;

(E) one member who is an expert in constitutional and legal rights, appointed by the Chief Justice of the Supreme Court;

(F) one member with experience in the field of ethics and human rights, appointed by the Governor;

(G) one member who is an academic at a postsecondary institute, appointed by the Vermont Academy of Science and Engineering;

(H) the Commissioner of Health or designee;

(I) the Executive Director of Racial Equity or designee; ~~and~~

(J) the Attorney General or designee;

(K) one member representing Vermont small businesses, appointed by the Speaker of the House; and

(L) one member who is an expert in data privacy, appointed by the Committee on Committees.

(2) Chair. Members of the Advisory Council shall elect by majority vote the Chair of the Advisory Council. Members of the Advisory Council shall be appointed on or before August 1, 2022 in order to prepare as they deem necessary for the establishment of the Advisory Council, including the election of the Chair of the Advisory Council, except that the member representing Vermont small businesses and the member who is an expert in data privacy shall be appointed on or before August 1, 2024.

(3) Qualifications. Members shall be drawn from diverse backgrounds and, to the extent possible, have experience with artificial intelligence.

(c) Meetings. The Advisory Council shall meet at the call of the Chair as follows:

(1) on or before January 31, 2024, not more than 12 times; and

(2) on or after February 1, 2024, not more than monthly.

(d) Quorum. A majority of members shall constitute a quorum of the Advisory Council. Once a quorum has been established, the vote of a majority of the members present at the time of the vote shall be an act of the Advisory Council.

(e) Assistance. The Advisory Council shall have the administrative and technical support of the Agency of Digital Services.

(f) Reimbursement. Members of the Advisory Council who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and expenses as provided in 32 V.S.A. § 1010.

(g) Consultation. ~~The~~ In its advice and counsel to the Director of the Division of Artificial Intelligence, the Advisory Council shall consult with any relevant national bodies on artificial intelligence, including the National Artificial Intelligence Advisory Committee established by the Department of Commerce, and its applicability to Vermont. In its advice and counsel to the Attorney General, the Advisory Council shall consult with enforcement authorities in states with comparable comprehensive data privacy regimes.

(h) Repeal. This section shall be repealed on June 30, 2027.

(i) Limitation. The advice and counsel of the Advisory Council shall not limit the discretionary authority of the Attorney General to enforce the Vermont Data Privacy Act.

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~~ as that term is defined in section 2415 of this title.

~~(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~~ who is a resident of the State or an individual who is in the State at the time a data broker collects the individual's data.

(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; or

(iii) the disclosure of brokered personal information that a consumer intentionally made available to the general public via a channel of mass media and did not restrict to a specific audience.

~~(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 consumer report will not be used for a legitimate and legal purpose.

(b) Exemption. Nothing in this section applies to:

(1) brokered personal information that is:

(A) regulated as a consumer report pursuant to the Fair Credit Reporting Act, 15 U.S.C. § 1681–1681x, if the data broker is fully complying with the Act; or

(B) regulated pursuant to the Driver's Privacy Protection Act of 1994, 18 U.S.C. § 2721–2725, if the data broker is fully complying with the Act;

(2) a public service company subject to the rules and orders of the Vermont Public Utility Commission regarding data sharing and service quality;

(3) a nonprofit organization that is established to detect and prevent fraudulent acts in connection with insurance; or

(4) 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.

Sec. 4. EFFECTIVE DATES

(a) This section and Sec. 2 (AI and Data Privacy Advisory Council) shall take effect on July 1, 2024.

(b) Sec. 1 (Vermont Data Privacy Act) and Sec. 3 (Protection of Personal Information) shall take effect on July 1, 2025.

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Perchlik, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Economic Development, Housing and General Affairs.

Thereupon, the bill was read the second time by title only pursuant to Rule 43.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs?, Senators Lyons, Gulick and Hardy moved to amend the proposal of amendment with the following amendments thereto:

First: In Sec. 1, 9 V.S.A. chapter 61A, by striking out section 2415 in its entirety and inserting in lieu thereof a new section 2415 to read:

§ 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) "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.

(3) "Biometric data" means information 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:

(A) iris or retina scans;

(B) fingerprints;

(C) facial or hand mapping, geometry, or templates;

(D) vein patterns;

(E) voice prints;

(F) gait or personally identifying physical movement or patterns;

(G) depictions, images, descriptions, or recordings; and

(H) data derived from any data in subdivision (G) of this subdivision (3), to the extent that it would be reasonably possible to identify the specific individual from whose biometric data the data has been derived.

(4) "Broker-dealer" has the same meaning as in 9 V.S.A. § 5102.

(5) "Business associate" has the same meaning as in HIPAA.

(6) "Child" has the same meaning as in COPPA.

(7)(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.

(8)(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.

(9) "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.

(10) "Consumer health data controller" means any controller that, alone or jointly with others, determines the purpose and means of processing consumer health data.

(11) "Consumer reporting agency" has the same meaning as in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f);

(12) "Controller" means a person who, alone or jointly with others, determines the purpose and means of processing personal data.

(13) "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.

(14) "Covered entity" has the same meaning as in HIPAA.

(15) "Credit union" has the same meaning as in 8 V.S.A. § 30101.

(16) "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."

(17) "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.

(18) "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 (18).

(19) "Educational institution" has the same meaning as "educational agency or institution" in 20 U.S.C. § 1232g (family educational and privacy rights);

(20) "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.

(21) "Gender-affirming health care services" has the same meaning as in 1 V.S.A. § 150.

(22) "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.

(23) "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.

(24) "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.

(25) "Health care component" has the same meaning as in HIPAA.

(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) material physical or financial injury to a minor;

(B) emotional distress, as that term is defined in 13 V.S.A. § 1061(2), to a minor;

(C) a highly offensive intrusion on the reasonable privacy expectations of a minor;

(D) the encouragement of excessive or compulsive use of an online service, product, or feature by a minor; or

(E) discrimination against the minor based upon the minor's race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, or national origin.

(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) "Hybrid entity" has the same meaning as in HIPAA.

(30) "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.

(31) "Independent trust company" has the same meaning as in 8 V.S.A. § 2401.

(32) "Investment adviser" has the same meaning as in 9 V.S.A. § 5102.

(33) "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.

(34) "Nonpublic personal information" has the same meaning as in 15 U.S.C. § 6809.

(35)(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 (35).

(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.

(36) "Patient identifying information" has the same meaning as in 42 C.F.R. § 2.11 (confidentiality of substance use disorder patient records).

(37) "Patient safety work product" has the same meaning as in 42 C.F.R. § 3.20 (patient safety organizations and patient safety work product).

(38)(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.

(39)(A) "Precise geolocation data" means personal data derived from technology that accurately identifies within a radius of 1,850 feet a consumer's present or past location or the present or past location of a device that links or is linkable to a consumer or any data that is derived from a device that is used or intended to be used to locate a consumer within a radius of 1,850 feet by means of technology that includes a global positioning system that provides latitude and longitude coordinates.

(B) "Precise geolocation data" does not include the content of communications or any data generated by or connected to advanced utility metering infrastructure systems or equipment for use by a utility.

(40) "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.

(41) "Processor" means a person who processes personal data on behalf of a controller.

(42) "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.

(43) "Protected health information" has the same meaning as in HIPAA.

(44) "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.

(45)(A) "Publicly available information" means information that:

(i) is lawfully made available through federal, state, or local government records or widely distributed media; or

(ii) a controller has a reasonable basis to believe a consumer has lawfully made available to the general public.

(B) "Publicly available information" does not include biometric data collected by a business about a consumer without the consumer's knowledge.

(46) "Qualified service organization" has the same meaning as in 42 C.F.R. § 2.11 (confidentiality of substance use disorder patient records);

(47) "Reproductive or sexual health care" has the same meaning as "reproductive health care services" in 1 V.S.A. § 150(c)(1).

(48) "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.

(49) "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.

(50)(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.

(B) "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.

(51) "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 child;

(J) is a photograph, film, video recording, or other similar medium that shows the naked or undergarment-clad private area of a consumer; or

(K) is precise geolocation data.

(52)(A) "Targeted advertising" means displaying an advertisement to a consumer where the advertisement is selected based on personal data obtained or inferred from that consumer's activities over time and across nonaffiliated internet websites or online applications to predict the consumer's preferences or interests.

(B) "Targeted advertising" does not include:

(i) an advertisement based on activities within a controller's own websites or online applications;

(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.

(53) "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.

(54) "Trade secret" has the same meaning as in section 4601 of this title.

(55) "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.

Second: In Sec. 1, 9 V.S.A. chapter 61A, in subsection 2417(a), by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read:

(2) a covered entity that is not a hybrid entity, any health care component of a hybrid entity, or a business associate;

Third: In Sec. 1, 9 V.S.A. chapter 61A, in subsection 2417(a), by striking out subdivision (8) in its entirety and inserting in lieu thereof a new subdivision (8) to read:

(8) information that originates from, or is intermingled so as to be indistinguishable from, information described in subdivisions (3)–(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 (3)–(7) of this subsection;

Fourth: In Sec. 1, 9 V.S.A. chapter 61A, by striking out section 2425 in its entirety and inserting in lieu thereof a new section 2425 to read:

§ 2425. ENFORCEMENT: ATTORNEY GENERAL'S POWERS 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, and the Attorney General shall have exclusive authority to enforce such violations except as provided in subsection (c) of this section.

(b)(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.

(c)(1) The private right of action available to a consumer for violations of this chapter or rules adopted pursuant to this chapter shall be exclusively as provided under this subsection.

(2) A consumer who is harmed by a violation of subdivision 2419(b)(2) of this title or section 2426 of this title may bring an action under subsection 2461(b) of this title for the violation, but the right available under subsection 2461(b) of this title shall not be available for a violation of any other provision of this chapter or rules adopted pursuant to this chapter.

(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.

Fifth: In Sec. 1, 9 V.S.A. chapter 61A, in subdivision 2426(3), following "any health care facility," by striking out "mental health facility, or reproductive or sexual health facility" and inserting in lieu thereof including any mental health facility or reproductive or sexual health facility,

Sixth: In Sec. 2, 3 V.S.A. § 5023, by striking out subsections (a) and (b) in their entireties and inserting in lieu thereof new subsections (a) and (b) to read:

(a)(1) Advisory Council. There is established the Artificial Intelligence and Data Privacy Advisory Council to:

(A) provide advice and counsel to the Director of the Division of Artificial Intelligence ~~with regard to~~ on the Division's responsibilities to review all aspects of artificial intelligence systems developed, employed, or procured in State government.~~.~~;

(B) ~~The Council,~~ in consultation with the Director of the Division, ~~shall also~~ engage in public outreach and education on artificial intelligence;

(C) provide advice and counsel to the Attorney General in carrying out the Attorney General's enforcement responsibilities under the Vermont Data Privacy Act; and

(D) engage in research on data privacy and develop policy recommendations for improving data privacy in Vermont, including:

(i) development of education and outreach to consumers and businesses on the Vermont Data Privacy Act; and

(ii) recommendations for improving the scope of health-care exemptions under the Vermont Data Privacy Act, including based on:

(I) research on the effects on the health care industry of the health-related data-level exemptions under the Oregon Consumer Privacy Act;

(II) economic analysis of compliance costs for the health care industry; and

(III) an analysis of health-related entities excluded from the health-care exemptions under 9 V.S.A. § 2417(a)(2)–(8).

(2)(A) The Advisory Council shall report its findings and any recommendations under subdivision (1)(D) of this subsection (a) to the Senate Committees on Economic Development, Housing and General Affairs, on Health and Welfare, and on Judiciary and the House Committees on Commerce and Economic Development, on Health Care, and on Judiciary on or before January 15, 2025.

(B) The Advisory Council shall have the authority to establish subcommittees to carry out the purposes of subdivision (1)(D) of this subsection (a).

(b) Members.

(1) Members. The Advisory Council shall be composed of the following members:

(A) the Secretary of Digital Services or designee;

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

(C) the Commissioner of Public Safety or designee;

(D) the Executive Director of the American Civil Liberties Union of Vermont or designee;

(E) one member who is an expert in constitutional and legal rights, appointed by the Chief Justice of the Supreme Court;

(F) one member with experience in the field of ethics and human rights, appointed by the Governor;

(G) one member who is an academic at a postsecondary institute, appointed by the Vermont Academy of Science and Engineering;

(H) the Commissioner of Health or designee;

(I) the Executive Director of Racial Equity or designee; ~~and~~

(J) the Attorney General or designee;

(K) the Secretary of Human Services or designee;

(L) one member representing Vermont small businesses, appointed by the Speaker of the House; and

(M) one member who is an expert in data privacy, appointed by the Committee on Committees.

(2) Chair. Members of the Advisory Council shall elect by majority vote the Chair of the Advisory Council. Members of the Advisory Council shall be appointed on or before August 1, 2022 in order to prepare as they deem necessary for the establishment of the Advisory Council, including the election of the Chair of the Advisory Council, except that the members appointed under subdivisions (K)–(M) of subdivision (1) of this subsection shall be appointed on or before August 1, 2024.

(3) Qualifications. Members shall be drawn from diverse backgrounds and, to the extent possible, have experience with artificial intelligence.

Thereupon, pending the question, Shall the report of the Committee on Economic Development, Housing and General Affairs be amended as recommended by Senators Lyons, Gulick and Hardy?, Senator Sears requested that the question be divided and the fourth instance of amended be voted on separately.

Thereupon, the question, Shall the report of the Committee on Economic Development, Housing and General Affairs be amended as recommended by Senators Lyons, Gulick and Hardy, in the fourth instance of amendment?, was disagreed to, on a roll call, Yeas 13, Nays 16.

Senator Sears having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Baruth, Clarkson, Gulick, Hardy, Harrison, Lyons, MacDonald, McCormack, Perchlik, Vyhovsky, Watson, White, Wrenner.

Those Senators who voted in the negative were: Bray, Brock, Campion, Chittenden, Collamore, Cummings, Hashim, Ingalls, Kitchel, Norris, Ram Hinsdale, Sears, Starr, Weeks, Westman, Williams.

Thereupon, pending the question, Shall the report of the Committee on Economic Development, Housing and General Affairs be amended as recommended by Senators Lyons, Gulick and Hardy?, in the first through third, fifth and sixth instances of amendment, Senator Ram-Hinsdale requested that the question be divided and the first instance of amendment be considered separately.

Thereupon, the question, Shall the report of the Committee on Economic Development, Housing and General Affairs be amended as recommended by Senators Lyons, Gulick and Hardy in the first instance of amendment, was disagreed to, on a divsion, Yeas 14, Nays 15.

Thereupon, the question, Shall the report of the Committee on Economic Development, Housing and General Affairs be amended as recommended by Senators Lyons, Gulick and Hardy in the second, third, fifth and sixth instance of amendment, was agreed to.

Thereupon, the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Economic Development, Housing and General Affairs, as amended?, was agreed to.

Thereupon, the question, Shall the bill be read a third time, was decided in the affirmative.

Message from the House No. 68

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 309. An act relating to miscellaneous changes to laws related to the Department of Motor Vehicles, motor vehicles, and vessels.

And has adopted the same on its part.

Adjournment

On motion of Senator Baruth the Senate ajourned until 1:00 P.M..

Called to Order

The Senate was called to order by the President.

House Proposal of Amendment Concurred In

S. 191.

House proposal of amendment to Senate bill entitled:

An act relating to New American educational grant opportunities.

Was taken up.

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

* * * Vermont Student Assistance Corporation * * *

Sec. 1. 16 V.S.A. § 2846 is amended to read:

§ 2846. ADVANCEMENT GRANTS

(a) The Corporation may establish an advancement grant program for residents pursuing nondegree education and training opportunities who do not meet the definition of student in subdivision 2822(3) of this title~~,~~ and who may not meet the requirements of this subchapter.

(b) Advancement grants may be used at institutions that are not approved postsecondary education institutions.

(c) The Corporation may adopt rules or establish policies, procedures, standards, and forms for advancement grants, including the requirements for applying for and using the grants and the eligibility requirements for the institutions where the grants may be used. Such rules shall be consistent with subsection (d) of this section.

(d) Notwithstanding subsection (a) of this section, applicants shall not be ineligible for the advancement grant solely on account of the applicant's residency status under subdivision 2822(7) of this title if that applicant:

(1) qualifies as a refugee pursuant to 8 U.S.C. § 1101(a)(42) (definition of refugee);

(2) is granted parole to enter the United States pursuant to 8 U.S.C. § 1182(d)(5) (temporary admission of nonimmigrants for urgent humanitarian reasons); or

(3) is issued a special immigrant visa pursuant to the Afghan Allies Protection Act of 2009, Pub. L. No. 111-8 (8 U.S.C. § 1101 note), as amended.

Sec. 2. INCENTIVE GRANT ELIGIBILITY; RESIDENCY

(a) Notwithstanding any provision of law to the contrary, applicants shall not be ineligible for the Vermont incentive grant program under 16 V.S.A. §§ 2841–2844 solely on account of that person's residency status if the applicant:

(1) qualifies as a refugee pursuant to 8 U.S.C. § 1101(a)(42) (definition of refugee);

(2) is granted parole to enter the United States pursuant to 8 U.S.C. § 1182(d)(5) (temporary admission of nonimmigrants for urgent humanitarian reasons); or

(3) is issued a special immigrant visa pursuant to the Afghan Allies Protection Act of 2009, Pub. L. No. 111-8 (8 U.S.C. § 1101 note), as amended.

(b) This section shall be repealed on July 1, 2027.

Sec. 3. 16 V.S.A. § 2828 is added to read:

§ 2828. FINANCIAL AID ELIGIBILITY FOR CERTAIN STUDENTS

(a) Notwithstanding any provision of law to the contrary, a resident who is otherwise eligible for a State-funded financial aid program administered by the Corporation shall not be ineligible solely on the basis of such resident's immigration status under federal law.

(b) The Corporation shall establish procedures and forms that enable residents eligible under subsection (a) of this section to apply for, and participate in, all State-funded student financial aid programs administered by the Corporation for which such residents are eligible to the full extent permitted by federal law. The Corporation may collect such information as is necessary to confirm eligibility for participation in programs administered by the Corporation.

(c) The Corporation may adopt rules pursuant to 3 V.S.A. chapter 25 as necessary to carry out the provisions of this section.

(d) The Corporation shall include information regarding the impact of this section and the number of students who receive financial aid pursuant to this section in its biannual report to the General Assembly pursuant to subsection 2835(c) of this title.

* * * Vermont State Colleges Corporation * * *

Sec. 4. 16 V.S.A. § 2185 is amended to read:

§ 2185. DETERMINATION OF RESIDENCY FOR TUITION PURPOSES

(a) The Board of Trustees shall adopt policies related to residency for tuition purposes, consistent with State and federal requirements. Any policies adopted by the Board shall not discriminate against or exclude a person based solely on the person's immigration status, or lack thereof, if such person would otherwise qualify for and meet requirements for Vermont residency for tuition purposes as set forth by the Board and as permitted under federal law.

(b) Any member of the U.S. Armed Forces on active duty who is transferred to Vermont for duty other than for the purpose of education shall, upon transfer and for the period of active duty served in Vermont, be considered a resident for in-state tuition purposes at the start of the next semester or academic period.

(c) For determination of residency for tuition to the Community College of Vermont, a person who resides in Vermont shall be considered a resident for in-state tuition purposes, beginning at the start of the next semester or academic period after arrival in Vermont, if that person:

(1) qualifies as a refugee pursuant to 8 U.S.C. § 1101(a)(42) (Immigration and Nationality Act definition of refugee);

(2) is granted parole to enter the United States pursuant to 8 U.S.C. § 1182(d)(5) (temporary admission of nonimmigrants for urgent humanitarian reasons); or

(3) is issued a special immigrant visa pursuant to the Afghan Allies Protection Act of 2009, Pub. L. No. 111-8 (8 U.S.C. § 1101 note), as amended.

* * *

(e) Except as otherwise provided by law, or by consent of the individual identified in the record, information collected pursuant to this section that directly or indirectly identifies applicants or students, including grant, loan, scholarship, or outreach programs, is exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

* * * University of Vermont and State Agricultural College * * *

Sec. 5. 16 V.S.A. § 2282a is amended to read:

§ 2282a. DETERMINATION OF RESIDENCY FOR TUITION PURPOSES

(a) Enrollment at an institution for higher learning, or presence within the State for the purposes of attending an institution of higher learning, shall not

by itself constitute residence for in-state tuition purposes or for the purpose of eligibility for assistance from the Vermont Student Assistance Corporation. The Board of Trustees shall adopt policies related to residency for tuition purposes, consistent with State and federal requirements. Any policies adopted by the Board of Trustees shall not discriminate against or exclude a person based solely on the person's immigration status, or lack thereof, if such person would otherwise qualify for and meet requirements for Vermont residency for tuition purposes as set forth by the Board and as permitted under federal law.

* * *

(d) Except as otherwise provided by law, or by consent of the individual identified in the record, information collected pursuant to this section that directly or indirectly identifies applicants or students, including grant, loan, scholarship, or outreach programs, is exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

* * * Effective Dates * * *

Sec. 6. EFFECTIVE DATES

(a) This section and Secs. 1 (advancement grants) and 2 (incentive grants) shall take effect on July 1, 2024.

(b) Secs. 3 (financial aid), 4 (Vermont State Colleges Corporation in-state tuition), and 5 (University of Vermont and State Agricultural College in-state tuition) shall take effect on July 1, 2025.

The Senate *pro tempore* Assumes the Chair

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

Third Reading Ordered

J.R.S. 44.

Senator Gulick, for the Committee on Health and Welfare, to which was referred Senate resolution entitled:

Joint resolution declaring the increasing number of drug overdose deaths in Vermont to be a public health emergency.

Reported that the resolution ought to pass.

Thereupon, the Senate Resolution was read the second time by title only pursuant to Rule 43, and third reading of the Senate Resolution was ordered.

The President Resumed the Chair

House Proposal of Amendment Concurred In

S. 213.

House proposal of amendment to Senate bill entitled:

An act relating to the regulation of wetlands, river corridor development, and dam safety.

Was taken up.

The House proposes to the Senate to amend the bill as follows:

First: In Sec. 3, Department of Environmental Conservation; River Corridor Base Map; infill mapping; education and outreach, in subsection (a), after "On or before January 1, 2026, the Department of Environmental Conservation" and before "shall amend" by inserting ", in consultation with the Agency of Commerce and Community Development and the regional planning commissions,"

Second: By adding a new section to be Sec. 6a to read as follows:

Sec. 6a. 24 V.S.A. § 2291(25) is amended to read:

(25) To regulate by means of an ordinance or bylaw development in a flood hazard area~~, river corridor protection area,~~ or other hazard area consistent with the requirements of section 4424 of this title and the National Flood Insurance Program. Such an ordinance or bylaw may regulate accessory dwelling units in flood hazard ~~and fluvial erosion~~ areas. However, such an ordinance or bylaw shall not require the filing of an application or the issuance of a permit or other approval by the municipality for a planting project considered to have a permit by operation of subsection 4424(c) of this title.

Third: By adding two new sections to be Secs. 8a and 8b to read as follows:

Sec. 8a. 24 V.S.A. § 4413(a)(2) is amended to read:

(2) Except for State-owned and -operated institutions and facilities, a municipality may regulate each of the land uses listed in subdivision (1) of this subsection for compliance with the National Flood Insurance Program and for compliance with a municipal ordinance or bylaw regulating development in a flood hazard area ~~or river corridor~~, consistent with the requirements of subdivision 2291(25) and section 4424 of this title. These regulations shall not have the effect of interfering with the intended functional use.

Sec. 8b. 24 V.S.A. § 4414(1)(G) is amended to read:

(G) ~~River corridors and buffers~~ Buffers. In accordance with section 4424 of this title, a municipality may adopt bylaws to protect ~~river corridors and~~ buffers, as ~~those terms are~~ that term is defined in 10 V.S.A. §§ 1422 ~~and 1427~~, in order to protect public safety; prevent and control water pollution; prevent and control stormwater runoff; preserve and protect wetlands and waterways; maintain and protect natural channel, streambank, and floodplain stability; minimize ~~fluvial erosion and~~ damage to property and transportation infrastructure; preserve and protect the habitat of terrestrial and aquatic wildlife; promote open space and aesthetics; and achieve other municipal, regional, or State conservation and development objectives for ~~river corridors and~~ buffers. ~~River corridor and buffer~~ Buffer bylaws may regulate the design and location of development; control the location of buildings; require the provision and maintenance or reestablishment of vegetation, including no net loss of vegetation; require screening of development or use from waters; reserve existing public access to public waters; and impose other requirements authorized by this chapter.

Fourth: In Sec. 15, 10 V.S.A. §§ 918 and 919, in section 918, in subdivision (c)(1), by striking out the last sentence in its entirety.

Fifth: By adding a new section to be Sec. 15a to read as follows:

Sec. 15a. WETLANDS RULEMAKING; ALLOWED USES

As part of the next amendments to the Vermont Wetlands Rules as required under Sec. 15 of this act or otherwise proposed, the Commissioner of Environmental Conservation shall review whether to authorize the following activities as allowed uses within a wetland:

(1) relocation of utility lines and poles adjacent to roadsides; and

(2) temporary access to wetlands, river, and flood restoration projects that are currently allowed uses under the Rules, provided that the Commissioner shall allow temporary access to wetlands as an allowed use for wetlands, river, and flood restoration projects conducted or initiated prior to January 1, 2025.

Sixth: By adding a new section to be Sec. 15b to read as follows:

Sec. 15b. 10 V.S.A. § 1266a is amended to read:

§ 1266a. DISCHARGES OF PHOSPHORUS

(a) No person directly discharging into the drainage basins of Lake Champlain or Lake Memphremagog shall discharge any waste that contains a

phosphorus concentration in excess of 0.80 milligrams per liter on a monthly average basis~~.~~ with the following exceptions:

(1) ~~Discharges~~ discharges of less than 200,000 gallons per day, permitted on or before July 1, 1991~~, shall not be subject to the requirements of this subsection.~~;

(2) ~~Discharges~~ discharges from a municipally owned aerated lagoon type secondary sewage treatment plant in the Lake Memphremagog drainage basin, permitted on or before July 1, 1991 ~~shall not be subject to the requirements of this subsection~~ unless the plant is modified to use a technology other than aerated lagoons; and

(3) discharges of less than 35,000 gallons per day from a municipally owned secondary sewage treatment plant using recirculating sand filters in the Lake Champlain drainage basin, permitted on or before July 1, 2001 unless the plant is modified to use a technology other than recirculating sand filters.

(b) Notwithstanding any provision of subsection (a) of this section to the contrary, the Secretary shall establish effluent phosphorus wasteload allocations or concentration limits within any drainage basin in Vermont, as needed to achieve wasteload allocations in a total maximum daily load document approved by the U.S. Environmental Protection Agency, or as needed to attain compliance with water quality standards adopted by the Secretary pursuant to chapter 47 of this title.

(c) [Repealed.]

Seventh: In Sec. 24, transition; dams, by adding a new subsection to be subsection (f) to read as follows:

(f) On or before January 15, 2025, the Agency of Natural Resources shall complete its analysis of the capital and ongoing operations and maintenance costs of the Green River Dam, as authorized in 2022 Acts and Resolves No. 83, Sec. 46, and shall submit the results of the analysis to the House Committees on Environment and Energy and on Appropriations and the Senate Committees on Natural Resources and Energy and on Appropriations.

Eighth: By striking out Sec. 28 (floodplain management; use value appraisal), and its reader assistance and by inserting a new Sec. 28 and its reader assistance to read as follows:

* * * Report on Waiver of Permit Fees * * *

Sec. 28. REPORT ON WAIVER OF PERMIT FEES

(a)(1) The Secretary of Natural Resources shall produce a report on whether and how to establish criteria for waiving, reducing, or mitigating

Agency of Natural Resources' permit fees for persons of low income or other criteria.

(2) The Chair of the Natural Resources Board shall produce a report on whether and how to establish criteria for waiving, reducing, or mitigating Act 250 permit fees for persons of low income or other criteria.

(b) The reports required under subsection (a) of this section shall include:

(1) a recommendation of whether the State should establish criteria or a methodology for waiving, reducing, or mitigating permit fees for persons of low income or other criteria; and

(2) if a report recommends waiver, reduction, or mitigation under subdivision (1) of this section, what the criteria for waiver, reduction, or mitigation should be and whether the fees should be reduced or entirely waived.

(c) On or before December 15, 2024, the Secretary of Natural Resources and the Chair of the Natural Resources Board shall submit to the House Committees on Ways and Means and on Environment and Energy and the Senate Committees on Finance and on Natural Resources and Energy the reports required under subsection (a) of this section.

Ninth: By striking out Sec. 29, effective dates, and its reader assistance heading in their entireties and inserting in lieu thereof a new Sec. 29 and reader assistance heading to read as follows:

* * * Effective Dates * * *

Sec. 29. EFFECTIVE DATES

(a) This section and Secs. 19 (dam registration report), 20 (dam design standard rules), and 23 (FERC petition) shall take effect on passage.

(b) All other sections shall take effect July 1, 2024, except that:

(1) Secs. 6a, 7, 8, 8a, and 9 (conforming amendments to municipal river corridor planning) shall take effect on January 1, 2028, except that in Sec. 9, 24 V.S.A. § 4424(a)(2)(B)(i) (municipal compliance with the State Flood Hazard Area Standards) shall take effect on January 1, 2026;

(2) in Sec. 18, 10 V.S.A. § 1106 (Dam Safety Revolving Loan Fund) shall take effect on passage;

(3) under Sec. 25 (basin planning), the requirement shall be effective for updated tactical basin plans that commence on or after January 1, 2025; and

(4) in Sec. 26 (expanded polystyrene foam requirements), 10 V.S.A. § 1324 (ANR rulemaking) shall take effect on passage.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

Bills Passed in Concurrence

House bills of the following titles were severally read the third time and passed in concurrence:

H. 862. An act relating to approval of amendments to the charter of the Town of Barre.

H. 869. An act relating to approval of the merger of Brandon Fire District No. 1 and Brandon Fire District No. 2.

H. 872. An act relating to miscellaneous updates to the powers of the Vermont Criminal Justice Council and the duties of law enforcement officers.

Proposal of Amendment; Third Reading Ordered

H. 630.

Senator Gulick, for the Committee on Education, to which was referred House bill entitled:

An act relating to boards of cooperative education services.

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

* * * Findings and Intent * * *

Sec. 1. FINDINGS; INTENT

(a) Findings. The General Assembly finds that:

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

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

(3) Students should be in the least restrictive setting to reach success. Some students require a higher level of care and access to peers that would not be available in an inclusive setting. Some students who are currently placed in substantially separate programs are not able to access their community, peers,

or inclusive activities. Vermont is currently sending many of these students to programs that are geographically far away or out of state. Working cooperatively could prevent these students from being transported such long distances. Staying closer to home will also afford these students greater opportunities for afterschool or community-based activities.

(4) Market concentration means single districts cannot always rely on competitive bidding to reduce costs and improve quality. Districts often all have separate contracts for the same service, with the same vendor or vendors, which is an avoidable duplicative cost.

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

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

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

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

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

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

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

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

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

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

(H) providing skilled facilities planning and management; and

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

(8) Additionally, community schools also facilitate the coordination of comprehensive programs and services that are carefully selected to meet the unique needs of students and families and build on the assets they bring to their schools and communities. Community schools combine challenging and culturally inclusive learning opportunities with the academic and social supports every student needs to reach their potential.

(9) According to the Learning Policy Institute, "establishing community schools" is one of 10 recommended strategies for restarting and rethinking the role of public education in the wake of the COVID-19 pandemic. Community schools serve as resource hubs that provide a broad range of easily accessed, well-coordinated supports and services that help students and families with increasingly complex needs. These schools, at their core, are about investing in children, through quality teaching; challenging, engaging, and culturally responsive curricula; wrap around supports; safe, just, and equitable school climate; strong ties to family and community; and a clear focus on student achievement and well-being.

(10) Community schools are important centers for building community connection and resilience. When learning extends beyond the walls of the school through active engagement with community partners as with place-based learning, relationships expand and deepen, community strengths are highlighted, and opportunities for building vitality surface through shared learning.

(11) Community schools provide another framework to encourage and support supervisory unions to be creative as they develop learning communities that integrate student supports, expand and enrich learning opportunities, engage families and communities, develop collaborative leadership, and ensure safe, inclusive, and equitable learning environments.

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

* * * Boards of Cooperative Education Services * * *

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

CHAPTER 10. BOARDS OF COOPERATIVE EDUCATION SERVICES

§ 601. POLICY

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

§ 602. DEFINITIONS

As used in this chapter:

(1) "Educator" means any:

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

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

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

§ 603. CREATION OF BOARD OF COOPERATIVE EDUCATION SERVICES; ORGANIZATION; SECRETARY APPROVAL

(a) Establishment of boards of cooperative education services. When the boards of two or more supervisory unions vote to explore the advisability of entering into a written agreement to provide shared programs and services, the interested boards shall meet and discuss the terms of any such agreement. At this meeting or a subsequent meeting, the participating boards may enter into a proposed agreement to form an association of supervisory unions to deliver shared programs and services to complement the educational programs of member supervisory unions in a cost-effective manner. An association formed pursuant to this chapter shall be known as a board of cooperative education services (BOCES) and shall be a body politic and corporate with the powers and duties afforded them under this chapter.

