

# House Calendar

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Thursday, March 13, 2025

65th DAY OF THE BIENNIAL SESSION

House Convenes at 1:00 P.M.

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**ACTION CALENDAR**

**Third Reading**

**H. 2**

An act relating to increasing the minimum age for delinquency proceedings

**H. 21**

An act relating to service of writs of possession

**H. 50**

An act relating to identifying State real property suitable for conversion into affordable housing

**H. 105**

An act relating to expanding the Youth Substance Awareness Safety Program

**Committee Bill for Second Reading**

**H. 458**

An act relating to the Agency of Digital Services

**(Rep. Campbell of St. Johnsbury** will speak for the Committee on Energy and Digital Infrastructure.)

**Favorable with Amendment**

**H. 1**

An act relating to accepting and referring complaints by the State Ethics Commission

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

Sec. 1. 3 V.S.A. § 1223 is amended to read:

§ 1223. PROCEDURE FOR ACCEPTING AND REFERRING

COMPLAINTS

(a) Accepting complaints.

(1) On behalf of the Commission, the Executive Director shall accept complaints from any source regarding governmental ethics in any of the three branches of State government or of the State's campaign finance law set forth in 17 V.S.A. chapter 61.

(2) Complaints shall be in writing and shall include the identity of the complainant.

(b) Preliminary review by Executive Director. The Executive Director shall conduct a preliminary review of complaints made to the Commission in order to take action as set forth in this subsection and section 1223a of this title, which shall include referring complaints to all relevant entities, including the Commission itself.

\* \* \*

(4) Legislative and Judicial Branches; attorneys.

(A) If the complaint is in regard to conduct committed by a State Senator, the Executive Director shall refer the complaint to the Senate Ethics Panel and shall request a report back from the Panel regarding the final disposition of the complaint.

(B) If the complaint is in regard to conduct committed by a State Representative, the Executive Director shall refer the complaint to the House Ethics Panel and shall request a report back from the Panel regarding the final disposition of the complaint.

(C) If the complaint is in regard to conduct committed by a judicial officer, the Executive Director shall refer the complaint to the Judicial Conduct Board and shall request a report back from the Board regarding the final disposition of the complaint.

(D) If the complaint is in regard to an attorney employed by the State, the Executive Director shall refer the complaint to the Professional Responsibility Board and shall request a report back from the Board regarding the final disposition of the complaint.

(E) If any of the complaints described in subdivisions (A)–(D) of this subdivision (4) also allege that a crime has been committed, the Executive Director shall also refer the complaint to the Attorney General and the State's Attorney of jurisdiction.

(5) Municipal Code of Ethics. If the complaint alleges a violation of the Municipal Code of Ethics, the Executive Director shall refer the complaint to the designated ethics liaison of the appropriate municipality.

\* \* \*

(c) Consultation on unethical conduct.

(1) If the Executive Director refers a complaint under subsection (b) of this section, the Executive Director shall signify any likely unethical conduct described in the complaint. ~~Any entity receiving a referred complaint, except those in subdivision (b)(5) of this section, shall consult with the Commission regarding the application of the State Code of Ethics to facts presented in the complaint.~~

(A) For complaints referred under subdivision (b)(4) of this section, the Executive Director shall specify the application of the State Code of Ethics to facts presented in the complaint and include a recommended action.

(B) For all other complaints referred under subsection (b) of this section, except those in subdivisions (b)(4) and (5) of this section, an entity receiving a complaint shall consult with the Commission regarding the application of the State Code of Ethics to facts presented in the complaint. The consultation shall be in writing and occur within 60 days after ~~an~~ the entity receives a the referred complaint and prior to the entity making a determination on the complaint, meaning either closing a complaint without further investigation or issuing findings following an investigation.

(2) Any advice the Commission provides during the consultation process shall be confidential and nonbinding on the entity.

## Sec. 2. EFFECTIVE DATE

This act shall take effect September 1, 2025 and shall supersede those provisions of 2024 Acts and Resolves No. 171, Sec. 9 that amended 3 V.S.A. § 1223 and that conflict with the language in this act.

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

## H. 206

An act relating to the Uniform Commercial Code

**Rep. Olson of Starksboro**, for the Committee on Commerce and Economic Development, recommends that the bill be amended by adding a new section to be Sec. 11a to read as follows:

## Sec. 11a. INCLUSION OF OFFICIAL COMMENTS

Codification of the changes set forth in this act shall include the official comments of the Uniform Commercial Code as set forth in the final official text of the American Law Institute and the National Conference of Commissioners on Uniform State Laws, provided that the comments shall, in

addition, include appropriate references to any Vermont variations to the official text.

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

## **H. 238**

An act relating to the phaseout of consumer products containing added perfluoroalkyl and polyfluoroalkyl substances

**Rep. Chapin of East Montpelier**, for the Committee on Environment, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

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

### Subchapter 12A. PFAS in Consumer Products

#### § 2494e. DEFINITIONS

As used in this subchapter:

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

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

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

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

(B) Outdoor apparel.

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

(5) “Cleaning product” means a compound intended for routine cleaning, including general purpose cleaners, bathroom cleaners, glass

cleaners, carpet cleaners, floor care products, and hand soaps. “Cleaning product” does not mean an antimicrobial pesticide.

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

(7) “Dental floss” means a string-like device made of cotton or other fibers intended to remove plaque and food particles from between the teeth to reduce tooth decay. The fibers of the device may be coated with wax for easier use.

(8) “Fluorine treated container” means a fluorinated treated plastic container.

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

(7)(10) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the ~~product~~ component manufacturing of a product or in the final product and results in PFAS in the final product. The addition of PFAS must be known or reasonably ascertainable by the manufacturer. PFAS shall not be considered intentionally added if the chemical is present in the product due to use of water containing PFAS and the manufacturer took no action that resulted in the PFAS being present in the water.

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

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

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

~~(12)~~ (13) “Known or reasonably ascertainable” means all information in a person’s possession or control, plus all information that a reasonable person similarly situated might be expected to possess, control, or know.

~~(9)~~(13) “Manufacturer” means any person engaged in the business of making or assembling a consumer product directly or indirectly available to consumers. “Manufacturer” excludes a distributor or retailer, except when a consumer product is made or assembled outside the United States, in which case a “manufacturer” includes the importer or first domestic distributor of the consumer product.

~~(10)~~(14) “Medical device” has the same meaning given to “device” in 21 U.S.C. § 321.

~~(11)~~(15) “Outdoor apparel” means clothing items intended primarily for outdoor activities, including hiking, camping, skiing, climbing, bicycling, and fishing.

~~(12)~~(16) “Outdoor apparel for severe wet conditions” means outdoor apparel that are extreme and extended use products designed for outdoor sports experts for applications that provide protection against extended exposure to extreme rain conditions or against extended immersion in water or wet conditions, such as from snow, in order to protect the health and safety of the user and that are not marketed for general consumer use. Examples of extreme and extended use products include outerwear for offshore fishing, offshore sailing, whitewater kayaking, and mountaineering.

~~(13)~~(17) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

~~(14)~~(18) “Personal protective equipment” has the same meaning as in section 2494p of this title.

~~(15)~~(19) “Regulated perfluoroalkyl and polyfluoroalkyl substances” or “regulated PFAS” means:

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

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



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

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

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

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

- (A) a vehicle, as defined in 1 U.S.C. § 4, or its component parts;
- (B) a vessel, as defined in 1 U.S.C. § 3, or its component parts;
- (C) an aircraft, as defined in 49 U.S.C. § 40102(a)(6), or its component parts;
- (D) filtration media and filter products used in industrial applications, including chemical or pharmaceutical manufacturing and environmental control technologies;
- (E) textile articles used for laboratory analysis and testing; and
- (F) rugs or carpets.

§ 2494f. ~~AFTERMARKET STAIN AND WATER RESISTANT~~

~~TREATMENTS~~ PROHIBITION ON PFAS IN CONSUMER

PRODUCTS

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

~~(b) This section shall not apply to the sale or resale of used products. A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in the State the following consumer products to which PFAS have been intentionally added in any amount:~~

- (1) aftermarket stain and water-resistant treatments;
- (2) artificial turf;
- (3) cleaning products;
- (4) cookware;
- (5) dental floss;
- (6) incontinency protection products;
- (7) juvenile products;
- (8) rugs and carpets; or
- (9) ski wax.

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

(c) The prohibitions under subsections (a) and (b) of this section shall not apply to the sale, offer for sale, distribution for sale, or distribution for use of any of the products listed under subsections (a) and (b) of this section that have been previously used by a consumer for the intended purpose of the product.

~~§ 2494g. ARTIFICIAL TURF~~

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

- ~~(1) PFAS have been intentionally added in any amount; or~~
- ~~(2) PFAS have entered the product from the manufacturing or processing of that product, the addition of which is known or reasonably ascertainable by the manufacturer.~~

~~§ 2494h. COOKWARE~~

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

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

~~§ 2494i. INCONTINENCY PROTECTION PRODUCT~~

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

~~§ 2494j. JUVENILE PRODUCTS~~

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

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

~~§ 2494k. RUGS AND CARPETS~~

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

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

~~§ 2494l. SKI WAX~~

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

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

~~§ 2494m. TEXTILES~~

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

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

§ 2494g. FLUORINE TREATED CONTAINERS

(a) A manufacturer shall not sell, offer for sale, distribute for sale, or distribute for use in the State a product listed under subdivisions 2494f(a)(1)–(9) of this title that does not contain intentionally added PFAS but that is sold, offered for sale, distributed for sale, or distributed for use in the State in a fluorine treated container.

(b) The prohibition under subsection (a) of this section shall not apply to the sale, offer for sale, distribution for sale, or distribution for use of a product that has been previously used by a consumer for the intended purpose of the product.

(c) Beginning on January 1, 2030, a manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in the State a fluorine treated container or any consumer product in a fluorine treated container.

(d)(1) The Attorney General may, by rule, allow the sale, offer for sale, distribution for sale, or distribution for use in the State of a consumer product prohibited under subsection (a) of this section or of a fluorine treated container or consumer product prohibited under subsection (c) of this section upon a determination that the use of PFAS in the consumer product or in the container is a currently unavoidable use.

(2) As used in this subsection, “currently unavoidable use” means that the use of PFAS is essential for health, safety, or the functioning of society and for which an alternative is not reasonably available.

§ ~~2494n~~ 2494h. CERTIFICATE OF COMPLIANCE

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

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

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

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

§ ~~2494o~~ 2494i. VIOLATIONS

(a) A violation of this subchapter is deemed to be a violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions, and private parties have the same rights and remedies, as provided under subchapter 1 of this chapter.

Sec. 2. 9 V.S.A. § 2494e(19) is amended to read:

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

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

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

Sec. 3. 9 V.S.A. § 2494e(3) is amended to read:

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

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

(B) Outdoor apparel.

(C) Outdoor apparel for severe wet conditions.

Sec. 4. ANR REPORT ON PFAS REGULATION

(a) As used in this section, “perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(b) On or before January 15, 2027, the Secretary of Natural Resources shall submit to the House Committees on Environment and on Human Services and the Senate Committees on Natural Resources and Energy and on Health and Welfare a report regarding the regulation by other states of PFAS in consumer products. The report shall include:

(1) a summary of programs in other states that regulate PFAS in consumer products, including whether other states have implemented a regulatory program based on the definition of PFAS used in this section;

(2) if other states have implemented regulatory programs for PFAS, a summary of the effectiveness of the programs, including any obstacles or difficulties these states may have faced in implementing a program, the staffing required for a program, and the time frame under which each state implemented the program;

(3) a recommendation, based on review of regulatory programs in other states, whether Vermont should establish a regulatory program for PFAS in consumer products, including the State agency in which such a program should be located, the staffing required, and a time frame for implementation; and

(4) any other information that the Secretary determines is necessary for the purpose of informing the General Assembly whether or not to enact a regulatory program for PFAS in consumer products.

#### Sec. 5. REPORTS

(a)(1) On or before January 15, 2033, the Secretary of Natural Resources shall provide a recommendation to the House Committees on Human Services and on Environment and the Senate Committees on Health and Welfare and on Natural Resources and Energy on how to address PFAS in complex durable goods.

(2) As used in this subsection, “complex durable goods” means a consumer product that is a manufactured good composed of 100 or more manufactured components, with an intended useful life of five or more years, where the product is typically not consumed, destroyed, or discarded after a single use. This includes replacement parts for complex durable goods not subject to a phaseout under this chapter.