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

(1) the names of the participating supervisory unions;

(2) the mission, purpose, and focus of the BOCES;

(3) the programs or services to be offered by the BOCES;

(4) the financial terms and conditions of membership of the BOCES, including any applicable membership fee;

(5) the service fees for member supervisory unions and the service fees for nonmember supervisory unions, as applicable;

(6) the detailed procedure for the preparation and adoption of an annual budget with carryforward provisions;

(7) the method of termination of the BOCES and the withdrawal of member supervisory unions, which shall include the apportionment of assets and liabilities;

(8) the procedure for admitting new members and for amending the articles of agreement;

(9) the powers and duties of the board of directors of the BOCES to operate and manage the association, including:

(A) board meeting attendance requirements;

(B) consequences for failure to attend a board meeting;

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

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

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

(c) Board of directors. A BOCES shall be managed by a board of directors, which shall be composed of one person appointed annually by each

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

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

§ 604. POWERS OF BOARDS OF COOPERATIVE EDUCATION SERVICES

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

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

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

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

§ 605. FINANCING, BUDGETING, AND ACCOUNTING

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

(b) Treasurer.

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

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

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

(4) The board of directors shall ensure that its blanket bond covers a newly appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, a BOCES may choose to provide suitable crime insurance coverage. The board of directors may pay reasonable compensation to the treasurer for services rendered and shall evaluate the treasurer's performance annually.

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

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

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

(1) a statement of net assets; and

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

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

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

§ 606. ANNUAL REPORT; PUBLIC INFORMATION

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

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

(2) audited financial statements and the independent auditor's report.

(b) A BOCES shall maintain an internet website that makes the following information available to the public at no cost:

(1) a list of the members of the board of directors of the BOCES;

(2) copies of approved minutes of open meetings held by the board of the BOCES;

(3) a copy of the articles of agreement and any subsequent amendments; and

(4) a copy of the annual report required under subsection (a) of this section.

§ 607. EMPLOYMENT

(a) A BOCES shall be considered to be a public employer and may employ personnel, including educators, to carry out the purposes and functions of the board. Annually, the board of a BOCES shall conduct an area survey of the salaries of the educators and staff employed by the BOCES's member supervisory unions and school districts.

(b) No person shall be eligible for employment by a BOCES as an educator unless the person is appropriately licensed by the Standards Board for Professional Educators pursuant to chapter 51 of this title.

(c) A person employed by a BOCES as an educator shall be a participant in the Vermont State Teachers' Retirement System pursuant to chapter 55 of this title.

(d) A person who is employed by a BOCES and who is not educator shall be a participant in the Vermont Municipal Employees' Retirement System pursuant to 24 V.S.A. chapter 125.

(e) Educators employed by a BOCES shall be entitled to organize pursuant to chapter 57 of this title.

(f) Employees employed by a BOCES and who are not educators shall be entitled to organize pursuant to 21 V.S.A. chapter 22.

(g) Educators and employees who are employed by a BOCES shall be provided health care benefits pursuant to chapter 61 of this title.

Sec. 3. TRANSITION; REPORT

(a) On or before July 1, 2026, each supervisory union board shall consider and vote on the desirability of establishing a board of cooperative education services pursuant to 16 V.S.A. chapter 10. There shall be not more than seven boards of cooperative education services established statewide. Supervisory union boards that vote to establish a board of cooperative education services shall hold an organizational meeting pursuant to 16 V.S.A. § 603 on or before July 1, 2027.

(b) On or before July 1, 2028, the Secretary of Education shall review the boards of cooperative education services as they exist, or are anticipated to exist, on that date. On or before November 1, 2028, the Secretary shall issue a written report to the General Assembly and the State Board of Education with the following information and recommendations:

(1) the number of boards of cooperative education services in existence on July 1, 2028, including the names of member supervisory unions and services provided;

(2) the number of supervisory unions that are not members of boards of cooperative education services and information on why such supervisory unions have not joined a board of cooperative education services; and

(3) recommendations for expansion of the membership and powers of boards of cooperative education services, including recommendations for whether membership in such boards shall be mandatory.

Sec. 4. BOCES GRANT PROGRAM; APPROPRIATION

(a) There is established the Boards of Cooperative Education Services Start-up Grant Program, to be administered by the Agency of Education, from funds appropriated for this purpose, to award grants to boards of cooperative education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024. BOCES shall be eligible for a single $10,000.00 grant after the Secretary of Education approves the applicant's initial articles of agreement pursuant to 16 V.S.A. § 603(b). Grants may be used for start-up costs and may include reimbursement to member supervisory unions for costs incurred during the exploration and formation of the BOCES and articles of agreement.

(b) Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, the sum of $70,000.00 is appropriated from the Education Fund to the Agency of Education in fiscal year 2025 to fund the Boards of Cooperative Education Services Start-up Grant Program created in subsection (a) of this section. Unexpended appropriations shall carry forward into the subsequent fiscal year and remain available for use for this purpose.

* * * Conforming Revisions * * *

Sec. 5. 16 V.S.A. § 261a is amended to read:

§ 261a. DUTIES OF SUPERVISORY UNION BOARD

* * *

(b) Virtual merger. In order to ~~promote the efficient use of financial and human resources~~ maximize the impact of available funding and resources, and to reduce duplication of educational programs, personnel, and services, ~~and~~ whenever legally permissible, supervisory unions are encouraged to reach agreements with other supervisory unions jointly to provide any service or perform any duty under this section pursuant to section 267 of this title, or to form boards of cooperative education services pursuant to chapter 10 of this title. Agreements between supervisory unions are not subject to the waiver requirement of subdivision (a)(8) of this section. Agreements shall include a cost-benefit analysis outlining the projected financial savings or enhanced outcomes, or both, that the parties expect to realize through shared services or programs.

* * *

Sec. 6. 16 V.S.A. § 1691a is amended to read:

§ 1691a. DEFINITIONS

As used in this chapter:

(1) "Administrator" means an individual licensed under this chapter the majority of whose employed time in a public school, school district, ~~or~~ supervisory union, or board of cooperative education services is assigned to developing and managing school curriculum, evaluating and disciplining personnel, or supervising and managing a public school system or public school program.

* * *

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

Sec. 7. 16 V.S.A. § 1931(20) is amended to read:

(20) "Teacher" ~~shall mean~~ means any licensed teacher, principal, supervisor, superintendent, or any professional licensed by the Vermont Standards Board for Professional Educators who is regularly employed, or otherwise contracted if following retirement, for the full normal working time for ~~his or her~~ the teacher's position in a public day school or school district within the State, or in any school or teacher-training institution located within the State, controlled by the State Board of Education, and supported wholly by the State; or in certain public independent schools designated for such purposes by the Board in accordance with section 1935 of this title; or who is regularly employed by a board of cooperative education services created in accordance with chapter 10 of this title. In all cases of doubt, the Board shall determine whether any person is a teacher as defined in this chapter. It ~~shall~~ does not mean a person who is teaching with an emergency license.

Sec. 8. 24 V.S.A. § 5051(10) is amended to read:

(10) "Employee" means the following persons employed on a regular basis by a school district ~~or,~~ by a supervisory union, or by a board of cooperative education services for ~~no~~ not fewer than 1,040 hours in a year and for ~~no~~ not fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071, or for ~~no~~ not fewer than 1,040 hours in a year and for ~~no~~ not fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union or a board of cooperative education services in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the

supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term ~~shall~~ also ~~mean~~ means persons employed on a regular basis by a municipality other than a school district for ~~no~~ not fewer than 1,040 hours in a year and for ~~no~~ not fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding:

* * *

Sec. 9. 16 V.S.A. § 1981 is amended to read:

§ 1981. DEFINITIONS

As used in this chapter unless the context requires otherwise:

* * *

(8) "School board negotiations council" means, for a supervisory district, its school board, and, for school districts within a supervisory union or board of cooperative education services, the body comprising representatives designated by each school board within the supervisory union or board of cooperative education services and by the supervisory union board or board of cooperative education services to engage in professional negotiations with a teachers' or administrators' organization.

(9) "Teachers' organization negotiations council" or "administrators' organization negotiations council" means the body comprising representatives designated by each teachers' organization or administrators' organization within a supervisory district ~~or~~, supervisory union, or board of cooperative education services to act as its representative for professional negotiations.

Sec. 10. 21 V.S.A. § 1722 is amended to read:

§ 1722. DEFINITIONS

As used in this chapter:

* * *

(18) "School board negotiations council" means, for a supervisory district, its school board, and, for school districts within a supervisory union or board of cooperative education services, the body comprising representatives designated by each school board within the supervisory union or board of cooperative education services and by the supervisory union board or board of cooperative education services to engage in collective bargaining with their school employees' negotiations council.

(19) "School employees' negotiations council" means the body comprising representatives designated by each exclusive bargaining agent within a supervisory district ~~or,~~ supervisory union, or board of cooperative education services to engage in collective bargaining with its school board negotiations council.

(20) "Supervisory district" and "supervisory union" ~~shall~~ have the same ~~meaning~~ meanings as in 16 V.S.A. § 11.

(21) "Municipal school employee" means an employee of a supervisory union ~~or,~~ school district, or board of cooperative education services who is not otherwise subject to 16 V.S.A. chapter 57 (labor relations for teachers and administrators) and who is not otherwise excluded pursuant to subdivision (12) of this section.

* * *

Sec. 11. 16 V.S.A. § 2101 is amended to read:

§ 2101. DEFINITIONS

As used in this chapter:

(1) "Participating employee" means a school employee who is eligible for and has elected to receive health benefit coverage through a school employer.

(2) "School employee":

(A) includes the following individuals:

(i) an individual employed by a school employer as a teacher or administrator as defined in section 1981 of this title;

(ii) a municipal school employee as defined in 21 V.S.A. § 1722;

(iii) an individual employed as a supervisor as defined in 21 V.S.A. § 1502;

(iv) a confidential employee as defined in 21 V.S.A. § 1722;

(v) a certified employee of a school employer; and

(vi) any other permanent employee of a school employer not covered by subdivisions (i)-(v) of this subdivision (2); and

(B) notwithstanding subdivision (A) of this subdivision (2), excludes individuals who serve in the role of superintendent.

(3) "School employer" means a supervisory union or school district as those terms are defined in section 11 of this title, or a board of cooperative education services formed pursuant to chapter 10 of this title.

* * * Community Schools * * *

Sec. 12. 2021 Acts and Resolves No. 67, Sec. 3 is amended to read:

Sec. 3. COMMUNITY SCHOOLS; FUNDING

* * *

(c) Funding administration.

(1) Subject to subdivision (2) of this subsection, the Secretary of Education shall determine, using the Agency of Education's equity lens tool, which eligible recipients shall receive funding and the amount of funding, and the Secretary shall provide the funding on or before September 1 ~~of each of 2021, 2022, and 2023 to recipients~~. The Secretary may deny or reduce ~~second- and third-year~~ funding after the initial year of funding if the Secretary finds that the recipient has made insufficient progress towards developing and implementing community school programs. In determining which eligible recipients shall receive funding, the Secretary shall take into account relative need, based on the extent to which community school program services are needed and the extent to which the eligible recipient seeks to offer them.

(2) In determining which eligible recipients shall receive funding and the amount of funding and to advance the principles for Vermont's trauma-informed system of care under 33 V.S.A. § 3401, the Secretary of Education shall collaborate with the Director of Trauma Prevention and Resilience Development and the Vermont Child and Family Trauma Work Group.

(3) The Agency of Education shall inform all eligible recipients of the availability of funding under this act and, for those eligible recipients most in need of this funding, shall educate these eligible recipients on community school programs and their benefits. The Agency of Education shall also advise all eligible recipients of other sources of funding that may be available to advance the purpose of this act.

(d) Use of funding.

(1) A recipient of funding under this act shall use the funding to:

(A) if a needs and assets assessment has not been conducted within the prior three years that substantially conforms with the requirements in this subdivision, then, in collaboration with the site-based leadership team, conduct a needs and assets assessment that includes:

(i) where available, and where applicable, student demographic, academic achievement, and school climate data, disaggregated by major demographic groups, including race, ethnicity, English language proficiency,

students with individualized education plans, and students eligible for free or reduced-price lunch status;

(ii) access to and need for integrated student supports;

(iii) access to and need for expanded and enriched learning time and opportunities;

(iv) school funding information, including federal, State, local, and private education funding and per-pupil spending, based on actual salaries of personnel assigned to the eligible school;

(v) information on the number, qualifications, and stability of school staff, including the number and percentage of fully certified teachers and rates of teacher turnover; and

(vi) active family and community engagement information, including:

(I) family and community needs based on surveys, information from public meetings, or information gathered by other means;

(II) measures of family and community engagement in the eligible schools, including volunteering in schools, attendance at back-to-school nights, and parent-teacher conferences;

(III) efforts to provide culturally and linguistically relevant communication between schools and families; and

(IV) access to and need for family and community engagement activities;

(B) hire a community school coordinator to, in collaboration with the site-based leadership team, develop and implement community school programs or designate a community school coordinator from existing personnel and, in collaboration with the site-based leadership team, augment work already being performed to develop and implement community school programs; and

(C) if the recipient has not fully implemented positive behavioral integrated supports under 16 V.S.A. § 2902, provide professional development to staff on positive behavioral integrated supports and implement those supports.

(2) A recipient of funding under this act may use the funding to, in collaboration with the site-based leadership team, develop and implement a plan to improve literacy outcomes and objectively assess those outcomes.

(3) If a needs and assets assessment has not been conducted under subdivision (1)(A) of this subsection within the prior three years, the first year of funding shall be used to conduct the needs and assets assessment of the school to determine what is necessary to develop community school programs and an action plan to implement community school programs. During ~~the second and third~~ subsequent years of ~~the~~ funding, the community school coordinator shall, in collaboration with the site-based leadership team, oversee the implementation of community school programs.

(e) Evaluation.

(1) At the end of each year of funding, each recipient shall undergo an evaluation designed by the Agency of Education using its equity lens tool.

(2) On or before each of December 15, ~~2022 and~~ 2024 and 2025, the Agency of Education shall report to the General Assembly and the Governor on the impact of the funding under this act. The report shall be made publicly available on the Agency of Education's website.

(f) Ability to operate as a community school. Any school district or school, regardless of whether it receives funding under this act, may function as a community school as defined in this section.

Sec. 13. COMMUNITY SCHOOLS REPORT

On or before December 15, 2024, the Agency of Education, in consultation with the Department of Mental Health, shall include in its report required pursuant to 2021 Acts and Resolves No. 67, Sec. 3(e)(2) an evaluation of the community schools program created under 2021 Acts and Resolves No. 67 and make recommendations for further legislative action. The report and recommendations shall address, at a minimum, the following questions:

(1) Does the community schools structure support schools in more efficient implementation of the education quality standards contained in 16 V.S.A. § 165?

(2) Does the community schools structure improve access to and efficiency in the provision of mental health services, social support services, and health services?

Sec. 14. COMMUNITY SCHOOLS; APPROPRIATION

(a) Appropriations. Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, the sum of $1,000,000.00 is appropriated from the Education Fund to the Agency of Education in fiscal year 2025 for the purpose of providing funding to school districts for the community schools program created under 2021 Acts and Resolves No. 67, Sec. 3, as amended by Sec. 12 of this act.

(b) Agency use of funds. The Agency of Education may set aside:

(1) not more than one percent of the funds appropriated under subsection (a) of this section for informational and technical assistance, such as the availability and use of funding for eligible recipients as defined under 2021 Acts and Resolves No. 67, Sec. 3, as amended by Sec. 12 of this act; and

(2) not more than two percent of the funds appropriated under subsection (a) of this section for the evaluations required under 2021 Acts and Resolves No. 67, Sec. 3, as amended by Sec. 12 of this act.

* * * Effective Date * * *

Sec. 15. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

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

An act relating to improving access to high-quality education through community collaboration

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Baruth, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Education.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposal of amendment was agreed to, and third reading of the bill was ordered.

Proposal of Amendment; Third Reading Ordered

H. 657.

Senator Chittenden, for the Committee on Finance, to which was referred House bill entitled:

An act relating to the modernization of Vermont's communications taxes and fees.

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: By striking out Secs. 7–13, communications property tax, and their accompanying reader assistance in their entireties and inserting in lieu thereof new Secs. 7–8 and an accompanying reader assistance to read as follows:

* * * Communications Property Tax; Study and Report * * *

Sec. 7. COMMUNICATIONS PROPERTY TAX; STUDY AND REPORT

(a) The Commissioner of Taxes shall conduct a study concerning the taxation of communications property. The purpose of the study is to develop a recommendation for an updated tax structure that applies to communications property in a fair, reasonable, and nondiscriminatory manner and that reflects modern developments in communications technology and its uses.

(b) As used in this section, generally, "communications property" means tangible personal property used to enable the real-time, two-way, electromagnetic transmission of information, such as audio, video, and data, that is so fitted and attached as to be part of a local, state, national, or international communications network, as well as facilities that are part of a cable television system as defined in 30 V.S.A. § 501(2). The term includes wires, cables, conduit, pipes, antennas, poles, wireless towers, machinery, distribution hubs, cabinets, splitters, switching equipment, routers, servers, power equipment, and any other network equipment.

(c) In conducting the study required by this section, the Commissioner shall seek input from the Secretary of Transportation, the Secretary of Digital Services, the Commissioner of Public Service, communications property owners, the Vermont League of Cities and Towns, and any other persons deemed appropriate by the Commissioner. In addition, the Commissioner shall review the tax treatment of communications property in other jurisdictions to determine an appropriate model for Vermont.

(d) The Commissioner shall make the following recommendations:

(1) for each category of communications property, whether it should be taxed as real property or as business personal property, taking into consideration such factors as the use, life-cycle, or location of each category of network equipment;

(2) whether any exemptions should apply to communications property based on ownership, use, location, public benefit, or any other factor deemed appropriate by the Commissioner;

(3) a method for determining and fixing the valuations of communications property;

(4) the rate or rates at which communications property should be taxed;

(5) a process for handling property valuations and appeals that minimizes the burden on listers and local governments;

(6) a process for obtaining the data necessary to properly value and tax communications property from the property owners or from other State databases, or both, and the time and manner of data submissions, taking into consideration other regulatory uses and State databases;

(7) a process for routinely auditing and enforcing the recommended tax structure;

(8) resources needed to implement the recommended tax structure; and

(9) any other recommendations deemed appropriate by the Commissioner and consistent with the purpose of the section.

(e) On or before January 15, 2025, the Commissioner shall submit the findings and recommendations required by this section in a written report to the Senate Committee on Finance and the House Committees on Ways and Means and on Environment and Energy.

Sec. 8. ONE-TIME APPROPRIATION FROM THE PILOT SPECIAL FUND; VALUATION MODEL

Notwithstanding 32 V.S.A. § 3709(a), the sum of $150,000.00 is appropriated from the PILOT Special Fund to the Division of Property Valuation and Review of the Department of Taxes in fiscal year 2025 for the purpose of creating a property valuation model for communications property.

Second: By striking out Sec.13a, 19 V.S.A. § 26a, and its accompanying reader assistance in their entireties and inserting in lieu thereof a new section to be Sec. 9 and an accompanying reader assistance to read as follows:

* * * Public ROW Rent; Study and Report * * *

Sec. 9. COMMUNICATIONS PROPERTY; RIGHT OF WAY RENT; STUDY AND REPORT

(a) The Secretary of Transportation shall conduct a study concerning access to and use of the public right-of-way (ROW) by communications service providers for the purpose of developing a fair, reasonable, and nondiscriminatory fee structure applicable to communications property in the ROW that is commensurate with the public benefit conferred and shall conduct a cost-benefit analysis with respect to implementation of that fee structure in Vermont.

(b)(1) In order to perform a comprehensive cost-benefit analysis as required by subsection (a) of this section, on or before July 1, 2026, the Secretary of Transportation, in consultation with the Vermont Center for Geographic Information (VCGI), shall develop a ROW GIS database

indicating the location and ownership of communications property and electric and natural gas infrastructure currently in the ROW.

(2) In a form and manner determined by the Secretary, each communications, electric, and natural gas company that has infrastructure in the ROW shall submit an inventory of its infrastructure in GIS format to the Agency of Transportation for inclusion in the ROW GIS database. The Secretary may require such companies to submit additional information to ensure the database is comprehensive and sufficiently detailed to support various regulatory purposes, including property taxation, emergency management, and broadband mapping.

(3) The Secretary may review and incorporate into its ROW GIS database any relevant data collected and maintained by the Public Safety Communications Task Force, the Department of Public Service, the Department of Taxes, and any other State or municipal entity deemed appropriate by the Secretary.

(4) Data collected pursuant to this subsection shall be exempt from public inspection and copying under the Public Records Act.

(c) In conducting the study required by this section, the Secretary shall seek input from the Commissioner of Taxes, the Commissioner of Public Service, the Public Safety Communications Task Force, communications property owners, the Vermont League of Cities and Towns, and any other persons deemed appropriate by the Secretary. In addition, the Secretary shall review the ROW fee structures used in other jurisdictions to determine an appropriate model for Vermont.

(d) As used in this section:

(1) "Communications property" means tangible personal property used to enable the real-time, two-way, electromagnetic transmission of information, such as audio, video, and data, that is so fitted and attached as to be part of a local, state, national, or international communications network, as well as facilities that are part of a cable television system as defined in 30 V.S.A. § 501(2). The term includes wires, cables, conduit, pipes, antennas, poles, wireless towers, machinery, distribution hubs, cabinets, splitters, switching equipment, routers, servers, power equipment, and any other network equipment in the ROW.

(2) "Public right-of-way" or "ROW" means the area on, below, along, across, or above a public roadway that is part of the State highway or municipal roadway system.

(e) Among other things, the Secretary's findings and recommendations shall reflect the following:

(1) the specific types of communications property in the ROW;

(2) a fee structure that is proportionate to the public benefit conferred from access to or use of the ROW, which may include a tiered system that factors in population density or deployment costs, or both;

(3) whether any fee exemptions or waivers, temporary or permanent, should apply to communications property in the ROW based on ownership, use, location, public benefit, or any other factor deemed appropriate by the Secretary;

(4) standards and procedures applicable to data collection pursuant to this section that are consistent with existing databases maintained by the State, including the State Geographic Information System (GIS) and that are consistent with prior inventories or studies, such as the GIS report submitted to the General Assembly pursuant to 1988 Acts and Resolves No. 200, and any system design recommendations contained therein;

(5) standards and procedures for accessing data collected pursuant to this section by State or municipal entities or by the general public, subject to any confidentiality parameters deemed appropriate by the Secretary;

(6) resources needed to implement the fee structure developed pursuant to this section;

(7) potential uses of the State or municipal share of any revenue collected pursuant to the fee structure; and

(8) any other matters deemed necessary or appropriate by the Secretary.

(f) On or before December 15, 2026, the Secretary shall submit the findings and recommendations required by this section in a written report to the Senate Committees on Finance and on Transportation and the House Committees on Ways and Means, on Environment and Energy, and on Transportation.

Third: By striking out Sec. 14, effective dates, in its entirety and inserting in lieu thereof a new section to be Sec. 10 to read as follows:

Sec. 10. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Sec. 8 (PILOT Fund appropriation) shall take effect on July 1, 2024.

(2) Secs. 1–6 (VUSF contribution method; 988 funding) shall take effect on July 1, 2025.

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Perchlik, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Finance.

Thereupon, the bill was read the second time by title only pursuant to Rule 43.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance?, Senator Chittenden moved to substitute a proposal of amendment for the proposal of amendment of the Committee on Finance as follows:

First: In Sec. 10, 32 V.S.A. § 3602b, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) As used in this section, "communications property" means tangible personal property used to enable the real-time, two-way, electromagnetic transmission of information, such as audio, video, and data, that is so fitted and attached as to be part of a local, state, national, or international communications network, as well as facilities that are part of a cable television system as defined in 30 V.S.A. § 501(2). The term includes wires, cables, conduit, pipes, antennas, poles, and wireless towers.

Second: By striking out Sec. 13a, 19 V.S.A. § 26a, and its reader assistance heading in their entireties and inserting in lieu thereof a reader assistance heading and a new section to be Sec. 14 to read as follows:

* * * Study; Public ROW * * *

Sec. 14. STUDY; COMMUNICATIONS INFRASTRUCTURE; RIGHT-OF-WAY

(a) The Secretary of Transportation, in consultation with the Commissioner of Public Service and the Secretary of Digital Services, shall conduct a study concerning access to and use of the public right-of-way (ROW) in Vermont by telephone (wired and wireless) and broadband companies. In particular, the Secretary shall determine how the ROW is currently being accessed and used by such companies in Vermont and, in addition, shall review and assess how other jurisdictions outside Vermont manage and charge for such access and use.

(b) As used in this section, "public right-of-way" means the area on, below, along, across, or above a public roadway that is part of the State highway system.

(c) On or before October 15, 2025, the Secretary shall submit a written report of the Secretary's findings and recommendations to the Senate

Committees on Finance and on Transportation and the House Committees on Ways and Means, on Transportation, and on Environment and Energy.

Third: By striking out Sec. 14, effective dates, in its entirety and inserting in lieu thereof a new section to be Sec. 15 to read as follows:

Sec. 15. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Sec. 13 (PILOT Fund appropriation) shall take effect on July 1, 2024.

(2) Secs. 1–6 (VUSF contribution method; 988 funding) shall take effect on July 1, 2025.

(3) Secs. 8–12 (communications property tax) shall take effect on July 1, 2025 and shall apply to grand lists lodged on or after April 1, 2025.

Which was agreed to.

Thereupon, the pending question, Shall the Senate propose to the House to amend the report of the Committee on Finance, as substituted?, was decided in the affirmative.

Thereupon, the proposal of amendment of the Committee on Finance, as substituted, was agreed to and third reading of the bill was ordered.

Rules Suspended; House Proposal of Amendment Not Concurred In; Committee of Conference Requested, Committee of Conference Appointed; Rules Suspended; Bill Messaged

S. 204.

Pending entry on the Calendar for notice, on motion of Senator Campion, the rules were suspended and Senate bill entitled:

An act relating to supporting Vermont's young readers through evidence-based literacy instruction.

Was taken up for immediate consideration.

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

* * * Findings * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) In its December 2023 report to the General Assembly, the Advisory Council on Literacy found the following:

(A) Explicit and systematic instruction on code-based and comprehension-based reading skills and needs-based support are the most effective literacy practices for the early grades.

(B) A strong focus is needed on phonemic awareness, phonics, fluency, vocabulary, and comprehension for all students, and needs-based tiers and layers of support are critical for struggling learners.

(2) Reading instruction is interwoven into the principles of creating culturally responsive and inclusive environments for all students. The availability and use of texts that are culturally relevant and representative of historically underrepresented voices is critical to ensure that all students can connect their experiences to the text they are reading.

* * * Reading Assessment and Intervention * * *

Sec. 2. 16 V.S.A. § 2907 is added to read:

§ 2907. KINDERGARTEN THROUGH GRADE-THREE READING ASSESSMENT AND INTERVENTION

(a) The Agency of Education, in collaboration with the Council on Literacy, shall review, score, and publish guidance on universal reading screeners based on established criteria that are based on technical adequacy, attention to linguistic diversity, administrative usability, and valid measures of the developmental skills in early literacy, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. The Agency shall include in its guidance instances in which schools can leverage assessments that meet overlapping requirements and guidelines to maximize the use of assessments that provide the necessary data to understand student needs while minimizing the number of assessments used and the disruption of instructional time.

(b) Each public and approved independent school that is eligible to receive public tuition shall screen all students in kindergarten through grade three, at least annually, using age and grade-level appropriate universal reading screeners. The universal screeners shall be given in accordance with best practices and the technical specifications of the specific screener used.

(c) If such screenings determine that a student is significantly below relevant benchmarks as determined by the screener's guidelines for age-level or grade-level typical development in specific literacy skills, the school shall determine which actions within the general education program will meet the student's needs, including differentiated or supplementary evidence-based reading instruction and ongoing monitoring of progress. Within 30 calendar days of a screening result that is significantly below the relevant benchmarks, the school shall inform the student's parent or guardian of the screening results and the school's response.

(d) Evidence-based reading instructional practices, programs, or interventions provided pursuant to subsection (c) of this section shall be effective, explicit, systematic, and consistent with federal and State guidance and shall address the foundational concepts of literacy proficiency, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. Strategies such as the three-cueing system shall not be used in a manner that precedes or supplants decoding instruction.

(e)(1) Each supervisory union and approved independent school that is eligible to receive public tuition shall annually report to the Agency, in a format prescribed by the Agency, the following information and prior year performance, by school:

(A) the number and percentage of students in kindergarten through grade three performing below proficiency on local and statewide reading assessments, as applicable; and

(B) the universal reading screeners utilized.

(2) The Agency shall provide guidance to supervisory unions and approved independent schools that are eligible to receive public tuition on whether, and if so, how, the data provided pursuant to subdivision (1) of this subsection may be disaggregated based on poverty, the provision of special education services, or any other category the Agency deems relevant to understanding the status of the State's progress to improve literacy learning.

(f) On or before January 15 of each year, the Agency shall issue a written report to the Governor and the Senate and House Committees on Education on the status of State progress to improve literacy learning. The report shall include the information required pursuant to subsection (a) of this section.

Sec. 3. PARENTAL NOTIFICATION; AGENCY OF EDUCATION RECOMMENDATIONS

On or before November 1, 2024, the Agency of Education shall develop and issue recommendations for the substance and form of the parental or guardian notification required under 16 V.S.A. § 2907(c). The Agency's recommendations shall be consistent with applicable State and federal law as well as legislative intent.

Sec. 4. REVIEWED READING SCREENERS; AGENCY OF EDUCATION; REPORT

On or before January 15, 2025, the Agency of Education shall submit a written report to the Senate and House Committees on Education with a list of the reviewed screening instruments it has published pursuant to 16 V.S.A.

§ 2907. The Agency shall include any information it deems relevant to provide an understanding of the list of reviewed screening instruments.

Sec. 5. 16 V.S.A. § 2903 is amended to read:

§ 2903. PREVENTING EARLY SCHOOL FAILURE; READING INSTRUCTION

(a) Statement of policy. The ability to read is critical to success in learning. Children who fail to read by the end of the first grade will likely fall further behind in school. The personal and economic costs of reading failure are enormous both while the student remains in school and long afterward. All students need to receive systematic and explicit evidence-based reading instruction in the early grades from a teacher who is skilled in teaching the foundational components of reading ~~through a variety of instructional strategies that take into account the different learning styles and language backgrounds of the students~~, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. ~~Some students may~~ Students who require ~~intensive~~ supplemental instruction tailored to the unique difficulties encountered shall be provided those additional supports by an appropriately licensed and trained education professional.

(b) Foundation for literacy. The ~~State Board~~ Agency of Education, in collaboration with the State Board of Education, the Agency of Human Services, higher education, literacy organizations, and others, shall develop a plan for establishing a comprehensive system of services for early education in ~~the first three grades~~ kindergarten through third grade to ensure that all students learn to read by the end of the third grade. The plan shall be updated at least once every five years following its initial submission in 1998 and shall apply to all public schools and approved independent schools that are eligible to receive public tuition.

(c) Reading instruction. A public school or approved independent school that is eligible to receive public tuition that offers instruction in grades kindergarten, one, two, or three shall provide ~~highly effective, research-based~~ systemic and explicit evidence-based reading instruction to all students. In addition, ~~a school~~ such schools shall provide~~:~~

~~(1)~~ supplemental reading instruction to any enrolled student ~~in grade four~~ whose reading proficiency falls below ~~third grade reading expectations, as defined under subdivision 164(9) of this title;~~ proficiency standards for the student's grade level or whose reading proficiency prevents progress in school.

~~(2) supplemental reading instruction to any enrolled student in grades 5-12 whose reading proficiency creates a barrier to the student's success in school; and~~

~~(3)~~ Schools shall provide support and information to the parents and legal guardians of such students regarding the student's current level of reading proficiency, which shall be based on valid and reliable assessments.

Sec. 6. APPROVED INDEPENDENT SCHOOL COMPLIANCE WITH 16 V.S.A. § 2903

Approved independent schools that are eligible to receive public tuition shall comply with the requirements of 16 V.S.A. § 2903 (preventing early school failure; reading instruction) on or before July 1, 2025.

* * * Literacy Professional Development * * *

Sec. 7. 16 V.S.A. § 1710 is added to read:

§ 1710. LITERACY PROFESSIONAL DEVELOPMENT

(a) Each supervisory union and each approved independent school that is eligible to receive public tuition shall provide professional development to kindergarten through grade-three educators, to include all teachers and administrators, on implementing a reading screening assessment, interpreting the results, determining instructional practices for students, and communicating with families regarding screening results in a supportive way. The instructional practices included in the professional development provided pursuant to this section shall be evidence-based and effective and shall incorporate the foundational concepts of literacy proficiency, including phonemic awareness, phonics, fluency, vocabulary, and comprehension.

(b) Each supervisory union and approved independent school that is eligible to receive public tuition shall maintain a record of completion of professional development consistent with this section.