(b)(1) On or before January 15, 2033, the Secretary of Agriculture, Food and Markets shall provide a recommendation to the House Committees on Human Services on Environment and the Senate Committees on Health and Welfare and on Natural Resources and Energy on how to address PFAS in food.

(2) As used in this subsection, “food” has the same meaning as in 18 V.S.A. § 4051.

#### Sec. 6. REPEALS

(a) 2024 Acts and Resolves No. 131, Sec. 4 (prospective definition for outdoor apparel for severe wet conditions) is repealed.

(b) 2024 Acts and Resolves No. 131, Sec. 5 (prospective definition of regulated PFAS) is repealed.

Sec. 7. 2024 Acts and Resolves No. 131, Sec. 13 is amended to read:

#### Sec. 13. EFFECTIVE DATES

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

(1) Sec. 1 (chemicals in cosmetic and menstrual products), ~~Sec. 3 (PFAS in consumer products),~~ Sec. 6 (PFAS in firefighting agents and

equipment), and Sec. 7 (chemicals of concern in food packaging) shall take effect on January 1, 2026; and

(2) Sec. 2 (9 V.S.A. § 2494b) and Sec. 5 (9 V.S.A. § 2494e(15)) shall take effect on July 1, 2027; and

~~(3) Sec. 4 (9 V.S.A. § 2494e(3)) shall take effect on July 1, 2028.~~

#### Sec. 8. EFFECTIVE DATES

(a) This section and Secs. 4 and 5 (reports to the General Assembly) shall take effect on July 1, 2025.

(b)(1) Sec. 1 (PFAS in consumer products) shall take effect on January 1, 2026, except that:

(A) 9 V.S.A. § 2494f(a)(3) (cleaning products) and (a)(5) (dental floss) and 9 V.S.A. § 2494g (fluorine treated containers) shall take effect on July 1, 2027; and

(B) 9 V.S.A. § 2494f(a)(4) (cookware) shall take effect July 1, 2028.

(2) Sec. 1 shall supersede those provisions of 2024 Acts and Resolves No. 131, Sec. 3 that conflict with the provisions of this act.

(c) Sec. 2 (definition of regulated PFAS) shall take effect on July 1, 2027.

(d) Sec. 3 (definition of outdoor apparel) shall take effect on July 1, 2028.

(e) Secs. 6 (repeal of Act 131 provisions) and 7 (amended Act 131 effective dates) shall take effect on January 1, 2026.

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

#### **Action Under Rule 52**

#### **J.R.S. 16**

Joint resolution providing for a Joint Assembly to vote on the retention of seven Superior Court Judges and one Magistrate

**(For text, see House Journal of March 12, 2025)**

#### **NOTICE CALENDAR**

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

#### **H. 463**

An act relating to technical corrections for the 2025 legislative session

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

**Favorable with Amendment**

**H. 137**

An act relating to the regulation of insurance products and services

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

Sec. 1. 8 V.S.A. § 23 is amended to read:

§ 23. CONFIDENTIALITY OF INVESTIGATION AND EXAMINATION  
REPORTS

(a) This section shall apply to all persons licensed, authorized, or registered, or required to be licensed, authorized, or registered, ~~under this title or under 9 V.S.A. chapter 150~~ by the Commissioner.

(b) Regardless of source, all records of investigations, including information pertaining to a complaint by or for a consumer, and all records and reports of examinations by the Commissioner, whether in the possession of a supervisory agency or another person, shall be confidential and privileged, shall not be made public, and shall not be subject to discovery or introduction into evidence in any private civil action. No person who participated on behalf of the Commissioner in an investigation or examination shall be permitted or required to testify in any such civil action as to any findings, recommendations, opinions, results, or other actions relating to the investigation or examination.

(c) The Commissioner may, in ~~his or her~~ the Commissioner's discretion, disclose or publish or authorize the disclosure or publication of any such record or report or any part thereof in the furtherance of legal or regulatory proceedings brought as a part of the Commissioner's official duties. The Commissioner may, in ~~his or her~~ the Commissioner's discretion, disclose or publish or authorize the disclosure or publication of any such record or report or any part thereof, to civil or criminal law enforcement authorities for use in the exercise of such authority's duties, in such manner as the Commissioner may deem proper.

(d) For the purposes of this section, records of investigations and records and reports of examinations shall include joint examinations by the Commissioner and any other supervisory agency. Records of investigations



and reports of examinations shall also include records of examinations and investigations conducted by:

(1) any agency with supervisory jurisdiction over the person; and

(2) any agency of any foreign government with supervisory jurisdiction over any person subject to the jurisdiction of the Department, when such records are considered confidential by such agency or foreign government and the records are in the possession of the Commissioner.

Sec. 2. 8 V.S.A. § 3303 is amended to read:

§ 3303. MUTUAL COMPANIES; DIRECTORS, CHARTER PROVISIONS  
AS TO

The articles of association or bylaws of a mutual insurer shall set forth the manner in which its board of directors or other governing body shall be elected, and in which meetings of policyholders shall be called, held, and conducted, subject to such procedures as may be required by the Commissioner under ~~section 75~~ subsection 15(a) of this title.

Sec. 3. 8 V.S.A. § 4688(a) is amended to read:

(a) Filings as to competitive markets. Except with respect to filings submitted pursuant to section 4687 of this title, in a competitive market, every insurer shall file with the Commissioner all rates and supplementary rate information, and supporting information that are to be used in this State, provided that such rates and information need not be filed for specifically rated inland marine risks or such other risks that are designated by regulation of the Commissioner as not requiring a filing. Such rates, supplementary rate information, and supporting information shall be provided to the Commissioner not later than ~~15 days after~~ 30 days prior to the effective date. An insurer may adopt by reference, with or without deviation or modification, provided that said deviation or modification is readily identifiable, the rates, supplementary rate information, and supporting information filed by another insurer or an advisory or service organization with which it is affiliated; provided, however, such an adoption shall not relieve an insurer from any other requirements of this chapter.

Sec. 4. 8 V.S.A. § 4724 is amended to read:

§ 4724. UNFAIR METHODS OF COMPETITION OR UNFAIR OR  
DECEPTIVE ACTS OR PRACTICES DEFINED

\* \* \*

(23) Affordable housing; unfair discrimination.

(A) An insurer that issues or delivers in this State a policy of insurance covering loss of or damage to real property containing units for residential purposes or legal liability of an owner or renter of such real property shall not cancel, refuse to issue, refuse to renew, or increase the premium of a policy, or exclude, limit, restrict, or reduce coverage under a policy, based on the following:

(i) whether the residential building contains dwelling units that are required to be affordable to residents at a specific income level pursuant to a statute, regulation, restrictive declaration, or regulatory agreement with a local, State, or federal government entity;

(ii) whether the real property owner or tenants of such residential building or the shareholders of a cooperative housing corporation receive rental assistance provided by a local, State, or federal government entity, including the receipt of federal vouchers issued under Section 8 of the U.S. Housing Act of 1937, 42 U.S.C. § 1437f;

(iii) the level or source of income of the tenants of the residential building or the shareholders of a cooperative housing corporation; or

(iv) whether the residential building is owned by a limited-equity cooperative, public housing agency, or cooperative housing corporation.

(B) Nothing in this section shall prohibit an insurer from cancelling, refusing to issue, refusing to renew, or increasing the premium of an insurance policy, or excluding, limiting, restricting, or reducing coverage under a policy, due to other factors that are permitted or not prohibited by any other section of this chapter.

Sec. 5. 8 V.S.A. § 6002(a) is amended to read:

(a) Any captive insurance company, when permitted by its articles of association, charter, or other organizational document, may apply to the Commissioner for a license to ~~do any and all~~ conduct insurance business comprised in ~~subdivisions 3301(a)(1), (2), (3)(A)-(C), (E)-(Q), and (4)-(9)~~ section 3301 of this title and may grant annuity contracts as defined in section 3717 of this title and may accept or transfer risk by means of a parametric contract; provided, however, that:

(1) No pure captive insurance company may insure any risks other than those of its parent and affiliated companies or controlled unaffiliated business.

(2) No agency captive insurance company may do any insurance business in this State unless:

(A) an insurance agency or brokerage that owns or controls the agency captive insurance company remains in regulatory good standing in all states in which it is licensed;

(B) it insures only the risks of the commercial policies that are placed by or through an insurance agency or brokerage that owns or directly or indirectly controls the agency captive insurance company and, if required by the Commissioner in ~~his or her~~ the Commissioner's discretion, it provides the Commissioner the form of such commercial policies;

(C) it discloses to the original policyholder or policyholders, in a form or manner approved by the Commissioner, that the agency captive insurance company as a result of its affiliation with an insurance agency or brokerage may enter into a reinsurance or other risk-sharing agreement with the agency or brokerage; and

(D) if required by the Commissioner in ~~his or her~~ the Commissioner's discretion, the business written by an agency captive insurance company is:

(i) Fronted by an insurance company licensed under the laws of any state.

(ii) Reinsured by a reinsurer authorized or approved by the State of Vermont.

(iii) Secured by a trust fund in the United States for the benefit of policyholders and claimants or funded by an irrevocable letter of credit or other arrangement that is acceptable to the Commissioner. The Commissioner may require the agency captive insurance company to increase the funding of any security arrangement established under this subdivision. If the form of security is a letter of credit, the letter of credit shall be issued or confirmed by a bank approved by the Commissioner. A trust maintained pursuant to this subdivision shall be established in a form and upon terms approved by the Commissioner.

(3) No association captive insurance company may insure any risks other than those of its association, those of the member organizations of its association, and those of a member organization's affiliated companies.

(4) No industrial insured captive insurance company may insure any risks other than those of the industrial insureds that comprise the industrial insured group, those of their affiliated companies, and those of the controlled unaffiliated business of an industrial insured or its affiliated companies.

(5) No risk retention group may insure any risks other than those of its members and owners.

(6) No captive insurance company may provide personal motor vehicle or homeowner's insurance coverage or any component thereof.

(7) No captive insurance company may accept or cede reinsurance except as provided in section 6011 of this title.

(8) Any captive insurance company may provide excess workers' compensation insurance to its parent and affiliated companies, unless prohibited by the federal law or laws of the state having jurisdiction over the transaction. Any captive insurance company, unless prohibited by federal law, may reinsure workers' compensation of a qualified self-insured plan of its parent and affiliated companies.

(9) Any captive insurance company that insures risks described in subdivisions 3301(a)(1) and (2) of this title shall comply with all applicable State and federal laws.

(10) Any captive insurance company that transfers risk by means of a parametric contract shall comply with all applicable State and federal laws and regulations.

Sec. 6. 8 V.S.A. § 6004(d) is amended to read:

(d) Within 30 days after commencing business, each captive insurance company shall file with the Commissioner a statement under oath of its president and secretary or, in the case of a captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by the governing board certifying that the captive insurance company possessed the requisite unimpaired, paid-in capital and surplus prior to commencing business.

Sec. 7. 8 V.S.A. § 6006 is amended to read:

§ 6006. FORMATION OF CAPTIVE INSURANCE COMPANIES IN THIS STATE

\* \* \*

(h) Other than captive insurance companies formed as limited liability companies under 11 V.S.A. ~~chapter 21~~ chapter 25 or as nonprofit corporations under Title 11B, captive insurance companies formed as corporations under the provisions of this chapter shall have the privileges and be subject to the provisions of Title 11A as well as the applicable provisions contained in this chapter. In the event of conflict between the provisions of said general corporation law and the provisions of this chapter, the latter shall control.

(i) Captive insurance companies formed under the provisions of this chapter:

(1) As limited liability companies shall have the privileges and be subject to the provisions of 11 V.S.A. ~~chapter 24~~ chapter 25 as well as the applicable provisions contained in this chapter. In the event of a conflict between the provisions of 11 V.S.A. ~~chapter 24~~ chapter 25 and the provisions of this chapter, the latter shall control.

(2) As nonprofit corporations shall have the privileges and be subject to the provisions of Title 11B as well as the applicable provisions contained in this chapter. In the event of conflict between the provisions of Title 11B and the provisions of this chapter, the latter shall control.

(3) As mutual insurers shall have the privileges and be subject to the provisions of sections 3303 and 3311 of this title as well as the applicable provisions contained in this chapter. In the event of a conflict between the provisions of sections 3303 and 3311 of this title and the provisions of this chapter, the latter shall control.

\* \* \*

Sec. 8. 8 V.S.A. § 6006a(a) is amended to read:

(a) Any captive insurance company meeting the qualifications set forth in subdivision 6006(j)(1) of this title may merge with any other insurer, whether licensed in this State or elsewhere, in the following manner:

(1) The board of directors of each insurer shall, by a resolution adopted by a majority vote of the members of such board, approve a joint agreement of merger setting forth:

(A) the names of the insurers proposed to merge, and the name of the insurer into which they propose to merge, which is hereafter designated as the surviving company;

(B) the terms and conditions of the proposed merger and the mode of carrying the same into effect;

(C) the manner and basis of converting the ownership interests, if applicable, in other than the surviving insurer into ownership interests or other consideration, securities, or obligations of the surviving insurer;

(D) a restatement of such provisions of the articles of incorporation of the surviving insurer as may be deemed necessary or advisable to give effect to the proposed merger; and

(E) any other provisions with respect to the proposed merger as are deemed necessary or desirable.

(2) The resolution of the board of directors of each insurer approving the agreement shall direct that the agreement be submitted to a vote of the shareholders, members, or policyholders, as the case may be, of each insurer entitled to vote in respect thereof at a designated meeting thereof, or via unanimous written consent of such shareholders, members, or policyholders in lieu of a meeting. Notice of the meeting shall be given as provided in the bylaws, charter, or articles of association, or other governance document, as the case may be, of each insurer and shall specifically reflect the agreement as a matter to be considered at the meeting.

(3) The agreement of merger so approved shall be submitted to a vote of the shareholders, members, or policyholders, as the case may be, of each insurer entitled to vote in respect thereof at the meeting directed by the resolution of the board of directors of such company approving the agreement, and the agreement shall be unanimously adopted by the shareholders, members, or policyholders, as the case may be.

(4) Following the adoption of the agreement by any insurer, articles of merger shall be adopted in the following manner:

(A) Upon the execution of the agreement of merger by all of the insurers parties thereto, there shall be executed and filed, in the manner hereafter provided, articles of merger setting forth the agreement of merger, the signatures of the several insurers parties thereto, the manner of its adoption, and the vote by which adopted by each insurer.

(B) The articles of merger shall be signed on behalf of each insurer by a duly authorized officer or, in the case of an insurer formed as a limited liability company or as a reciprocal insurer, by an individual authorized by the governing board, in such multiple copies as shall be required to enable the insurers to comply with the provisions of this subchapter with respect to filing and recording the articles of merger, and shall then be presented to the Commissioner.

(C) The Commissioner shall approve the articles of merger if ~~he or she~~ the Commissioner finds that the merger will promote the general good of the State in conformity with those standards set forth in section 3305 of this title. If ~~he or she~~ the Commissioner approves the articles of merger, ~~he or she~~ the Commissioner shall issue a certificate of approval of merger.

(5) The insurer shall file the articles of merger, accompanied by the agreement of merger and the certificate of approval of merger, with the

Secretary of State and pay all fees as required by law. If the Secretary of State finds that they conform to law, ~~he or she~~ the Secretary shall issue a certificate of merger and return it to the surviving insurer or its representatives. The merger shall take effect upon the filing of articles of merger with the Secretary of State, unless a later effective date is specified therein.

(6) The surviving insurer shall file a copy of the certificate of merger from the Secretary of State with the Commissioner.

Sec. 9. 8 V.S.A. § 6007(b) is amended to read:

(b) Prior to March 1 of each year, and prior to March 15 of each year in the case of pure captive insurance companies, association captive insurance companies, sponsored captive insurance companies, industrial insured captive insurance companies, or agency captive insurance companies, each captive insurance company shall submit to the Commissioner a report of its financial condition, verified by oath of two of its executive officers or, in the case of a captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by the governing board. Each captive insurance company shall report using generally accepted accounting principles, statutory accounting principles, or international financial reporting standards unless the Commissioner requires, approves, or accepts the use of any other comprehensive basis of accounting, in each case with any appropriate or necessary modifications or adaptations thereof required or approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner. As used in this section, statutory accounting principles shall mean the accounting principles codified in the NAIC Accounting Practices and Procedures Manual. Upon application for admission, a captive insurance company shall select, with explanation, an accounting method for reporting. Any change in a captive insurance company's accounting method shall require prior approval. Except as otherwise provided, each risk retention group shall file its report in the form required by subsection 3561(a) of this title, and each risk retention group shall comply with the requirements set forth in section 3569 of this title. The Commissioner shall by rule propose the forms in which pure captive insurance companies, association captive insurance companies, sponsored captive insurance companies, and industrial insured captive insurance companies shall report. Subdivision 6002(c)(3) of this title shall apply to each report filed pursuant to this section, except that such subdivision shall not apply to reports filed by risk retention groups.

Sec. 10. 8 V.S.A. § 6011(a) is amended to read:

(a) Any captive insurance company may provide reinsurance, of policies approved by the Commissioner comprised in subsection 3301(a) section 3301 of this title, on risks of its parent, affiliated companies, and controlled unaffiliated business ceded by any other insurer, and may provide reinsurance of annuity contracts as defined in section 3717 of this title that are granted by any other insurer.

Sec. 11. 8 V.S.A. § 6024(c) is amended to read:

(c) A dormant captive insurance company that has been issued a certificate of dormancy shall:

(1) possess and thereafter maintain unimpaired, paid-in capital and surplus of not less than \$25,000.00; provided, however, that if the dormant captive insurance company had never capitalized, it shall not be required to add capital upon entering dormancy;

(2) prior to March 15 of each year, submit to the Commissioner a report of its financial condition, verified by oath of two of its executive officers or, in the case of a captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by its governing board, in a form as may be prescribed by the Commissioner; and

(3) pay a license renewal fee of \$500.00.

Sec. 12. 8 V.S.A. § 6045 is amended to read:

#### § 6045. BRANCH CAPTIVE REPORTS

Prior to March 15 of each year, or with the approval of the Commissioner within 75 days after its fiscal year-end, a branch captive insurance company shall file with the Commissioner a copy of all reports and statements required to be filed under the laws of the jurisdiction in which the alien captive insurance company is formed, verified by oath of two of its executive officers or, in the case of a branch captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by the governing board. If the Commissioner is satisfied that the annual report filed by the alien captive insurance company in its domiciliary jurisdiction provides adequate information concerning the financial condition of the alien captive insurance company, the Commissioner may waive the requirement for completion of the captive annual statement for business written in the alien jurisdiction.

Sec. 13. 8 V.S.A. § 6048d(c)(2) is amended to read:

(2) The special purpose financial insurance company shall submit an affidavit of its president, a vice president, the treasurer, or the chief financial



officer or, in the case of a special purpose financial insurance company formed as a limited liability company or as a reciprocal insurer, of an individual authorized by the governing board that includes the following statements, to the best of such person's knowledge and belief after reasonable inquiry:

(A) the proposed organization and operation of the special purpose financial insurance company comply with all applicable provisions of this chapter;

(B) the special purpose financial insurance company's investment policy reflects and takes into account the liquidity of assets and the reasonable preservation, administration, and management of such assets with respect to the risks associated with the reinsurance contract and the insurance securitization transaction; and

(C) the reinsurance contract and any arrangement for securing the special purpose financial insurance company's obligations under such reinsurance contract, including any agreements or other documentation to implement such arrangement, comply with the provisions of this subchapter.

Sec. 14. 8 V.S.A. § 6052(g) is amended to read:

(g) This subsection establishes governance standards for a risk retention group.

(1) As used in this subsection:

(A) "Board of directors" or "board" means the governing body of a risk retention group elected by risk retention group members to establish policy, elect or appoint officers and committees, and make other governing decisions.

(B) "Director" means a natural person designated in the articles of the risk retention group or designated, elected, or appointed by any other manner, name, or title to act as a member of the governing body of the risk retention group.

(C)(+) "Independent director" means a director who does not have a material relationship with the risk retention group. A director has a material relationship with a risk retention group if ~~he or she~~ the director, or a member of ~~his or her~~ the director's immediate family:

~~(H)~~(i) In any 12-month period, receives from the risk retention group, or from a consultant or service provider to the risk retention group, compensation or other item or items of value in an amount equal to or greater than five percent of the risk retention group's gross written premium or two percent of the risk retention group's surplus, as measured at the end of any

fiscal quarter falling in such 12-month period, whichever is greater. This provision also applies to compensation or items of value received by any business with which the director is affiliated. Such material relationship shall continue for one year after receipt of the item or items of value or the compensation falls below the threshold established in this subdivision.

~~(H)~~(ii) Has a relationship with an auditor as follows: Is affiliated with or employed in a professional capacity by a current or former internal or external auditor of the risk retention group. Such material relationship shall continue for one year after the affiliation or employment ends.

~~(aa)~~(iii) Is employed as an executive officer of another business entity that is affiliated with the risk retention group by virtue of common ownership and control, if such entity meets all of the following criteria:

~~(AA)~~(I) the entity is not an insured of the risk retention group;

~~(BB)~~(II) the entity has a contractual relationship with the risk retention group; and

~~(CC)~~(III) the governing board of the entity includes executive officers of the risk retention group, unless a majority of the membership of such entity's governing board is composed of individuals who are members of the governing board of the risk retention group.

~~(bb)~~(IV) Such material relationship shall continue until the employment or service ends.

~~(ii)~~(iv) Notwithstanding ~~subdivision (i)~~ subdivisions (i)–(iii) of this subdivision (g)(1)(C), a director who is a direct or indirect owner of the risk retention group is deemed to be independent; and an officer, director, or employee of an insured of the risk retention group is deemed to be independent, unless some other relationship of such officer, director, or employee qualifies as a material relationship.

(D) “Material service provider” includes a captive manager, auditor, accountant, actuary, investment advisor, attorney, managing general underwriter, or other person responsible for underwriting, determination of rates, premium collection, claims adjustment or settlement, or preparation of financial statements, whose aggregate annual contract fees are equal to or greater than five percent of the risk retention group's annual gross written premium or two percent of its surplus, whichever is greater. It does not mean defense counsel retained by a risk retention group, unless ~~his or her~~ the defense counsel's annual fees have been equal to or greater than five percent of a risk retention group's annual gross premium or two percent of its surplus, whichever is greater, during three or more of the previous five years.

\* \* \*

(9) The president or chief executive officer or, in the case of a risk retention group formed as a limited liability company or as a reciprocal insurer, an individual authorized by the board of directors of a risk retention group shall promptly notify the Commissioner in writing of any known material noncompliance with the governance standards established in this subsection.

Sec. 15. 8 V.S.A. § 2504 is amended to read:

§ 2504. EXEMPTIONS

This chapter does not apply to:

\* \* \*

(18) A person that performs payroll calculations, prepares payroll instructions, prepares and files State or federal income withholding tax reports and unemployment insurance compensation reports, or provides other payroll-related services, but that does not engage in the business of payroll processing services or otherwise engage in the business of money transmission in this State or other acts requiring a license under this chapter.

(19) A person that does not provide payroll processing services to any employer that has its principal place of business in this State and that does not otherwise engage in the business of money transmission in this State or other acts requiring a license under this chapter.

(20) A person that:

(A) provides payroll processing services to 25 or fewer employers that have their principal place of business in this State;

(B) provides payroll processing services to 500 or fewer employers, regardless of where the principal place of business of each employer is located;

(C) provides payroll processing services involving transmission to less than 300 Vermont resident employees, regardless of where the principal place of business of their employer is located;

(D) has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court, and no key individual or person in control of such person has been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court;

(E) has never had a financial services license or professional license revoked in any jurisdiction and no key individual or person in control of such person has ever had a financial services license or professional license revoked in any jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation;

(F) does not otherwise engage in the business of money transmission in this State or other acts requiring a license under this chapter; and

(G) receives and holds all money or monetary value received for transmission exclusively in:

(i) segregated trust accounts with federally insured financial institutions or credit unions for the benefit of its employer customers or applicable governmental authorities, such that the funds in such accounts are not subject to claims or liens of its creditors; or

(ii) deposit accounts at federally insured financial institutions or credit unions that are both titled in the name and tax identification number of the financial institution or credit union and for the benefit of the person's customers.

Sec. 16. 9 V.S.A. § 42 is amended to read:

#### § 42. PERMITTED CHARGES

(a) Except for interest as provided in this chapter, a lender shall make no charges against a borrower for the use or forbearance of money other than:

\* \* \*

(7) the reasonable cost of private mortgage guaranty insurance subject to such limitation as the Commissioner of Financial Regulation has approved; ~~and~~

(8) the reasonable fees associated with a credit card, agreed upon by the lender and borrower, including late charges and over-limit charges; and

(9) discount points, at the request of the borrower for the purpose of reducing, and which in fact result in a bona fide reduction of, the interest rate or time-price differential applicable to the loan.