Sec. 8. RESULTS-ORIENTED PROGRAM APPROVAL

(a) On or before July 1, 2025, the Agency of Education shall submit recommendations to the Vermont Standards Board for Professional Educators on how to strengthen educator preparation programs' teaching of evidence-based literacy practices. The Agency shall also simultaneously communicate its recommendations to Vermont's educator preparation programs and submit its recommendations in writing to the Senate and House Committees on Education.

(b) On or before July 1, 2026, the Vermont Standards Board for Professional Educators shall consider the Agency's recommendations pursuant to subsection (a) of this section and, as appropriate, update the educator preparation requirements in Agency of Education, Licensing of Educators and the Preparation of Educational Professionals (5000) (CVR 022-000-010).

(c) As part of its review under subsection (a) of this section, the Agency shall make recommendations to the Vermont Standards Board for Professional Educators regarding whether an additional mandatory examination is needed to assess candidates for educator licensure skills in mathematics and English language arts fundamentals, as well as candidates' understanding of the importance of evidence-based approaches to literacy and numeracy, beyond the requirements in Agency of Education, Licensing of Educators and the Preparation of Educational Professionals (5000) (CVR 022-000-010) in effect during the period of the Agency's review.

* * * Advisory Council on Literacy * * *

Sec. 9. 16 V.S.A. § 2903a is amended to read:

§ 2903a. ADVISORY COUNCIL ON LITERACY

(a) Creation. There is created the Advisory Council on Literacy. The Council shall advise the Agency of Education, the State Board of Education, and the General Assembly on how to improve proficiency outcomes in literacy for students in prekindergarten through grade 12 and how to sustain those outcomes.

(b) Membership. The Council shall be composed of the following ~~16~~ 19 members:

(1) ~~eight~~ 10 members who shall serve as ex officio members:

(A) the Secretary of Education or designee;

(B) a member of the Standards Board for Professional Educators who is knowledgeable in licensing requirements for teaching literacy, appointed by the Standards Board;

(C) the Executive Director of the Vermont Superintendents Association or designee;

(D) the Executive Director of the Vermont School Boards Association or designee;

(E) the Executive Director of the Vermont Council of Special Education Administrators or designee;

(F) the Executive Director of the Vermont Principals' Association or designee;

(G) the Executive Director of the Vermont Independent Schools Association or designee; ~~and~~

(H) the Executive Director of the Vermont-National Education Association or designee; ~~and~~

(I) the State Librarian or designee; and

(J) the Executive Director of the Vermont Curriculum Leaders Association or designee; and

(2) ~~eight~~ seven members who shall serve two-year terms:

(A) ~~a representative appointed by the Vermont Curriculum Leaders Association;~~ [Repealed.]

(B) three teachers, appointed by the Vermont-National Education Association, who teach literacy, one of whom shall be a special education literacy teacher and two of whom shall teach literacy to students in prekindergarten through grade three;

(C) three community members who have struggled with literacy proficiency or supported others who have struggled with literacy proficiency, one of whom shall be a high school student, appointed by the Agency of Education in consultation with the Vermont Family Network; and

(D) one member appointed by the Agency of Education who has expertise in working with students with dyslexia; and

(3) two faculty members of approved educator preparation programs located in Vermont, one of whom shall be employed by a private college or university, appointed by the Agency of Education in consultation with the Association of Vermont Independent Colleges, and one of whom shall be employed by a public college or university, appointed by the Agency of Education in consultation with the University of Vermont and State Agricultural College and the Vermont State Colleges Corporation.

* * *

(d) Powers and duties. The Council shall advise the ~~Agency~~ Secretary of Education~~, the State Board of Education, and the General Assembly~~ on how to improve proficiency outcomes in literacy for students in prekindergarten through grade 12 and how to sustain those outcomes and shall:

(1) advise the ~~Agency of Education~~ Secretary on how to:

(A) update section 2903 of this title;

(B) implement the statewide literacy plan required by section 2903 of this title and whether, based on its implementation, changes should be made to the plan; and

(C) maintain the statewide literacy plan;

(2) advise the ~~Agency of Education~~ Secretary on what services the Agency should provide to school districts to support implementation of the

plan and on staffing levels and resources needed at the Agency to support the statewide effort to improve literacy;

(3) develop a plan for collecting literacy-related data that informs:

(A) literacy instructional practices;

(B) teacher professional development in the field of literacy;

(C) what proficiencies and other skills should be measured through literacy assessments and how those literacy assessments are incorporated into local assessment plans; and

(D) how to identify school progress in achieving literacy outcomes, including closing literacy gaps for students from historically underserved populations;

(4) recommend evidence-based best practices for Tier 1, Tier 2, and Tier 3 literacy instruction within the multitiered system of supports required under section 2902 of this title to best improve and sustain literacy proficiency; and

(5) review literacy assessments and outcomes and provide ongoing advice as to how to continuously improve those outcomes and sustain that improvement.

* * *

(f) Meetings.

(1) The Secretary of Education shall call the first meeting of the Council to occur on or before August 1, 2021.

(2) The Council shall select a chair from among its members.

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

(4) The Council shall meet not more than ~~eight~~ four times per year.

(g) Assistance. The Council shall have the administrative, technical, and legal assistance of the Agency of Education.

(h) Compensation and reimbursement. Members of the Council shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than ~~eight~~ four meetings of the Council per year.

Sec. 10. 2021 Acts and Resolves No. 28, Sec. 7 is amended to read:

Sec. 7. REPEAL; ADVISORY COUNCIL ON LITERACY

16 V.S.A. § 2903a (Advisory Council on Literacy) as added by this act is repealed on June 30, ~~2024~~ 2027.

* * * Agency of Education Literacy Position * * *

Sec. 11. POSITION; AGENCY OF EDUCATION; LITERACY

In fiscal year 2025, the conversion of one limited service position created in 2021 Acts and Resolves No. 28, Sec. 4, to one classified permanent status position within the Agency of Education is authorized. The position shall provide support to the Agency in its evidence-based literacy work.

* * * Expanding Early Childhood Literacy Resources * * *

Sec. 12. EXPANDING EARLY CHILDHOOD LITERACY RESOURCES; REPORT

On or before January 15, 2025, the Department of Libraries shall submit a written report to the Senate and House Committees on Education with recommendations for expanding access to early childhood literacy resources with a focus on options that target low-income or underserved areas of the State. Options considered shall include State or local partnership with or financial support for book gifting programs, book distribution programs, and any other compelling avenue for supporting early childhood literacy in Vermont.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 7 (16 V.S.A. § 1710; literacy professional development) shall take effect on July 1, 2025.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Campion, the Senate refused to concur in the House proposal of amendment and requested a Committee of Conference.

Pursuant to the request of the Senate, the President announced the appointment of

Senator Campion
Senator Gulick
Senator Weeks

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Thereupon, on motion of Senator Campion, the rules were suspended and the bill was ordered messaged to the House forthwith.

Adjournment

On motion of Senator Baruth the Senate adjourned until 4:30 P.M..

Called to Order

The Senate was called to order by the President.

Proposal of Amendment; Third Reading Ordered

H. 704.

Senator Clarkson, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to disclosure of compensation in job advertisements.

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

Sec. 1. 21 V.S.A. § 495o is added to read:

§ 495o. DISCLOSURE OF COMPENSATION TO PROSPECTIVE EMPLOYEES

(a)(1) An employer shall ensure that any advertisement of a Vermont job opening shall include the compensation or range of compensation for the job opening.

(2) Notwithstanding subdivision (1) of this subsection:

(A) An advertisement for a job opening that is paid on a commission basis, whether in whole or in part, shall disclose that fact and is not required to disclose the compensation or range of compensation pursuant to subdivision (1) of this subsection (a).

(B) An advertisement for a job opening that is paid on a tipped basis shall disclose that fact and the base wage or range of base wages for the job opening.

(b)(1) The provisions of this section and any claim of retaliation under subdivision 495(a)(8) of this subchapter for asserting or exercising any rights provided pursuant to this section shall only be enforced pursuant to the provisions of 21 V.S.A. § 495b(a)(1).

(2) It shall be a violation of this section and subdivision 495(a)(8) of this subchapter for an employer to refuse to interview, hire, promote, or employ a current or prospective employee for asserting or exercising any rights provided pursuant to this section.

(c) As used in this section:

(1) "Advertisement" means written notice, in any format, of a specific job opening that is made available to potential applicants. "Advertisement" does not include:

(A) general announcements that notify potential applicants that employment opportunities may exist with the employer but do not identify any specific job openings; or

(B) verbal announcements of employment opportunities that are made in person or on the radio, television, or other electronic mediums.

(2) "Base wage" means the hourly wage that an employer pays to a tipped employee and does not include any tips received by the employee. Nothing in this section shall be construed to alter an employer's obligations to comply with section 384 of this title.

(3) "Employer" means an employer, as defined pursuant to section 495d of this subchapter, that employs five or more employees.

(4) "Good faith" means honesty in fact.

(5) "Potential applicants" includes both current employees of the employer and members of the general public.

(6)(A) "Range of base wages" means the minimum and maximum base wages for a job opening that the employer expects in good faith to pay for the advertised job at the time the employer creates the advertisement.

(B) Nothing in this section shall be construed to prevent an employer from hiring an employee for more or less than the range of base wages contained in a job advertisement based on circumstances outside of the employer's control, such as an applicant's qualifications or labor market factors.

(7)(A) "Range of compensation" means the minimum and maximum annual salary or hourly wage for a job opening that the employer expects in good faith to pay for the advertised job at the time the employer creates the advertisement.

(B) Nothing in this section shall be construed to prevent an employer from hiring an employee for more or less than the range of compensation contained in a job advertisement based on circumstances outside of the employer's control, such as an applicant's qualifications or labor market factors.

(8)(A) "Vermont job opening" and "job opening" mean any position of employment that is:

(i) either:

(I) physically located in Vermont; or

(II) a remote position that will predominantly perform work for an office or work location that is physically located in Vermont; and

(ii) a position for which an employer is hiring, including:

(I) positions that are open to internal candidates or external candidates, or both; and

(II) positions into which current employees of the employer can transfer or be promoted.

(B) "Vermont job opening" and "job opening" does not include a position that is physically located outside of Vermont and that performs work that is predominantly for one or more offices or work locations that are physically located outside of Vermont.

Sec. 2. GUIDANCE; OUTREACH

(a) On or before January 1, 2025, the Attorney General's Office shall publish guidance for employers and employees regarding the provisions of 21 V.S.A. § 495o (disclosure of compensation to prospective employees).

(b) The Attorney General's Office shall publish the guidance on its website and shall coordinate with the Vermont Commission on Women and other stakeholders to conduct outreach and education regarding the provisions of 21 V.S.A. § 495o (disclosure of compensation to prospective employees).

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

And that the bill ought to pass in concurrence with such proposal of amendment.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposal of amendment was agreed to, and third reading of the bill was ordered.

Message from the House No. 69

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

S. 114. An act relating to the establishment of the Psychedelic Therapy Advisory Working Group.

S. 167. An act relating to miscellaneous amendments to education law.

S. 183. An act relating to reenvisioning the Agency of Human Services.

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.

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

The Senate *pro tempore* Assumes the Chair

Proposal of Amendment; Third Reading Ordered; Rules Suspended; Bill Passed

H. 887.

Senator Cummings, for the Committee on Finance, to which was referred House bill entitled:

An act relating to homestead property tax yields, nonhomestead rates, and policy changes to education finance and taxation.

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

* * * Commission on the Future of Public Education * * *

Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC EDUCATION; REPORTS

(a) Creation. There is hereby created the Commission on the Future of Public Education in Vermont. The right to education is fundamental for the success of Vermont's children in a rapidly changing society and global marketplace as well as for the State's own economic and social prosperity. The Commission shall study the provision of education in Vermont and make recommendations for a statewide vision for Vermont's public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system. The Commission shall also make recommendations for the strategic policy changes necessary to make Vermont's educational vision a reality for all Vermont students.

(b) Membership. The Commission shall be composed of the following members and, to the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity:

(1) the Secretary of Education or designee;

(2) the Chair of the State Board of Education or designee;

(3) the Tax Commissioner or designee;

(4) 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;

(5) two current members of the Senate, not from the same political party, who shall be appointed by the Committee on Committees;

(6) two representatives from the Vermont School Boards Association (VSBA), appointed by the VSBA Executive Director;

(7) two representatives from the Vermont Principals' Association (VPA), selected by the VPA Executive Director;

(8) three superintendents, appointed by the Executive Director of the Vermont Superintendents Association, two of whom shall be appointed as follows:

(A) one superintendent of a supervisory union that operates a career and technical education center; and

(B) one superintendent of a supervisory union composed of at least three separate school districts;

(9) two representatives from the Vermont National Education Association (VTNEA), appointed by the VTNEA Executive Director;

(10) one representative from the Vermont Association of School Business Officials (VASBO) with experience in school construction projects, appointed by the President of VASBO;

(11) the Chair of the Census-Based Funding Advisory Group, created under 2018 Acts and Resolves No. 173 or designee;

(12) the Executive Director of the Vermont Rural Education Collaborative or designee; and

(13) one representative from the Vermont Independent Schools Association (VISA), appointed by the President of VISA.

(c) Steering group. On or before July 1, 2024, the Speaker of the House shall appoint two members of the Commission, the Committee on Committees shall appoint one member of the Commission, and the Governor shall appoint

two members of the Commission, to serve as members of a steering group. No appointing authority shall appoint two members affiliated with the same organization. The steering group shall provide leadership to the Commission and shall work with a consultant to analyze the issues, challenges, and opportunities facing Vermont's public education system, as well as create a formal action plan to drive change and innovation in the public education system. The steering group may form one or more subcommittees of the Commission to address key topics in greater depth.

(d) Collaboration and information review.

(1) The Commission shall seek input from and collaborate with key stakeholders, as directed by the steering group. At a minimum, the Commission shall consult with:

(A) the Department of Mental Health;

(B) the Department of Labor;

(C) the President of the University of Vermont or designee;

(D) the Chancellor of the Vermont State Colleges Corporation or designee;

(E) a representative from the Prekindergarten Education Implementation Committee;

(F) the Office of Racial Equity;

(G) a representative with expertise in the Community Schools model in Vermont; and

(H) the Vermont Youth Council.

(2) The Commission shall also review and take into consideration existing educational laws and policy, including legislative reports the Commission deems relevant to its work and, at a minimum, 2015 Acts and Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves No. 127, and 2023 Acts and Resolves No. 76.

(e) Duties of the Commission. The Commission shall study Vermont's public education system and make recommendations to ensure all students are afforded quality educational opportunities in an efficient, sustainable, and equitable education system that will enable students to achieve the highest academic outcomes. The result of the Commission's work shall be a recommendation for a statewide vision for Vermont's public education system, with recommendations for the policy changes necessary to make Vermont's educational vision a reality. In creating and making its recommendations, the Commission shall engage in the following:

(1) Public engagement. The Commission shall conduct not fewer than 10 public meetings to inform the work required under this section. At least half of the public meetings shall be held in a different geographic region of the State. The Commission shall publish a draft of its final recommendations on or before October 1, 2025, solicit public feedback, and incorporate such feedback into its final recommendations. When submitting its final recommendations to the General Assembly, the Commission shall include all public feedback received as an addendum to its final report. The public feedback process shall include:

(A) a minimum 30-day public comment period, during which time the Commission shall accept written comments from the public and stakeholders; and

(B) a public outreach plan that maximizes public engagement and includes notice of the availability of language assistance services when requested.

(2) Policy considerations. In developing its recommendations, the Commission shall consider and prioritize the following topics:

(A) Governance, resources, and administration. The Commission shall study and make recommendations regarding education governance at the State level, including the role of the Agency of Education in the provision of services and support for the education system. Recommendations under this subdivision (A) shall include, at a minimum, the following:

(i) whether changes need to be made to the structure of the Agency of Education, including whether it better serves the recommended education vision of the State as an agency or a department;

(ii) what are the staffing needs of the Agency of Education;

(iii) whether changes need to be made to the composition, role, and function of the State Board of Education to better serve the recommended education vision of the State;

(iv) what roles, functions, or decisions should be a function of local control and what roles, functions, or decisions should be a function of control at the State level; and

(v) the effective integration of career and technical education in the recommended education vision of the State.

(B) Physical size and footprint of the system. The Commission shall study and make recommendations regarding how the unique geographical and socioeconomic needs of different communities should factor into the provision of education in Vermont, taking into account and building upon the

recommendations of the State Aid to School Construction Working Group. Recommendations under this subdivision (B) shall include, at a minimum, the following:

(i) an analysis of the current number and location of school buildings, school districts, and supervisory unions and whether additional consolidation is needed to achieve Vermont's vision for education, provided that if there is a recommendation for any amount of consolidation, the recommendation shall include a recommended implementation plan;

(ii) an analysis of the capacity and ability to staff all public schools with a qualified workforce, driven by data on class-size recommendations;

(iii) an analysis of the current town tuition program and whether, and if so, what, changes are necessary to meet Vermont's vision for education, including the legal and financial impact of funding independent schools and other private institutions, including consideration of the following:

(I) the role designation, under 16 V.S.A. § 827, should play in the delivery of public education; and

(II) the financial impact to the Education Fund of public dollars being used in schools located outside Vermont; and

(iv) an analysis of the current use of private therapeutic schools in the provision of special education services and whether, and if so, what, changes are necessary to meet Vermont's special education needs, including the legal and financial impact of funding private therapeutic schools.

(C) The role of public schools. The Commission shall study and make recommendations regarding the role public schools should play in both the provision of education and the social and emotional well-being of students. Recommendations under this subdivision (C) shall include, at a minimum, the following:

(i) how public education in Vermont should be delivered;

(ii) whether Vermont's vision for public education shall include the provision of wraparound supports and collocation of services; and

(iii) what the consequences are for the Commission's recommendations regarding the role of public schools and other service providers, including what the role of public schools means for staffing, funding, and any other affected system, with the goal of most efficiently utilizing State funds and services and maximizing federal funding.

(D) Education fund. The Commission shall explore the efficacy and potential equity gains of changes to the education funding system, including weighted educational opportunity payments as a method to fund public education. The Commission's recommendations shall be intended to result in an education funding system designed to afford substantially equal access to a quality basic education for all Vermont students in accordance with *State v. Brigham*, 166 Vt. 246 (1997). Recommendations under this subdivision (D) shall include, at a minimum, the following:

(i) allowable uses for the Education Fund that shall ensure sustainable and equitable use of State funds;

(ii) the method for setting tax rates to sustain allowable uses of the Education Fund; and

(iii) implementation details for any recommended changes to the education funding system.

(E) Additional considerations. The Commission may consider any other topic, factor, or issue that it deems relevant to its work and recommendations.

(f) Reports and proposed legislation. The Commission shall prepare and submit to the General Assembly the following:

(1) a formal, written work plan, which shall include a communication plan to maximize public engagement, on or before September 15, 2024;

(2) a written report containing its preliminary findings and recommendations, including short-term cost containment considerations for the 2025 legislative session, on or before December 15, 2024;

(3) a written report containing its final findings and recommendations for a statewide vision for Vermont's public education system and the policy changes necessary to make that educational vision a reality on or before December 1, 2025; and

(4) proposed legislative language to advance any recommendations for the education funding system.

(g) Assistance. The Agency of Education shall contract with an independent consultant to provide technical and legal assistance to the Commission for the work required under this section. For the purposes of scheduling meetings and providing administrative assistance, the Commission shall have the assistance of the Agency of Education. The Agency shall also provide the educational and financial data necessary to facilitate the work of the Commission. School boards shall comply with requests from the Agency to assist in data collections.

(h) Meetings.

(1) The Secretary of Education shall call the first meeting of the Commission to occur on or before July 15, 2024.

(2) The Speaker of the House and the President Pro Tempore shall jointly select a Commission chair.

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

(4) Meetings shall be conducted in accordance with Vermont's Open Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

(5) The Commission shall cease to exist on December 31, 2025.

(i) Compensation and reimbursement. Members of the Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including subcommittee meetings. These payments shall be made from monies appropriated to the Agency of Education.

Sec. 1a. 2023 Acts and Resolves No. 78, Sec. B.1100 is amended to read:

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2024 ONE-TIME APPROPRIATIONS

* * *

(r) $200,000.00 General Fund in fiscal year 2024 to the Agency of Education for the work of the School Construction Task Force and the Commission on the Future of Public Education.

* * *

Sec. 2. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD PROPERTY TAX RATE FOR FISCAL YEAR 2025

For fiscal year 2025 only:

(1) Pursuant to 32 V.S.A. § 5402b(b), the property dollar equivalent yield shall be $10,005.00.

(2) Pursuant to 32 V.S.A. § 5402b(b), the income dollar equivalent yield shall be $10,226.00.

(3) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law to the contrary, the nonhomestead property tax rate shall be $1.375 per $100.00 of equalized education property value.

Sec. 3. 32 V.S.A. § 9701(7) is amended to read:

(7) "Tangible personal property" means personal property that may be seen, weighed, measured, felt, touched, or in any other manner perceived by the senses. "Tangible personal property" includes electricity, water, gas, steam, and prewritten computer software regardless of the method in which the prewritten computer software is paid for, delivered, or accessed.

Sec. 4. REPEAL

2015 Acts and Resolves No. 51, Sec. G.8 (prewritten software accessed remotely) is repealed.

Sec. 5. 32 V.S.A. chapter 225, subchapter 4 is added to read:

Subchapter 4. Short-term Rental Impact Surcharge

§ 9301. IMPOSITION; SHORT-TERM RENTAL IMPACT SURCHARGE

(a) An operator shall collect a surcharge of three percent of the rent of each occupancy that is a short-term rental. As used in this subchapter, "short-term rental" means a furnished house, condominium, or other dwelling room or self-contained dwelling unit rented to the transient, traveling, or vacationing public for a period of fewer than 30 consecutive days and for more than 14 days per calendar year. As used in this subchapter, "short-term rental" does not mean an occupancy in a lodging establishment licensed under 18 V.S.A. chapter 85.

(b) The surcharge shall be in addition to any tax assessed under section 9241 of this chapter. The surcharge assessed under this section shall be paid, collected, remitted, and enforced under this chapter in the same manner as the rooms tax assessed under section 9241 of this title.

Sec. 6. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

(1) all revenue paid to the State from the statewide education tax on nonhomestead and homestead property under 32 V.S.A. chapter 135;

(2) [Repealed.]

(3) revenues from State lotteries under 31 V.S.A. chapter 14 and from any multijurisdictional lottery game authorized under that chapter;

(4) 25 percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225;

(5) one-third of the revenues raised from the purchase and use tax imposed by 32 V.S.A. chapter 219, notwithstanding 19 V.S.A. § 11(1);

(6) revenues raised from the sales and use tax imposed by 32 V.S.A. chapter 233; ~~and~~

(7) Medicaid reimbursement funds pursuant to subsection 2959a(f) of this title;

(8) land use change tax revenue deposited pursuant to 32 V.S.A. § 3757(d);

(9) uniform capacity tax revenue deposited pursuant to 32 V.S.A. § 8701(b)(3);

(10) wind-powered electric generating facilities tax deposited pursuant to 32 V.S.A. § 5402c; and

(11) revenues from the short-term rental surcharge under 32 V.S.A. § 9301.

* * *

Sec. 7. RESERVE FUND ACCOUNT STANDARDS; DISTRICT QUALITY STANDARDS; RULEMAKING

On or before January 1, 2025, the Agency of Education shall initiate rulemaking pursuant to 3 V.S.A. chapter 25 to update the District Quality Standards rules contained in Agency of Education, District Quality Standards (CVR 23-020), to include recommended reserve fund account standards. Prior to initiating rulemaking, the Agency shall consult with local school officials.

Sec. 8. AGENCY OF EDUCATION; EDUCATION FINANCE DATA ANALYST POSITION

(a) One new permanent classified position, to be an education finance data analyst, is established in the Agency of Education in fiscal year 2025 to receive and analyze education finance data to support the field, Secretary, and General Assembly in their respective roles within the education finance system.

(b) It is the intent of the General Assembly that the position created in subsection (a) of this section shall enable the Agency to provide a wider range of accessible and transparent data related to school budgets and education spending, including analysis of trends, to school districts, the General Assembly, and the public at large. It is also the intent of the General Assembly that this position shall enable the Agency to provide robust support to legislative committees and maintain education finance data calculators and models used within the education finance system.

(c) To the extent that funds are available, there is appropriated to the Agency of Education $125,000.00 from the General Fund in fiscal year 2025 to fund the education finance data analyst position established in subsection (a) of this section.

* * * Fiscal Year 2026 * * *

Sec. 9. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

* * *

(D) The board shall present the budget to the voters by means of a ballot in the following form:

"Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend $ _____, which is the amount the school board has determined to be necessary for the ensuing fiscal year? ~~It is estimated that this proposed budget, if approved, will result in education spending of $_____ per equalized pupil. This projected spending per equalized pupil is _____ % higher/lower than spending for the current year.~~

The _____ District estimates that this proposed budget, if approved, will result in per pupil education spending of $_____, which is _____% higher/lower than per pupil education spending for the current year."

* * *

Sec. 10. REPEAL

2022 Acts and Resolves No. 127, Sec. 8(c) (suspension of ballot language requirement) is repealed.

Sec. 11. 32 V.S.A. § 5414 is added to read:

§ 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

(a) Creation. There is created the Education Fund Advisory Committee to monitor Vermont's education financing system, conduct analyses, and perform the duties under subsection (c) of this section.

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

(1) the Commissioner of Taxes or designee;

(2) the Secretary of Education or designee;

(3) the Chair of the State Board of Education or designee;

(4) two members of the public with expertise in education financing, who shall be appointed by the Speaker of the House;

(5) two members of the public with expertise in education financing, who shall be appointed by the Committee on Committees;

(6) one member of the public with expertise in education financing, who shall be appointed by the Governor;

(7) the President of the Vermont Association of School Business Officials or designee;

(8) one representative from the Vermont School Boards Association (VSBA) with expertise in education financing, selected by the Executive Director of VSBA;

(9) one representative from the Vermont Superintendents Association (VSA) with expertise in education financing, selected by the Executive Director of VSA; and

(10) one representative from the Vermont National Education Association (VTNEA) with expertise in education financing, selected by the Executive Director of VTNEA.

(c) Powers and duties.

(1) Annually, on or before December 15, the Committee shall make recommendations to the General Assembly regarding:

(A) updating the weighting factors using the weighting model and methodology used to arrive at the weights enacted under 2022 Acts and Resolves No. 127, which may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions, as necessary;

(B) changes to, or the addition of new or elimination of existing, categorical aid, as necessary;

(C) changes to income levels eligible for a property tax credit under section 6066 of this title;

(D) means to adjust the revenue sources for the Education Fund;

(E) means to improve equity, transparency, and efficiency in education funding statewide;

(F) the amount of the Education Fund stabilization reserve;

(G) school district use of reserve fund accounts; and

(H) any other topic, factor, or issue the Committee deems relevant to its work and recommendations.

(2) The Committee shall review and recommend updated weights, categorical aid, and changes to the excess spending threshold to the General Assembly not less than every three years, which may include a recommendation not to make changes where appropriate. In reviewing and recommending updated weights, the Committee shall use the weighting model and methodology used to arrive at the weights enacted under 2022 Acts and Resolves No. 127.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Taxes and the Agency of Education.

(e) Meetings.

(1) The Commissioner of Taxes shall call the first meeting of the Committee to occur on or before July 15, 2025.

(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.

(f) Compensation and reimbursement. Members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under section 1010 of this title for up to four meetings per year.

Sec. 12. REPEAL; EDUCATION FUND ADVISORY COMMITTEE

32 V.S.A. § 5414 (Education Fund Advisory Committee) as added by this act is repealed on July 1, 2034.

* * * Common Level of Appraisal; Statewide Adjustments * * *

Sec. 13. STATE OUTREACH; STATEWIDE ADJUSTMENTS

On or before September 1, 2024, the Secretary of Education, in consultation with the Commissioner of Taxes, shall conduct outreach to inform school districts, public education stakeholders, and the general public of the use of statewide adjustments under this act. The outreach shall include an explanation of how statewide adjustments are used to calculate tax rates and how using the statewide adjustment differs from the previous method for calculating tax rates.

Sec. 13a. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(13)(A) "Education property tax spending adjustment" means the greater of one or a fraction in which:

(i) the numerator is the district's per pupil education spending plus excess spending for the school year, and

(ii) the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section, multiplied by the statewide adjustment.

(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

* * *

(15) "Property dollar equivalent yield" means the amount of per pupil education spending that would result ~~if the~~ in a district having a homestead tax rate ~~were~~ of $1.00 per $100.00 of equalized education property value ~~and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained~~.

(16) "Income dollar equivalent yield" means the amount of per pupil education spending that would result ~~if the~~ in a district having an income percentage in subdivision 6066(a)(2) of this title ~~were~~ of 2.0 percent ~~and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained~~.

(17) "Statewide adjustment" means the ratio of the aggregate education property tax grand list of all municipalities to the aggregate value of the equalized education property tax grand list of all municipalities.

Sec. 14. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

(a) A statewide education tax is imposed on all nonhomestead and homestead property at the following rates:

(1) The tax rate for nonhomestead property shall be $1.59 per $100.00 divided by the statewide adjustment.

(2) The tax rate for homestead property shall be $1.00 multiplied by the education property tax spending adjustment for the municipality per $100.00 of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality that is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section.

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonhomestead rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonhomestead property and without regard to any other tax classification of the property. Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment, multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the statewide education tax and other taxes presented separately and side by side.

(3) If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment, but without regard to any spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection.

* * *

Sec. 15. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX YIELDS; RECOMMENDATION OF THE COMMISSIONER

(a) Annually, ~~no~~ not later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, shall calculate and recommend a property dollar equivalent yield, an income dollar equivalent yield, and a nonhomestead property tax rate for the following fiscal year. In making these calculations, the Commissioner shall assume:

(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is $1.00 per $100.00 of equalized education property value;

(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;

(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent; ~~and~~

(4) the percentage change in the average education tax bill applied to nonhomestead property and the percentage change in the average education tax bill of homestead property and the percentage change in the average education tax bill for taxpayers who claim a credit under subsection 6066(a) of this title are equal;

(5) the equalized education grand list is multiplied by the statewide adjustment in calculating the property dollar equivalent yield; and

(6) the nonhomestead rate is divided by the statewide adjustment.

(b) For each fiscal year, the property dollar equivalent yield and the income dollar equivalent yield shall be the same as in the prior fiscal year, unless set otherwise by the General Assembly.

(c) Annually, on or before December 1, the Joint Fiscal Office shall prepare and publish an official, annotated copy of the Education Fund Outlook. The Emergency Board shall review the Outlook at its meetings. As used in this section, "Education Fund Outlook" means the projected revenues and expenses associated with the Education Fund for the following fiscal year, including projections of different categories of educational expenses and costs.

(d) Along with the recommendations made under this section, the Commissioner shall include the range of per pupil spending between all districts in the State for the previous year.

* * * Act 84 Amendments * * *

Sec. 16. 2024 Acts and Resolves No. 84, Sec. 3(c) is amended to read:

(c) Notwithstanding 16 V.S.A. chapter 133, 32 V.S.A. chapter 135, or any other provision of law to the contrary, a school district shall receive a decrease to its homestead property tax rate in fiscal year 2025 equal to $0.01 for every relative percent decrease calculated under subsection (b) of this section divided by the statewide adjustment, rounded to the nearest whole cent. The tax rate decrease shall phase out in the following manner:

(1) A district shall receive a decrease to its homestead property tax rate in fiscal year 2026 equal to 80 percent of the rate decrease it received under subsection (b) of this section.

(2) A district shall receive a decrease to its homestead property tax rate in fiscal year 2027 equal to 60 percent of the rate decrease it received under subsection (b) of this section.

(3) A district shall receive a decrease to its homestead property tax rate in fiscal year 2028 equal to 40 percent of the rate decrease it received under subsection (b) of this section.

(4) A district shall receive a decrease to its homestead property tax rate in fiscal year 2029 equal to 20 percent of the rate decrease it received under subsection (b) of this section.

Sec. 17. 2024 Acts and Resolves No. 84, Sec. 3(g) is added to read:

(g)(1) In the event that a district with an equalized homestead property tax rate that was decreased by this section merges with another district or districts, the combined district shall receive the greatest decrease under the section available to any of the merged districts.

(2) In the event that a district withdraws from a district with an equalized homestead property tax rate that was decreased by this section, the withdrawing district shall not receive any decrease under this section and the remaining district shall continue to have the same decrease in its equalized homestead property tax rate. If a district is instead dissolved, there shall be no decreased equalized homestead property tax rate for the resulting districts.

* * * Excess Education Spending * * *

Sec. 18. 32 V.S.A. § 5401(12) is amended to read:

(12) "Excess spending" means:

(A) The ~~per-equalized-pupil~~ per pupil spending amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any

amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b).

(B) In excess of ~~121~~ 116 percent of the statewide average district per pupil education spending ~~per equalized pupil~~ increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district per pupil education spending ~~per equalized pupil~~ for fiscal year ~~2015~~ 2025 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year ~~2015~~ 2025 through the fiscal year for which the amount is being determined.

Sec. 19. REPEAL

2022 Acts and Resolves No. 127, Sec. 8(a) (suspension of laws) is repealed.

Sec. 20. 16 V.S.A. § 4001(6)(B) is amended to read:

(B) For all bonds approved by voters prior to July 1, 2024, voter-approved bond payments toward principal and interest shall not be included in "education spending" for purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12)~~, "education spending" shall not include:~~

~~(i) Spending during the budget year for:~~

~~(I) approved school capital construction for a project that received preliminary approval under section 3448 of this title, including interest paid on the debt, provided the district shall not be reimbursed or otherwise receive State construction aid for the approved school capital construction; or~~

~~(II) spending on eligible school capital project costs pursuant to the State Board of Education's Rule 6134 for a project that received preliminary approval under section 3448 of this title.~~

~~(ii) For a project that received final approval for State construction aid under chapter 123 of this title:~~

~~(I) spending for approved school capital construction during the budget year that represents the district's share of the project, including interest paid on the debt; or~~

~~(II) payment during the budget year of interest on funds borrowed under subdivision 563(21) of this title in anticipation of receiving State aid for the project.~~

~~(iii) Spending that is approved school capital construction spending or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future approved school capital construction costs, including that portion of tuition paid to an independent school designated as the public high school of the school district pursuant to section 827 of this title for capital construction costs by the independent school that has received approval from the State Board of Education, using the processes for preliminary approval of public school construction costs pursuant to subdivision 3448(a)(2) of this title.~~

~~(iv) Spending attributable to the cost of planning the merger of a small school, which for purposes of this subdivision means a school with an average grade size of 20 or fewer students, with one or more other schools.~~

~~(v) Spending attributable to the district's share of special education spending that is not reimbursed as an extraordinary reimbursement under section 2962 of this title for any student in the fiscal year occurring two years prior.~~

~~(vi) A budget deficit in a district that pays tuition to a public school or an approved independent school, or both, for all of its resident students in any year in which the deficit is solely attributable to tuition paid for one or more new students who moved into the district after the budget for the year creating the deficit was passed.~~

~~(vii) For a district that pays tuition for all of its resident students and into which additional students move after the end of the census period defined in subdivision (1)(A) of this section, the number of students that exceeds the district's most recent average daily membership and for whom the district will pay tuition in the subsequent year multiplied by the district's average rate of tuition paid in that year.~~

~~(viii) Tuition paid by a district that does not operate a school and pays tuition for all resident students in kindergarten through grade 12, except in a district in which the electorate has authorized payment of an amount higher than the statutory rate pursuant to subsection 823(b) or 824(c) of this title.~~

~~(ix) The assessment paid by the employer of teachers who become members of the State Teachers' Retirement System of Vermont on or after July 1, 2015, pursuant to section 1944d of this title.~~

~~(x) School district costs associated with dual enrollment and early college programs.~~

~~(xi) Costs incurred by a school district or supervisory union when sampling drinking water outlets, implementing lead remediation, or retesting drinking water outlets as required under 18 V.S.A. chapter 24A.~~

* * * Property Tax Credit Claims * * *

Sec. 21. PROPERTY TAX CREDIT; ASSET DECLARATION; REPORT

On or before December 15, 2024, the Commissioner shall recommend administrative and policy improvements for property tax credit claims, including the use of an asset declaration. The report shall be submitted to the House Committee on Ways and Means and the Senate Committee on Finance.

* * * Act 127 Conforming Amendments * * *

Sec. 22. 16 V.S.A. § 4016 is amended to read:

§ 4016. REIMBURSEMENT FOR TRANSPORTATION EXPENDITURES

(a) A school district or supervisory union that incurs allowable transportation expenditures shall receive a transportation reimbursement grant each year. The grant shall be equal to 50 percent of allowable transportation expenditures; provided, however, that in any year the total amount of grants under this subsection shall not exceed the total amount of adjusted base year transportation grant expenditures. The total amount of base year transportation grant expenditures shall be $10,000,000.00 for fiscal year 1997, increased each year thereafter by the annual price index for state and local government purchases of goods and services. If in any year the total amount of the grants under this subsection exceed the adjusted base year transportation grant expenditures, the amount of each grant awarded shall be reduced proportionately. Transportation grants paid under this section shall be paid from the Education Fund and shall be added to ~~adjusted~~ education spending payment receipts paid under section 4011 of this title.

* * *

(c) A district or supervisory union may apply and the Secretary may pay for extraordinary transportation expenditures incurred due to geographic or other conditions such as the need to transport students out of the school district to attend another school because the district does not maintain a public school. The State Board shall define extraordinary transportation expenditures by rule. The total amount of base year extraordinary transportation grant expenditures shall be $250,000.00 for fiscal year 1997, increased each year thereafter by the annual price index for state and local government purchases of goods and services. Extraordinary transportation expenditures shall not be paid out of the funds appropriated under subsection (b) of this section for other transportation expenditures. Grants paid under this section shall be paid from the Education Fund and shall be added to ~~adjusted~~ education spending payment receipts paid under section 4011 of this title.

Sec. 23. 16 V.S.A. § 4026 is amended to read:

§ 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE; CREATION AND PURPOSE

(a) It is the purpose of this section to reduce the effects of annual variations in State revenues upon the Education Fund budget of the State by reserving certain surpluses in Education Fund revenues that may accrue for the purpose of offsetting deficits.

* * *

(e) The enactment of this chapter and other provisions of the Equal Educational Opportunity Act of which it is a part have been premised upon estimates of balances of revenues to be raised and expenditures to be made under the act for such purposes as ~~adjusted~~ education spending payments, categorical State support grants, provisions for property tax income sensitivity, payments in lieu of taxes, current use value appraisals, tax stabilization agreements, the stabilization reserve established by this section, and for other purposes. If the stabilization reserve established under this section should in any fiscal year be less than 5.0 percent of the prior fiscal year's appropriations from the Education Fund, as defined in subsection (b) of this section, the Joint Fiscal Committee shall review the information provided pursuant to 32 V.S.A. § 5402b and provide the General Assembly its recommendations for change necessary to restore the stabilization reserve to the statutory level provided in subsection (b) of this section.

Sec. 24. 16 V.S.A. § 4028 is amended to read:

§ 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

(a) On or before September 10, December 10, and April 30 of each school year, one-third of the ~~adjusted~~ education spending payment under section 4011 of this title shall become due to school districts, except that districts that have not adopted a budget by 30 days before the date of payment under this subsection shall receive one-quarter of the base education amount and upon adoption of a budget shall receive additional amounts due under this subsection.

* * *

* * * Effective Dates * * *

Sec. 25. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (Commission on the Future of Public Education);

(2) Sec. 2 (property tax rates and yields);

(3) Sec. 13 (State outreach; statewide adjustments); and

(4) Sec. 17 (Act 84 application to district mergers, withdrawals, and dissolutions).

(b) Secs. 13a–16 (CLA effect on tax rates and statewide adjustment) and 19 (repeal of excess spending suspension) shall take effect July 1, 2025.

(c) Sec. 9 (16 V.S.A. § 563; powers of school boards; form of vote) shall take effect July 1, 2024, provided, however, that 16 V.S.A. § 563(11)(D) shall not apply to ballots used for fiscal year 2025 budgets.

(d) Sec. 5 (32 V.S.A. chapter 225, subchapter 4) shall take effect August 1, 2024.

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

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Kitchel, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Finance.

Thereupon, the bill was read the second time by title only pursuant to Rule 43.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance?, Senators Kitchel and Perchlik moved to amend the proposal of amendment of the Committee on Finance with the following proposals of amendment thereto:

First: By striking out Sec. 8, Agency of Education; education finance data analyst position, in its entirety and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. AGENCY OF EDUCATION; EDUCATION FINANCE DATA ANALYST POSITION; INTENT

It is the intent of the General Assembly to create a position within the Agency of Education that will enable the Agency to provide a wider range of accessible and transparent data related to school budgets and education spending, including analysis of trends, to school districts, the General Assembly, and the public at large. It is also the intent of the General Assembly that the position shall provide robust support to legislative committees and maintain education finance data calculators and models used within the education finance system.

Second: By adding a reader assistance heading and one new section to be Sec. 24a to read as follows:

* * * Overpayment of Education Taxes * * *

Sec. 24a. COMPENSATION FOR OVERPAYMENT

(a) Notwithstanding any provision of law to the contrary, the sum of $29,224.00 shall be transferred from the Education Fund to the Town of Canaan in fiscal year 2025 to compensate the homestead taxpayers of the Town of Canaan for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Canaan.

(b) Notwithstanding any provision of law to the contrary, the sum of $5,924.00 shall be transferred from the Education Fund to the Town of Bloomfield in fiscal year 2025 to compensate the homestead taxpayers of the Town of Bloomfield for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Bloomfield.

(c) Notwithstanding any provision of law to the contrary, the sum of $2,575.00 shall be transferred from the Education Fund to the Town of Brunswick in fiscal year 2025 to compensate the homestead taxpayers of the Town of Brunswick for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Brunswick.

(d) Notwithstanding any provision of law to the contrary, the sum of $6,145.00 shall be transferred from the Education Fund to the Town of East Haven in fiscal year 2025 to compensate the homestead taxpayers of the Town of East Haven for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of East Haven.

(e) Notwithstanding any provision of law to the contrary, the sum of $2,046.00 shall be transferred from the Education Fund to the Town of Granby in fiscal year 2025 to compensate the homestead taxpayers of the Town of Granby for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Granby.

(f) Notwithstanding any provision of law to the contrary, the sum of $10,034.00 shall be transferred from the Education Fund to the Town of Guildhall in fiscal year 2025 to compensate the homestead taxpayers of the Town of Guildhall for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Guildhall.

(g) Notwithstanding any provision of law to the contrary, the sum of $20,536.00 shall be transferred from the Education Fund to the Town of Kirby in fiscal year 2025 to compensate the homestead taxpayers of the Town of Kirby for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Kirby.

(h) Notwithstanding any provision of law to the contrary, the sum of $2,402.00 shall be transferred from the Education Fund to the Town of Lemington in fiscal year 2025 to compensate the homestead taxpayers of the Town of Lemington for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Lemington.

(i) Notwithstanding any provision of law to the contrary, the sum of $11,464.00 shall be transferred from the Education Fund to the Town of Maidstone in fiscal year 2025 to compensate the homestead taxpayers of the Town of Maidstone for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Maidstone.

(j) Notwithstanding any provision of law to the contrary, the sum of $4,349.00 shall be transferred from the Education Fund to the Town of Norton in fiscal year 2025 to compensate the homestead taxpayers of the Town of Norton for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Norton.

(k) Notwithstanding any provision of law to the contrary, the sum of $2,657.00 shall be transferred from the Education Fund to the Town of Victory in fiscal year 2025 to compensate the homestead taxpayers of the Town of Victory for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating

average daily membership. The transfer under this subsection shall be made directly to the Town of Victory.

Which was agreed to.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance, as amended?, Senator Watson moved that the Senate propose to the House to amend the bill as recommended by the Committee on Finance with further proposal of amendment by adding a reader assistance heading and two new sections to be Secs. 24a and 24b to read as follows:

* * * Tuitioned Students and Determination of Weighted Long-Term Membership * * *

Sec. 24a. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP AND PER PUPIL EDUCATION SPENDING

(a) Definitions. As used in this section:

(1) "EL pupils" means pupils described under section 4013 of this title.

(2) "FPL" means the Federal Poverty Level.

(3) "Weighting categories" means the categories listed under subsection (b) of this section.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision 4001(1) of this title, of each school district for the current school year and shall perform the following tasks.

(1)(A) Using average daily membership, list for each school district the number of:

~~(A)~~(i) pupils in prekindergarten;

~~(B)~~(ii) pupils in kindergarten through grade five;

~~(C)~~(iii) pupils in grades six through eight; and

~~(D)~~(iv) pupils in grades nine through 12~~;~~.

(B) Using average daily membership, but excluding students for whom the district pays tuition to one or more approved independent schools or public schools outside the district during the annual census period, list for each school district the number of:

~~(E)~~(i) pupils whose families are at or below 185 percent of FPL, using the highest number of pupils in the district:

~~(i)~~(I) that meet this definition under the universal income declaration form; or

~~(ii)~~(II) who are directly certified for free and reduced-priced meals; and

~~(F)~~(ii) EL pupils.

(2)(A) Identify all school districts that have low population density, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, equaling:

(i) fewer than 36 persons per square mile;

(ii) 36 or more persons per square mile but fewer than 55 persons per square mile; or

(iii) 55 or more persons per square mile but fewer than 100 persons per square mile.

(B) Population density data shall be based on the best available U.S. Census data as provided to the Agency of Education by the Vermont Center for Geographic Information.

(C) Using average daily membership, but excluding students for whom the district pays tuition to one or more approved independent schools or public schools outside the district during the annual census period, list for each school district that has low population density the number of pupils in each of subdivisions (A)(i)–(iii) of this subdivision (2).

(3)(A) Identify all school districts that have one or more small schools, which are schools that have an average two-year enrollment of:

(i) fewer than 100 pupils; or

(ii) 100 or more pupils but fewer than 250 pupils.

(B) As used in subdivision (A) of this subdivision (3), "average two-year enrollment" means the average enrollment of the two most recently completed school years, and "enrollment" means the number of pupils who are enrolled in a school operated by the district on October 1. A pupil shall be counted as one whether the pupil is enrolled as a full-time or part-time student.

(C) Using average two-year enrollment, list for each school district that has a small school the number of pupils in each of subdivisions (A)(i)–(ii) of this subdivision (3).

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, or an out-of-state school (each a receiving school) may request the receiving school to collect this information on the sending district's resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner.

(d) Determination of weighted long-term membership. For each weighting category except the small schools weighting category under subdivision (b)(3) of this section, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, or the long-term membership excluding tuitioned students, as defined in subdivision 4001(16) of this title, as specified in that category.

(1) The Secretary shall first apply grade level weights. Each pupil included in long-term membership shall count as one, multiplied by the following amounts:

(A) prekindergarten—negative 0.54;

(B) grades six through eight—0.36; and

(C) grades nine through 12—0.39.

(2) The Secretary shall next apply a weight for pupils whose family is at or below 185 percent of FPL. Each pupil included in long-term membership excluding tuitioned students whose family is at or below 185 percent of FPL shall receive an additional weighting amount of 1.03.

(3) The Secretary shall next apply a weight for EL pupils. Each EL pupil included in long-term membership excluding tuitioned students shall receive an additional weighting amount of 2.49.

(4) The Secretary shall then apply a weight for pupils living in low population density school districts. Each pupil included in long-term membership excluding tuitioned students residing in a low population density school district, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, shall receive an additional weighting amount of:

(A) 0.15, where the number of persons per square mile is fewer than 36 persons;

(B) 0.12, where the number of persons per square mile is 36 or more but fewer than 55 persons; or

(C) 0.07, where the number of persons per square mile is 55 or more but fewer than 100.

(5) The Secretary shall lastly apply a weight for pupils who attend a small school. If the number of persons per square mile residing within the land area of the geographic boundaries of a school district as of July 1 of the year of determination is 55 or fewer, then, for each pupil listed under subdivision (b)(3)(C) of this section (pupils who attend small schools):

(A) where the school has fewer than 100 pupils in average two-year enrollment, the school district shall receive an additional weighting amount of 0.21 for each pupil included in the small school's average two-year enrollment; or

(B) where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment.

(6) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.

(e) Hold harmless. A district's weighted long-term membership shall in no case be less than 96 and one-half percent of its actual weighted long-term membership the previous year prior to making any adjustment under this subsection.

(f) Determination of per pupil education spending. As soon as reasonably possible after a school district budget is approved by voters, the Secretary shall determine the per pupil education spending for the next fiscal year for the school district. Per pupil education spending shall equal a school district's education spending divided by its weighted long-term membership.

(g) Guidelines. The Secretary shall develop guidelines to enable clear and consistent identification of pupils to be counted under this section.

(h) Updates to weights. On or before January 1, 2027 and on or before January 1 of every fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall calculate, based on their consensus view, updates to the weights to account for cost changes underlying those weights and shall issue a written report on their work to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance. The General Assembly shall update the weights under this section and transportation reimbursement under section 4016 of this title

not less than every five years and the implementation date for the updated weights and transportation reimbursement shall be delayed by a year in order to provide school districts with time to prepare their budgets. Updates to the weights may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions.

Sec. 24b. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(16) "Long-term membership excluding tuitioned students" of a school district in any school year means the:

(A) average of the district's average daily membership, excluding both the full-time equivalent enrollment of State-placed students and students for whom the district pays tuition to one or more approved independent schools or public schools outside the district during the annual census period, over two school years, the latter of which is the current school year, plus

(B) full-time equivalent enrollment of State-placed students for the most recent of two years.

Thereupon, Senator Watson, requested to withdraw the amendment, which was agreed to.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance, as amended?, Senators Cummings, Bray, Brock, and Chittenden moved that the Senate propose to the House to amend the bill as recommended by the Committee on Finance with the following proposals of the amendment thereto:

First: By striking Sec. 1, the Commission on the Future of Public Education; reports, and its reader assistance heading in their entireties and inserting in lieu thereof a new reader assistance heading and Sec. 1 to read as follows:

* * * Education Finance Study Committee * * *

Sec. 1. EDUCATION FINANCE STUDY COMMITTEE

(a) Creation. There is created the Education Finance Study Committee to study and recommend changes to move towards a more sustainable and affordable education system while maintaining a system that ensures substantially equal educational opportunities for all Vermont students that allows them to achieve academic excellence.

(b) Membership. The Study Committee shall be composed of the following members:

(1) the Secretary of Education or designee;

(2) the Commissioner of Taxes or designee;

(3) one member of the House Committee on Education and one member of House the Committee on Ways and Means, who shall be appointed by the Speaker of the House, giving as much consideration as possible to balancing representation from across different political parties; and

(4) one member of the Senate Committee on Education and one member of the Senate Committee on Finance, who shall be appointed by the Committee on Committees giving as much consideration as possible to balancing representation from across different political parties.

(c) Powers and duties. The Study Committee shall study the potential cost containment efficacy and potential equity gains of changes to the education funding system to drive change, cost containment, operational efficiencies, and innovation in the public education system. The Study Committee's recommendations shall be intended to result in an affordable educational funding system designed to ensure substantially equal access to educational opportunities for all Vermont students, in accordance with *Brigham v. State*, 166 Vt. 246 (1997), and lead to measurable, high student performance outcomes. The Study Committee's work under this subsection shall include an investigation into the factors that contribute to the current costs associated with Vermont's education system, with the Study Committee's final recommendations representing efforts to contain and reduce costs without sacrificing student outcomes. To achieve this objective, the Study Committee shall make recommendations, at a minimum, regarding the following:

(1) class and facility size requirements, including recommendations regarding staff-to-student ratios that are in alignment with national best practices and lead to schools staffed by a qualified workforce;

(2) whether, and if so, what, alternative funding models would create a more affordable, sustainable, and equitable education finance system in Vermont, including the consideration of a statutory, formal base amount of per pupil education spending and whether school districts should be allowed to spend above the base amount;

(3) whether encouraging or mandating further school district and facility consolidation should be encouraged or mandated, taking into account the unique geographical and socioeconomic needs of different communities, the role the current town tuition program plays in the provision of education and

its impacts on education spending and equity, and a transition plan to achieve any recommendations pursuant to this subdivision;

(4) recommendations for consolidating supervisory unions and the provision of administrative services, including the provision of professional development, long-range planning, and business services, and a transition plan to achieve any such recommendations;

(5) adjustments to the excess spending threshold, including recommendations that target specific types of spending;

(6) the implementation of education spending caps on different services, including administrative and support services and categorical aid;

(7) what roles, functions, or decisions should be a function of local control and what roles, functions, or decisions should be a function of control at the State level, both within the education system as a whole as well as more specifically within the education finance system;

(8) how to strengthen the understanding and connection between school budget votes and property tax bills;

(9) adjustments to the property tax credit thresholds to better match need to the benefit; and

(10) a system for ongoing monitoring of the Education Fund and Vermont's education finance system, to include consideration of a standing Education Fund advisory committee.

(d) Collaboration. The Study Committee shall seek input from and collaborate with key stakeholders, including, at a minimum, the following:

(1) the Vermont School Boards Association;

(2) the Vermont Principals' Association;

(3) the Vermont Superintendents Association;

(4) the Vermont National Education Association;

(5) the Vermont Association of School Business Officials;

(6) the Vermont Independent Schools Association; and

(7) any other local, regional, or national organization with expertise in public school governance or financing, including other state or local governments.

(e) Assistance.

(1) The Study Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Operations, Joint Fiscal Office, and Office of Legislative Counsel.

(2) The Joint Fiscal Office may retain the services of one or more independent third parties to provide facilitation and technical assistance to the Study Committee.

(f) Proposed legislation. On or before December 15, 2024, the Study Committee shall submit its findings and final recommendations in the form of proposed legislation to the General Assembly.

(g) Meetings.

(1) The Secretary of Education shall call the first meeting of the Study Committee to occur on or before July 15, 2024.

(2) The Study 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 Study Committee shall cease to exist on December 31, 2024.

(h) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Study 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 15 meetings. These payments shall be made from monies appropriated to the General Assembly.

Second: In Sec. 1a., 2023 Acts and Resolves No. 78, Sec. B.1100, following "the School Construction Task Force", by inserting ", the Education Finance Study Committee,"

Third: By adding a new section to be Sec. 1b to read as follows:

Sec. 1b. COORDINATION OF FUNDING FOR STUDY COMMITTEES AND COMMISSIONS

The Agency of Education shall transfer funds to the Joint Fiscal Office as necessary to meet the financial obligations of the Education Finance Study Committee created pursuant to Sec. 1 of this act.

Fourth: By adding a new reader assistance heading and section to be Sec. 1c. to read as follows:

* * * Commission on the Future of Public Education * * *

Sec. 1c. THE COMMISSION ON THE FUTURE OF PUBLIC EDUCATION; REPORTS

(a) Creation. There is hereby created the Commission on the Future of Public Education in Vermont. The right to education is fundamental for the success of Vermont's children in a rapidly changing society and global marketplace as well as for the State's own economic and social prosperity. The Commission shall study the provision of education in Vermont and make recommendations for a statewide vision for Vermont's public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system. The Commission shall also make recommendations for the strategic policy changes necessary to make Vermont's educational vision a reality for all Vermont students.

(b) Membership. The Commission shall be composed of the following members and, to the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity:

(1) the Secretary of Education or designee;

(2) the Chair of the State Board of Education or designee;

(3) the Tax Commissioner or designee;

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

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

(6) one representative from the Vermont School Boards Association (VSBA), appointed by the VSBA Executive Director;

(7) one representative from the Vermont Principals' Association (VPA), appointed by the VPA Executive Director;

(8) one superintendent, appointed by the Executive Director of the Vermont Superintendents Association;

(9) one representative from the Vermont National Education Association (VTNEA), appointed by the VTNEA Executive Director;

(10) one representative from the Vermont Association of School Business Officials (VASBO) with experience in school construction projects, appointed by the President of VASBO;

(11) the Chair of the Census-Based Funding Advisory Group, created under 2018 Acts and Resolves No. 173;

(12) the Executive Director of the Vermont Rural Education Collaborative; and

(13) one representative from the Vermont Independent Schools Association (VISA), appointed by the President of VISA.

(c) Steering group. On or before July 1, 2025, the Speaker of the House shall appoint two members of the Commission, the Committee on Committees shall appoint one member of the Commission, and the Governor shall appoint two members of the Commission to serve as members of a steering group. No appointing authority shall appoint two members affiliated with the same organization. The steering group shall provide leadership to the Commission and shall work with a consultant or consultants to analyze the issues, challenges, and opportunities facing Vermont's public education system, as well as develop and propose a work plan to formalize the process through which the Commission shall seek to achieve its final recommendations. The formal work plan shall be approved by a majority of the Commission members. The steering group may form one or more subcommittees of the Commission to address key topics in greater depth.

(d) Collaboration and information review.

(1) The Commission shall seek input from and collaborate with key stakeholders, as directed by the steering group. At a minimum, the Commission shall consult with:

(A) the Department of Mental Health;

(B) the Department of Labor;

(C) the President of the University of Vermont or designee;

(D) the Chancellor of the Vermont State Colleges Corporation or designee;

(E) a representative from the Prekindergarten Education Implementation Committee;

(F) the Office of Racial Equity;

(G) a representative with expertise in the Community Schools model in Vermont; and

(H) the Vermont Youth Council.

(2) The Commission shall also review and take into consideration existing educational laws and policy, including legislative reports the Commission deems relevant to its work and, at a minimum, 2015 Acts and Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves No. 127, and 2023 Acts and Resolves No. 76.

(e) Duties of the Commission. The Commission shall study Vermont's public education system and make recommendations to ensure all students are afforded quality educational opportunities in an efficient, sustainable, and equitable education system that will enable students to achieve the highest academic outcomes. The result of the Commission's work shall be a recommendation for a statewide vision for Vermont's public education system, with recommendations for the policy changes necessary to make Vermont's educational vision a reality. In creating and making its recommendations, the Commission shall engage in the following:

(1) Public engagement. The Commission shall conduct not fewer than 14 public meetings to inform the work required under this section. At least one meeting of the Commission as a whole or a subcommittee of the Commission shall be held in each county. The Commission shall publish a draft of its final recommendations on or before October 1, 2026, solicit public feedback, and incorporate such feedback into its final recommendations. When submitting its final recommendations to the General Assembly, the Commission shall include all public feedback received as an addendum to its final report. The public feedback process shall include:

(A) a minimum 30-day public comment period, during which time the Commission shall accept written comments from the public and stakeholders; and

(B) a public outreach plan that maximizes public engagement and includes notice of the availability of language assistance services when requested.

(2) Policy considerations. In developing its recommendations, the Commission shall consider and prioritize the following topics:

(A) Governance, resources, and administration. The Commission shall study and make recommendations regarding education governance at the State level, including the role of the Agency of Education in the provision of services and support for the education system. Recommendations under this subdivision (A) shall include, at a minimum, the following:

(i) whether changes need to be made to the structure of the Agency of Education, including whether it better serves the recommended education vision of the State as an agency or a department;

(ii) what are the staffing needs of the Agency of Education;

(iii) whether changes need to be made to the composition, role, and function of the State Board of Education to better serve the recommended education vision of the State;

(iv) what roles, functions, or decisions should be a function of local control and what roles, functions, or decisions should be a function of control at the State level; and

(v) the effective integration of career and technical education in the recommended education vision of the State.

(B) Physical size and footprint of the education system. The Commission shall study and make recommendations regarding how the unique geographical and socioeconomic needs of different communities should factor into the provision of education in Vermont, taking into account and building upon the recommendations of the State Aid to School Construction Working Group. Recommendations under this subdivision (B) shall include, at a minimum, the following:

(i) an analysis of the current number and location of school buildings, school districts, and supervisory unions and whether additional consolidation is needed to achieve Vermont's vision for education, provided that if there is a recommendation for any amount of consolidation, the recommendation shall include a recommended implementation plan;

(ii) an analysis of the capacity and ability to staff all public schools with a qualified workforce, driven by data on class-size recommendations;

(iii) analysis of whether, and if so, how, collaboration with Vermont's postsecondary schools may support the development and retention of a qualified educator workforce;

(iv) an analysis of the current town tuition program and whether, and if so, what, changes are necessary to meet Vermont's vision for education, including the legal and financial impact of funding independent schools and other private institutions, including consideration of the following:

(I) the role designation, under 16 V.S.A. § 827, should play in the delivery of public education; and

(II) the financial impact to the Education Fund of public dollars being used in schools located outside Vermont; and

(v) an analysis of the current use of private therapeutic schools in the provision of special education services and whether, and if so, what, changes are necessary to meet Vermont's special education needs, including the legal and financial impact of funding private therapeutic schools.

(C) The role of public schools. The Commission shall study and make recommendations regarding the role public schools should play in both the provision of education and the social and emotional well-being of students.

Recommendations under this subdivision (C) shall include, at a minimum, the following:

(i) how public education in Vermont should be delivered;

(ii) whether Vermont's vision for public education shall include the provision of wraparound supports and collocation of services;

(iii) whether, and if so, how, collaboration with Vermont's postsecondary schools may support and strengthen the delivery of public education; and

(iv) what the consequences are for the Commission's recommendations regarding the role of public schools and other service providers, including what the role of public schools means for staffing, funding, and any other affected system, with the goal of most efficiently utilizing State funds and services and maximizing federal funding.

(D) Education fund. The Commission shall explore the efficacy and potential equity gains of changes to the education funding system, including weighted educational opportunity payments as a method to fund public education. The Commission's recommendations shall be intended to result in an education funding system designed to afford substantially equal access to a quality basic education for all Vermont students in accordance with *State v. Brigham*, 166 Vt. 246 (1997). Recommendations under this subdivision (D) shall include, at a minimum, the following:

(i) allowable uses for the Education Fund that shall ensure sustainable and equitable use of State funds;

(ii) the method for setting tax rates to sustain allowable uses of the Education Fund; and

(iii) implementation details for any recommended changes to the education funding system.

(E) Additional considerations. The Commission may consider any other topic, factor, or issue that it deems relevant to its work and recommendations.

(f) Reports and proposed legislation. The Commission shall prepare and submit to the General Assembly the following:

(1) a formal, written work plan, which shall include a communication plan to maximize public engagement, on or before September 15, 2025;

(2) a written report containing its preliminary findings and recommendations, including short-term cost containment considerations for the 2026 legislative session, on or before December 15, 2025;

(3) a written report containing its final findings and recommendations for a statewide vision for Vermont's public education system and the policy changes necessary to make that educational vision a reality on or before December 1, 2026; and

(4) proposed legislative language to advance any recommendations for the education funding system on or before December 15, 2026.

(g) Assistance. The Agency of Education shall contract with one or more independent consultants or facilitators to provide technical and legal assistance to the Commission for the work required under this section. For the purposes of scheduling meetings and providing administrative assistance, the Commission shall have the assistance of the Agency of Education. The Agency shall also provide the educational and financial data necessary to facilitate the work of the Commission. School districts shall comply with requests from the Agency to assist in data collections.

(h) Meetings.

(1) The Secretary of Education shall call the first meeting of the Commission to occur on or before July 15, 2025.

(2) The Speaker of the House and the President Pro Tempore shall jointly select a Commission chair.

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

(4) Meetings shall be conducted in accordance with Vermont's Open Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

(5) The Commission shall cease to exist on December 31, 2026.

(i) Compensation and reimbursement. Members of the Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including subcommittee meetings. These payments shall be made from monies appropriated to the Agency of Education.

Fifth: In Sec. 25, effective dates, by striking out "(Commission on the Future of Public Education)" and inserting in lieu thereof "(Education Finance Study Committee)"

Which was agreed to, on a roll call, Yeas 19, Nays 10.

Senator Campion, having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Baruth, Bray, Brock, Campion, Chittenden, Collamore, Cummings, Ingalls, Kitchel, MacDonald, McCormack, Norris, Perchlik, Ram Hinsdale, Sears, Starr, Weeks, Westman, Williams.

Those Senators who voted in the negative were: Clarkson, Gulick, Hardy, Harrison, Hashim, Lyons, Vyhovsky, Watson, White, Wrenner.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance, as amended? Senator Cummings moved that the Senate propose to the House to amend the bill as recommended by the Committee on Finance with the following proposals of amendment:

First: In Sec. 1, Education Finance Study Committee, by striking out subdivision (b)(3) in its entirety and inserting in lieu thereof a new subdivision (b)(3) to read as follows:

(3) three current members of the House of Representatives, who shall be appointed by the Speaker of the House, giving as much consideration as possible to balancing representation from across different political parties, as follows:

(A) one member of the House Committee on Education;

(B) one member of the House Committee on Ways and Means; and

(C) one member from either the House Committee on Education or on Ways and Means;

Second: In Sec. 1, Education Finance Study Committee, by striking out subdivision (b)(4) in its entirety and inserting in lieu thereof a new subdivision (b)(4) to read as follows:

(4) three current members of the Senate, who shall be appointed by the Committee on Committees, giving as much consideration as possible to balancing representation from across different political parties, as follows:

(A) one member of the Senate Committee on Education;

(B) one member of the Senate Committee on Finance; and

(C) one member from either the Senate Committee on Education or on Finance;

Which were agreed to.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance, as

amended?, Senator Gulick moved to further amend the proposal of amendment of the Committee on Finance, by adding a reader assistance heading and one new section to be Sec. 24a to read as follows:

* * * Out-of-State Approved Independent Schools * * *

Sec. 24a. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

(a) A school district shall not pay the tuition of a student except to a public school, an approved independent school eligible to receive public tuition located in Vermont, an independent school meeting education quality standards, a tutorial program approved by the State Board, an approved education program, or an independent school in another state ~~or country~~ located within 25 miles of the Vermont border and approved under the laws of that state ~~or country,~~ that complies with the reporting requirement under subsection 4010(c) of this title, nor shall payment of tuition on behalf of a person be denied on account of age. Unless otherwise provided, a person who is aggrieved by a decision of a school board relating to eligibility for tuition payments, the amount of tuition payable, or the school the person may attend, may appeal to the State Board and its decision shall be final.

(b) An independent school in another state located within 25 miles of the Vermont border that is approved under the laws of that state is eligible to receive public tuition if the following conditions are met:

(1) The independent school has adopted and implemented policies and procedures to comply with all antidiscrimination laws applicable to public schools in the state where the independent school is located and makes reasonable efforts to enforce those policies and procedures, even if those laws by their terms do not apply to the independent school. The school shall attest to compliance with this subdivision on or before August 1 of each year.