(b) A borrower may procure an opinion and abstract of title from an attorney of ~~his or her~~ the borrower's choice acceptable to the lender, or hazard insurance in a company or in companies of ~~his or her~~ the borrower's choice acceptable to the lender, and in such cases the lender's acceptance shall not be unreasonably withheld.

#### Sec. 17. STUDY; BANKS; SUSPICIOUS ACTIVITY; TRANSACTION

##### HOLD

(a) The Commissioner of Financial Regulation or designee shall study regulatory models that would allow a financial institution to take measures to protect account holders from fraudulent transactions and shall recommend a model for legislative consideration. The study shall include a review of regulatory models enacted or proposed in other jurisdictions.

(b) In conducting the study required by this section, the Commissioner shall consult with a representative from the Vermont Bankers Association, the Association of Vermont Credit Unions, AARP Vermont, the Office of the Attorney General, Vermont Legal Aid, and any other person deemed appropriate by the Commissioner.

(c) Among other things, the study shall include recommendations regarding the following:

(1) the financial institutions subject to the proposed model;

(2) whether specific account holders, such as seniors or vulnerable populations, should receive heightened protection;

(3) notification and consultation requirements available to an account holder suspected to be the victim of fraudulent activity;

(4) a reasonable time period for imposing a transaction hold pending the outcome of an internal investigation;

(5) notification to the Department of Financial Regulation and, if appropriate, law enforcement or other third parties if fraudulent activity is suspected;

(6) continued account holder access to funds for transactions not suspected of being associated with fraudulent activity;

(7) immunity from civil liability for any financial institution that acts in good faith for the purpose of protecting account holders from fraudulent activity and that otherwise complies with applicable legal requirements; and

(8) any other provision deemed appropriate by the Commissioner.

(d) On or before November 15, 2025, the Commissioner shall provide a status report on the Commissioner's preliminary findings and recommendations to the Chair of the House Committee on Commerce and Economic Development and the Chair of the Senate Committee on Finance and, on or before January 15, 2026, shall submit a final report in draft form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance.

#### Sec. 18. STUDY; PROTECTIONS FOR VICTIMS OF COERCED DEBT

(a) The Commissioner of Financial Regulation or designee shall study regulatory models for providing protections and remedies for victims of coerced debt and shall recommend a model appropriate for Vermont. In particular, the Commissioner shall review the Model State Coerced Debt Law

prepared by the National Consumer Law Center in May of 2024, as well as laws enacted or proposed in other jurisdictions.

(b) In conducting the study required by this section, the Commissioner shall consult with a representative from the Vermont Network, the Vermont Bankers Association, the Association of Vermont Credit Unions, the Office of the Attorney General, Vermont Legal Aid, and any other person deemed appropriate by the Commissioner.

(c) Among other things, the study shall include recommendations regarding the following:

(1) a definition of coerced debt;

(2) whether coerced debt should include both secured and unsecured debt;

(3) the requisite information a debtor must provide a creditor when alleging coerced debt;

(4) procedures a creditor must follow regarding the investigation of an allegation of coerced debt, including ceasing collection efforts and notifying the Department of Financial Regulation, the Office of the Attorney General, and other law enforcement personnel, if appropriate;

(5) whether a credit reporting agency should remove coerced debt from a credit report and, if so, the process for doing so;

(6) whether Vermont's identity theft law, 13 V.S.A. § 2030, should be expanded to more specifically reference instances of coerced debt; and

(7) any other provision deemed appropriate by the Commissioner.

(d) On or before January 15, 2026, the Commissioner shall report the Commissioner's findings and recommendations in draft form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance.

## Sec. 19. RECOMMENDATION REGARDING INSURANCE AND GENETIC PRIVACY

On or before November 15, 2025, and for the purpose of preventing unfair genetic discrimination and safeguarding an individual's genetic privacy, the Commissioner of Financial Regulation shall provide a recommendation to the House Committee on Commerce and Economic Development and the Senate Committee on Finance on whether Vermont should enact a law prohibiting or limiting an insurance company's access to a consumer's personalized genetic report that is not part of the consumer's medical record. Among other things,

the Commissioner shall consider whether to require that an insurance company obtain consumer consent prior to the disclosure of genetic information obtained from a direct-to-consumer entity to an insurance company, including any company that offers health, long-term care, life, or disability insurance.

Sec. 20. 8 V.S.A. § 4062b is amended to read:

§ 4062b. MEDICARE SUPPLEMENTAL HEALTH SUPPLEMENT  
INSURANCE RATE REVIEW

(a) Within five business days after receiving any request to increase the premium rate for a Medicare supplement insurance policy from the health insurance company, hospital or medical service organization, or health maintenance organization issuing the policy, the Department shall post information about the rate filing on the Department's website, including:

(1) the name of the health insurance company, hospital or medical service organization, or health maintenance organization requesting the rate increase;

(2) the overall composite average rate increase requested;

(3) the increase requested by plan type;

(4) the date on which the proposed increase would take effect;

(5) the System for Electronic Rate and Form Filing (SERFF) tracking number associated with the filing and a web address for accessing the filing electronically; and

(6) instructions for submitting public comments and the deadline for doing so.

(b) Within five business days ~~of~~ after receiving a request for approval of any composite average rate increase in excess of ~~three~~ 10 percent, or any other coverage changes ~~which~~ that the Commissioner determines will have a comparable impact on cost or availability of coverage for a Medicare ~~supplemental supplement~~ supplement insurance policy issued by any ~~group or nongroup~~ health insurance company, hospital or medical service organization, or health maintenance organization, with 5,000 or more total lives in the Vermont Medicare supplement insurance market, the Commissioner shall notify the Department of Disabilities, Aging, and Independent Living and the Office of the Health Care Advocate of the proposed premium increase. A composite average rate is the enrollment-weighted average rate increase of all plans offered by a carrier.

~~(b)(c)~~ Within five business days after receiving notification pursuant to subsection ~~(a)(b)~~ of this section, the Department of Disabilities, Aging, and Independent Living shall inform the members of the Advisory Board established pursuant to 33 V.S.A. § 505 of the proposed premium increase.

~~(e)(d)(1)~~ The Commissioner shall not approve any request to increase Medicare ~~supplemental~~ supplement insurance premium rates unless the amount of the rate increase complies with the statutory standards for approval under sections 4062, 4513, 4584, and 5104 of this title. Any approved rate increase shall not be based on an unreasonable change in loss ratio from the previous year, unless the Commissioner makes written findings that such change is necessary to prevent a substantial adverse impact on the financial condition of the insurer. In acting on such rate increase requests, the Commissioner may deny the request, approve the rate increase as requested, or approve a rate increase in an amount different from the increase requested. A decision by the Commissioner other than an approval of the rate requested may be appealed by the insurer, provided that the burden of proof shall be on the insurer to show that the approved rate does not meet the statutory standards established under this subsection.

(2) Before acting on the rate increase requested, the Commissioner may make such examination or investigation as ~~he or she~~ the Commissioner deems necessary, ~~including where applicable the review process set forth in subdivision (3) of this subsection.~~

~~(3) In reviewing any Medicare supplement rate increase for which an independent analysis has been performed pursuant to 33 V.S.A. § 6706 and wherein the carrier's requested composite average increase, the independent expert's recommended composite average rate increase, or the Department actuary's recommended composite average rate increase differ by two percentage points or more, the Commissioner shall hold a public hearing where the insurer, the Department's actuary, the independent expert, any intervenor, and the public will have the opportunity to present written and oral testimony and will be available to answer questions of the Commissioner and those present. The hearing shall be noticed and held at a time and place so as to facilitate public participation, and shall be recorded and become part of the record before the Commissioner. In the Commissioner's discretion, the hearing may be conducted through interactive. If the carrier's requested composite average increase, the independent expert's recommended composite average increase, or the Department actuary's recommended composite average increase differs by less than two percentage points, the Department and the parties shall confer by conference call, or by any other available~~



~~media, to review the rate requests and recommendations. However, a public hearing may be held at the Commissioner's discretion for good cause shown.~~

(A) For any filing by a health insurance company, hospital or medical service organization, or health maintenance organization with 5,000 or more total lives in the Vermont Medicare supplement insurance market in which the requested composite average rate increase exceeds 10 percent, the Commissioner shall:

(i) solicit public comment; and

(ii) hold a public hearing in accordance with the Department of Financial Regulation's applicable rules regarding administrative procedures if, not later than 30 days after the rate filing information is posted on the Department's website pursuant to subsection (a) of this section, a hearing is requested by the Department of Disabilities, Aging, and Independent Living; by the Office of the Health Care Advocate; or by not fewer than 25 policyholders whose premium rates would be affected by the requested rate increase.

(B) For any filing that does not meet the criteria specified in subdivision (A) of this subdivision (3), a public hearing may be held in the Commissioner's discretion.

(C) In the Commissioner's discretion, a hearing held pursuant to this subdivision (3) may be conducted through a designated electronic meeting platform.

~~(4) In any review held in accordance with this subsection, the Commissioner shall permit intervention by any person that the Commissioner determines will materially advance the interests of the insured individuals. The intervenor shall have access to, and may use the information of the independent expert appointed under 33 V.S.A. § 6706. The reasonable and necessary cost of intervention as determined by the Commissioner shall be paid by the affected policyholders or certificate holders. The maximum payment shall be \$2,500.00 except when waived by the Commissioner for good cause shown. The \$2,500.00 maximum amount may be adjusted to reflect, at the Commissioner's discretion, appropriate inflation factors. In any review held in accordance with this section, the Commissioner shall permit intervention by any person whom the Commissioner determines will materially advance the interests of the individuals insured under the policy.~~

~~(5) Nonproprietary, relevant information in any Medicare supplement rate filing, including any analysis by the Department's actuary and the independent expert, shall be made available to the public upon request.~~

(d) For a Medicare supplement insurance policy with an effective date of January 1, the insurer shall file its premium rate request pursuant to this section not later than July 1 of the preceding year. For a Medicare supplement insurance policy with an effective date other than January 1, the insurer shall file its rate request pursuant to this section not later than six months prior to the effective date of the policy.

Sec. 21. REPEAL

33 V.S.A. § 6706 (Medicare supplement insurance; independent analysis) is repealed.

Sec. 22. 8 V.S.A. § 2577(f) is amended to read:

(f) Moratorium. To protect the public safety and welfare and safeguard the rights of consumers, virtual-currency kiosks shall not be permitted to operate in Vermont prior to July 1, ~~2025~~ 2026. This moratorium shall not apply to a virtual-currency kiosk that was operational in Vermont on or before June 30, 2024.

Sec. 23. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Secs. 20 and 21 (Medicare supplement insurance) shall take effect on January 1, 2026.

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

**Rep. Burkhardt of South Burlington**, for the Committee on Ways and Means, recommends the bill ought to pass when amended as recommended by the Committee on Commerce and Economic Development.

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

**H. 243**

An act relating to the regulation of business organizations

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

\* \* \* Updates to Title 3 language \* \* \*

Sec. 1. 3 V.S.A. § 102a is amended to read:

§ 102a. FACSIMILE SIGNATURE OF SECRETARY OF STATE

A facsimile of the signature of the Secretary of State imprinted by or at his or her the Secretary's direction upon any certification issued ~~under Title 11 or 11A pursuant to law~~, upon any attestation required of the Secretary by law, or upon any certification of official documents or records of which the Secretary

is custodian, shall have the same validity as the Secretary of State's written signature.

Sec. 2. 3 V.S.A. § 133 is amended to read:

§ 133. BUSINESS REGISTRATION

When professional services are required by law to be performed in or by a business entity registered with the Office, the business entity shall:

(1) register with the ~~Corporations~~ Business Services Division of the Office of the Secretary of State, if required by law; and

\* \* \*

\* \* \* Updates to Title 11 language \* \* \*

Sec. 3. 11 V.S.A. chapter 7 is amended to read:

CHAPTER 7. COOPERATIVES GENERAL COOPERATIVE  
CORPORATIONS AND COOPERATIVE ASSOCIATIONS

~~Subchapter 1. Provisions Relating to Cooperatives Formed Under General  
Corporation Law~~ General Cooperative Corporations

§ 981. GENERAL COOPERATIVE CORPORATION; USE OF

“COOPERATIVE”

A corporation formed under Title 11A shall not have the word “cooperative” or any abbreviation thereof as part of its name, unless the corporation is a worker cooperative corporation organized under chapter 8 of this title, a cooperative housing corporation organized under chapter 14 of this title, or ~~the a~~ a general cooperative corporation that includes in its articles of incorporation ~~contain all of~~ the following provisions:

\* \* \*

Subchapter 2. The Cooperative Marketing Act; Cooperative Associations

§ 991. DEFINITIONS

~~In~~ As used in this subchapter, unless the context or subject matter otherwise requires:

(1) “Agricultural products” includes horticultural, viticultural, forestry, dairy, livestock, poultry, bee, and any farm products.

(2) “Association” means any ~~corporation~~ nonprofit cooperative association organized under this chapter.

(3) “Associations” organized hereunder means nonprofit cooperative associations.

(4) “Consumers’ cooperative” means ~~a corporation~~ an association organized under this chapter for the acquisition and distribution for the benefit of ultimate consumers of property, goods, commodities, or services.

(5) “Handcraft product” means any product fashioned primarily by hand with the final form and its characteristics shaped by hand and produced in the home or a small craft center by the artisan or craftsman in a skilled or artistic process rather than in an assembly line technique.

(6) “Marketing cooperative” means ~~a corporation~~ an association organized under this chapter for the marketing of agricultural or handcraft products.

(7) “Member” includes actual members of associations without capital stock and holders of common stock in associations organized with capital stock.

(8) “Person” includes individuals, firms, partnerships, corporations and associations.

(9) “Railroad cooperative” means any ~~corporation~~ association organized under this chapter for the organization, acquisition, and operation of a general transportation business by railroad, including truck, bus, air, and water transportation subsidiaries of the railroad.

\* \* \*

#### § 994. POWERS

Each association incorporated under this subchapter shall have the following powers:

(1) In the case of a marketing cooperative, the power to engage in any activity in connection with the purchasing, marketing, selling, preserving, harvesting, drying, processing, manufacturing, canning, packing, grading, storing, handling, or utilization of any agricultural or handcraft products or the manufacturing or marketing of the ~~by-products~~ byproducts thereof, any activity in connection with the purchase, hiring, or use by its members of supplies, machinery or equipment, and in financing any of the aforementioned activities. However, a marketing association shall not handle agricultural or handcraft products of nonmembers to an extent greater in value than the products of its own members ~~which~~ that it handles. In the case of a consumers’ cooperative, the power to engage in any one or more lawful mode or modes of acquiring, producing, building, operating, manufacturing,

furnishing, exchanging, or distributing any type of property, commodities, goods, or services for the primary and mutual benefit of the patrons of the association, or their patrons, if any, as ultimate consumers. In the case of a railroad cooperative, to engage in any activity in connection with the organization, acquisition, and operation of a subsidiary transportation business, whether by means of railroad, truck, water carrier, air, or other. ~~Such a corporation formed under this subchapter shall have any other rights, powers, and privileges granted by the laws of this State to corporations in a like business organized under the general laws of this State.~~

\* \* \*

## § 995. ARTICLES

Each association formed under this subchapter shall prepare and file articles of incorporation setting forth:

(1) The name of the association.

(2) The purpose for which it is formed.

(3) ~~The place where its principal business will be transacted~~ address of its principal office in this State, and the name, email, and address information of an agent for service of process pursuant to section 1655 of this title.

(4) The names and business addresses of the directors thereof who are to serve until the election and qualification of their successors.

(5) The name and ~~residence~~ business address of the clerk, and of any other principal the association provides.

(6) When organized without capital stock, whether the property rights and interest of the members are equal, and, if unequal, the general rules applicable to all members by which the property rights and interest, respectively, of each member shall be determined and fixed, and provision for the admission of new members who shall be entitled to share in the property of the association in accordance with such general rules. This provision or paragraph of the ~~certificate of organization~~ articles of incorporation shall not be altered, amended, or replaced except by the written consent or vote representing three-fourths of the members.

(7) When organized with capital stock, the amount of such stock, the number of shares into which it is divided, and the par value thereof.

(8) The capital stock may be divided into preferred and one or more classes of common stock. When so divided, the ~~certificate of organization~~ articles of incorporation shall contain a statement of the number of shares of stock to which preference is granted, the number of shares of stock to which

no preference is granted, and the nature and definite extent of the preference and privileges granted to each.

(9) The articles of incorporation of any association organized under this subchapter may provide that the members or stockholders thereof shall have the right to vote in person or through another method of communication, including through a telecommunications or electronic medium, but a member or stockholder may not vote by proxy. This provision or paragraph of the articles of incorporation shall not be altered and shall not be subject to amendment.

(10) In addition to the foregoing, the articles of incorporation of any association incorporated hereunder may contain any provision consistent with law with respect to management, regulation, government, financing, indebtedness, membership, the establishment of voting districts and the election of delegates for representative purposes, the issuance, retirement, and transfer of its stock, if formed with capital stock, or any provisions relative to the way or manner in which it shall operate or with respect to its members, officers, or directors and any other provisions relating to its affairs.

(11) The ~~certificate~~ articles of incorporation shall be subscribed by the incorporators and shall be sworn to by one or more of them; and shall be filed with the Secretary of State. A certified copy shall also be filed with the Secretary of Agriculture, Food and Markets.

(12) When so filed, the ~~certificate of organization~~ articles of incorporation or a certified copy thereof shall be received in the courts of this State as prima facie evidence of the facts contained therein and of the due incorporation of such association.

§ 996. AMENDMENT OF ~~CERTIFICATE~~ ARTICLES; STATEMENT OF CHANGE

(a) The ~~certificate of organization~~ articles of incorporation may be altered or amended except as otherwise provided in this subchapter at any regular meeting or any special meeting called for that purpose. An amendment must first be approved by two-thirds of the directors and adopted by a vote of two-thirds of the members or delegates present and voting at such meeting. Amendments to the ~~certificate of organization~~ articles of incorporation, when so adopted, shall be filed in accordance with the provisions of section 995 of this title.

(b) Notwithstanding subsection (a) of this section, an association shall amend the name, email, or address information of its agent for service of

process by submitting to the Secretary of State for filing a statement of change pursuant to section 1655 of this title.

§ 997. FEE

For filing a certificate of organization, an association shall pay \$20.00 to the Secretary of State, and for filing an amendment thereto, \$10.00 A person who submits a document for filing pursuant to this chapter shall pay to the Secretary of State the amount specified in section 1651 of this title.

\* \* \*

§ 1001. CONTENTS OF BYLAWS

Each association may provide in its bylaws for any or all of the following matters:

\* \* \*

(10) In the case of a ~~consumer's~~ consumers' or railroad cooperative, the method of distributing among members or stockholders and patrons, both members and nonmembers, the net savings derived from the excess of total income over operating expenses. Provision may be made for the accumulation of reserve funds out of net savings.

\* \* \*

§ 1013. OFFICERS

The directors shall elect from their number a president and one or more vice presidents. They shall also elect a secretary, who shall be the clerk of the ~~corporation~~ association, and a treasurer, who need not be directors or members of the association. The directors may combine the two latter offices and designate the combined office as that of secretary-treasurer, or unite both functions and titles in one person. The treasurer may be a bank or any depository, and as such, shall not be considered as an officer, but as a function of the board of directors, and in such case, the secretary shall perform the usual accounting duties of the treasurer, except that the funds shall be deposited only as and where authorized by the board of directors.

\* \* \*

§ 1023. OWNERSHIP OR CONTROL OF OTHER CORPORATIONS

BUSINESS ORGANIZATIONS

An association may organize, form, operate, own, control, have an interest in, own stock of, or be a member of, any other ~~corporation or corporations,~~ business organization engaged in preserving,

drying, processing, canning, packing, storing, handling, shipping, utilizing, manufacturing, marketing, or selling the agricultural products handled by the association or byproducts thereof.

#### § 1024. WAREHOUSE RECEIPTS

~~When such corporations are warehousing corporations, they~~ An association engaged in warehousing may issue negotiable or nonnegotiable warehouse receipts of the association against the commodities delivered, and such warehouse receipts shall be considered as adequate collateral to the extent of the usual and current value of the commodity represented thereby. In case such warehouse is licensed, or licensed and bonded, under the laws of this or any other state of the United States, its warehouse receipt delivered to the association on commodities of the association or its members, or delivered by the association or by its members, shall not be challenged or discriminated against because of ownership or control, wholly or in part, by the association.

\* \* \*

### Subchapter 3. Consolidation of Cooperative Associations

#### § 1061. PROCEDURE

Two or more cooperative associations organized under, or which have adopted the provisions of subchapter ~~4~~ 2 of this chapter, or similar laws of other states, whether having or not having capital stock, may merge or consolidate into one cooperative association which may be a new cooperative association or one of the constituent cooperatives by complying with the following requirements:

\* \* \*

(3) If the articles of merger or consolidation are adopted by the affirmative vote of not less than two-thirds of the members attending and voting of each consolidating cooperative voting thereon at the meeting called to consider the same, or by not less than by a two-thirds vote of its delegates if qualified as provided in subdivision (4) of this section, articles of merger or consolidation in the form adopted shall be executed under its seal and acknowledged on behalf of each consolidating cooperative by its president or vice-president. Such articles of merger or consolidation shall recite that they are executed pursuant to this subchapter and shall state:

(A) the name of each consolidating cooperative and the address of its principal office;



(B) the name of the new cooperative and the address of its principal office in this State, or if none, the name, email, and address of an agent for service of process pursuant to section 1655 of this title;

(C) a statement that each consolidating cooperative agrees to the merger or consolidation;

(D) the names and business addresses of the directors of the new cooperative, and of any other principal the association provides; and

(E) the terms and conditions of the merger or consolidation and the mode of carrying the same into effect, including the manner in which the members of the consolidating cooperative may or shall become members of the new cooperative; and may contain provisions, not inconsistent with law or this subchapter, which are deemed necessary or advisable for the conduct of the business of the new cooperative.

(4) The president or vice president and the clerk or secretary of each consolidating cooperative executing such articles of merger or consolidation shall make and annex thereto an affidavit stating that the provisions of this section in respect to such articles were duly complied with by such cooperative.

~~(4)~~(5) In the case of any consolidating cooperative having a district election of delegates and a delegate system of voting as permitted by subdivision 995(10) of this title, in which, under its articles of incorporation or bylaws, such delegates have complete voting power on behalf of the membership for every purpose, except that of their own election and the election of district directors, the vote adopting the merger or consolidation required by subdivision (3) of this section shall be that of not less than two-thirds of the delegates attending and voting at such meeting.

\* \* \*

§ 1063. ~~FEF~~

~~For filing articles of merger or consolidation the new cooperative shall pay \$20.00 to the Secretary of State; and for filing an amendment thereof \$10.00. [Repealed.]~~

\* \* \*

Sec. 4. 11 V.S.A. chapter 15 is amended to read:

CHAPTER 15. REGISTRATION OF BUSINESS ENTITIES ASSUMED  
BUSINESS NAMES, PARTNERSHIPS, AND UNINCORPORATED  
NONPROFIT ASSOCIATIONS; ADMINISTRATIVE AUTHORITY;  
ADMINISTRATIVE PROVISIONS

Subchapter 1. Assumed Business Names, Partnerships, and Unincorporated  
Nonprofit Associations

§ 1621. REGISTRATION OF ASSUMED BUSINESS NAME BY PERSONS  
NAMES, PARTNERSHIPS, AND UNINCORPORATED  
NONPROFIT ASSOCIATIONS

(a) ~~A person doing business in this State under any name other than his or her own, and every copartnership~~ An individual doing business under an assumed business name, or a partnership or unincorporated nonprofit or association of individuals, except corporations and limited liability companies, doing business in this State, resident or nonresident, shall ~~cause to be recorded with~~ submit to the Secretary of State for filing a return setting forth a registration that provides:

(1) the name under which such business is carried on, the name of the business;

(2) the name of the town wherein such place of business is located, the address of its principal office;

(3) a brief description of the kind of business to be transacted under such name, and its business purpose;

(4) the individual names and residences of all persons, general partners, or members so doing business thereunder the name and business address of the individual doing business under the assumed name, as a partner of the partnership, or as a member of the association, and of any other principal the registrant provides; and

(5) for each individual, partner, or member who is not a resident of this State, or for whom the registrant does not provide an address in this State for service of process, the name, email, and address information of an agent for service of process pursuant to section 1655 of this title.