(2) The independent school posts and maintains on its website in a prominent place its policy to comply with all antidiscrimination laws that apply to public schools in the state where the independent school is located. The school shall attest to compliance with this subdivision on or before August 1 of each year.

(3) The independent school provides an assurance on or before August 1 of each year, signed by the head of school, that no public funds were used to subsidize the tuition of private payer students.

Which was disagreed to, on a roll call, Yeas 11, Nays 18.

Senator Campion having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Clarkson, Gulick, Hardy, Harrison, Hashim, MacDonald, McCormack, Vyhovsky, Watson, White, Wrenner.

Those Senators who voted in the negative were: Baruth, Bray, Brock, Campion, Chittenden, Collamore, Cummings, Ingalls, Kitchel, Lyons, Norris, Perchlik, Ram Hinsdale, Sears, Starr, Weeks, Westman, Williams.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Finance?, Senator Gulick moved to further amend the proposal of amendment of the Committee on Finance as follows

By adding a reader assistance heading and one new section to be Secs. 24a to read as follows:

* * * Approved Independent Schools * * *

Sec. 24a. 16 V.S.A. § 166 is amended to read:

§ 166. APPROVED AND RECOGNIZED INDEPENDENT SCHOOLS

(a) Authority. An independent school may operate and provide elementary education or secondary education if it is either approved or recognized as set forth in this section.

(b) Approved independent schools. On application, the State Board shall approve an independent school that offers elementary or secondary education if it finds, after opportunity for hearing, that the school provides a minimum course of study pursuant to section 906 of this title and that it substantially complies with all statutory requirements for approved independent schools and the Board's rules for approved independent schools. An independent school that intends to accept public tuition shall be approved by the State Board only on the condition that the school agrees, notwithstanding any provision of law to the contrary, to enroll any student who requires special education services and who is placed in or referred to the approved independent school as an appropriate placement and least restrictive environment for the student by the student's individualized education program team or by the local education agency; provided, however, that this requirement shall not apply to an independent school that limits enrollment to students who are on an individualized education program or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the local education agency and the school. Except as provided in subdivision (6) of this subsection, the Board's rules must at minimum require that the school have the resources required to meet

its stated objectives, including financial capacity~~,~~; faculty who are qualified by training and experience in the areas in which they are assigned~~,~~; and physical facilities and special services that are in accordance with any State or federal law or regulation. Approval may be granted without State Board evaluation in the case of any school accredited by a private, State, or regional agency recognized by the State Board for accrediting purposes, provided that the State Board shall determine that the school complies with all student enrollment provisions required by law.

* * *

(9) An approved independent school that intends to accept public tuition shall be approved by the State Board as eligible to receive public tuition only on the condition that the school complies with the following requirements; provided, however, that this subdivision (9) shall not apply to an independent school that limits enrollment to students who are on an individualized education program or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the local education agency and the school:

(A) the school's tuition rate for publicly tuitioned students shall be the same as or lower than the tuition rate for private payer students and both tuition rates shall be published on the school's website and reported annually to the Agency of Education;

(B) publicly tuitioned students shall not be charged an application fee, an academic fee, or any other fees for academic materials; and

(C) the school posts on its website an assurance, signed by the head of school, that no public funds were used to subsidize the tuition of private payer students.

* * *

Which was disagreed to, on a roll call, Yeas 8, Nays 21.

Senator Campion having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Clarkson, Gulick, Hardy, McCormack, Vyhovsky, Watson, White, Wrenner.

Those Senators who voted in the negative were: Baruth, Bray, Brock, Campion, Chittenden, Collamore, Cummings, Harrison, Hashim, Ingalls, Kitchel, Lyons, MacDonald, Norris, Perchlik, Ram Hinsdale, Sears, Starr, Weeks, Westman, Williams.

Thereupon, the proposal of amendment of the Committee on Finance, as amended was agreed to and third reading of the bill was ordered.

Thereupon, on motion of Senator Baruth, the rules were suspended and the bill was placed on all remaining stages of its passage.

Thereupon, the bill was read a third time, and passed in concurrence with proposal of amendment.

Message from the House No. 70

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered Senate proposal of amendment to House bill entitled:

H. 534. An act relating to retail theft.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The Speaker appointed as members of such Committee on the part of the House:

Rep. Notte of Rutland City
Rep. Burditt of West Rutland
Rep. Dolan of Essex Junction.

Rules Suspended; Immediate Consideration; House Proposal of Amendment Concurred In with Amendment

S. 310.

Pending entry on the calendar for notice, on motion of Senator Baruth, the rules were suspended and House proposal of amendment to Senate bill entitled:

An act relating to natural disaster government response, recovery, and resiliency.

Was taken up.

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

* * * Creation of the Community Resilience and Disaster

Mitigation Grant Program and Fund * * *

Sec. 1. 20 V.S.A. § 48 is added to read:

§ 48. COMMUNITY RESILIENCE AND DISASTER MITIGATION GRANT PROGRAM

(a) Program established. There is established the Community Resilience and Disaster Mitigation Grant Program to award grants to covered municipalities to provide support for disaster mitigation, adaptation, or repair activities.

(b) Definition. As used in this section, "covered municipality" means a city, town, fire district or incorporated village, and all other governmental incorporated units that participate in the National Flood Insurance Program in accordance with 42 U.S.C. Chapter 50.

(c) Administration; implementation.

(1) Grant awards. The Department of Public Safety, in coordination with the Department of Environmental Conservation, shall administer the Program, which shall award grants for the following:

(A) technical assistance for natural disaster mitigation, adaptation, or repair to municipalities;

(B) technical assistance for the improvement of municipal stormwater systems and other municipal infrastructure;

(C) projects that implement disaster mitigation measures, adaptation, or repair, including watershed restoration and similar activities that directly reduce risks to communities, lives, public collections of historic value, and property; and

(D) projects to adopt and meet the State's model flood hazard bylaws.

(2) Grant Program design. The Department of Public Safety, in coordination with the Department of Environmental Conservation, shall design the Program. The Program design shall:

(A) establish an equitable system for distributing grants statewide on the basis of need according to a system of priorities, including the following:

(i) projects that meet the standards established by the Department of Environmental Conservation's Stream Alteration Rule and Flood Hazard Area and River Corridor Rule.

(ii) projects that use funding as a match for other grants, including grants from the Federal Emergency Management Agency (FEMA);

(iii) projects that are in hazard mitigation plans; and

(iv) projects that are geographically located around the State;

(B) establish guidelines for disaster mitigation measures and costs that will be eligible for grant funding; and

(C) establish eligibility criteria for covered municipalities, but allow municipalities to partner with community organizations to apply for grants and implement projects awarded funding by those grants.

(3) Annually, by November 15, the Department of Public Safety shall submit a report detailing the current Program design and any grants awarded pursuant to this section during the preceding year to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations.

Sec. 2. 20 V.S.A. § 49 is added to read:

§ 49. COMMUNITY RESILIENCE AND DISASTER MITIGATION FUND

(a) Creation. There is established the Community Resilience and Disaster Mitigation Fund to provide funding to the Community Resilience and Disaster Mitigation Grant Program established in section 48 of this title. The Fund shall be administered by the Department of Public Safety.

(b) Monies in the Fund. The Fund shall consist of monies appropriated or transferred to the Fund.

(c) Fund administration.

(1) The Commissioner of Finance and Management may anticipate receipts to this Fund and issue warrants based thereon.

(2) The Commissioner of Public Safety shall maintain accurate and complete records of all receipts by and expenditures from the Fund.

(3) All balances remaining at the end of a fiscal year shall be carried over to the following year.

(d) Reports. On or before January 15 each year, the Commissioner of Public Safety shall submit a report to the House Committees on Environment and Energy and House Government Operations and Military Affairs and the Senate Committees on Government Operations and Natural Resources and Energy with an update on the expenditures from the Fund. For each fiscal year, the report shall include a summary of each project receiving funding. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

Sec. 3. [Deleted.]

Sec. 4. 32 V.S.A. § 8557 is amended to read:

§ 8557. VERMONT FIRE SERVICE TRAINING COUNCIL

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

* * *

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

* * *

* * * Credit Facilities for Local Investments * * *

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

§ 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL INVESTMENTS

(a) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, the Vermont State Treasurer shall have the authority to establish a credit facility of up to 10 percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b)–(c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9.

(b) The Treasurer may use amounts available under subsection (a) of this section to provide financing for infrastructure projects in Vermont mobile home parks and may modify the terms of such financing in ~~his or her~~ the Treasurer's discretion as is necessary to promote the availability of mobile home park housing and to protect the interests of the State.

(c) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, and in addition to the provisions of subsection (a) on this section, the Vermont

State Treasurer shall have the authority to establish a credit facility of up to two and one-half percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b)–(c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9. The Treasurer may use amounts available under this subsection only to provide financing for climate infrastructure and resilience projects and may modify the terms of such financing in the Treasurer's discretion as is necessary to protect the interest of the State.

(d) Annually, on or before November 15, the Treasurer shall submit a report detailing the activities, financing, and accounting of any credit facilities created pursuant to subsection (c) of this section during the preceding calendar year to the Governor; the House Committees on Appropriations, on Commerce and Economic Development, and on Ways and Means; and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Finance.

Sec. 4b. TREASURER CLIMATE INFRASTRUCTURE FINANCING COORDINATION; REPORT

(a) The Treasurer may use funds appropriated in fiscal year 2025 to coordinate climate infrastructure financing efforts within the State, including use for administrative costs and third-party consultations. The Treasurer shall seek to create a framework for effective collaboration among State organizations, agencies, and financial instrumentalities to maximize the amount of federal funds the State may receive and to effectively coordinate the deployment of these funds.

(b) On or before December 15, 2024, the Treasurer shall submit a report detailing the status of coordination efforts described in subsection (a) of this section and any recommendations regarding legislation for State climate infrastructure financing to the House Committees on Appropriations, on Commerce and Economic Development, on Environment and Energy, on Government Operations and Military Affairs, and on Ways and Means and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, on Finance, on Government Operations, and on Natural Resources and Energy.

* * * Defining First Responder * * *

Sec. 5. 20 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

As used in this chapter:

* * *

(6) "Emergency management" means the preparation for and implementation of all emergency functions, other than the functions for which the U.S. Armed Forces or other federal agencies are primarily responsible, to prevent, plan for, mitigate, and support response and recovery efforts from all-hazards. Emergency management includes the utilization of first responders and other emergency management personnel and the equipping, exercising, and training designed to ensure that this State and its communities are prepared to deal with all-hazards.

(7) "First responder" means State, county, and local governmental and nongovernmental personnel who provide immediate support services necessary to perform emergency management functions during an emergency or all-hazards event, including:

(A) emergency management and public safety personnel;

(B) firefighters, as that term is defined in section 3151 of this title;

(C) law enforcement officers, as that term is defined in section 2351a of this title;

(D) public safety telecommunications and dispatch personnel;

(E) emergency medical personnel and volunteer personnel, as those terms are defined in 24 V.S.A. § 2651;

(F) licensed professionals who would provide clinical services and emergency care in hospitals and medical facilities created to address an all-hazards event;

(G) public health personnel;

(H) public works personnel, including water, wastewater, and stormwater personnel; and

(I) equipment operators and other skilled personnel, who provide services necessary to enable the performance of emergency management functions.

(8) "Hazard mitigation" means any action taken to reduce or eliminate the threat to persons or property from all-hazards.

~~(8)~~(9) "Hazardous chemical or substance" means:

* * *

~~(9)~~(10) "Hazardous chemical or substance incident" means any mishap or occurrence involving hazardous chemicals or substances that may pose a threat to persons or property.

~~(10)~~(11) "Homeland security" means the preparation for and carrying

out of all emergency functions, other than the functions for which the U.S. Armed Forces or other federal agencies are primarily responsible, to prevent, minimize, or repair injury and damage resulting from or caused by enemy attack, sabotage, or other hostile action.

~~(11)~~(12) "Radiological incident" means any mishap or occurrence involving radiological activity that may pose a threat to persons or property.

Sec. 6. [Deleted.]

Sec. 6a. 20 V.S.A. chapter 181 is amended to read:

CHAPTER 181. BENEFITS FOR THE SURVIVORS OF EMERGENCY PERSONNEL

§ 3171. DEFINITIONS

As used in this chapter:

(1) "Board" means the Emergency Personnel Survivors Benefit Review Board.

(2) "Child" means ~~a natural or legally adopted child~~, regardless of age, the deceased's biological child, foster child, adoptive child, or stepchild; a child for whom the deceased is listed as a parent on the child's birth certificate; a legal ward of the deceased; a child of the deceased's spouse; or a child for whom the deceased had day-to-day responsibilities to care for and financially support at the time of death or when the child was under 18 years of age.

(3) "Correctional officer" has the same meaning as in 28 V.S.A. § 3.

(4) "Domestic partner" means an individual with whom the deceased had an enduring domestic relationship of a spousal nature at the time of death, provided that at the time of death the deceased and the domestic partner:

(A) had shared a residence for at least six consecutive months;

(B) were at least 18 years of age;

(C) were not married to or considered a domestic partner of another individual;

(D) were not related by blood closer than would bar marriage under State law; and

(E) had agreed between themselves to be responsible for each other's welfare.

(5) "Firefighter" has the same meaning as in subdivision 3151(3) of this title.

(6) "Emergency medical personnel" has the same meaning as in 24 V.S.A. § 2651.

(7) "Emergency personnel" means:

(A) firefighters ~~as defined in subdivision 3151(3) of this title; and~~

(B) emergency medical personnel and volunteer personnel ~~as defined in 24 V.S.A. § 2651;~~

(C) law enforcement officers; and

(D) correctional officers.

(8) "Law enforcement officer" means a law enforcement officer who has been certified by the Vermont Criminal Justice Council pursuant to section 2358 of this title.

~~(4)~~(9) "Line of duty" means:

(A) ~~answering or returning from~~ With respect to firefighters, emergency medical personnel, and volunteer personnel:

(i) service in answer to a call of the department or service for a fire or emergency ~~or training drill~~, including going to and returning from a fire or emergency or participating in a fire or emergency training drill; or

~~(B)~~(ii) similar service in another town or district to which the department or service has been called for firefighting or emergency purposes.

(B) With respect to law enforcement officers:

(i) service as a law enforcement officer in answer to a complaint lodged with the department or in response to a disorder, including going to, returning from, and investigating or responding to the complaint or disorder; or

(ii) service under orders from the department or in any emergency for which the law enforcement officer serves as a law enforcement officer.

(C) With respect to correctional officers:

(i) supervision or monitoring of inmates in a correctional facility;

(ii) supervision or monitoring of one or more persons serving a sentence of incarceration outside a correctional facility; or

(iii) supervision or monitoring of a person on parole or probation.

~~(5)~~(10) "Occupation-related illness" means a disease that directly arises out of, and in the course of, service, including a heart injury or disease

symptomatic within 72 hours from the date of last service in the line of duty, which shall be presumed to be incurred in the line of duty.

~~(6)~~(11) "Parent" means ~~a natural or adoptive parent~~ the deceased's biological parent, foster parent, adoptive parent, or stepparent; an individual who is listed as a parent on the deceased's birth certificate; a legal guardian of the deceased; or an individual who had day-to-day responsibilities to care for and financially support the deceased when the deceased was under 18 years of age.

(12) "Spouse" includes an individual's domestic partner or civil union partner.

~~(7)~~(13) "Survivor" means a spouse, child, or parent of deceased emergency personnel.

(14) "Volunteer personnel" has the same meaning as in 24 V.S.A. § 2651.

§ 3172. EMERGENCY PERSONNEL SURVIVORS BENEFIT REVIEW BOARD

(a)(1) There is created the Emergency Personnel Survivors Benefit Review Board, which shall consist of the State Treasurer or designee, the Attorney General or designee, the Chief Fire Service Training Officer of the Vermont Fire Service Training Council or designee, ~~and one member of the public to represent the interests of emergency personnel appointed by the Governor for a term of two years~~ the Chair of the Law Enforcement Advisory Board or designee, and the Commissioner of Corrections or designee.

(2) Survivors of emergency personnel, employed by or who volunteer for the State of Vermont, a county or municipality of the State, or a nonprofit entity that provides services in the State, who die in the line of duty or of an occupation-related illness may, within 18 months after the death of the emergency personnel, request the Board award a monetary benefit under section 3173 of this ~~title~~ chapter.

(3) The Board shall be responsible for determining whether to award monetary benefits under section 3173 of this chapter. A decision to award monetary benefits shall be made by unanimous vote of the Board and shall be made within 60 days after the receipt of all information necessary to enable the Board to determine eligibility.

(4) The Board may request any information necessary for the exercise of its duties under this section. Nothing in this section shall prevent the Board from initiating the investigation or determination of a claim before being requested by a survivor or employer of emergency personnel.

* * *

(c) If the Board decides to award a monetary benefit, the benefit shall be paid to the surviving spouse or, if the emergency personnel had no spouse at the time of death, to the surviving child, or equally among surviving children. If the deceased emergency personnel is not survived by a spouse or child, the benefit shall be paid to a surviving parent, or equally between surviving parents. If the deceased emergency personnel is not survived by a spouse, children, or parents, the Board shall not award a monetary benefit under this chapter.

* * *

(f) ~~The member of the public appointed by the Governor shall be entitled to per diem compensation authorized under 32 V.S.A. § 1010 for each day spent in the performance of his or her duties.~~ [Repealed.]

§ 3173. MONETARY BENEFIT

(a) The survivors of emergency personnel who ~~dies~~ die while in the line of duty or from an occupation-related illness may apply for a payment of $80,000.00 from the State.

* * *

§ 3175. EMERGENCY PERSONNEL SURVIVORS BENEFIT SPECIAL FUND

(a) The Emergency Personnel Survivors Benefit Special Fund is established in the Office of the State Treasurer for the purpose of the payment of claims distributed pursuant to this chapter. The Fund shall comprise appropriations made by the General Assembly, amounts transferred by the Emergency Board when the General Assembly is not in session, and contributions or donations from any other source. All balances in the Fund at the end of the fiscal year shall be carried forward. Interest earned shall remain in the Fund.

* * *

(c) In the event that the balance of the Fund is insufficient to pay monetary benefits awarded by the Board when the General Assembly is not in session, the Emergency Board may, pursuant to its authority under 32 V.S.A. § 133, transfer into the Fund additional amounts necessary to pay the monetary benefits.

* * * Emergency Management * * *

Sec. 7. 20 V.S.A. § 6 is amended to read:

§ 6. LOCAL AND REGIONAL ORGANIZATION FOR EMERGENCY MANAGEMENT

(a) Each town and city of this State ~~is hereby authorized and directed to~~ shall establish a local organization for emergency management in accordance with the State emergency management plan and program. The executive officer or legislative branch of the town or city ~~is authorized to~~ shall appoint a town or city emergency management director who shall have direct responsibility for the organization, administration, and coordination of the local organization for emergency management, subject to the direction and control of the executive officer or legislative branch. If the town or city ~~that~~ has not adopted the town manager form of government in accordance with 24 V.S.A. chapter 37 and the executive officer or legislative branch of the town or city has not appointed an emergency management director, the executive officer or legislative branch shall ~~be the~~ appoint a town or city emergency management director. The town or city emergency management director may appoint an emergency management coordinator and other staff as necessary to accomplish the purposes of this chapter. In an instance of a vacancy of the position of a town or city emergency management director, the executive officer or the chair or president of the legislative branch shall be the emergency management director.

(b) Each local organization for emergency management shall perform emergency management functions within the territorial limits of the town or city within which it is organized ~~and~~, ~~in~~ which may include coordinating the utilization of first responders and other emergency management personnel pursuant to the all-hazards emergency management plan adopted pursuant to subsection (c) of this section. In addition, each local organization for emergency management shall conduct such functions outside the territorial limits as may be required pursuant to the provisions of this chapter and in accord with rules adopted by the Governor.

(c)(1) Each local organization shall develop and maintain an all-hazards emergency management plan in accordance with the State Emergency Management Plan and guidance set forth by the Division of Emergency Management.

(2) The Division shall amend the local emergency plan template and any best management practices or guidance the Division issues to municipalities to address the need for the siting of local and regional emergency shelters in a manner that allows access by those in need during an all-hazards event.

(3) The Division shall advise municipalities that when a shelter is sited under a local emergency plan, the municipality should work with the Agency of Human Services, the American Red Cross, and community-based

emergency or charitable food providers, to assess the facility and the facility's potential operations, including the characteristics of the surrounding area during an all-hazards event, multiple routes of travel and possible hazards that could prevent access to the shelter, and the need for immediate and sustained access to food and water for individuals using the shelter.

(4) The Division, in coordination with the Agency of Human Services, shall advise municipalities, upon completion of a local emergency management plan, on how to conduct training and exercises pertaining to sheltering.

(d) Regional emergency management committees shall be established by the Division of Emergency Management.

* * *

(3) A regional emergency management committee shall consist of voting and nonvoting members.

(A) Voting members. The local emergency management director or designee and one representative from each town and city in the region shall serve as the voting members of the committee. A representative from a town or city shall be a member of the town's or city's emergency services community and shall be appointed by the town's or city's executive or legislative branch.

(B) Nonvoting members. Nonvoting members may include representatives from the following organizations serving within the region: fire departments, emergency medical services, law enforcement, other entities providing emergency response personnel, media, transportation, regional planning commissions, hospitals, the Department of Health's district office, the Division of Emergency Management, organizations serving vulnerable populations, local libraries, arts and culture organizations, regional development corporations, local business organizations, community-based emergency or charitable food providers, and any other interested public or private individual or organization.

* * *

Sec. 7a. RESTAURANT MEALS PROGRAM

On or before March 1, 2025, the Department shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare addressing the resources needed to enable Vermont to implement the Supplemental Nutrition Assistance Program's Restaurant Meals Program, including the potential need for additional staff and information technology changes.

Sec. 8. 20 V.S.A. § 31 is amended to read:

§ 31. STATE EMERGENCY RESPONSE COMMISSION; DUTIES

(a) The Commission shall have authority to:

* * *

(7) Ensure that ~~a State plan~~ the State Emergency Management Plan will go into effect when an accident occurs involving the transportation of hazardous materials. The ~~plan~~ Plan shall be exercised at least once annually and shall be coordinated with local and State emergency plans.

* * *

Sec. 9. 20 V.S.A. § 32 is amended to read:

§ 32. LOCAL EMERGENCY PLANNING COMMITTEES; CREATION; DUTIES

(a) One or more local emergency planning committees, created under EPCRA, shall be appointed by the State Emergency Response Commission. "EPCRA" means the federal Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. §§ 11001–11050.

(b) All local emergency planning committees shall include representatives from the following: fire departments; local and regional emergency medical services; local, county, and State law enforcement; other entities providing first responders or emergency management personnel; media; transportation; regional planning commissions; hospitals; industry; the Vermont National Guard; the Department of Health's district office; and an animal rescue organization, and may include any other interested public or private individual or organization. Where the local emergency planning committee represents more than one region of the State, the Commission shall appoint representatives that are geographically diverse.

(c) A local emergency planning committee shall perform all the following duties:

(1) Carry out all the requirements of a committee pursuant to EPCRA, including preparing a local emergency planning committee plan. The plan shall be coordinated with the State emergency management plan and may be expanded to address all-hazards identified in the State emergency management plan. At a minimum, the local emergency planning committee plan shall include the following:

(A) Identifies facilities and transportation routes of extremely hazardous substances.

(B) Describes the utilization of first responders and other emergency management personnel and emergency response procedures, including those identified in facility plans.

(C) Designates a local emergency planning committee coordinator and facility coordinators to implement the plan.

(D) Outlines emergency notification procedures.

(E) Describes how to determine the probable affected area and population by releases of hazardous substances.

(F) Describes local emergency equipment and facilities and the persons responsible for them.

(G) Outlines evacuation plans.

(H) Provides for coordinated local training to ensure integration with the State emergency management plan.

(I) Provides methods and schedules for exercising emergency plans.

(2) Upon receipt by the committee or the committee's designated community emergency coordinator of a notification of a release of a hazardous chemical or substance, ensure that the local emergency plan has been implemented.

(3) Consult and coordinate with the heads of local government emergency services, the emergency management director or designee, persons in charge of local first responders and other local emergency management personnel, regional planning commissions, and the managers of all facilities within the jurisdiction regarding the facility plan.

(4) Review and evaluate requests for funding and other resources and advise the State Emergency Response Commission concerning disbursement of funds.

(5) Work to support the various emergency services and other entities providing first responders or emergency management personnel, mutual aid systems, town governments, regional planning commissions, State agency district offices, and others in their area in conducting coordinated all-hazards emergency management activities.

Sec. 10. 20 V.S.A. § 41 is added to read.

§ 41. STATE EMERGENCY MANAGEMENT PLAN.

The Department of Public Safety's Vermont Emergency Management Division shall create, and republish as needed, but not less than every five years, a comprehensive State Emergency Management Plan. The Plan shall

detail response systems during all-hazards events, including communications, coordination among State, local, private, and volunteer entities, and the deployment of State and federal resources. The Plan shall also detail the State's emergency preparedness measures and goals, including those for the prevention of, protection against, mitigation of, and recovery from all-hazards events. The Plan shall include templates and guidance for regional emergency management and for local emergency plans that support municipalities in their respective emergency management planning.

Sec. 11. VERMONT EMERGENCY MANAGEMENT DIVISION DISASTER PREPAREDNESS REVIEW

(a) Review. On or before June 30, 2025, the Department of Public Safety's Division of Vermont Emergency Management (VEM) shall conduct an after-action review of the State's disaster preparedness leading up to, during, and after the 2023 summer flooding events throughout the State, overseen by the Director of VEM. The review shall examine all aspects of the State's response and shall include input from the whole community. In addition to the federal Homeland Security Exercise and Evaluation Program's requirements, the review shall include examining the adequacy of early warning and evacuation orders, designated evacuation routes and emergency shelters, the ability to provide food and water where it is needed, the present system of local emergency management directors in wide-spread emergencies and the State's present emergency communications systems.

(b) Report. On or before December 15, 2025, the Director of VEM shall submit a written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations with its findings regarding the disaster preparedness review, and, if the Director determines there to be inadequacies present in the State's disaster preparedness, a plan for improving the State's disaster preparedness, which may include any recommendations for legislative action.

Sec. 12. [Deleted.]

* * * Municipal Stormwater Utilities * * *

Sec. 13. 24 V.S.A. chapter 101 is amended to read:

CHAPTER 101. SEWAGE, SEWAGE DISPOSAL ~~SYSTEM~~, AND STORMWATER SYSTEMS

§ 3601. DEFINITIONS

~~The definitions established in section 3501 of this title shall establish the meanings of those words as used in this chapter, and the following words and phrases as used in~~ As used in this chapter ~~shall have the following meanings~~:

(1) ~~"Necessity" means a reasonable need that considers the greatest public good and the least inconvenience and expense to the condemning party and to the property owner. Necessity shall not be measured merely by expense or convenience to the condemning party. Due consideration shall be given to the adequacy of other property and locations; to the quantity, kind, and extent of property that may be taken or rendered unfit for use by the proposed taking; to the probable term of unfitness for use of the property; to the effect of construction upon scenic and recreational values, upon home and homestead rights and the convenience of the owner of the land; to the effect upon town grand list and revenues.~~

~~(2)~~ "Board" means the board of sewage ~~disposal~~ system commissioners.

(2) "Domestic sewage" or "house sewage" means sanitary sewage derived principally from dwellings, business buildings, and institutions.

(3) "Industrial wastes" or "trade wastes" means liquid wastes from industrial processes, including suspended solids.

(4) "Necessity" means a reasonable need that considers the greatest public good and the least inconvenience and expense to the condemning party and to the property owner. Necessity shall not be measured merely by expense or convenience to the condemning party. Due consideration shall be given to the adequacy of other property and locations; to the quantity, kind, and extent of property that may be taken or rendered unfit for use by the proposed taking; to the probable term of unfitness for use of the property; to the effect of construction upon scenic and recreational values, upon home and homestead rights and the convenience of the owner of the land; to the effect upon town grand list and revenues.

(5) "Sanitary sewage" means used water supply commonly containing human excrement.

(6) "Sanitary treatment" means an approved method of treatment of solids and bacteria in sewage before final discharge.

(7) "Sewage" means the used water supply of a community, including such used water supply or stormwater as may or may not be mixed with these liquid wastes from the community.

(8) "Sewage system" means any equipment, stormwater control system, pipe line system, and facilities as are needed for and appurtenant to the treatment or disposal of sewage and waters, including a sewage treatment or disposal plant and separate pipe lines and structural or nonstructural facilities as are needed for and appurtenant to the treatment or disposal of storm, surface, and subsurface waters.

(9) The phrase "sewage treatment or disposal plant" ~~shall include~~ includes, for the purposes of this chapter, any plant, equipment, system, and facilities, whether structural or nonstructural, as are necessary for and appurtenant to the treatment or disposal by approved sanitary methods of domestic sewage, garbage, industrial wastes, stormwater, or surface water.

(10) "Stormwater" has the same meaning as "stormwater runoff" under 10 V.S.A. § 1264.

(11) "Stormwater management system" means any structure, or improvement, whether structural or nonstructural, necessary for collecting, containing, controlling, treating, or conveying stormwater, including sewers, curbs, drains, conduits, natural and man-made channels, settling ponds, pipes, and culverts.

§ 3602. BOARD OF COMMISSIONERS; MEMBERSHIP

(a) Except as provided for in subsection (b) of this section, the selectboard of a town, the trustees of a village, the prudential committee of a fire or lighting district, or the mayor and board of aldermen of a city, shall be the board of commissioners for the sewage system of a municipality.

(b) The legislative body of the municipality may vote to constitute a separate board of sewage system commissioners. The board shall have not less than three nor more than seven members, who shall be residents of the municipality. Members shall be appointed, and any vacancy filled, by the legislative body of the municipality. The term of each member shall be four years. Any member may be removed by the legislative body of the municipality for just cause after due notice and hearing.

§ 3603. BOARD OF COMMISSIONERS; DUTIES AND AUTHORITY

(a) The board shall have the supervision of the municipal sewage system and shall make and establish all needed rates for rent and rules for control and operation of the system. The board may require:

(1) the owners of buildings, subdivisions, or developments abutting a public street or highway to have all sewers from those buildings, subdivisions, or developments connected to the municipal corporations sewer system; and

(2) any individual, person, or corporation to connect to the municipal sewage system for the purposes of abating pollution of the waters of the State.

(b) The commissioners may appoint or remove a superintendent at their pleasure.

§ ~~3602~~ 3604. SEWAGE ~~DISPOSAL PLANT,~~ SYSTEM; CONSTRUCTION

A municipal corporation may:

(1) construct, maintain, operate, and repair a sewage ~~disposal plant and~~ system~~, to~~;

(2) pursuant to the procedures established in this chapter, take, purchase, and acquire~~, in the manner hereinafter mentioned,~~ real estate and easements necessary for its purposes~~,~~;

(3) may enter in and upon any land for the purpose of making surveys~~,~~; and

(4) may lay and connect pipes, stormwater management systems, and sewers~~, and connect~~ ~~the same~~ as may be necessary to convey and treat stormwater runoff or sewage ~~for the purpose of disposing~~ and dispose of sewage ~~by such municipal corporation~~.

§ ~~3603~~ 3605. ENTRY ON LANDS

~~Such~~ A municipal corporation, for the purposes enumerated in section ~~3602~~ 3604 of this ~~title~~ chapter, may:

(1) enter upon and use any land and enclosures over or through which it may be necessary for pipes, stormwater management systems, and sewer to pass~~, and may thereon~~;

(2) at any time, place, lay, and construct ~~such~~ any pipes and sewers, appurtenances, and connections as may be necessary for the complete construction and repairing of the ~~same from time to time, may~~ the system; and

(3) open the ground in any streets, lanes, avenues, highways, and public grounds for the purposes ~~hereof;~~ described in this section, provided that ~~such~~ the streets, lanes, avenues, highways, and public grounds shall not be injured~~,~~ but shall be left in as good condition as before the laying of ~~such~~ the pipes, stormwater management systems, and sewers.

§ ~~3604~~ 3606. PETITION FOR HEARING TO DETERMINE NECESSITY

The municipal corporation may agree with all the owners of land or interest in land affected by ~~the~~ a survey made under section ~~3602~~ 3604 of this ~~title~~ chapter for the conveyance of ~~their~~ the owners' interest. Where ~~such~~ the agreement is not made, the board shall petition ~~a Superior judge~~ the Civil Division of the Superior Court, setting forth ~~therein~~ in the petition that ~~such~~ the board proposes to take certain land, or rights ~~therein~~ in the land, and describing ~~such~~ the lands or rights~~, and the~~. The survey shall be ~~annexed to said~~ included in the petition ~~and made a part thereof~~. ~~Such~~ The petition shall set forth the purposes for which ~~such~~ the land or rights are desired~~,~~ and shall contain a request that ~~such judge~~ the court fix a time and place when ~~he or she or some other Superior judge~~ the court will hear all parties concerned and determine whether ~~such~~ the taking is necessary.