(b) ~~Such returns~~ A registration shall be subscribed and sworn to by ~~one or more of the persons so doing business, and shall be~~ a person with authority to act on behalf of the registrant and filed with the Secretary of State ~~within~~ not later than 10 days after commencement of business.

(c) The Secretary of State shall decline to register any business name unless the name is distinguishable in the records of the Secretary of State from any other business name of any name registered or reserved under this chapter, or the name of any other entity, whether domestic or foreign, that is reserved, registered, or granted by or with the Secretary of State, or any name that

would lead a reasonable person to conclude that the business is a type of entity that it is not.

(d) The Secretary of State shall establish rules ~~and regulations~~ for the administration of this section.

(e) Prior to registering its business name under this section, a person intending to operate a postsecondary school, as defined in 16 V.S.A. §§ 176 and 176a, shall apply to the State Board of Education for a certificate of approval pursuant to those sections.

#### § 1621a. ~~RESERVED NAME~~

~~(a) The exclusive right to the use of a business name may be reserved by any person, copartnership, or association intending to register its name under this section.~~

~~(b) The reservation shall be made by filing with the Secretary of State an application to reserve a specified business name, executed by the applicant, its agent, or attorney. If the Secretary of State finds that the name is available for use, he or she shall reserve the same for the exclusive use of the applicant for a period of 120 days.~~

~~(c) The right to the exclusive use of a specified business name so reserved may be transferred to any other person, copartnership, or association by filing in the office of the Secretary of State a notice of such transfer, executed by the applicant for whom the name was reserved, and specifying the name and address of the transferee. [Repealed.]~~

\* \* \*

#### § 1623. ~~REGISTRATION BY BUSINESS ORGANIZATIONS~~

~~(a) A business organization doing business in this State under any name other than that of the business organization shall be subject to all the provisions of this chapter; and shall file returns sworn to by some officer or director of the corporation or mutual benefit enterprise, or by some director or manager of the limited liability company, or by some partner of the partnership or limited partnership, setting forth:~~

~~(1) the name and location of the principal office of the business organization;~~

~~(2) the name under which the organization will conduct business;~~

~~(3) the town or towns where the organization conducts business under the name; and~~

~~(4) a brief description of the kind of business the organization conducts under the name.~~

~~(b) The Secretary of State shall decline to register any business name unless the name is distinguishable in the records of the Secretary of State from any other business name of any name registered or reserved under this chapter or the name of any other entity, whether domestic or foreign, that is reserved, registered, or granted by or with the Secretary of State, or any name that would lead a reasonable person to conclude that the business is a type of entity that it is not. [Repealed.]~~

#### § 1624. FORMS

~~The Secretary of State shall formulate forms for the returns and shall, on request, furnish such forms by mail or otherwise to persons, copartnerships, associations, or corporations subject to the provisions of this chapter. [Repealed.]~~

#### § 1625. FEES

~~(a) A person, copartnership, association, limited liability company, or corporation required by the provisions of this chapter to file a return shall, at the time of filing as provided, pay a registration fee of \$70.00 to the Secretary of State.~~

~~(b) A person, copartnership, association, limited liability company, or corporation required by the provisions of this chapter to file a certificate of cessation or change of business status or an application to reserve a business name shall, at the time of filing, pay a fee of \$35.00 to the Secretary of State.~~

~~(c) Statement of change of designated agent or designated office, or both: \$25.00, not to exceed \$1,000.00 per filer per calendar year.~~

~~(d) The Secretary shall collect \$25.00 each time process is served on the Secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if he or she prevails in the proceeding. A person who submits a document for filing pursuant to this subchapter shall pay to the Secretary of State the amount specified in section 1651 of this title.~~

#### § 1626. FAILURE TO REGISTER; ENFORCING COMPLIANCE

~~(a) A person transacting business in this State who is not registered with the Secretary of State as required under this ~~chapter~~ subchapter and any successor to the person or assignee of a cause of action arising out of the business of the person, may not maintain an action or proceeding or raise a~~

counterclaim, crossclaim, or affirmative defense in this State until the person, successor, or assignee registers with the Secretary.

(b) The failure of a person to register as required under this ~~chapter~~ subchapter does not impair the validity of a contract or act of the person or preclude it from defending an action or proceeding in this State.

(c) An individual does not waive a limitation on his or her personal liability afforded by other law solely by transacting business in this State without registering with the Secretary of State as required under this ~~chapter~~ subchapter.

(d) If a person transacts business in this State without registering with the Secretary of State as required under this ~~chapter~~ subchapter, the Secretary is its agent for service of process with respect to a right of action arising out of the transaction of business in this State.

(e) A person that transacts business in this State without registering with the Secretary of State as required under this ~~chapter~~ subchapter shall be liable to the State for:

(1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it transacts business in this State without a registration;

(2) an amount equal to the fees due under this ~~chapter~~ subchapter during the period it transacted business in this State without a registration; and

(3) other penalties imposed by law.

(f) The Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed in subsection (e) of this section and to restrain a person from transacting business in this State in violation of this ~~chapter~~ subchapter.

#### § 1627. SERVICE OF PROCESS

~~Service of such complaint and process thereunder may be made by delivering within this State a true and attested copy thereof to any person so doing business or any servant or agent of such person, copartnership, association, limited liability company, or corporation, or in any manner otherwise provided by law. A name so registered shall not thereafter be used by a person, copartnership, association, limited liability company, or corporation, unless it is lawfully entitled thereto at the date of such registration. [Repealed.]~~

#### § 1628. CERTIFICATE OF CESSATION OF BUSINESS OR CHANGE OF

## BUSINESS STATUS; AMENDMENT

~~(a) When a person, copartnership, association, limited liability company, or corporation subject to the provisions of this chapter shall cease to do business in this State, a certificate setting forth such fact and the date whereon it so ceased shall be filed with the Secretary of State within 10 days after the date such business ceases. Such certificate may be sworn to and filed by a surviving partner, member of such association, officer of such corporation, member or manager of such limited liability company, or person so doing business, or his or her executor or administrator. A registrant that ceases to do business in this State shall submit to the Secretary of State for filing a certificate of cessation of business not later than 10 days after the date of cessation.~~

~~(b) Whenever any general partner of such partnership, or member of such association withdraws from the business, a remaining general partner or member shall within 30 days file a certificate with the Secretary of State signed and sworn by a remaining general partner or member, setting forth the fact of such withdrawal, together with the date of that withdrawal. Filing of this certificate shall avoid any interruption in the period of registration remaining before the need for renewal, as if no partner or member of the association had withdrawn. A registrant that adds or removes an individual, partner, or member named in its registration shall submit to the Secretary of State for filing an amendment to reflect the change not later than 30 days after the date of the change.~~

~~(c) A registrant may amend its agent information by filing a statement of change pursuant to section 1655 of this title and may amend any other information in its registration by submitting an amendment to the Secretary of State for filing.~~

### § 1629. PENALTIES

~~Failure to file such certificate at the time so required by section 1628 of this title shall work a forfeiture of \$10.00 to be recovered by the Secretary of State in a civil action on this statute, in his or her name, against any surviving partner, any member of such association, any officer of such corporation, or any person so doing business, or his executor or administrator, and the same shall be paid into the Treasury of the State. [Repealed.]~~

### § 1630. PROCESS AGENT

~~Each nonresident doing business in this State in his or her individual capacity, or as copartner or member of a copartnership or association required by sections 1621 and 1623 of this title to file the returns therein specified, or under any name other than his or her own, except as otherwise provided, shall~~

~~appoint in writing a person having an office or place of business and residing in the town wherein the principal office of such nonresident, copartnership, or association is located, upon whom process against such nonresident may be served in an action founded upon a liability incurred in this State. Such appointment shall continue in force until revoked by a like instrument appointing another person therein residing, and having therein an office or place of business. Such instrument shall be recorded with the Secretary of State. In the event a nonresident has not appointed a process agent, and has not filed such appointment, as set forth in this section, the Secretary of State shall be such process agent. [Repealed.]~~

#### § 1631. VACANCY

~~When an appointee dies or removes from the State, another person residing in such town and having therein an office or place of business, within 10 days from the date of such death or removal, shall be appointed in the manner hereinbefore specified, upon whom service of process may be made as provided in section 1630 of this title. In case of such death or removal, or if a person is not appointed as aforesaid, process against such nonresident person may be served by delivering to the Secretary of State duplicate copies thereof, one of which shall be filed with the Secretary of State and the other shall be forwarded by mail prepaid by the clerk to the last known residence of such person. [Repealed.]~~

#### § 1632. EXCEPTIONS

~~The provisions of sections 1630 and 1631 of this title shall not apply to foreign investment companies, foreign building and loan associations, or foreign creamery companies. [Repealed.]~~

#### § 1633. SECRETARY OF STATE AS PROCESS AGENT

~~A foreign insurance, express, shipping car, telegraph, or telephone company, or a foreign company under any other name engaged in like business, shall not do business in this State as an unincorporated association or partnership, until it has filed with the Secretary of State a written stipulation containing the association or firm name, and the names and residences of the associates or partners, and appointing the Secretary of State as its process agent. Such stipulation shall be in form and substance like that specified in subdivision 692(3) of this title, and shall have the same legal effect. The provisions of 12 V.S.A. §§ 851-853, shall apply to service of process on such company and to acts done by persons or agents in its behalf. [Repealed.]~~

#### § 1634. EFFECT OF FAILURE AND NEGLECT

~~A person, copartnership, limited liability company, or corporation subject to this chapter shall not institute any proceedings in this State for the enforcement of any right or obligation unless it shall, prior to the issuance of the original return or complaint therein, have filed the returns and paid the registration fee required by this chapter; nor shall a license or certificate be granted to a nonresident individual, copartnership, or unincorporated association to transact a business specified in Titles 5 and 23 or in 6 V.S.A. chapter 29 until such individual, copartnership, or association has complied with the provisions of section 1630 of this title. [Repealed.]~~

#### § 1635. REREGISTRATION

~~(a) One or more persons doing business under a registered business name~~ A registrant shall reregister the name every five years by filing a reregistration return with the Secretary of State with a fee of \$65.00 ~~within~~ not sooner than 60 days following the date five years after the date prior to the expiration of the original registration or of the last reregistration. The Secretary of State shall prepare and supply the necessary forms.

(b) When reregistration is not accomplished as provided in subsection (a) of this section, a business name may be registered by the first applicant making application to the Secretary of State for an original registration as provided by this ~~chapter~~ subchapter.

#### Subchapter 2. Administrative Authority

#### § 1636. TERMINATION OF BUSINESS NAME; HEARING

(a) If the Secretary of State declines to register a business ~~in accordance with the provisions of subsection 1621(e) of this title~~ because it is not distinguishable in the records of the Secretary from another business name, the applicant may request that the Secretary determine whether the person to whom the business name is registered is doing business or taking steps to do business in this State.

\* \* \*

#### § 1637. AUTHORITY TO TERMINATE AND AMEND REGISTRATION

(a) The Secretary of State shall have the authority to:

(1) terminate the registration of a person who, pursuant to an administrative order, a final court order, or an assurance of discontinuance, is not authorized to conduct business in this State; and

(2) amend ~~his or her~~ the person's records to reflect the termination of a registration pursuant to subdivision (1) of this subsection.



(b)(1) If the Secretary of State terminates the registration of a person pursuant to this section, the person appoints the Secretary as ~~his or her~~ the person's agent for service of process in any proceeding based on a cause of action that arose during the time the person was authorized to transact, or was transacting without authorization, business in this State.

(2) Upon receipt of process, the Secretary of State shall deliver by registered mail a copy of the process to ~~the secretary of~~ the terminated person at its principal office shown in its most recent annual report or in any subsequent communication received from the person stating the current mailing address of its principal office, or, if none is on file, in its application for registration.

(c)(1) If a court or other person with sufficient legal authority reinstates the ability of a terminated person to conduct business in this State, the terminated person may file with the Secretary of State evidence of the reinstated authority and ~~pay to the Secretary a fee of \$25.00 for each year the person is delinquent~~ submit any filing necessary to update its registration.

(2) Upon receipt of a filing and payment pursuant to subdivision (1) of this subsection, the Secretary shall cancel the termination and prepare a certificate of reinstatement, file the original of the certificate, and serve a copy on the person.