§ ~~3605~~ 3607. HEARING TO DETERMINE NECESSITY

The judge to whom ~~such~~ the petition is presented shall fix the time for hearing, which shall not be more than 60 ~~nor~~ or less than 30 days from the date the judge signs ~~such~~ the order. Likewise, the judge shall fix the place for hearing, which shall be the county courthouse or any other convenient place within the county in which the land in question is located. If the Superior judge to whom ~~such~~ the petition is presented cannot hear the petition at the time set ~~therefore~~ for the hearing, ~~the Superior judge shall call upon~~ the Chief Superior Judge ~~to~~ shall assign another Superior judge to hear ~~such~~ the cause at the time and place assigned in the order.

§ ~~3606~~ 3608. SERVICE AND PUBLICATION OF PETITION

(a) A copy of the petition together with a copy of the court's order fixing the time and place of hearing shall be published in a newspaper having general circulation in the town in which the land included in the survey lies once a week for three consecutive weeks on the same day of the week~~, the~~. The last publication to be not less than five days before the hearing date~~, and a~~.

(b) A copy of the petition, together with a copy of the court's order fixing the time and place of hearing, and a copy of the survey shall be placed on file in the clerk's office of the town.

(c) The petition, together with the court's order fixing the time and place of hearing, shall be served upon each person owning or having an interest in land to be purchased or condemned like a summons, or, on absent defendants, in ~~such~~ the manner as the Supreme Court may by rule provide for service of process in civil actions. If the service on any defendant is impossible, upon affidavit of the sheriff, deputy sheriff, or constable attempting service, ~~therein~~ stating that the location of the defendant within or ~~without~~ outside the State is unknown and that ~~he or she~~ the defendant has no known agent or attorney in the State of Vermont upon ~~which~~ whom service may be made, the publication ~~herein provided~~ required by this section shall be deemed sufficient service on the defendant.

(d) Compliance with the provisions ~~hereof~~ of this section shall constitute sufficient service upon and notice to any person owning or having any interest in the land proposed to be taken or affected.

§ ~~3607~~ 3609. HEARING AND ORDER OF NECESSITY

(a) At the time and place appointed for the hearing, the court shall hear all persons interested and wishing to be heard. If any person owning or having an interest in land to be taken or affected appears and objects to the necessity of taking the land included within the survey or any part ~~thereof~~ of the survey, then the court shall require the board to proceed with the introduction of evidence of the necessity of ~~such~~ the taking.

(b) The burden of proof of the necessity of the taking shall be upon the board.

(c) The court may cite in additional parties including other property owners whose interests may be concerned or affected by any taking of land or interest ~~therein~~ in land based on any ultimate order of the court.

(d) The court shall make findings of fact and file them. The court shall, by its order, determine whether necessity requires the taking of ~~such~~ land and rights and may modify or alter the proposed taking ~~in such respects~~ as ~~to it~~ the court may ~~seem~~ deem proper.

§ ~~3608~~ 3610. APPEAL FROM ORDER OF NECESSITY

(a) If the State, municipal corporation, or any owner affected by the order of the court is aggrieved ~~thereby~~ by the order, an appeal may be taken to the Supreme Court in ~~such~~ the manner as the Supreme Court may by rule provide for appeals from the Civil Division of the Superior ~~courts~~ Court.

(b) In the event an appeal is taken, all proceedings shall be stayed until final disposition of the appeal. If no appeals are taken within the time provided ~~therefor~~ or, if appeal is taken, upon its final disposition, a copy of the order of the court shall be placed on file within 10 days in the office of the clerk of each town in which the land affected lies, and ~~thereafter~~ for a period of one year, the board may institute proceedings for the condemnation of the land included in the survey as finally approved by the court without further hearing or consideration of any question of the necessity of the taking.

§ ~~3609~~ 3611. COMPENSATION; CONDEMNATION

(a) When an owner of land or rights ~~therein~~ in land and the board are unable to agree on the amount of compensation ~~therefor~~ or in case the owner is an infant, a person who lacks capacity to protect ~~his or her~~ the person's interests due to a mental condition or psychiatric disability, absent from the State, unknown, or the owner of a contingent or uncertain interest, a Superior judge may, on the application of either party, cause the notice to be given of the application as ~~he or she~~ the judge may prescribe, and after proof ~~thereof~~ of the application, the judge may appoint three disinterested persons to examine the property to be taken~~,~~ or damaged by the municipal corporation.

(b) After being duly sworn, the commissioners shall, upon due notice to all parties in interest, view the premises, hear the parties in respect to the property, and shall assess and award to the owners and persons so interested just damages for any injury sustained and make report in writing to the judge.

(c) In determining damages resulting from the taking or use of property under the provisions of this chapter, the added value, if any, to the remaining

property or right ~~therein~~ in property that inures directly to the owner ~~thereof~~ as a result of the taking or use as distinguished from the general public benefit~~,~~ shall be considered.

(d) The judge may ~~thereupon~~ accept the report, unless just cause is shown to the contrary, and order the municipal corporation to pay the same in the time and manner as the judge may prescribe, in full compensation for the property taken, or the injury done by the municipal corporation, or the judge may reject or recommit the report if the ends of justice so require. On compliance with the order, the municipal corporation may proceed with the construction of its work without liability for further claim for damages. In ~~his or her~~ the judge's discretion, the judge may award costs in the proceeding. Appeals from the order may be taken to the Supreme Court under 12 V.S.A. chapter 102.

§ ~~3610~~ 3612. RECORD

Within 60 days after the taking of any property, franchise, easement, or right under the provisions of this chapter, ~~such~~ the municipal corporation shall file a description ~~thereof~~ of the property in the office of the clerk ~~wherein~~ where the land records are required by law to be kept.

§ ~~3611~~ 3613. CONTRACT FOR SEWAGE DISPOSAL

(a) ~~Such~~ A municipal corporation may contract with the State, the federal government, or any appropriate agency ~~thereof,~~ of the State or federal government; any town, city, or village~~,~~; any corporation; and any individuals to make disposal of sewage or stormwater for ~~such~~ the other town, city, village, corporation, or individuals. ~~Such~~ When consistent with State or federal law, the municipal corporation may make sale of sludge or fertilizer byproducts incident to sewage disposal, and the proceeds from the sale ~~thereof~~ shall be turned over to the treasury of ~~such~~ the sewage ~~disposal district~~ system and credited ~~therein~~ as is other income derived under the authority of this chapter.

* * *

§ ~~3612~~ 3614. CHARGES; ENFORCEMENT

(a) ~~The owner of any tenement, house, building, or lot shall be liable for the sewage disposal charge as hereinafter defined. Such sewage disposal charge~~ A property owner or group of property owners using the sewage system shall be liable for the rent fixed by the board pursuant to this chapter. The charges, rates, or rents for the sewage system shall be a lien upon the real estate furnished with such service in the same manner and to the same effect as taxes are a lien upon real estate under 32 V.S.A. § 5061 and shall be an assessment enforceable under the procedures in ~~subsections~~ subsection (b), (c), or (d) of this section, or a combination of these procedures.

* * *

§ ~~3613~~ 3615. TAXES, BONDS

For the purpose of adequately making disposal of sewage within its boundaries~~,~~; successfully organizing, establishing, and operating its sewage plant, sewage disposal plant, or some form of sewage treatment plant~~,~~; and making ~~such~~ improvements as may be necessary, a municipal corporation may ~~from time to time~~:

(1) purchase, take, and hold real and personal estate;

(2) borrow money;

(3) levy~~,~~ and collect taxes upon the ratable estate of the municipal corporation necessary for the payment of municipal corporation sewage and sewage disposal expenses and indebtedness;

(4) issue for the purposes ~~hereof~~ of this section evidences of indebtedness pursuant to chapter 53, subchapter 2 of this title or its negotiable bonds pursuant to chapter 53, subchapter 1 of this title~~,~~; provided, however, that bonds so issued:

~~(1)~~(A) shall not be considered as indebtedness of ~~such~~ the municipal corporation limited by the provisions of section 1762 of this title~~,~~;

~~(2)~~(B) may be paid in not more than 30 years from the date of issue notwithstanding the limitation of section 1759 of this title~~,~~;

~~(3)~~(C) may be authorized by a majority of all the voters present and voting on the question at a meeting of ~~such~~ the municipal corporation held for ~~the~~ this purpose pursuant to chapter 53, subchapter 1 of this title notwithstanding any provisions of general or special law ~~which~~ that may require a greater vote, and may be so arranged that beginning with the first year in which principal is payable, the amount of principal and interest in any year shall be as nearly equal as is practicable according to the denomination in which ~~such~~ the bonds or other evidences of indebtedness are issued notwithstanding other permissible payment schedules authorized by section 1759 of this title.

~~§ 3614. BOARD OF SEWAGE DISPOSAL COMMISSIONERS~~

~~The selectboard of a town, the trustees of a village, the prudential committee of a fire or lighting district, or the mayor and board of aldermen of a city, shall constitute a board of sewage disposal commissioners.~~

§ ~~3615~~ 3616. RENTS; RATES

(a) ~~Such~~ A municipal corporation, through its board ~~of sewage disposal commissioners~~, may establish rates, rents, or charges ~~to be called "sewage disposal charges,"~~ to be paid ~~at such times and in such manner~~ as the ~~commissioners~~ board may prescribe. The ~~commissioners~~ board may establish annual charges separately for bond repayment, fixed operations and maintenance costs ~~(not dependent on actual use)~~, and variable operations and maintenance costs dependent on flow.

(b) ~~Such~~ The rates, rents, or charges may be based upon:

(1) the metered consumption of water on premises connected with the sewer system, however, the ~~commissioners~~ board may determine no user will be billed for fixed operations and maintenance costs and bond payment less than the average ~~single family~~ single-family charge;

(2) the number of equivalent units connected with or served by the sewage system based upon their estimated flows compared to the estimated flows from a ~~single family~~ single-family dwelling, however, the ~~commissioners~~ board may determine no user will be billed less than the minimum charge determined for the ~~single family~~ single-family dwelling charge for fixed operations and maintenance costs and bond payment;

(3) the strength and flow where wastes stronger than household wastes are involved;

(4) the appraised value of premises, in the event that the commissioners shall determine the sewage disposal plant to be of general benefit to the municipality regardless of actual connection with the same;

(5) the commissioners' determination developed using any other equitable basis such as the number and kind of plumbing fixtures~~,~~; the number of persons residing on or frequenting the premises served by those sewers~~,~~; and the topography, size, type of use, or impervious area of any premises;

(6) for groundwater, surface, or stormwater an equivalent residential unit based on an average area of impervious surface on residential property within the municipality; or

(7) any combination of these bases, ~~so long as~~ provided the combination is equitable.

~~(b)~~(c) The basis for establishing ~~sewer disposal~~ rates, rents, or charges shall be reviewed annually by ~~sewage disposal commissioners~~ the board. No premises otherwise exempt from taxation, including premises owned by the State of Vermont, shall, by virtue of any ~~such~~ the exemption, be exempt from charges established ~~hereunder~~ under this section. The commissioners may change the rates ~~of such~~, rents, or charges ~~from time to time~~ as may be reasonably required.

(d) Where one of the bases of ~~such~~ a rent, rate, or charge is the appraised value and the premises to be appraised are tax exempt, the ~~commissioners~~ board may cause the listers to appraise ~~such~~ the property, including State property, for the purpose of determining the ~~sewage disposal~~ the rates, rents, or charges. The right of appeal from ~~such~~ the appraisal shall be the same as provided in 32 V.S.A. chapter 131. The Commissioner of Finance and Management is authorized to issue ~~his or her~~ warrants for ~~sewage disposal~~ rates, rents, or charges against State property and transmit to the State Treasurer who shall draw a voucher in payment ~~thereof~~ of the rates, rents, or charges. No charge so established and no tax levied under the provisions of section ~~3613~~ 3615 of this title shall be considered to be a part of any tax authorized to be assessed by the legislative body of any municipality for general purposes~~,~~ but shall be in addition to any such tax so authorized to be assessed.

(e) ~~Sewage disposal~~ Rates, rents, or charges established in accord with this section may be assessed by the board ~~of sewage disposal commissioners as provided in section 3614 of this title~~ to derive the revenue required to pay pollution charges assessed against a municipal corporation under 10 V.S.A. § ~~1265~~ 1263.

~~(e)~~(f) When a ~~sewage disposal~~ rate, rent, or charge established under this section for the management of stormwater is applied to property owned, controlled, or managed by the Agency of Transportation, the charge shall not exceed the highest rate category applicable to other properties in the municipality, and the Agency of Transportation shall receive a 35 percent credit on the charge. The Agency of Transportation shall receive no other credit on the charge from the municipal corporation.

§ ~~3616~~ 3617. DUTIES; USE OF PROCEEDS

(a) ~~Such sewage disposal commissioners shall have the supervision of such municipal sewage disposal department, and shall make and establish all needful rates for charges, rules, and regulations for its control and operation including the right to require any individual, person, or corporation to connect to such the municipal system for the purposes of abating pollution of the waters of the State. Such commissioners may appoint or remove a superintendent at their pleasure.~~ The charges and receipts of ~~such~~ the department shall only be used and applied to pay the interest and principal of the sewage disposal bonds of ~~such~~ the municipal corporation ~~as well as,~~ the expense of maintenance and operation of the sewage ~~disposal department~~ system, or other expenses of the sewage system.

(b) ~~These~~ The charges and receipts also may be used to develop a dedicated fund that may be created by the ~~commissioners~~ board to finance major

rehabilitation, major maintenance, and upgrade costs for the sewer system. This fund may be established by an annual set-aside of up to 15 percent of the normal operations, maintenance, and bond payment costs, except that with respect to subsurface leachfield systems, the annual set-aside may equal up to 100 percent of these costs. The fund shall not exceed the estimated future major rehabilitation, major maintenance, or upgrade costs for the sewer system. Any dedicated fund shall be insured at least to the level provided by FDIC and withdrawals shall be made only for the purposes for which the fund was established. Any ~~such~~ dedicated fund may be established and controlled in accord with section 2804 of this title or may be established by act of the legislative body of the municipality. Funds so established shall meet the requirements of subdivision 4756(a)(4) of this title.

(c) Where the municipal legislative body establishes ~~such~~ a dedicated fund pursuant to this section, it shall first adopt a municipal ordinance authorizing and controlling ~~such~~ the funds. ~~Such~~ The ordinance and any local policies governing the funds must conform to the requirements of this section.

(d) The charges, receipts, and revenue may also be used for stormwater management, control, and treatment; flood resiliency; floodplain restoration; and other similar measures.

§ ~~3617~~ 3618. ORDINANCES

~~Such~~ The municipal corporation shall have the power to make, establish, alter, amend, or repeal ordinances, regulations, and bylaws relating to the matters contained in this chapter, consistent with law, and to impose penalties for the breach ~~thereof,~~ of an ordinance and enforce ~~the same~~ those penalties.

§ ~~3618~~ 3619. MEETINGS; VOTE

Any action taken by ~~such~~ a municipal corporation under the provisions of this chapter or relating to the matters ~~therein set forth~~ contained in this chapter, may be taken by vote of the legislative body of ~~such~~ the municipal corporation, excepting the issuance of bonds and, in municipalities wherein ~~such~~ the legislative body is not otherwise given the power to levy taxes, the levying of a tax under section ~~3613~~ 3615 of this title; provided, however, that no action shall be taken hereunder unless the construction of a sewage disposal plant shall have first been authorized by majority vote of the legal voters of ~~such~~ the municipal corporation attending a meeting ~~duly warned and holden~~ warned for that purpose.

* * *

Sec. 14. 24 V.S.A. § 3679 is amended to read:

§ 3679. FINANCES—SEWER RATES; APPLICATION OF REVENUE

(a) The board of sewer commissioners of a consolidated sewer district shall establish rates for the sewer service and all individuals, firms, and corporations whether private, public, or municipal shall pay to the treasurer of the district the rates established by the board. The manner of establishment of the rates shall be in accord with section ~~3615~~ 3616 of this title. The rates shall be so established as to provide revenue for the following purposes:

* * *

Sec. 15. REPEAL

24 V.S.A. chapter 97 (sewage system) is repealed.

* * * Creation of the Urban Search and Rescue Team * * *

Sec. 16. 20 V.S.A. § 50 is added to read:

§ 50. URBAN SEARCH AND RESCUE TEAM

(a) The Department of Public Safety is authorized to create the Urban Search and Rescue (USAR) Team to provide for the rapid response of trained professionals to emergencies and other hazards occurring in the State. The Commissioner shall appoint a USAR Team program manager to carry out the duties and responsibilities of the USAR Team.

(b) The USAR Team program manager shall perform all the following duties:

(1) organize the State USAR Team to assist local first responders in response to emergencies and other hazards;

(2) hire persons for the USAR Team from fire, police, and emergency medical services and persons with specialty backgrounds in emergency response or search and rescue;

(3) coordinate the acquisition and maintenance of adequate vehicles and equipment for the USAR Team;

(4) ensure that USAR Team personnel are organized, trained, and exercised in accordance with the appropriate search and rescue standards or certifications;

(5) negotiate and enter into agreements with municipalities, municipal agencies that maintain swiftwater rescue teams, State-recognized swiftwater rescue teams, or other technical rescue teams to provide expert assistance and services to the USAR Team when necessary; and

(6) coordinate USAR Team participation in search and rescue operations under chapter 112 of this title.

(c) The Department of Public Safety may employ as many USAR Team responders as the Commissioner deems necessary as temporary State employees, who shall be compensated as such when authorized to respond to an emergency or hazard incident or to attend USAR Team training. State USAR Team responders, whenever acting as State agents in accordance with this section, shall be afforded all of the protections and immunities of State employees.

* * * Vermont-211 Information Privacy * * *

Sec. 17. PUBLIC RECORDS ACT; VERMONT 211; CONFIDENTIALITY

Pursuant to Vermont's Public Records Act, personal information and lists of names within records created or acquired by Vermont 211 shall be exempt from public inspection or copying. Vermont 211 shall keep confidential any personal information acquired from victims of a natural disaster or all-hazard, as defined by 20 V.S.A. § 2. This section shall not be construed to prevent the limited disclosure of personal information for the purposes of coordinating relief work for individuals affected by a natural disaster or all-hazard.

* * * Emergency Communications * * *

Sec. 18. PUBLIC NOTIFICATION POLICY DURING EMERGENCY

The Department of Public Safety's Division of Vermont Emergency Management (VEM), in consultation with the Enhanced 911 Board, shall develop a policy for the use of E-911 databases that maintain callback numbers of subscribers to provide VT-Alerts more effectively and expeditiously during emergencies in order to reduce the risk of harm to persons and property. The Division shall issue its policy on or before July 1, 2025.

Sec. 19. 30 V.S.A. § 7055 is amended to read:

§ 7055. ~~TELECOMMUNICATIONS COMPANY~~ ORIGINATING CARRIER COORDINATION

(a) Every ~~telecommunications company under the jurisdiction of the Public Utility Commission~~ originating carrier offering access to the public switched telephone network shall make available, in accordance with ~~rules adopted by the Public Utility Commission~~ requirements established by the Federal Communications Commission, the universal emergency telephone number 911 for use by the public in seeking assistance from fire, police, medical, and other emergency service providers through a public safety answering point and shall deliver their customers' 911 calls to the point of interconnection defined by the Board.

(b) Every ~~local exchange telecommunications provider~~ originating carrier shall provide the ANI, if applicable, and any other information required by rules adopted under section 7053 of this title to the Board, or to any administrator of ~~the Enhanced~~ 911 ~~database~~ databases, solely for purposes of maintaining the ~~Enhanced~~ 911 ~~database~~ databases and for purposes outlined in subdivisions 7059(a)(1)(B) and (D) of this title, unless such information is provided by submission to the Vermont 911 ALI database, in which case the information may also be used for the purposes outlined in subdivision 7059(a)(1)(A) of this title. Each such provider shall be responsible for updating the information at a frequency specified by such rules. All persons receiving confidential information under this ~~section~~ subsection, as defined by ~~the Public Utility Commission~~ section 7059 of this title, shall use it solely for the purposes ~~of providing emergency 911 services,~~ specified in subdivision 7059(a)(1) of this title and shall not disclose such confidential information for any other purpose.

(c) Each ~~local exchange telecommunications company, cellular company, and mobile or personal communications service company~~ originating carrier providing services within the State shall designate a person to coordinate with and provide all relevant information to the Enhanced 911 Board ~~and Public Utility Commission~~ in carrying out the purposes of the chapter.

(d) ~~Wire line and nonwire cellular~~ Originating carriers certificated to provide service in the State shall ~~provide ANI signaling which identifies geographical location as well as cell site address for cellular 911 calls. Personal communications networks and any future mobile or personal communications systems shall also be required to identify the location of the caller. The telephone company shall provide ANI signaling which identifies the name of the carrier and identify the type of service as cellular, mobile, or personal communications as part of the ALI along with a screen message that advises the call answerer to verify the location of the reported emergency. Telecommunication providers of mobile wireless, IP-enabled, and other communication services which have systems with the capability to send data related to the location of the caller with the call or transmission instead of relying on location data otherwise contained in the ALI database shall provide this data with calls or transmissions for the sole purpose of enabling the emergency 911 system to locate an individual seeking emergency services. Location data shall be provided in accordance with relevant national standards for next generation 9-1-1 technology~~ transmit with each 911 call available ANI or pseudo-Automatic Number Identification (p-ANI) that can be used to query the Enhanced 911 or third-party databases to provide the Automatic Location Identification as defined by standards approved by the National Emergency Number Association (NENA). Originating carriers with the capability to

provide location and caller data with the call shall do so in accordance with the approved i3 Standards for Next Generation 9-1-1.

(e) Each local exchange telecommunications provider in the State shall file with the Public Utility Commission tariffs for each service element necessary for the provision of Enhanced 911 services. The Public Utility Commission shall review each company's proposed tariff, and shall ensure that tariffs for each necessary basic service element are effective within six months ~~of~~ after filing. The Department of Public Service, by rule or emergency rule, may establish the basic service elements that each company must provide for in tariffs. Such tariffs must be filed with the Public Utility Commission within 60 days after the basic service elements are established by the Department of Public Service.

(f) As used in this section:

(1) "Incumbent local exchange carrier" has the same meaning as in 47 U.S.C. § 251(h) and includes rural local exchange carriers.

(2) "Originating carrier" or "originating service provider" means an entity that provides voice services to a subscriber and includes incumbent local exchange carriers operating in Vermont.

Sec. 20. ENHANCED 911 BOARD TARIFFS; REPORT

On or before January 15, 2025, the Enhanced 911 Board shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations on current local exchange telecommunications tariffs, and, in particular, evaluating existing tariffs permitted pursuant to 30 V.S.A. § 7055, determining actual costs for the provision of the service elements, and comparing those tariffs to similar cost recovery mechanisms in other states.

* * * Language Assistance Services for State Emergency Communications * * *

Sec. 21. 20 V.S.A. § 4 is added to read:

§ 4. LANGUAGE ASSISTANCE SERVICES FOR STATE EMERGENCY COMMUNICATIONS

(a) If an all-hazards event occurs, the Vermont Emergency Management Division shall ensure that language assistance services are available for all State communications regarding the all-hazards event, including relevant press conferences and emergency alerts, as soon as practicable. Language assistance services shall be provided for:

(1) individuals who are Deaf, Hard of Hearing, and DeafBlind; and

(2) individuals with limited English proficiency.

(b) As used in this section, an "individual with limited English proficiency" means a person who does not speak English as the person's primary language and who has a limited ability to read, write, speak, or understand English.

(c) Annually, the Vermont Emergency Management Division shall hold a public meeting with members of the Vermont Deaf, Hard of Hearing, and DeafBlind Advisory Council; the Office of Racial Equity; the Vermont Association of Broadcasters; and other relevant stakeholders to review the adequacy and efficacy of the provision and distribution of language assistance services of emergency communications over mass communication platforms to individuals who are Deaf, Hard of Hearing, and DeafBlind as well as individuals with limited English language proficiency.

Sec. 22. [Deleted.]

Sec. 23. LANGUAGE ASSISTANCE SERVICES FOR EMERGENCY COMMUNICATIONS WORKING GROUP; REPORT

(a) Creation. There is created the Language Assistance Services for Emergency Communications Working Group, consisting of staff at the Vermont Emergency Management (VEM) Division and the Office of Racial Equity, who will collaborate with the Vermont Association of Broadcasters; the Vermont Deaf, Hard of Hearing, and DeafBlind Advisory Council; organizations that represent language service providers; and other relevant stakeholders.

(b) Duties. The Working Group shall:

(1) develop best practices for the provision of language assistance services in emergency communications during and after all-hazards events, as defined in 2 V.S.A. § 2;

(2) identify geographical areas within the State with the greatest needs for language assistance services during and after all-hazards events; and

(3) analyze and make recommendations on the appropriate uses of technologies for providing these services, including tools such as Communication Access Realtime Translation (CART) and Picture-in-Picture (PIP) techniques and automated language translation services or machine translation.

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

(d) Prospective repeal. The Working Group shall cease to exist on June 30, 2025.

* * * Post-Secondary Disaster Management Programs * * *

Sec. 24. POST-SECONDARY DISASTER MANAGEMENT PROGRAM REPORT

On or before February 15, 2025, the President or designee for the Vermont State University and the President or designee for the University of Vermont shall each submit a written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations examining the creation of post-secondary disaster management programs, including the associated costs, projected enrollments, and aspects of curricula.

* * * Emergency Powers of the Governor and Emergency Management * * *

Sec. 25. 20 V.S.A. § 1 is amended to read:

§ 1. PURPOSE AND POLICY

(a) Because of the increasing possibility of the occurrence of disasters or emergencies of unprecedented size and destructiveness resulting from all-hazards and in order to ensure that preparation of this State will be adequate to deal with such disasters or emergencies; to provide for the common defense; to protect the public peace, health, and safety; and to preserve the lives and property of the people of the State, it is found and declared to be necessary:

(1) to create a State emergency management agency~~,~~ and to authorize the creation of local and regional organizations for emergency management;

(2) to confer upon the Governor and upon the executive heads or legislative branches of the towns and cities of the State the emergency powers provided pursuant to this chapter;

(3) to provide for the rendering of mutual aid among the towns and cities of the State; with other states and Canada; and with the federal government with respect to the carrying out of emergency management functions; and

(4) to authorize the establishment of organizations and ~~the taking of steps as necessary and appropriate~~ to carry out the provisions of this chapter as necessary and appropriate.

* * *

Sec. 26. 20 V.S.A. § 8 is amended to read:

§ 8. GENERAL POWERS OF GOVERNOR

* * *

(b) In performing the duties under this chapter, the Governor is further authorized and empowered:

* * *

(3) Inventories, training, mobilization. In accordance with the plan and program for the emergency management of the State:

(A) to ascertain the requirements of the State or the municipalities for food ~~or~~, water, fuel, clothing, or other necessities of life in any all-hazards event and to plan for and procure supplies, medicines, materials, and equipment for the purposes set forth in this chapter;

* * *

(C) to institute training programs and public information programs, and to take all other preparatory steps, including the partial or full mobilization of emergency management organizations in advance of actual disaster, to ensure the furnishing of adequately trained and equipped forces of first responders and other emergency management personnel in time of need.

* * *

(8) Mutual aid agreements with other states. On behalf of this State, to enter into reciprocal aid agreements under this chapter and pursuant to compacts with other states and the federal government or a province of a foreign country under such terms as the Congress of the United States may prescribe. These mutual aid arrangements shall be limited to the furnishing or exchange of food, water, fuel, clothing, medicine, and other supplies; engineering services; emergency housing; police services; National Guard ~~or State Guard~~ units while under the control of the State; health; medical and related services; fire fighting, rescue, transportation, and construction services and equipment; personnel necessary to provide or conduct these services; and other supplies, equipment, facilities, personnel, and services as needed; and the reimbursement of costs and expenses for equipment, supplies, personnel, and similar items for mobile support units, ~~fire fighting~~ firefighting , and police units and health units. The mutual aid agreements shall be made on such terms and conditions as the Governor deems necessary.

* * *

Sec. 27. 20 V.S.A. § 9 is amended to read:

§ 9. EMERGENCY POWERS OF GOVERNOR

Subject to the provisions of this chapter, in the event of an all-hazards event in or directed upon the United States or Canada that causes or may cause

substantial damage or injury to persons or property within the State in any manner, the Governor may ~~proclaim~~ declare a state of emergency within the entire State or any portion or portions of the State. Thereafter, the Governor shall have and may exercise for as long as the Governor determines the emergency to exist the following additional powers within such area or areas:

(1) To enforce all laws and rules relating to emergency management and to assume direct operational control of all first responders, other emergency management personnel, and ~~helpers~~ volunteers in the affected area or areas.

* * *

Sec. 28. 20 V.S.A. § 11 is amended to read:

§ 11. ADDITIONAL EMERGENCY POWERS

In the event of an all-hazards event, the Governor may exercise any or all of the following additional powers:

(1) To authorize any department or agency of the State to lease or lend, on such terms and conditions and for ~~such~~ a period ~~as he or she deems necessary~~ related to the declaration of emergency to promote the public welfare and protect the interests of the State, any real or personal property of the State government~~, or authorize the temporary transfer or employment of personnel of the State government to or by the U.S. Armed Forces~~.

(2) To enter into a contract on behalf of the State for the lease or loan, on such terms and conditions and for such period as ~~he or she~~ the Governor deems necessary to promote the public welfare and protect the interests of the State, of any real or personal property of the State government, or the temporary transfer or employment of personnel thereof to any town or city of the State. The chief executive ~~or~~, the chair or president of the legislative branch, or the emergency management director of the town or city is authorized for and in the name of the town or city to enter into the contract with the Governor for the leasing or lending of the property and personnel, and the chief executive ~~or~~, the chair or president of the legislative branch, or the emergency management director of the town or city may equip, maintain, utilize, and operate such property except ~~newspapers and other publications~~ news outlets, radio stations, places of worship and assembly, and other facilities for the exercise of constitutional freedom, and employ necessary personnel in accordance with the purposes for which such contract is executed~~;~~ ~~and may do all things and perform all acts necessary to effectuate the purpose for which the contract was entered into~~.

* * *

(5) To make compensation for the property seized, taken, or condemned on the following basis:

(A) ~~In case~~ Whenever the Governor deems it advisable for the State to take property ~~is taken~~ for temporary use or to take property permanently, the Governor, at the time of the taking, shall fix the amount of compensation to be paid for the property~~, and in~~. In case the property is taken for temporary use and returned to the owner in a damaged condition ~~or shall not be returned to the owner~~, the Governor shall fix the amount of compensation to be paid for the damage ~~or failure to return~~.

(B) Whenever the Governor deems it advisable for the State to temporarily or permanently take title to property taken under this section, the Governor shall ~~forthwith cause~~ notify the owner of the property ~~to be notified~~ of the taking in writing by registered mail or in person, ~~postage prepaid,~~ and ~~forthwith cause to be filed~~ shall file a copy of the notice with the Secretary of State.

~~(B)~~(C) Any owner of property of which possession has been either temporarily or permanently taken under the provisions of this chapter to whom no award has been made or who is dissatisfied with the amount awarded ~~him or her~~ by the Governor may file a petition in the Superior Court within the county wherein the property was situated at the time of taking to have the amount to which ~~he or she~~ the owner is entitled by way of damages or compensation determined, and either the petitioner or the State shall have the right to have the amount of such damages or compensation fixed after hearing by three disinterested appraisers appointed by the court, and who shall operate under substantive and administrative procedure to be established by the Superior judges. If the ~~petitioner~~ owner of the property is dissatisfied with the award of the appraisers, ~~he or she~~ the owner may appeal the award to the Superior Court and thereafter have a trial by jury to determine the amount of the damages or compensation. The court costs of a proceeding brought under this section by the owner of the property shall be paid by the State, and the fees and expenses of any attorney for the owner shall also be paid by the State after allowances by the court in which the petition is brought in an amount determined by the court. The statute of limitations shall not apply to proceedings brought by owners of property under this section for and during the time that any court having jurisdiction over the proceedings is prevented from holding its usual and stated sessions due to conditions resulting from emergencies described in this chapter.

(6) To perform and exercise other functions, powers, and duties as necessary to promote and secure the safety and protection of the civilian population.

Sec. 29. 20 V.S.A. § 13 is amended to read:

§ 13. TERMINATION OF EMERGENCIES

The Governor:

(1) May terminate by ~~proclamation~~ declaration the emergencies provided for in sections 9 and 11 of this title; provided, however, that no emergencies shall be terminated prior to the termination of such emergency as provided in federal law.

(2) May declare the state of emergency terminated in any area affected by an all-hazards event.

(3) Upon receiving notice that a majority of the legislative body of a municipality affected by a natural disaster no longer desires that the state of emergency continue within its municipality, ~~shall~~ may declare the state of emergency terminated within that particular municipality. Upon the termination of the state of emergency, the functions as set forth in section 9 of this title shall cease, and the local authorities shall resume control.