#### § 1638. AUTHORITY TO REJECT, AMEND, OR TERMINATE

(a) The Secretary of State shall have the authority to:

(1) reject a record submitted for filing that the Secretary reasonably determines contains false, fraudulent, or clearly erroneous information; and

(2) amend a record or terminate the registration of a person who the Secretary determines, after notice and opportunity for hearing pursuant to 3 V.S.A. chapter 25, has submitted false or fraudulent information in a record, or has attempted or submitted a record for filing in bad faith, without lawful authority, or to commit fraud or cause injury.

(b)(1) If the Secretary terminates the registration of a person pursuant to this section, or the Secretary's rejection or amendment of a record results in the person's failure to designate or maintain an agent for service of process, then the person appoints the Secretary as the person's agent for service of process.

(2) Upon receipt of process, the Secretary of State shall deliver by registered mail a copy of the process to the person's last known address.

(c) A person aggrieved by a final decision of the Secretary under this section may appeal to the Superior Court of Washington County, which shall consider the matter de novo.

§ 1639. FORMS; PROCEDURES; RULES

The Secretary of State may adopt forms, procedures, and rules to implement the processes and provisions of governing business registration in this State.

Subchapter 3. Administrative Provisions for Business Organizations

§ 1651. FEES

The Secretary of State shall collect the following fees for services and for documents submitted for filing pursuant to the provisions of Titles 11–11C and 30 V.S.A. chapter 81:

(1) \$150.00 for the initial filing of a domestic business organization, including:

(A) articles of incorporation for a nonprofit cooperative association pursuant to 11 V.S.A. chapter 7;

(B) a statement of qualification for a limited liability partnership pursuant to 11 V.S.A. chapter 22;

(C) a certificate of limited partnership for a limited partnership pursuant to 11 V.S.A. chapter 23;

(D) articles of organization for a limited liability company pursuant to 11 V.S.A. chapter 25;

(E) articles of incorporation for a business corporation pursuant to Title 11A;

(F) articles of incorporation for a nonprofit corporation pursuant to Title 11B;

(G) articles of organization for a mutual benefit enterprise pursuant to Title 11C; and

(H) articles of incorporation for a utility cooperative pursuant to 30 V.S.A. chapter 81;

(2) \$175.00 for the initial filing of a foreign business organization, including:

(A) a statement of foreign qualification for a limited liability partnership pursuant to 11 V.S.A. chapter 22;

(B) an application for registration for a limited partnership pursuant to 11 V.S.A. chapter 23;

(C) an application for a certificate of authority for a limited liability company pursuant to 11 V.S.A. chapter 25;

(D) an application for a certificate of authority for a business corporation pursuant to Title 11A;

(E) an application for a certificate of authority for a nonprofit corporation pursuant to Title 11B; and

(F) an application for a certificate of authority of a foreign enterprise pursuant to Title 11C;

(3) \$75.00 for a registration or reregistration of an assumed business name, partnership, or unincorporated nonprofit association pursuant to 11 V.S.A. chapter 15;

(4) \$50.00 for the annual report of a domestic business organization;

(5) \$175.00 for the annual report of a foreign business organization;

(6) \$35.00 for the biennial report of a nonprofit corporation, except that the Secretary shall waive the fee for the biennial report of a nonprofit corporation that in the prior calendar year did not pay compensation to any officer, director, or employee; and

(7) \$35.00 for recording any other document submitted for filing and for any related fees, including fees for a certified copy, for a returned check or charge back, for each year a reinstatement fee is due, and for service of process on the Secretary.

#### § 1652. RESERVED NAME

(a) A person may reserve the exclusive use of a business name by delivering an application to the Secretary of State for filing. The application shall state the name and address of the applicant and the name to be reserved. If the Secretary finds that the entity name is available, the Secretary shall reserve the name for the applicant's exclusive use for 120 days.

(b) The owner of a reserved name may transfer the reservation to another person by submitting to the Secretary of State for filing a notice of the transfer, which states the name and address of the transferee.

#### § 1653. ASSUMED BUSINESS NAME OF BUSINESS ORGANIZATION

A business organization that is authorized to do business in this State may conduct business under an assumed name by submitting to the Secretary of

State for filing a registration that identifies the authorized business and the assumed name.

§ 1654. [Reserved]

§ 1655. DESIGNATION OF AGENT FOR SERVICE OF PROCESS;

CHANGE; RESIGNATION

(a) Duty to designate agent for service of process. A person doing business in this State that is required to designate and maintain an agent for service of process shall provide the name, email, and address information of an individual resident of this State or of a business organization that has a place of business in, and is authorized to conduct business in, this State.

(b) Attestation. A person who designates an agent for service of process attests that the agent consents to the appointment.

(c) Duty to maintain current agent information; statement of change. Except as provided in subsection (d) of this section, a person registered with the Secretary of State may change its agent for service of process, or the agent's email or address information, solely by submitting to the Secretary of State for filing a statement of change that provides its current agent information and specifies any changes to the agent information.

(d) Bulk statement of change by agent.

(1) If an agent for service of process changes its name, email, or address information in the records of the Secretary of State, the agent may submit to the Secretary for filing a bulk statement of change that:

(A) identifies the businesses for which the agent serves as the agent for service of process and whose records the Secretary shall update to reflect the change to the agent's information; and

(B) attests that the agent has or will promptly provide notice to each business whose record is updated pursuant to the bulk statement of change.

(2) For a bulk statement of change, the Secretary of State shall collect from the agent a separate filing fee for each business whose record is amended.

(e) Agent resignation; termination.

(1) An agent for service of process may resign as agent by submitting to the Secretary of State for filing a statement of resignation and delivering a copy of the statement to the affected business.

(2) An agency for service of process terminates on the earlier of:

(A) 30 days after the Secretary files a statement of resignation; or

(B) the date on which a statement of change designating a new agent takes effect.

(3) The Secretary shall waive the filing fee for a statement of resignation if the agent on record attests that it did not consent to serve as agent for service of process.

§ 1655. SECRETARY OF STATE AS AGENT FOR SERVICE OF  
PROCESS

(a) An agent for service of process appointed by a person registered with the Secretary of State is an agent for service of any process, notice, or demand required or permitted by law to be served upon the person.

(b) If a person registered with the Secretary of State fails to appoint or maintain an agent for service of process in this State as required by law, or the agent for service of process cannot with reasonable diligence be found at the agent's address, the Secretary of State is an agent of the person upon whom process, notice, or demand may be served.

(c)(1) Service of any process, notice, or demand on the Secretary of State may be made by delivering to and leaving with the Secretary of State duplicate copies of the process, notice, or demand.

(2) If the process, notice, or demand is served on the Secretary of State, the Secretary of State shall forward one of the copies by registered or certified mail, return receipt requested, to the company at its principal office or last known address.

(d) The Secretary of State shall keep a record of all processes, notices, and demands served pursuant to this section and record the time of and the action taken regarding the service.

(e) This section shall not affect the right to serve process, notice, or demand upon a person in any manner otherwise provided by law.

§ 1656. SECRETARY OF STATE AS AGENT FOR SERVICE OF  
PROCESS

(a) An agent for service of process appointed by a person registered with the Secretary of State is an agent for service of any process, notice, or demand required or permitted by law to be served upon the person.

(b) If a person registered with the Secretary of State fails to appoint or maintain an agent for service of process in this State as required by law, or the agent for service of process cannot with reasonable diligence be found at the

agent's address, the Secretary of State is an agent of the person upon whom process, notice, or demand may be served.

(c)(1) Service of any process, notice, or demand on the Secretary of State may be made by delivering to and leaving with the Secretary of State duplicate copies of the process, notice, or demand.

(2) If the process, notice, or demand is served on the Secretary of State, the Secretary of State shall forward one of the copies by registered or certified mail, return receipt requested, to the company at its principal office or last known address.

(d) Service is effective on the earliest of:

(1) the date the person receives the process, notice, or demand;

(2) the date shown on the return receipt, if signed on behalf of the person; or

(3) five days after the process, notice, or demand is deposited by the Secretary of State for delivery by the U.S. Postal Service, if postage is prepaid to the address of the principal office or last known address reflected in the records of the Secretary of State.

(e) The Secretary of State shall keep a record of all processes, notices, and demands served pursuant to this section and record the time of and the action taken regarding the service.

(f) This section shall not affect the right to serve process, notice, or demand upon a person in any manner otherwise provided by law.

Sec. 5. 11 V.S.A. chapter 22 is amended to read:

## CHAPTER 22. PARTNERSHIPS

\* \* \*

### § 3205. EXECUTION, FILING, AND RECORDING OF STATEMENTS

\* \* \*

(f) The Secretary of State shall collect a fee for filing or providing a certified copy of a statement as set forth in section ~~3310~~ 1651 of this title.

\* \* \*

### § 3291. STATEMENT OF QUALIFICATION

\* \* \*

(c) After the approval required by subsection (b) of this section, a partnership may only become a limited liability partnership by filing a statement of qualification. The statement must contain:

(1) the name of the partnership;

(2) the location of the principal place of business in this State;

(3) if the partnership does not have a principal place of business in this State, the name, email, and street address information of the partnership's agent for service of process pursuant to section 1655 of this title;

(4) a statement that the partnership elects to be a limited liability partnership; and

(5) a deferred effective date, if any.

~~(d) The agent of a limited liability partnership for service of process must be an individual who is a resident of this State or other person authorized to do business in this State. [Repealed.]~~

(e) The status of a partnership as a limited liability partnership is effective on the later of the filing of the statement or a date specified in the statement. The status remains effective, regardless of changes in the partnership, until it is canceled pursuant to subsection 3205(d) of this title or revoked pursuant to section 3293 of this title.

\* \* \*

#### § 3293. ANNUAL REPORT

(a) A limited liability partnership, and a foreign limited liability partnership authorized to transact business in this State, shall file an annual report in the Office of the Secretary of State ~~which~~ that contains:

(1) the name of the limited liability partnership and the state or other jurisdiction under whose laws the foreign limited liability partnership is formed;

(2) the ~~street~~ address of the partnership's principal office and, if different, the ~~street~~ address of an office in this State, if any; and

(3) if the partnership does not have an office in this State, the name, email, and ~~street~~ address of the partnership's designated agent for service of process.

\* \* \*

(f) A reinstatement under subsection (e) of this section relates back to and takes effect as of the effective date of the revocation, and the partnership's

status as a limited liability partnership continues as if the revocation had never occurred.

(g) The Secretary of State shall amend its records to reflect a change, if specified in the report, to the business's purpose, email, address, or principal information.

\* \* \*

#### § 3302. STATEMENT OF FOREIGN QUALIFICATION

(a) Before transacting business in this State, a foreign limited liability partnership must file a statement of foreign qualification. The statement must contain:

\* \* \*

(3) If there is no office of the partnership in this State, the name, email, and street address information of the partnership's agent for service of process pursuant to section 1655 of this title.

(4) A deferred effective date, if any.

~~(b) The agent of a foreign limited liability partnership for service of process must be an individual who is a resident of this State or other person authorized to do business in this State. [Repealed.]~~

(c) The status of a partnership as a foreign limited liability partnership is effective on the later of the filing of the statement of foreign qualification or a date specified in the statement. The status remains effective, regardless of changes in the partnership, until it is canceled pursuant to subsection 3205(d) or revoked pursuant to section 3293 of this title.

(d) An amendment or cancellation of a statement of foreign qualification is effective when it is filed or on a deferred effective date specified in the amendment or cancellation.

#### § 3303. EFFECT OF FAILURE TO QUALIFY

(a)(1) A foreign limited liability partnership transacting business in this State may not maintain an action or proceeding or raise a counterclaim, crossclaim, or affirmative defense in this State unless it has in effect a statement of foreign qualification.

(2) The successor to a foreign limited liability partnership that transacted business in this State without a ~~certificate of authority~~ statement of foreign qualification in effect and the assignee of a cause of action arising out of that business may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense based on that cause of action in any court in



this State until the foreign limited liability partnership or its successor or assignee obtains files a certificate of authority statement of foreign qualification.