Sec. 30. 20 V.S.A. § 17 is amended to read:

§ 17. GIFT, GRANT, OR LOAN

(a) Federal. ~~Whenever~~ Subject to the provisions of subsection (c) of this section, whenever the federal government or any agency or officer of the federal government offers to the State, or through the State to any town or city within Vermont, services, equipment, supplies, materials, or funds by way of gift, grant, or loan for purposes of emergency management, the State, acting through the Governor in coordination with the Department of Public Safety, or such town or city acting with the consent of the Governor and through its executive officer or legislative branch, may accept the offer, and upon such acceptance, the Governor or the executive officer or legislative branch of the political subdivision may authorize any officer of the State or of the political subdivision, as the case may be, to receive the services, equipment, supplies, materials, or funds on behalf of the State or the political subdivisions, and subject to the terms of the offer and rules, if any, of the agency making the offer. Whenever a federal grant is contingent upon a State or local contribution, or both, the Department of Public Safety and the political subdivision shall determine whether the grant shall be accepted and, if accepted, the respective shares to be contributed by the State and town or city concerned.

(b) Private. ~~Whenever~~ Subject to the provisions of subsection (c) of this section, whenever any person, firm, or corporation offers to the State or to any town or city in Vermont services, equipment, supplies, materials, or funds by

way of gift, grant, or loan, for purposes of emergency management, the State, acting through the Governor, or the political subdivision, acting through its executive officer or legislative branch, may accept the offer, and upon such acceptance, the Governor or executive officer or legislative branch of the political subdivision may authorize any officer of the State or the political subdivision, as the case may be, to receive the services, equipment, supplies, materials, or funds on behalf of the State or the political subdivision~~,~~ and subject to the terms of the offer.

(c)(1) Any services, equipment, supplies, materials, or funds by way of gift, grant, or loan for purposes of emergency management, accepted by the Governor pursuant to subsections (a) and (b) of this section shall be accepted in accordance with the provisions of 32 V.S.A. § 5.

(2)(A) Notwithstanding the provisions of subdivision (1) of this subsection, the Governor shall have the sole authority to accept services, equipment, supplies, materials, or funds by way of gift, grant, or loan for purposes of emergency management pursuant to subsections (a) or (b) of this section, or both, if there exists a reasonable expectation that without the acceptance the all-hazards event will imminently cause bodily harm, loss of life, or significant property damage within the State.

(B) As soon as practicable after an acceptance pursuant to subsection (A) of this subsection (2), the Department of Finance and Management shall provide the Joint Fiscal Committee and Legislative Joint Fiscal Office a report detailing the acceptance and shall include information with respect to the following items:

(i) the circumstances leading the Governor to reasonably expect that without the acceptance the all-hazards event would have imminently caused bodily harm, loss of life, or significant property damage within the State;

(ii) the source and value;

(iii) the legal and referenced title, in the case of a grant;

(iv) the costs, direct and indirect, for the present and future years;

(v) the receiving department or program, or both; and

(vi) a brief statement of purpose.

Sec. 31. 20 V.S.A. § 26 is amended to read:

§ 26. CHANGE OF VENUE BECAUSE OF ~~ENEMY ATTACK~~ AN ALL-HAZARDS EVENT

In the event that the place where a civil action or a criminal prosecution is

required by law to be brought has become and remains unsafe because of an attack upon the United States or Canada or an all-hazards event, such action or prosecution may be brought in or, if already pending, may be transferred to the Superior Court in an unaffected unit and there tried in the place provided by law for such court.

Sec. 32. 20 V.S.A. § 30 is amended to read:

§ 30. STATE EMERGENCY RESPONSE COMMISSION; CREATION

(a) The State Emergency Response Commission is created within the Department of Public Safety. The Commission shall consist of ~~17~~18 members: eight ex officio members, including the Commissioner of Public Safety, the Secretary of Natural Resources, the Secretary of Transportation, the Commissioner of Health, the Secretary of Agriculture, Food and Markets, the Commissioner of Labor, the Director of Fire Safety, and the Director of Emergency Management, or designees; and ~~nine~~ ten public members, including a representative from each of the following: local government, the local emergency planning committee, a regional planning commission, the fire service, law enforcement, public works, emergency medical service, a hospital, a transportation entity required under EPCRA to report chemicals to the State Emergency Response Commission, and another entity required to report extremely hazardous substances under EPCRA.

(b) The ~~nine~~ ten public members shall be appointed ~~by the Governor~~ for staggered three-year terms as described in this subsection.

(1) Three public members, appointed by the Speaker of the House.

(2) Three public members, appointed by the Senate Committee on Committees.

(3) Four public members, appointed by the Governor.

(4) When the seat of a public member is vacated, the replacement member shall be appointed on a rotating basis starting with the Speaker of the House, with the next appointment to be made by the Senate Committee on Committees, and then the next appointment to be made by the Governor, and then beginning again.

(c) The Governor shall appoint the Chair of the Commission.

~~(c)~~(d) Members of the Commission, except State employees who are not otherwise compensated as part of their employment and who attend meetings, shall be entitled to a per diem and expenses as provided in 32 V.S.A. § 1010.

Sec. 33. 20 V.S.A. § 34 is amended to read:

§ 34. TEMPORARY HOUSING FOR DISASTER VICTIMS

(a) Whenever the Governor ~~has proclaimed a disaster~~ declares an emergency under the laws of this State, or the President has declared an emergency or ~~a major disaster~~ an all-hazards event to exist in this State, the Governor is authorized:

(1) To enter into purchase, lease, or other arrangements with any agency of the United States for temporary housing units to be occupied by disaster victims and to make such units available to any political subdivision of the State.

(2) To assist any political subdivision of this State that is the locus of temporary housing for disaster victims to acquire sites necessary for the temporary housing and ~~to do all things required~~ to prepare the site to receive and utilize temporary housing units by:

(A) advancing or lending funds available to the Governor from any appropriation made by the General Assembly or from any other source~~,~~;

(B) "passing through" funds made available by any agency, public or private~~,~~; or

(C) becoming a co-partner with the political subdivision for the execution and performance of any temporary housing for disaster victims project and for such purposes to pledge the credit of the State on such terms as the Governor deems appropriate having due regard for current debt transactions of the State.

(b) ~~Under rules adopted by the Governor, to~~ During a declared state of emergency, the Governor may, by order or rule, temporarily suspend or modify for not more than 60 days any law or rule pertaining to public health, safety, zoning, or transportation ~~(within or across the State), or other requirement of law or rules within Vermont when by proclamation~~ if, the Governor deems the suspension or modification essential to provide temporary housing for disaster victims.

(c) Any political subdivision of this State is expressly authorized to acquire, temporarily or permanently, by purchase, lease, or otherwise, sites required for installation of temporary housing units for disaster victims, and to enter into whatever arrangements are necessary to prepare or equip such sites to utilize the housing units, including the purchase of temporary housing units and payment of transportation charges.

(d) ~~The Governor is authorized to adopt rules as necessary to carry out the purposes of this chapter.~~ [Repealed.]

(e) Nothing in this chapter shall be construed to limit the Governor's authority to apply for, administer, and expend any grants, gifts, or payments in aid of disaster prevention, preparedness, response, or recovery.

(f) ~~As used in this chapter, "major disaster," "emergency," and "temporary housing" have the same meaning as in the Disaster Relief Act of 1974, P.L. 93-288.~~ [Repealed.]

Sec. 34. 20 V.S.A. § 39 is amended to read:

§ 39. FEES TO THE HAZARDOUS SUBSTANCES FUND

(a) Every person required to report the use or storage of hazardous chemicals or substances pursuant to EPCRA shall pay the following annual fees for each hazardous chemical or substance, as defined by the State Emergency Response Commission, that is present at the facility:

(1) $40.00 for quantities between 100 and 999 pounds.

(2) $60.00 for quantities between 1,000 and 9,999 pounds.

(3) $100.00 for quantities between 10,000 and 99,999 pounds.

(4) $290.00 for quantities between 100,000 and 999,999 pounds.

(5) $880.00 for quantities exceeding 999,999 pounds.

(6) An additional fee of $250.00 will be assessed for each extremely hazardous chemical or substance as defined in 42 U.S.C. § 11002.

(b) The fee shall be paid to the Commissioner of Public Safety and shall be deposited into the Hazardous Chemical and Substance Emergency Response Fund.

(c) The following are exempted from paying the fees required by this section but shall comply with the reporting requirements of this chapter:

(1) municipalities and other political subdivisions;

(2) State agencies;

(3) persons engaged in farming as defined in 10 V.S.A. § 6001; and

(4) nonprofit corporations.

(d) No person shall be required to pay a fee for a chemical or substance that has been determined to be an economic poison as defined in 6 V.S.A. § 911 or for a fertilizer or agricultural lime as defined in 6 V.S.A. § 363 and for which a registration or tonnage fee has been paid to the Agency of Agriculture, Food and Markets pursuant to 6 V.S.A. chapter 28 or 81.

(e) The State or any political subdivision, including any municipality, fire district, emergency medical service, or incorporated village, is authorized to recover any and all reasonable direct expenses incurred as a result of the response to and recovery of a hazardous chemical or substance incident from the person or persons responsible for the incident. All funds collected by the State under this subsection shall be deposited into the Hazardous Chemical and Substance Emergency Response Fund created pursuant to subsection 38(b) of this chapter. The Attorney General shall act on behalf of the State to recover these expenses. The State or political subdivision shall be awarded costs and reasonable attorney's fees that are incurred as a result of exercising the provisions of this subsection.

(f)(1) The Department of Public Safety shall have authority to inspect the premises and records of any employer to ensure compliance with the provisions of this chapter and the rules adopted under this chapter.

(2) A person who violates any provision of this chapter or any rule adopted under this chapter shall be fined not more than $1,000.00 for each violation. Each day a violation continues shall be deemed to be a separate violation.

(3) The Attorney General may bring an action for injunctive relief in the Superior Court of the county in which a violation occurs to compel compliance with the provisions of this chapter.

Sec. 35. REPEAL

20 V.S.A. § 40 (enforcement) is repealed.

Sec. 36. [Deleted.]

Sec. 37. [Deleted.]

* * * Effective Dates * * *

Sec. 38. EFFECTIVE DATES

This act shall take effect on July 1, 2024, except that Sec. 21 (20 V.S.A. § 4) shall take effect on July 1, 2025.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senators Clarkson, Hardy, Norris, Watson, White and Vyhovsky moved that the Senate concur in the House proposal of amendment with a proposal of amendment by striking out Sec. 6a, 20 V.S.A. chapter 181, in its entirety and inserting in lieu thereof the following:

Sec. 6a. [Deleted.]

Thereupon, the question, Shall the Senate concur in the House proposal of amendment with further proposal of amendment?, was decided in the affirmative.

Rules Suspended, Immediate Consideration; Proposal of Amendment; Bill Passed in Concurrence with Proposal of Amendment

H. 121.

Pending entry on the Calendar for action tomorrow, on motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to enhancing consumer privacy.

Was placed in all remaining stages of passage.

Thereupon, pending third reading of the bill, Senator Ram Hinsdale moved to amend the Senate proposal of amendment as follows:

First: In Sec. 1, Vermont Data Privacy Act, by striking out section 2415 in its entirety and inserting in lieu thereof a new section 2415 to read as follows:

§ 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) "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.

(3)(A) "Biometric data" means personal 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.

(4) "Broker-dealer" has the same meaning as in 9 V.S.A. § 5102.

(5) "Business associate" has the same meaning as in HIPAA.

(6) "Child" has the same meaning as in COPPA.

(7)(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.

(8)(A) "Consumer" means an individual who is a resident of the State and who is an adult.

(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.

(9) "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.

(10) "Consumer health data controller" means any controller that, alone or jointly with others, determines the purpose and means of processing consumer health data.

(11) "Consumer reporting agency" has the same meaning as in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f);

(12) "Controller" means a person who, alone or jointly with others, determines the purpose and means of processing personal data.

(13) "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.

(14) "Covered entity" has the same meaning as in HIPAA.

(15) "Credit union" has the same meaning as in 8 V.S.A. § 30101.

(16) "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.

(17) "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 (17).

(18) "Educational institution" has the same meaning as "educational agency or institution" in 20 U.S.C. § 1232g (family educational and privacy rights);

(19) "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.

(20) "Gender-affirming health care services" has the same meaning as in 1 V.S.A. § 150.

(21) "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.

(22) "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.

(23) "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.

(24) "Health care component" has the same meaning as in HIPAA.

(25) "Health care facility" has the same meaning as in 18 V.S.A. § 9432.

(26) "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.

(27) "Hybrid entity" has the same meaning as in HIPAA.

(28) "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.

(29) "Independent trust company" has the same meaning as in 8 V.S.A. § 2401.

(30) "Investment adviser" has the same meaning as in 9 V.S.A. § 5102.

(31) "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.

(32) "Nonpublic personal information" has the same meaning as in 15 U.S.C. § 6809.

(33) "Patient identifying information" has the same meaning as in 42 C.F.R. § 2.11 (confidentiality of substance use disorder patient records).

(34) "Patient safety work product" has the same meaning as in 42 C.F.R. § 3.20 (patient safety organizations and patient safety work product).

(35)(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.

(36)(A) "Precise geolocation data" means personal data derived from technology that accurately identifies within a radius of 1,850 feet a consumer's present or past location or the present or past location of a device that links or is linkable to a consumer or any data that is derived from a device that is used or intended to be used to locate a consumer within a radius of 1,850 feet by means of technology that includes a global positioning system that provides latitude and longitude coordinates.

(B) "Precise geolocation data" does not include the content of communications or any data generated by or connected to advanced utility metering infrastructure systems or equipment for use by a utility.

(37) "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.

(38) "Processor" means a person who processes personal data on behalf of a controller.

(39) "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.

(40) "Protected health information" has the same meaning as in HIPAA.

(41) "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.

(42) "Publicly available information" means information that:

(A) is lawfully made available through federal, state, or local government records or widely distributed media; or

(B) a controller has a reasonable basis to believe a consumer has lawfully made available to the general public.

(43) "Qualified service organization" has the same meaning as in 42 C.F.R. § 2.11 (confidentiality of substance use disorder patient records);

(44) "Reproductive or sexual health care" has the same meaning as "reproductive health care services" in 1 V.S.A. § 150(c)(1).

(45) "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.

(46) "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.

(47)(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, including for political gain.

(B) "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.

(48) "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, union membership, or political affiliation;

(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 or menstrual cycle, 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 a photograph, film, video recording, or other similar medium that shows the naked or undergarment-clad private area of a consumer; or

(J) is precise geolocation data.

(49)(A) "Targeted advertising" means displaying an advertisement to a consumer where the advertisement is selected based on personal data obtained or inferred from that consumer's activities over time and across nonaffiliated internet websites or online applications to predict the consumer's preferences or interests.

(B) "Targeted advertising" does not include:

(i) an advertisement based on activities within a controller's own websites or online applications;

(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.

(50) "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.

(51) "Trade secret" has the same meaning as in section 4601 of this title.

(52) "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.

Second: In Sec. 1, Vermont Data Privacy Act, in subdivision 2418(b)(3), by striking out "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."

Third: In Sec. 1, Vermont Data Privacy Act, by striking out section 2420 in its entirety and inserting in lieu thereof a new section 2420 to read as follows:

§ 2420. DUTIES OF CONTROLLERS TO MINORS

(a) A minor who is a resident of Vermont shall have the same rights as provided to a consumer under subdivisions 2415(a)(1)–(5) of this title.

(b)(1) A minor who is a resident of Vermont may exercise the rights provided under subsection (a) of this section in the same manner as provided to a consumer under subsection 2415(b) of this title.

(2) 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.

(c) Except as otherwise provided in this chapter, a controller shall comply with a request by a minor who is a resident of Vermont in the same manner as provided under subsection 2418(c) of this title and shall establish a process for appeal in the same manner as provided under subsection 2418(d) of this title.

(d) A controller shall not discriminate or retaliate against a known minor who is a resident of Vermont who exercises a right provided to the minor under this chapter, 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 minor.

(e) Subsection (d) of this section shall not be construed to:

(1) require a controller to provide a good or service that requires personal data from a minor 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 minor, including an offer for no fee or charge, in connection with a minor's voluntary participation in a financial incentive program, such as a bona fide loyalty, rewards, premium features, discount, or club card program.

(f) A controller shall not process the personal data of a known minor for the purpose of targeted advertising.

Fourth: By striking out Sec. 4, effective dates, and inserting in lieu thereof a new Sec. 4 and one new section to be Sec. 5 to read as follows:

Sec. 4. 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 or 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) "Consumer health data" means any personal data that a controller uses to identify a minor consumer's physical or mental health condition or diagnosis, including gender-affirming health data and reproductive or sexual health data.

(9) "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.

(10) "Covered entity" has the same meaning as in HIPAA.

(11) "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."

(12) "Default" means a preselected option adopted by the covered business for the online service, product, or feature.

(13) "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.

(14) "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.

(15) "Gender-affirming health care services" has the same meaning as in 1 V.S.A. § 150.

(16) "Gender-affirming health data" means any personal data concerning a past, present, or future effort made by a minor consumer to seek, or a minor consumer's receipt of, gender-affirming health care services, including:

(A) precise geolocation data that is used for determining a minor 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.

(17) "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.

(18) "Health care facility" has the same meaning as in 18 V.S.A. § 9432.

(19)(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.

(20) "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.

(21)(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.

(22) "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.

(23) "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.

(24) "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.

(25) "Processor" means a person who processes personal data on behalf of a covered business.

(26) "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.

(27) "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.

(28) "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.

(29) "Reproductive or sexual health care" has the same meaning as "reproductive health care services" in 1 V.S.A. § 150(c)(1).

(30) "Reproductive or sexual health data" means any personal data concerning a past, present, or future effort made by a minor consumer to seek, or a consumer's receipt of, reproductive or sexual health care.

(31) "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.

(32) "Sale," "sell," or "sold" means the exchange of personal data for monetary or other valuable consideration by a covered entity to a third party. It does not include the following:

(A) the disclosure of personal data to a third party who processes the personal data on behalf of the covered entity;

(B) the disclosure of personal data to a third party with whom the consumer has a direct relationship for purposes of providing a product or service requested by the consumer;

(C) the disclosure or transfer of personal data to an affiliate of the covered entity;

(D) the disclosure of data that the consumer intentionally made available to the general public via a channel of mass media and did not restrict to a specific audience; or

(E) the disclosure or transfer of personal data to a third party as an asset that is part of a completed or proposed merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the covered entity's assets.

(33)(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.

(34) "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. Part 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 and material physical or financial injury to a minor consumer;

(2) reasonably foreseeable emotional distress as defined in 13 V.S.A. § 1061(2) to a minor consumer;

(3) a highly offensive intrusion on the reasonable privacy expectations of a minor consumer;

(4) the encouragement of excessive or compulsive use of the online service, product, or feature by a minor consumer; or

(5) 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 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 entities 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) process personal data of a minor consumer unless it is reasonably necessary in providing an online service, product, or feature requested by a minor consumer with which a minor consumer is actively and knowingly engaged;

(5) profile a minor consumer, unless:

(A) the covered business can demonstrate it has appropriate safeguards in place to ensure that profiling does not violate the minimum duty of care;

(B) profiling is necessary to provide the online service, product, or feature requested and only with respect to the aspects of the online service, product, or feature with which a minor consumer is actively and knowingly engaged; or

(C) the covered business can demonstrate a compelling reason that profiling will benefit a minor consumer;

(6) sell the personal data of a minor consumer;

(7) process any precise geolocation information of a minor consumer by default, unless the collection of that precise geolocation information is strictly necessary for the covered business to provide the service, product, or feature requested by a minor consumer and is then only collected for the amount of time necessary to provide the service, product, or feature;

(8) process any precise geolocation information of a minor consumer without providing a conspicuous signal to the minor consumer for the duration of that collection that precise geolocation information is being collected;

(9) use dark patterns;

(10) 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; or

(11) 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 minor consumer regarding the minor consumer's consumer health data.

(b) A violation of this section constitutes a violation of the minimum duty of care as provided in section 2449c of this chapter.

§ 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; or

(3) require a covered business to implement an age verification requirement, such as age gating.

§ 2449h. RIGHTS AND FREEDOMS OF CHILDREN

It is the intent of the General Assembly that nothing in this act shall be construed to infringe on the existing rights and freedoms of children or be construed to discriminate against the child based on race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, or national origin.

Sec. 5. EFFECTIVE DATES

(a) This section and Sec. 2 (AI and Data Privacy Advisory Council) shall take effect on July 1, 2024.

(b) Sec. 1 (Vermont Data Privacy Act), Sec. 3 (Protection of Personal Information), and Sec. 4 (Age-Appropriate Design Code) shall take effect on July 1, 2025.

Which was agreed to.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

Rules Suspended, Immediate Consideration; Proposal of Amendment; Third Reading Ordered; Rules Suspended; Bill Passed

H. 55.

Pending entry on the calendar for notice, on motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to miscellaneous unemployment insurance amendments.

Was taken up.

Senator Clarkson, for the Committee on Economic Development, Housing and General Affairs, to which the bill was referred reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Unemployment Insurance * * *

Sec. 1. 21 V.S.A. § 1325 is amended to read:

§ 1325. EMPLOYERS' EXPERIENCE-RATING RECORDS; DISCLOSURE TO SUCCESSOR ENTITY

(a)(1) The Commissioner shall maintain an experience-rating record for each employer. Benefits paid shall be charged against the experience-rating record of each subject employer who provided base-period wages to the eligible individual. Each subject employer's experience-rating charge shall bear the same ratio to total benefits paid as the total base-period wages paid by that employer bear to the total base-period wages paid to the individual by all base-period employers. The experience-rating record of an individual subject base-period employer shall not be charged for benefits paid to an individual under any of the following conditions:

* * *

(2) If an individual's unemployment is directly caused by a major disaster declared by the President of the United States pursuant to 42 U.S.C. § 5122 and the individual would have been eligible for federal disaster unemployment assistance benefits but for the receipt of regular benefits, an employer shall be relieved of charges for benefits paid to the individual with

respect to any week of unemployment occurring due to the natural disaster up to a maximum amount of ~~four~~ 10 weeks.

* * *

Sec. 2. 21 V.S.A. § 1347 is amended to read:

§ 1347. NONDISCLOSURE OR MISREPRESENTATION; OVERPAYMENTS; WAIVER

* * *

(e) In addition to the foregoing, when ~~it is found by~~ the Commissioner finds that a person intentionally misrepresented or failed to disclose a material fact with respect to ~~his or her~~ the person's claim for benefits ~~and in the event the person is not prosecuted~~, the Commissioner may prosecute the person under section 1368 of this title ~~and penalty provided in section 1373 of this title is not imposed, the person shall be disqualified and shall not be entitled to receive benefits to which he or she would otherwise be entitled after the determination for such number of weeks not exceeding 26 as the Commissioner shall deem just. The notice of determination shall also specify the period of disqualification imposed hereunder~~.

(f)(1) Notwithstanding any provision of subsection (a), (b), or (d) of this section to the contrary, the Commissioner may waive up to the full amount of any overpayment that is not a result of the person's intentional misrepresentation of or failure to disclose a material fact if:

(A) the overpayment occurs through no fault of the person; and

(B) recovery of the overpayment would be against equity and good conscience.

(2) A person may request a waiver of an overpayment at any time after receiving notice of a determination pursuant to subsection (a) or (b) of this section.

(3) Upon making a determination that an overpayment occurred pursuant to subsection (a) or (b) of this section, the Commissioner shall, to the extent possible and in consideration of the information available to the Department, determine whether waiver of the amount of overpaid benefits is appropriate.

(4) The Commissioner shall provide notice of the right to request a waiver of an overpayment with each determination that an overpayment has occurred. The notice shall include clear instructions regarding the circumstances under which a waiver may be granted and how a person may apply for a waiver.

(5) If the Commissioner denies an application for a waiver, the Commissioner shall provide written notice of:

(A) the denial with enough information to ensure that the person can understand the reason for the denial; and

(B) the person's right to appeal the determination pursuant to subsection (h) of this section.

(6)(A) A person whose request to waive an overpayment pursuant to this subsection has been denied pursuant to subdivision (5) of this subsection (f) and whose rights to appeal the denial pursuant to subsection (h) have been exhausted shall be permitted to submit an additional request to waive the overpayment if the person can demonstrate a material change in the person's circumstances such that recovery of the overpayment would be against equity and good conscience.

(B) The Commissioner may dismiss a request to waive an overpayment that is submitted pursuant to this subdivision (6) if the Commissioner finds that there is no material change in the person's circumstances such that recovery of the overpayment would be against equity and good conscience. The Commissioner's determination pursuant to this subdivision (6) shall be final and shall not be subject to appeal.

(7) In the event that an overpayment is waived on appeal, the Commissioner shall, as soon as practicable, refund any amounts collected or withheld in relation to the overpayment pursuant to the provisions of this section.

(g) The provisions of subsection (f) of this section shall, to the extent permitted by federal law, apply to overpayments made in relation to any federal unemployment insurance benefits or similar federal benefits.

(h) Interested parties shall have the right to appeal from any determination under this section and the same procedure shall be followed as provided for in subsection 1348(a) and section 1349 of this title.

(i) The Commissioner shall not attempt to recover an overpayment or withhold any amounts of unemployment insurance benefits from a person:

(1) until after the Commissioner has made a final determination regarding whether an overpayment of benefits to the person occurred and the person's right to appeal the determination has been exhausted; or

(2) if the person filed an application for a waiver, until after the Commissioner has made an initial determination regarding the application.

(j)(1) The Commissioner shall provide any person who received an overpayment of benefits and is not currently receiving benefits pursuant to this chapter with the option of entering into a plan to repay the amount of the overpayment. The plan shall provide for reasonable weekly, biweekly, or monthly payments in an amount that permits the person to continue to afford the person's ordinary living expenses.

(2) The Commissioner shall permit a person to request a modification to a repayment plan created pursuant to this subsection if the person's ability to afford ordinary living expenses changes.

Sec. 3. 21 V.S.A. § 1347 is amended to read:

§ 1347. NONDISCLOSURE OR MISREPRESENTATION; OVERPAYMENTS; WAIVER

* * *

(d) In any case in which under this section a person is liable to repay any amount to the Commissioner for the Fund, the Commissioner may withhold~~, in whole or in part, any~~ future benefits payable to ~~such~~ the person, in amounts equal to not more than 50 percent of the person's weekly benefit amount, and credit ~~such~~ the withheld benefits against the amount due from ~~such~~ the person until it is repaid in full, less any penalties assessed under subsection (c) of this section.

* * *

Sec. 4. WAIVER OF UI OVERPAYMENT; RULEMAKING

On or before November 1, 2024, the Employment Security Board shall commence rulemaking and file proposed rule amendments pursuant to 3 V.S.A. § 838 as necessary to implement the provisions of Sec. 2 of this act, amending 21 V.S.A. § 1347.

Sec. 5. 21 V.S.A. § 1368 is amended to read:

§ 1368. FALSE STATEMENTS TO INCREASE PAYMENTS

(a) A person ~~shall not willfully and~~ who intentionally ~~make~~ makes a false statement or representation to obtain ~~or~~, increase, or initiate any benefit or other payment under this chapter, ~~either for himself, herself,~~ whether for themselves or any other person, shall, after notice and an opportunity for a hearing, be:

(1) liable to repay the amount of overpaid benefits and any applicable penalty imposed pursuant to section 1347 of this chapter;

(2) assessed a further administrative penalty of up to $5,000.00; and

(3) ineligible to receive benefits pursuant to this chapter for a period of up to five years from the date on which the false statement or representation was discovered.

(b) Interested parties shall have the right to appeal from any determination under this section and the same procedure shall be followed as provided for in subsection 1348(a) and section 1349 of this chapter.

(c) The Commissioner may collect an unpaid administrative penalty by filing a civil action in the Superior Court.

* * * Unemployment Insurance Technical Corrections * * *

Sec. 6. 21 V.S.A. § 1301 is amended to read:

§ 1301. DEFINITIONS

As used in this chapter:

* * *

(3) "Contributions" means the money payments to the State Unemployment Compensation Trust Fund required by this chapter.

* * *

(25) ~~"Son," "daughter," and "child" include~~ "Child" includes an individual's biological child, foster child, adoptive child, stepchild, a child for whom the individual is listed as a parent on the child's birth certificate, a legal ward of the individual, a child of the individual's spouse, or a child that the individual has day-to-day responsibilities to care for and financially support.

* * *

Sec. 7. 21 V.S.A. § 1321(d) is amended to read:

(d) Financing benefits paid to employees of State. In lieu of contributions required of employers subject to this chapter, the State of Vermont, including State hospitals but excluding any State institution of higher education, shall pay to the Commissioner, for the Unemployment Compensation Trust Fund, an amount equal to the amount of benefits paid, including the full amount of extended benefits paid, attributable to service by individuals in the employ of the State. At the end of each calendar quarter, or at the end of any other period as determined by the Commissioner, the Commissioner shall bill the State for the amount of benefits paid during ~~such~~ the quarter or other prescribed period that is attributable to service in the employ of the State. Subdivisions (c)(3)(C) through (3)(F), inclusive, and subdivisions (c)(5) and (6) of this section as they apply to nonprofit organizations shall also apply to the State of Vermont, except that the State shall be liable for all benefits paid, including the

full amount of extended benefits paid, attributable to service in the employ of the State.

Sec. 8. 21 V.S.A. § 1361 is amended to read:

§ 1361. MANAGEMENT OF FUNDS UPON DISCONTINUANCE OF UNEMPLOYMENT TRUST FUND

The provisions of sections 1358–1360 of this ~~title~~ subchapter to the extent that they relate to the federal Unemployment Trust Fund, shall be operative only ~~so long as such~~ if the federal Unemployment Trust Fund continues to exist and ~~so long as~~ the U.S. Secretary of the Treasury continues to maintain for this State a separate book account of all Funds deposited ~~therein~~ in the federal Unemployment Trust Fund by this State for benefit purposes, together with this State's proportionate share of the earnings of ~~such~~ the Unemployment Trust Fund, from which only the Commissioner of Labor is permitted to make withdrawals. If and when ~~such Unemployment Trust Fund shall~~ federal law no longer ~~be required by the laws of the United States~~ requires the federal Unemployment Trust Fund to be maintained ~~as aforesaid~~ as a condition of approval of this chapter as provided in Title III of the Social Security Act, then all monies, properties, or securities ~~therein~~ in the federal Unemployment Trust Fund, belonging to the Unemployment Compensation Trust Fund of this State, shall be transferred to the treasurer of the Unemployment Compensation Trust Fund, who shall hold, invest, transfer, sell, deposit, and release ~~such~~ the monies, properties, or securities in a manner approved by the Commissioner and appropriate for trust funds, subject to all claims for benefits under this chapter.

Sec. 9. 21 V.S.A. § 1362 is amended to read:

§ 1362. UNEMPLOYMENT COMPENSATION ADMINISTRATION FUND

~~There is hereby created the~~ The Unemployment Compensation Administration Fund is created to consist of all monies received by the State or by the Commissioner for the administration of this chapter. ~~This special fund~~ The Unemployment Compensation Administration Fund shall be a special fund managed pursuant to 32 V.S.A. chapter 7, subchapter 5. The Unemployment Compensation Administration Fund shall be handled through the State Treasurer as other State monies are handled, but it shall be expended solely for the purposes and in the amounts found necessary by the Secretary of Labor for the proper and efficient administration of ~~such~~ this chapter and its balance shall not lapse at any time but shall remain continuously available to the Commissioner for expenditures consistent ~~herewith~~ with the provisions of this section. All federal monies allotted or apportioned to the State by the

Secretary of Labor, or other agency, for the administration of this chapter shall be paid into the Unemployment Compensation Administration Fund and are hereby appropriated to ~~such~~ the Unemployment Compensation Administration Fund.

Sec. 10. 21 V.S.A. § 1365 is amended to read:

§ 1365. CONTINGENT FUND

(a) There is ~~hereby~~ created a special fund to be known as the Contingent Fund. All interest, fines, and penalties collected under the provisions of ~~the unemployment compensation law after April 1, 1947~~ this chapter, together with any voluntary contributions tendered as a contribution to ~~this~~ the Contingent Fund, shall be paid into ~~this~~ the Contingent Fund. ~~Such~~ The monies shall not be expended or available for expenditures in any manner ~~which~~ that would permit their substitution for, or a corresponding reduction in, federal funds ~~which~~ that would in the absence of ~~such~~ the monies be available to finance expenditures for the administration of the unemployment compensation law.

(b) ~~But nothing~~ Nothing in this chapter shall prevent ~~such~~ the monies from being used as a revolving fund to cover expenditures, necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of ~~such~~ the expenditures against ~~such~~ the funds when received.

(c) The monies in ~~this~~ the Contingent Fund shall be used by the Commissioner for the payment of costs of administration ~~which~~ that are found not to have been properly and validly chargeable against federal grants, or other funds, received for or in the Unemployment Compensation Administration Fund ~~on or after January 1, 1947~~. No expenditure of the Contingent Fund shall be made unless and until the Commissioner finds that no other funds are available or can properly be used to finance ~~such~~ the expenditures.

(d) The State Treasurer shall co-sign all expenditures from ~~this~~ the Contingent Fund authorized by the Commissioner.

(e) The monies in ~~this~~ the Contingent Fund are ~~hereby specifically made~~ available to replace, within a reasonable time, any monies received by this State pursuant to ~~section 302 of the federal Social Security Act, as amended, which~~ 42 U.S.C. § 502 that because of any action or contingency, have been lost or have been expended for purposes other than, or in amounts in excess of, those necessary for the proper administration of the unemployment compensation law.

(f) The monies in ~~this~~ the Contingent Fund shall be continuously available to the Commissioner for expenditure in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund except as ~~herein~~ provided pursuant to this section.

(g) ~~Provided, however, that on~~ On December 31 of each year, all monies in excess of $10,000.00 in ~~this~~ the Contingent Fund shall be transferred to the Unemployment Compensation Trust Fund. On or before March 31 of each year, an audit of ~~this~~ the Contingent Fund ~~will~~ shall be completed and a report of that audit ~~will~~ shall be made public.

(h) In the event that a refund of interest, a fine, or a penalty is found necessary, and ~~such~~ the interest, fine, or penalty has been deposited in the Contingent Fund, ~~such~~ the refund shall be made from the Contingent Fund.

* * * Workers' Compensation * * *

Sec. 11. 2023 Acts and Resolves No. 76, Sec. 38 is amended to read:

Sec. 38. ADOPTION OF RULES

The Commissioner of Labor shall, on or before July 1, 2024, adopt rules as necessary to implement the provisions of Secs. 29, 30, 31, 32, 33, 34, ~~35,~~ 36, and 37~~, and 38~~ of this act.

Sec. 12. 21 V.S.A. § 601 is amended to read:

§ 601. DEFINITIONS

As used in this chapter:

* * *

(11) "Personal injury by accident arising out of and in the course of employment" includes an injury caused by the willful act of a third person directed against an employee because of that employment.

* * *

(I)(i) In the case of police officers, rescue or ambulance workers, ~~or~~ firefighters, or State employees, as that term is defined pursuant to subdivision (iii)(VI) of this subdivision (11)(I), post-traumatic stress disorder that is diagnosed by a mental health professional shall be presumed to have been incurred during service in the line of duty and shall be compensable, unless it is shown by a preponderance of the evidence that the post-traumatic stress disorder was caused by nonservice-connected risk factors or nonservice-connected exposure.

(ii) A police officer, rescue or ambulance worker, ~~or~~ firefighter, or State employee who is diagnosed with post-traumatic stress disorder within three years ~~of~~ following the last active date of employment as a police officer, rescue or ambulance worker, ~~or~~ firefighter, or State employee shall be eligible for benefits under this subdivision (11).

(iii) As used in this subdivision (11)(I):

(I) "Classified employee" means an employee in the classified service, as defined pursuant to 3 V.S.A. § 311.

(II) "Firefighter" means a firefighter as defined in 20 V.S.A. § 3151(3) and (4).

~~(II)~~(III) "Mental health professional" means a person with professional training, experience, and demonstrated competence in the treatment and diagnosis of mental conditions, who is certified or licensed to provide mental health care services and for whom diagnoses of mental conditions are within ~~his or her~~ the person's scope of practice, including a physician, nurse with recognized psychiatric specialties, psychologist, clinical social worker, mental health counselor, or alcohol or drug abuse counselor.

~~(III)~~(IV) "Police officer" means a law enforcement officer who has been certified by the Vermont Criminal Justice Council pursuant to 20 V.S.A. chapter 151.

~~(IV)~~(V) "Rescue or ambulance worker" means ambulance service, emergency medical personnel, first responder service, and volunteer personnel as defined in 24 V.S.A. § 2651.

(VI) "State employees" means:

(aa) facility employees of the Department of Corrections;

(bb) employees of the Department of Corrections who provide direct security or treatment services to offenders under supervision in the community;

(cc) classified employees of State-operated therapeutic community residences or inpatient psychiatric hospital units;

(dd) classified employees of public safety answering points;

(ee) classified employees of the Family Services Division of the Department for Children and Families;

(ff) classified employees of the Vermont Veterans' Home;

(gg) classified employees of the Department of State's Attorneys and Sheriffs, State's Attorneys, and employees of the Department of

State's Attorneys and Sheriffs who are assigned to a State's Attorney's field office; and

(hh) classified employees in the Criminal Division of the Attorney General's Office.

* * *

Sec. 13. SURVEY OF FIRE DEPARTMENTS; REPORT

(a) The Executive Director of the Division of Fire Safety shall conduct an annual survey of Vermont municipal fire departments and private volunteer fire departments during calendar years 2025, 2027, and 2029 regarding the following information, to the extent such information is available to the departments:

(1) the number of firefighters in the department;

(2) the number of firefighters in the department who use tobacco products; and

(3) for each firefighter in the department, the firefighter's:

(A) age;

(B) gender;

(C) position or rank in the department;

(D) if a professional firefighter, the date of hire, and if a volunteer firefighter, the date on which service in the department began;

(E) the period of employment or service with the department;

(F) if the firefighter's employment or service with the department terminated during the previous 24 months, the date on which the employment or service terminated;

(G) if a professional firefighter, the annual salary or hourly wage paid by the department;

(H) if a volunteer firefighter, the annual salary or hourly wage paid by the volunteer firefighter's regular employment; and

(I) the number of fires responded to during the previous 24 months.

(b)(1) Except as provided pursuant to subsection (c) of this section, all information obtained as part of the surveys conducted pursuant to subsection (a) of this section shall be kept confidential and shall be exempt from public inspection and copying under the Public Records Act.

(2) The reports prepared pursuant to subsection (c) of this section shall present the results of the surveys conducted pursuant to subsection (a) of this section in an aggregated and anonymized manner and shall not include personally identifying information for any firefighter.

(c) On or before December 15 of 2025, 2027, and 2029, the Executive Director shall report to the Commissioner of Financial Regulation, the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development regarding the results of the survey.

Sec. 14. FIREFIGHTERS' WORKERS' COMPENSATION CLAIMS FOR CANCER; ANNUAL REPORT

(a) The Commissioner of Financial Regulation shall, on or before February 1 of 2026, 2028, and 2030, report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development regarding:

(1) the number of workers' compensation claims for cancer that were submitted by Vermont firefighters in the previous 24 months;

(2) the number and percentage of those claims that were approved;

(3) the types of cancer for which the claims were submitted; and

(4) national trends with respect to workers' compensation claims for cancer submitted by firefighters during the previous 24 months, including, to the extent that information is available, the number of claims filed, the rate of claim approval, and, to the extent information is available, the types of cancer for which claims were submitted.

(b) All workers' compensation insurers doing business in Vermont shall report to the Commissioner of Financial Regulation, in a time and manner specified by the Commissioner:

(1) the number of workers' compensation claims for cancer that were received by the insurer from Vermont firefighters;

(2) the number of those claims that were approved; and

(3) the types of cancer for which the claims were submitted.

(c) The February 1, 2030 report required pursuant to subsection (a) of this section shall, in addition to setting forth the information required pursuant to subsection (a):

(1) aggregate and summarize the data required pursuant to subsection (a) for the preceding six years;

(2) compare the incidence of cancer among firefighters in Vermont to the incidence of cancer among firefighters nationally; and

(3) include a recommendation regarding any legislative action needed to better address the occurrence of cancer among firefighters in Vermont.

Sec. 15. DIVISION OF FIRE SAFETY; FIRE DEPARTMENTS; SUBSIDY FOR ANNUAL CANCER SCREENING

(a) The Division of Fire Safety shall subsidize the cost of providing cancer screening to Vermont professional and volunteer firefighters, as well as all enrollees in the Vermont Fire Academy Firefighter I program, during fiscal year 2025 to the extent that funds are appropriated for that purpose.

(b)(1) Cancer screening subsidized pursuant to this section shall consist of:

(A) a multi-cancer early detection blood test;

(B) an ultrasound of vital organs, including abdominal aorta, thyroid, liver, gallbladder, spleen, bladder, kidney, testicles for males, and exterior pelvis for females; and

(C) any additional screening that the Executive Director determines to be appropriate.

(2) The Executive Director shall determine the specific types of screening tests to subsidize pursuant to the provision of this section in consultation with appropriate licensed medical professionals.

(c) The Executive Director may utilize the funds appropriated pursuant to subsection (a) of this section to:

(1) provide grants to fire departments to subsidize the cost of cancer screening; or

(2) contract directly with one or more entities to provide cancer screening to fire departments at a discounted rate; or

(3) both.

* * * Unpaid Medical Leave * * *

Sec. 16. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

* * *

(3) "Family leave" means a leave of absence from employment by an employee who works for an employer ~~which~~ that employs 15 or more

individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

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

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

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

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

* * *

~~(5)~~(6) "Serious ~~illness~~ health condition" means:

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

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

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

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

(B) rehabilitation from an accident, illness, injury, disease, or physical or mental condition described in subdivision (A) of this subdivision (6), including treatment for substance use disorder.

Sec. 17. 21 V.S.A. § 472 is amended to read:

§ 472. LEAVE

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

* * *

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

* * *

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

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

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

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

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

* * *

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

* * * Baby Bonds Trust Program * * *

Sec. 18. 3 V.S.A. chapter 20 is added to read:

CHAPTER 20. VERMONT BABY BOND TRUST

§ 601. DEFINITIONS

As used in this chapter:

(1) "Designated beneficiary" means an individual born on or after July 1, 2024 who was eligible at birth for coverage in the Dr. Dynasaur program established in accordance with Title XIX (Medicaid) and Title XXI (SCHIP) of the Social Security Act or for coverage available pursuant to 33 V.S.A. chapter 19, subchapter 9.

(2) "Eligible expenditure" means an expenditure associated with any of the following, each as prescribed by the Treasurer:

(A) education of a designated beneficiary;

(B) purchase of a dwelling unit or real property in Vermont by a designated beneficiary;

(C) investment in a business in Vermont by a designated beneficiary; or

(D) investment or rollover in a qualified retirement account, Section 529 account, or Section 529A account established for the benefit of a designated beneficiary.

(3) "Trust" means the Vermont Baby Bond Trust established by this chapter.

§ 602. VERMONT BABY BOND TRUST; ESTABLISHMENT

(a) There is established the Vermont Baby Bond Trust, to be administered by the Office of the State Treasurer. The Trust shall constitute an instrumentality of the State and shall perform essential governmental functions as provided in this chapter. The Trust shall receive and hold until disbursed in accordance with section 607 of this title all payments, deposits, and contributions intended for the Trust; as well as gifts, bequests, and endowments; federal, State, and local grants; any other funds from any public or private source; and all earnings on these funds.

(b)(1) The amounts on deposit in the Trust shall not constitute property of the State, and the Trust shall not be construed to be a department, institution, or agency of the State. Amounts on deposit in the Trust shall not be commingled with State funds, and the State shall have no claim to or against, or interest in, the amounts on deposit in the Trust.

(2) Any contract entered into by, or any obligation of, the Trust shall not constitute a debt or obligation of the State, and the State shall have no obligation to any designated beneficiary or any other person on account of the Trust.

(3) All amounts obligated to be paid from the Trust shall be limited to the amounts available for that obligation on deposit in the Trust, and the availability of amounts for a class of designated beneficiaries does not constitute an assurance that amounts will be available to the same degree, or at all, to another class of designated beneficiaries. The amounts on deposit in the Trust shall only be disbursed in accordance with the provisions of section 607 of this title.

(4) The Trust shall continue in existence until it no longer holds any deposits or has any obligations and its existence is terminated by law. Upon termination, any unclaimed assets shall return to the State and shall be governed by the provisions of 27 V.S.A chapter 18.

(c) The Treasurer shall be responsible for receiving, maintaining, administering, investing, and disbursing amounts from the Trust. The Trust shall not receive deposits in any form other than cash.

§ 603. TREASURER'S TRUST AUTHORITY

The Treasurer, on behalf of the Trust and for purposes of the Trust, may:

(1) receive and invest monies in the Trust in any instruments, obligations, securities, or property in accordance with section 604 of this title;

(2) enter into one or more contractual agreements, including contracts for legal, actuarial, accounting, custodial, advisory, management, administrative, advertising, marketing, or consulting services, for the Trust and pay for such services from the assets of the Trust;

(3) procure insurance in connection with the Trust's property, assets, activities, or deposits and pay for such insurance from the assets of the Trust;

(4) apply for, accept, and expend gifts, grants, and donations from public or private sources to enable the Trust to carry out its objectives;

(5) adopt rules pursuant to 3 V.S.A. chapter 25;

(6) sue and be sued;

(7) establish one or more funds within the Trust and expend reasonable amounts from the funds for internal costs of administration; and

(8) take any other action necessary to carry out the purposes of this chapter.

§ 604. INVESTMENT OF FUNDS IN THE TRUST

The Treasurer shall invest the amounts on deposit in the Trust in a manner reasonable and appropriate to achieve the objectives of the Trust, exercising the discretion and care of a prudent person in similar circumstances with similar objectives. The Treasurer shall give due consideration to the rate of return, risk, term or maturity, and liquidity of any investment; diversification of the total portfolio of investments within the Trust; projected disbursements and expenditures; and the expected payments, deposits, contributions, and gifts to be received. The Treasurer shall not invest directly in obligations of the State or any political subdivision of the State or in any investment or other fund administered by the Treasurer. The assets of the Trust shall be continuously invested and reinvested in a manner consistent with the objectives of the Trust until disbursed for eligible expenditures or expended on expenses incurred by the operations of the Trust.

§ 605. EXEMPTION FROM TAXATION

The property of the Trust and the earnings on the Trust shall be exempt from all taxation by the State or any political subdivision of the State.

§ 606. MONIES INVESTED IN TRUST NOT CONSIDERED ASSETS OR INCOME

(a) Notwithstanding any provision of law to the contrary, and to the extent permitted by federal law, no sum of money invested in the Trust shall be considered to be an asset or income for purposes of determining an individual's eligibility for assistance under any program administered by the Agency of Human Services.

(b) Notwithstanding any provision of law to the contrary, no sum of money invested in the Trust shall be considered to be an asset for purposes of determining an individual's eligibility for need-based institutional aid grants offered to an individual by a public postsecondary school located in Vermont.

§ 607. ACCOUNTING FOR DESIGNATED BENEFICIARY; CLAIMS REQUIREMENTS

(a) The Treasurer shall establish in the Trust an accounting for each designated beneficiary in the amount of $3,200.00. Each accounting shall include the initial amount of $3,200.00, plus the designated beneficiary's pro rata share of total net earnings from investments of sums held in the Trust.

(b) A designated beneficiary shall become eligible to receive the total sum of the accounting under subsection (a) of this section upon the designated beneficiary's 18th birthday and completion of a financial coaching requirement as prescribed by the Treasurer. The sum shall only be used for eligible expenditures.

(c) The Treasurer shall create a financial coaching program and materials designed to educate designated beneficiaries and others about the permissible use of funds available under this chapter.

(d) A designated beneficiary, or the designated beneficiary's authorized representative in the case of a designated beneficiary unable to make a claim due to disability, may submit a claim for accounting until the designated beneficiary's 30th birthday, provided the designated beneficiary is a resident of the State at the time of the claim. If a designated beneficiary dies before submitting a valid claim or fails to submit a valid claim before the designated beneficiary's 30th birthday, the designated beneficiary's accounting shall be credited back to the assets of the Trust.

(e) The Treasurer shall adopt rules pursuant to 3 V.S.A. chapter 25 to carry out the purposes of this section, including prescribing the process for submitting a valid claim for accounting.

§ 608. DATA SHARING

In carrying out the purposes of this chapter, the Treasurer may enter into an intergovernmental agreement or memorandum of understanding with any agency or instrumentality of the State requiring disclosure to execute the purposes of this chapter to receive outreach, technical assistance, enforcement, and compliance services; collection or dissemination of information pertinent to the Trust, including protected health information and personal identification information, subject to such obligations of confidentiality as may be agreed to or required by law; or other services or assistance.

§ 609. IMPLEMENTATION; PILOT PROGRAM

The Treasurer's duty to implement this chapter is contingent upon publication by the Treasurer of an official statement that the Treasurer has received donations designated for purposes of implementation or administration of the Trust in an amount sufficient to operate a pilot program. Upon publication, the Treasurer shall commence a pilot program implementing the Trust pursuant to the provisions of this chapter. The pilot program shall be used to evaluate the impact, effectiveness, and operational necessities of a permanent program consistent with this chapter.

Sec. 19. VERMONT BABY BOND TRUST; HOUSING OPPORTUNITIES; REPORT

(a) The Office of the State Treasurer, in consultation with interested stakeholders, shall evaluate the following issues and options under the Vermont Baby Bond Trust program established in 3 V.S.A. chapter 20:

(1) increasing housing opportunities in Vermont through investment of Trust funds, including:

(A) how the Treasurer may, consistent with the Treasurer's fiduciary obligations and subject to the provisions of 32 V.S.A. chapter 7, subchapter 2, invest the funds to advance housing opportunities in Vermont;

(B) the amount of funds that could be invested in this manner; and

(C) the anticipated impact of these investments on housing in Vermont;

(2) potential funding sources for the program;

(3) creating eligibility conditions for, and safeguards to protect, a beneficiary's investment in a business in Vermont;

(4) additional mechanisms to encourage beneficiaries to stay in Vermont, including:

(A) incentives to encourage beneficiaries to expend funds on education at in-State institutions; and

(B) the feasibility of limiting expenditures on education to in-State institutions while permitting waivers to access out-of-State institutions based on program availability and capacity;

(5) modifications to the financial coaching element of the program, including:

(A) ensuring a parent or caretaker of a beneficiary is made aware of the program at or around the time of the beneficiary's birth and offered a financial coaching program substantially similar to that offered beneficiaries;

(B) providing additional financial coaching opportunities for beneficiaries who delay withdrawing funds after meeting eligibility conditions;

(C) utilizing an advisory board to assist in developing the financial coaching element; and

(D) measures to expand financial coaching to all children living in Vermont;

(6) measures for achieving inflationary adjustment of the statutorily mandated accounting;

(7) whether additional needs-based programs administered by the State may be impacted by a beneficiary's entitlement to funds in the Trust;

(8) the feasibility of altering the program to permit unclaimed funds to roll over into a beneficiary's retirement account, including mechanisms for creating an account on behalf of a beneficiary and ensuring funds in the account are not accessible until the beneficiary reaches retirement age; and

(9) any other issues relating to the Vermont Baby Bond Trust investments that the Treasurer identifies as warranting study.

(b) On or before January 15, 2025, the Office of the State Treasurer shall submit a written report to the General Assembly with its findings and any recommendations for legislative action.

* * * Effective Dates * * *

Sec. 20. EFFECTIVE DATES

(a) This section and Sec. 11 (workers' compensation rulemaking technical corrections) shall take effect on passage.

(b) Sec. 3 (amending 21 V.S.A. § 1347(d)) shall take effect upon the earlier of July 1, 2026 or the implementation of the Department of Labor's updated unemployment insurance information technology system.

(c) The remaining sections shall take effect on July 1, 2024.

and that after passage the title of the bill be amended to read: "An act relating to miscellaneous unemployment insurance, workers' compensation, and employment practices amendments and to establishing the Vermont Baby Bond Trust"

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Ram Hinsdale, for the Committee on Finance, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Finance with the following amendment thereto:

By striking out Sec. 20, effective dates, and its reader assistance heading in their entireties and inserting in lieu thereof two new sections and their reader assistance headings to read as follows:

* * * Extension of Vermont Employment Growth Incentive Program * * *

Sec. 20. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022 Acts and Resolves No. 164, Sec. 5 and 2023 Acts and Resolves No. 72, Sec. 39, is further amended to read:

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

Notwithstanding any provision of law to the contrary, the Vermont Economic Progress Council shall not accept or approve an application for a Vermont Employment Growth Incentive under 32 V.S.A. chapter 105, subchapter 2 on or after ~~January 1, 2025~~ January 1, 2027.

* * * Effective Dates * * *

Sec. 21. EFFECTIVE DATES

(a) This section and Sec. 11 (workers' compensation rulemaking technical corrections) shall take effect on passage.

(b) Sec. 3 (amending 21 V.S.A. § 1347(d)) shall take effect upon the earlier of July 1, 2026 or the implementation of the Department of Labor's updated unemployment insurance information technology system.

(c) The remaining sections shall take effect on July 1, 2024.

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

An act relating to miscellaneous unemployment insurance, workers' compensation, and employment practices amendments, to establishing the Vermont Baby Bond Trust, and to the Vermont Employment Growth Incentive

And that the bill ought to pass in concurrence with such proposal of amendment.

The President *pro tempore* Assumes the Chair

Senator Perchlik, for the Committee on Appropriations, to which the bill was referred, reported that the bill ought to pass in concurrence with such proposal of amendment.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of proposal of amendment of the Committee on Economic Development, Housing and General Affairs was amended as recommended by the Committee on Finance.

Thereupon, the proposal of amendment recommended by the Committee on Economic Development, Housing and General Affairs, as amended, was agreed to and third reading of the bill was ordered.

Thereupon, on motion of Senator Clarkson, the rules were suspended and the bill was placed in all remaining stages of passage.

Thereupon, the bill was read a third time and passed in concurrence with proposal of amendment.

The President Resumes the Chair

Rules Suspended, Immediate Consideration; Proposal of Amendment; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence with Proposal of Amendment

H. 585.

Appearing on the calendar for notice, on motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to amending the pension system for sheriffs and certain deputy sheriffs.

Was taken up.

Senator Hardy, for the Committee on Government Operations, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Pension System for Sheriff and Deputy Sheriffs * * *

Sec. 1. 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) As used in this subchapter:

* * *

(11) "Member" means any employee included in the membership of the Retirement System under section 457 of this title.

* * *

(F) "Group G member" means:

(i) the following employees who are first employed in the positions listed in this subdivision (F)(i) on or after July 1, 2023, or who are members of the System as of June 30, 2022 and make an irrevocable election to prospectively join Group G on or before June 30, 2023, pursuant to the terms set by the Board: facility employees of the Department of Corrections, ~~as~~ Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, ~~as~~ employees of a facility for justice-involved youth, ~~or as~~ and employees of the Vermont ~~State~~ Psychiatric Care Hospital ~~employees~~ or ~~as employees of~~ its successor in interest, who provide direct patient care; and

(ii) the following employees who are first employed in the positions listed in this subdivision (F)(ii) or first included in the membership of the System on or after January 1, 2025, or who are members of the System as of December 31, 2024 and make an irrevocable election to join Group G on or before December 31, 2024, pursuant to the terms set by the Board:

(I) all sheriffs; and

(II) deputy sheriffs who:

(aa) are employed by county sheriff's departments that participate in the Vermont Employees' Retirement System;

(bb) have attained Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council;

(cc) are required to perform law enforcement duties as the primary function of their employment; and

(dd) are not full-time deputy sheriffs compensated by the State of Vermont whose primary function is transports as defined in 24 V.S.A. § 290(b) and eligible for Group C pursuant to 3 V.S.A. § 455(9)(B).

* * *

(13) "Normal retirement date" means:

* * *

(E) with respect to a Group G member:

(i) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, employees of a facility for justice-involved youth, or employees of the Vermont ~~State~~ Psychiatric Care Hospital or its predecessor or successor in interest, who provide direct patient care, who were first included in the membership of the System on or before June 30, 2008, who were employed as of June 30, 2022, and who made an irrevocable election to prospectively join Group G on or before July 1, 2023, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 62 years of age and following completion of five years of creditable service;

(II) completion of 30 years of creditable service; or

(III) 55 years of age and following completion of 20 years of creditable service; ~~or~~

(ii) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, as employees of a facility for justice-involved youth, or employees of the Vermont ~~State~~ Psychiatric Care Hospital or its predecessor or successor in interest, who provide direct patient care, who were first included in the membership of the System on or after July 1, 2008, who were employed as of June 30, 2022, and who made an irrevocable election to prospectively join Group G on or before July 1, 2023, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 65 years of age and following completion of five years of creditable service;

(II) attainment of 87 points reflecting a combination of the age of the member and number of years of service; or

(III) 55 years of age and following completion of 20 years of creditable service; ~~or~~

(iii) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and

treatment services to offenders under supervision in the community, employees of a facility for justice-involved youth, or employees of the Vermont ~~State~~ Psychiatric Care Hospital or its predecessor or successor in interest, who provide direct patient care, who first become a Group G member on or after July 1, 2023, the first day of the calendar month next following the earlier of:

(I) attainment of 55 years of age and following completion of 20 years of creditable service; or

(II) 65 years of age and following completion of five years of creditable service.~~.~~;

(iv) for all sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who were first included in the membership of the System on or before June 30, 2008, who were employed as of December 31, 2024, and who made an irrevocable election to prospectively join Group G on or before January 1, 2025, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 62 years of age and following completion of five years of creditable service;

(II) completion of 30 years of creditable service; or

(III) 55 years of age and following completion of 20 years of creditable service;

(v) for all sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who were first included in the membership of the System on or after July 1, 2008, who were employed as of December 31, 2024, and who made an irrevocable election to prospectively join Group G on or before January 1, 2025, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 65 years of age and following completion of five years of creditable service;

(II) attainment of 87 points reflecting a combination of the age of the member and number of years of service; or

(III) 55 years of age and following completion of 20 years of creditable service; or

(vi) for all sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who

first become a Group G member after January 1, 2025, the first day of the calendar month next following the earlier of:

(I) attainment of 55 years of age and following completion of 20 years of creditable service; or

(II) 65 years of age and following completion of five years of creditable service.

* * *

Sec. 2. 3 V.S.A. § 459 is amended to read:

§ 459. NORMAL AND EARLY RETIREMENT

* * *

(b) Normal retirement allowance.

* * *

(6)(A) Upon normal retirement pursuant to subdivisions 455(a)(13)(E)(i) ~~and~~, (iii), (iv), and (vi) of this chapter, a Group G member shall receive a normal retirement allowance equal to two and one-half of a percent of the member's average final compensation times years of membership service in Group G. The maximum retirement allowance shall be 50 percent of average final compensation.

(B) Upon normal retirement pursuant to ~~subdivision~~ subdivisions 455(a)(13)(E)(ii) and (v) of this chapter, a Group G member shall receive a normal retirement allowance equal to two and one-half of a percent of the member's average final compensation times years of membership service in Group G. The maximum retirement allowance shall be 60 percent of average final compensation.

* * *

(d) Early retirement allowance.

* * *

(4)(A) Upon early retirement, a Group G member who was previously a Group F member first included in the membership of the System on or before June 30, 2008, and who elected to transfer into Group G ~~on July 1, 2023~~ pursuant to the terms set by the Board, shall receive an early retirement allowance that shall be equal to the normal retirement allowance reduced by the lesser of (i) one-half of one percent for each month equal to the difference between the 240 months and the member's months of creditable service, or (ii) an amount that shall be the actuarial equivalent of the normal retirement allowance computed under subsection (b) of this section.

(B) Upon early retirement, a Group G member who was previously a Group F member first included in the membership of the System on or after July 1, 2008, and who elected to transfer into Group G ~~on July 1, 2023~~ pursuant to the terms set by the Board, shall receive an early retirement allowance that shall be equal to the normal retirement allowance reduced by the lesser of (i) five-ninths of one percent for each month equal to the difference between the 240 months and the member's months of creditable service, or (ii) an amount that shall be the actuarial equivalent of the normal retirement allowance computed under subsection (b) of this section.

* * *

Sec. 3. 3 V.S.A. § 489 is amended to read:

§ 489. BENEFITS

Persons who become members of the Vermont State Retirement System under this subchapter and on behalf of whom contributions are paid as provided in this subchapter shall be entitled to benefits under the Vermont State Retirement System as though they were employees of the State of Vermont. These employees shall be considered "Group F members" as defined in subdivision 455(a)(11)(E) of this title, except that:

(1) elected municipal employees shall not be subject to mandatory retirement requirements; and

(2) sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision 455(a)(11)(F)(ii) of this chapter shall be considered members of Group G.

Sec. 4. ONE-TIME IRREVOCABLE ELECTION FOR SHERIFFS AND CERTAIN DEPUTY SHERIFFS

(a) Subject to the restrictions set forth in subdivision (c)(1) of this section, on or before September 1, 2024, the Department of State's Attorneys and Sheriffs, in consultation with the Department of Human Resources and the Office of the State Treasurer, shall establish a list of positions newly eligible for Group G of the Vermont State Employees' Retirement System, which shall be limited to the following:

(1) all sheriffs; and

(2) deputy sheriffs who:

(A) are employed by county sheriff's departments that participate in the Vermont State Employees' Retirement System;

(B) have a Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council;

(C) are required to perform law enforcement duties as the primary function of their employment; and

(D) are not full-time deputy sheriffs compensated by the State of Vermont whose primary function is transports as defined in 24 V.S.A. § 290(b) and eligible for Group C pursuant to 3 V.S.A. § 455(9)(B).

(b) In establishing any new deputy sheriff position on and after January 1, 2025, the Department of State's Attorneys and Sheriffs, in consultation with sheriff's departments, shall identify that position as eligible for either Group C membership or Group G membership pursuant to the criteria as set forth in subsection (a) of this section.

(c)(1) A sheriff or deputy sheriff who qualifies for Group G membership pursuant to this act and that has a current Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council shall have a one-time option to transfer to Group G on or before December 1, 2024. Sheriffs and deputy sheriffs without a current Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council shall not be eligible to transfer to Group G. For a sheriff or deputy sheriff who qualifies for Group G membership who is first employed on or after December 1, 2024 but before January 1, 2025, election to join Group G under this subsection shall be made as soon as possible but shall be within 30 days from the employee's date of hire.

(2) Election to join the Group G plan under this subsection shall be irrevocable.

(d) The effective date of participation in a new group plan for those employees covered under this section and who elect to transfer to Group G shall be January 1, 2025. All past service accrued through the date of transfer shall be calculated based upon the plan in which it was accrued, with all provisions and penalties, if applicable, applied.

(e) The Department of State's Attorneys and Sheriffs shall notify the Office of the State Treasurer of changes in a deputy sheriff's eligibility for Group G within 30 days of the change in eligibility, pursuant to 3 V.S.A. § 455(11)(F)(ii)(II).

(f) Nothing in this section shall be read to extend postretirement health or other insurance benefits to Group G deputy sheriffs who work for county sheriff's departments.

* * * Sheriff Compensation * * *

Sec. 5. LEGISLATIVE INTENT; SHERIFF COMPENSATION

It is the intent of the General Assembly that a sheriff's compensation shall correlate with the sheriff's level of law enforcement officer certification to properly reflect a sheriff's capability to perform the various duties required to effectively and efficiently manage a law enforcement agency that is the office of sheriff.

Sec. 6. 32 V.S.A. § 1182 is amended to read:

§ 1182. SHERIFFS

(a) The sheriffs of all counties except Chittenden shall be entitled to receive salaries in the amount of ~~$94,085.00~~ $104,010.00 as of ~~July 3, 2022~~ July 14, 2024 and ~~$97,754.00~~ $109,627.00 as of ~~July 2, 2023~~ July 13, 2025. The Sheriff of Chittenden County shall be entitled to an annual salary in the amount of ~~$99,566.00~~ $110,070.00 as of ~~July 3, 2022~~ July 14, 2024 and ~~$103,449.00~~ $116,014.00 as of ~~July 2, 2023~~ July 13, 2025.

(b) Compensation under subsection (a) of this section shall be reduced by 10 percent for any sheriff who has Level II but not obtained Level III law enforcement officer certification under 20 V.S.A. § 2358.

(c) Compensation under subsection (a) of this section shall be reduced by 20 percent for any sheriff who has Level I but not obtained Level II law enforcement officer certification under 20 V.S.A. § 2358.

(d) Compensation under subsection (a) of this section shall be reduced by 30 percent for any sheriff who does not possess a law enforcement officer certification under 20 V.S.A. § 2358.

* * * State's Attorneys' Offices Operations Report * * *

Sec. 7. STATE'S ATTORNEYS' OFFICES OPERATIONS REPORT

On or before January 15, 2025, the Department of State's Attorney and Sheriffs shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations with:

(1) an analysis of current funding sources and procedures for compensating State's Attorneys as well as maintaining State's Attorneys' offices' operations, including existing or needed procedures for reducing compensation for State's Attorneys who have their attorney license temporarily suspended or terminated;

(2) an analysis of State's Attorneys' duties and the average proportions of time spent on duties requiring an attorney license versus duties not requiring an attorney license; and

(3) recommendations for levels of compensation reduction for State's Attorneys who have their attorney license temporarily suspended or terminated

so that the compensation better reflects the individual's capability to perform the various duties required to effectively and efficiently manage a law office that is the office of State's Attorney.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Chittenden, for the Committee on Finance, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposal of amendment was agreed to, and third reading of the bill was ordered.

Thereupon, on motion of Senator Baruth, the rules were suspended and the bill was placed in all remaining stages of passage.

Thereupon, the bill was read a third time and passed in concurrence with proposal of amendment.

Rules Suspended; Action Messaged

On motion of Senator Baruth, the rules were suspended, and the action on the following bills was ordered messaged to the House forthwith:

S. 191, S. 213.

Rules Suspended; Bills Messaged

On motion of Senator Baruth, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

S. 310, H. 55, H. 121, H. 585, H. 862, H. 869, H. 872, H. 887.

Rules Suspended; Bill Referred

Pending entry on the Calendar for notice, on motion of Senator Kitchel the rules were suspended and House bill entitled:

H. 626. An act relating to animal welfare.

was referred to the Committee on Appropriations pursuant to Rule 31.

Adjournment

On motion of Senator Baruth, the Senate adjourned until ten o'clock in the forenoon on Thursday, May 9, 2024.