\* \* \*

§ 3310. FEES

(a) The Secretary of State shall collect the following fees when a document described in this section is delivered to the Office of the Secretary of State for filing:

(1) Statement of authority	\$155.00
(2) Statement of denial	\$25.00
(3) Statement of disassociation	\$20.00
(4) Statement of dissolution	\$20.00
(5) Statement of merger	\$85.00
(6) Statement of qualification	\$130.00
(7) Statement of foreign qualification	\$170.00
(8) Amendment	\$45.00
(9) Cancellation	\$10.00
(10) Annual report of domestic limited liability partnership	\$30.00
(11) Annual report of foreign limited liability partnership	\$170.00
(12) Reinstatement	\$45.00
(13) Statement of change of designated agent or designated office, or both	\$35.00
	not to exceed
	\$1,000.00
	per
	filer
	per

	calendar
	year
(14) Application for certificate of good standing	\$45.00
(15) Any other document permitted or required to be filed by this chapter	\$20.00
(16) Amendment—Foreign	\$35.00

(b) The Secretary of State shall collect the following fees:

(1) ~~\$ 25.00 each time process is served on the Secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if he or she prevails in the proceeding.~~

(2) ~~\$ 25.00 for the certificate certifying the copy of any filed document related to a partnership, limited liability partnership, or a foreign limited liability partnership. A person who submits a document for filing pursuant to this chapter shall pay to the Secretary of State the amount specified in section 1651 of this title.~~

\* \* \*

Sec. 6. 11 V.S.A. chapter 23 is amended to read:

#### CHAPTER 23. LIMITED PARTNERSHIPS

\* \* \*

##### § 3403. RESERVATION OF NAME

(a) The exclusive right to the use of a name may be reserved by:

(1) ~~any person intending to organize a limited partnership under this chapter and to adopt that name;~~

(2) ~~any domestic limited partnership or any foreign limited partnership registered in this State which, in either case, intends to adopt that name;~~

(3) ~~any foreign limited partnership intending to register in this State and adopt that name; and~~

(4) ~~any person intending to organize a foreign limited partnership and intending to have it registered in this State and to adopt that name.~~

(b) ~~The reservation shall be made by filing with the Secretary of State an application, executed by the applicant, to reserve a specified name. If the Secretary of State finds that the name is available for use by a domestic or foreign limited partnership, he or she shall reserve the name for the exclusive~~

~~use of the applicant for a period of 120 days. The owner of a name reserved under this section may renew the reservation for two successive periods of 120 days each. The right to the exclusive use of a reserved name may be transferred to any other person by filing in the Office of the Secretary of State a notice of the transfer, executed by the applicant for whom the name was reserved and specifying the name and address of the transferee. A person may reserve the exclusive use of a business name by delivering an application to the Secretary of State for filing pursuant to section 1652 of this title.~~

#### § 3404. SPECIFIED OFFICE AND AGENT

Each limited partnership shall continuously maintain in this State:

(1) an office, which may but need not be a place of its business in this State, at which shall be kept the records required by section 3405 of this title to be maintained; and

~~(2) an agent for service of process on the limited partnership, which agent must be an individual resident of this State, a domestic corporation, partnership, limited liability company, or a foreign corporation, partnership, or limited liability company authorized to do business in this State pursuant to section 1655 of this title.~~

\* \* \*

#### § 3411. CERTIFICATE OF LIMITED PARTNERSHIP

(a) In order to form a limited partnership, a certificate of limited partnership must be executed and filed in the Office of the Secretary of State. The certificate shall set forth:

(1) the name of the limited partnership;

(2) the address of the office and the name, email, and address information of the agent for service of process required to be maintained by section 3404 of this title;

(3) the name and the business address of each general partner, and of any other principal the limited partnership provides;

(4) the name and ~~place of residence~~ the business address of each limited partner and the amount of cash and a description of and the agreed value of other property contributed by each limited partner;

\* \* \*

#### § 3420. FEES

(a) ~~The Secretary of State shall collect the following fees when a document described in this section is delivered to the Office of the Secretary of State for filing:~~

<del>(1) Certificate of Limited Partnership</del>	<del>\$130.00</del>
<del>(2) Registration of Foreign Limited Partnership</del>	<del>\$155.00</del>
<del>(3) Amendment—Domestic</del>	<del>\$35.00</del>
<del>(4) Cancellation</del>	<del>\$25.00</del>
<del>(5) Merger</del>	<del>\$65.00</del>
<del>(6) Statement of change of designated agent or designated office, or both</del>	<del>\$35.00</del>
	<del>not to exceed \$1,000.00 per filer per calendar year</del>
<del>(7) Application for certificate of good standing</del>	<del>\$35.00</del>
<del>(8) Any other document permitted or required to be filed by this chapter</del>	<del>\$20.00</del>
<del>(9) Amendment—Foreign</del>	<del>\$35.00.</del>
<del>(10) Name reservation, application</del>	<del>\$20.00.</del>
<del>(11) Name reservation, transfer</del>	<del>\$20.00.</del>
<del>(12) Restated certificate of limited partnership</del>	<del>\$20.00.</del>

(b) ~~The Secretary of State shall collect the following fees:~~

~~(1) \$25.00 each time process is served on the Secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if he or she prevails in the proceeding.~~

~~(2) \$25.00 for the certificate certifying the copy of any filed document related to a partnership, limited liability partnership, or a foreign limited liability partnership A person who submits a document for filing pursuant to~~

this chapter shall pay to the Secretary of State the amount specified in section 1651 of this title.

\* \* \*

#### § 3482. REGISTRATION

Before transacting business in this State, a foreign limited partnership shall register with the Secretary of State. In order to register, a foreign limited partnership shall submit to the Secretary of State, ~~in duplicate~~, an application for registration as a foreign limited partnership, signed and sworn to by a general partner and setting forth:

(1) the name of the foreign limited partnership and, if different, the name under which it proposes to register and transact business in this State;

(2) the state and date of its formation;

(3) the name, email, and address information of any agent for service of process on the foreign limited partnership ~~whom the foreign limited partnership elects to appoint; the agent must be an individual resident of this State, a domestic corporation, or a foreign corporation having a place of business in, and authorized to do business in, this State pursuant to section 1655 of this title;~~

(4) a statement that the Secretary of State is appointed the agent of the foreign limited partnership for service of process if no agent has been appointed under subdivision (3) of this section or, if appointed, the agent's authority has been revoked or if the agent cannot be found or served with the exercise of reasonable diligence;

(5) the address of the office required to be maintained in the state of its organization by the laws of that state or, if not so required, of the principal office of the foreign limited partnership;

(6) the name and business address of each general partner, and of any other principal the foreign limited partnership provides; and

(7) the address of the office at which is kept a list of the names and addresses of the limited partners and their capital contributions, together with an undertaking by the foreign limited partnership to keep those records until the foreign limited partnership's registration in this State is canceled or withdrawn.

\* \* \*

#### § 3487. TRANSACTION OF BUSINESS WITHOUT REGISTRATION

(a)(1) A foreign limited partnership transacting business in this State may not maintain an action or proceeding or raise a counterclaim, crossclaim, or affirmative defense in this State until it has registered in this State.

(2) The successor to a foreign limited partnership that transacted business in this State without a ~~certificate of authority~~ registration and the assignee of a cause of action arising out of that business may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense based on that cause of action in any court in this State until the foreign limited partnership or its successor or assignee ~~obtains a certificate of authority~~ has registered.

\* \* \*

Sec. 7. 11 V.S.A. chapter 25 is amended to read:

#### CHAPTER 25. LIMITED LIABILITY COMPANIES

\* \* \*

##### § 4006. RESERVED NAME

~~(a)(1) A person may reserve the exclusive use of the name of a limited liability company, including a fictitious or assumed name for a foreign limited liability company whose name is not available, by delivering an application to the Secretary of State for filing.~~

~~(2) The application shall state the name and address of the applicant and the name proposed to be reserved.~~

~~(3) If the Secretary of State finds that the name applied for is available, the Secretary shall reserve that name for the applicant's exclusive use for a 120-day period.~~

~~(b) The owner of a reserved limited liability company name may renew the reservation for successive periods of 120 days each by delivering a renewal application to the Secretary of State during the 45-day period preceding the date of expiration of the reservation.~~

~~(c) The owner of a name reserved for a limited liability company may assign the reservation to another person by delivering to the Secretary of State for filing a signed notice of the assignment that states the name and address of the assignee.~~

~~(d) The owner of a reserved limited liability company name may terminate the name reservation by delivering to the Secretary of State for filing a signed notice of withdrawal of name reservation~~ A person may reserve the exclusive

use of a business name by delivering an application to the Secretary of State for filing pursuant to section 1652 of this title.

§ 4007. DESIGNATED OFFICE AND AGENT

(a) A limited liability company and a foreign limited liability company authorized to do business in this State shall designate and continuously maintain:

(1) a designated office for notification purposes, which may but need not be a place of its business, and may but need not be located in this State; and

(2) ~~an agent and street address of the agent for service of process on the limited liability company in this State pursuant to section 1655 of this title.~~

~~(b) An agent for service of process shall be an individual resident of this State, a domestic corporation, another limited liability company, or a foreign corporation or foreign limited liability company authorized to do business in this State.~~

§ 4008. CHANGE OF DESIGNATED OFFICE OR AGENT FOR SERVICE OF PROCESS

(a) A limited liability company or foreign limited liability company may change its designated office ~~or agent for service of process~~ by delivering to the Secretary of State for filing a statement of change that sets forth: its current designated office information and any change to the information.

(1) ~~the name of the company;~~

(2) ~~the street address, and the mailing address if different from the street address, of its current designated office;~~

(3) ~~if the current designated office is to be changed, the street address, and the mailing address if different from the street address, of the new designated office;~~

(4) ~~the name and address of its current agent for service of process; and~~

(5) ~~if the current agent for service of process is to be changed, the name of the new agent for service of process and the new agent's written consent, either on the statement or attached to it, to the appointment.~~

(b) ~~If an agent for service of process changes the street address of the agent's business office, the agent may change the street address of the designated office of any limited liability company or foreign limited liability company for which the agent is the agent for service of process by notifying~~

~~the company in writing of the change and signing, either manually or in facsimile, and filing with the Secretary of State a statement that complies with the requirements of subsection (a) of this section and recites that the company has been notified of the change A limited liability company or foreign limited liability company shall change its agent for service of process, or the agent's email or address information, by delivering to the Secretary for filing a statement of change pursuant to section 1655 of this title.~~

#### § 4009. RESIGNATION OF AGENT FOR SERVICE OF PROCESS

~~(a) To resign as an agent for service of process of a limited liability company or foreign limited liability company, the agent shall deliver to the Secretary of State for filing a statement of resignation containing the company name and stating that the agent is resigning pursuant to section 1655 of this title.~~

~~(b) The Secretary of State shall file a statement of resignation delivered under subsection (a) of this section and mail or otherwise deliver a copy to the designated office of the limited liability company.~~

~~(c) An agency for service of process terminates on the earlier of:~~

~~(1) the 41st day after the Secretary of State files the statement of resignation; or~~

~~(2) when a record designating a new agent for service of process is delivered to the Secretary of State for filing on behalf of the limited liability company and becomes effective.~~

#### § 4010. SERVICE OF PROCESS

~~(a) An agent for service of process appointed by a limited liability company or a foreign limited liability company is an agent of the company for service of any process, notice, or demand required or permitted by law to be served upon the company.~~

~~(b) If a limited liability company or foreign limited liability company fails to appoint or maintain an agent for service of process in this State or the agent for service of process cannot with reasonable diligence be found at the agent's address, the Secretary of State is an agent of the company upon whom process, notice, or demand may be served.~~

~~(c) Service of any process, notice, or demand on the Secretary of State may be made by delivering to and leaving with the Secretary of State duplicate copies of the process, notice, or demand. If the process, notice, or demand is served on the Secretary of State, the Secretary of State shall forward one of the copies by registered or certified mail, return receipt requested, to the company~~



at its registered office. Service on the Secretary of State shall be returnable in not less than 30 days.

(d) The Secretary of State shall keep a record of all processes, notices, and demands served pursuant to this section and record the time of and the action taken regarding the service.

(e) This section shall not affect the right to serve process, notice, or demand upon a limited liability company or foreign limited liability company in any manner otherwise provided by law A limited liability company or foreign limited liability company is subject to the service of process provisions in section 1656 of this title.

\* \* \*

#### § 4012. FEES

(a) The Secretary of State shall collect the following fees when a document described in this section is delivered to the Office of the Secretary of State for filing:

(1) Articles of organization	\$155.00
(2) Application for certificate of authority	\$155.00
(3) Amendment of articles or certificate of authority	\$35.00
(4) Cancellation of certificate of authority	\$25.00
(5) Application for reserved name	\$25.00
(6) Notice of transfer of reserved name	\$20.00
(7) Application for registered name	\$25.00
(8) Application for renewal of registered name	\$25.00
(9) Statement of change of designated agent or designated office, or both	\$35.00 and not to exceed \$1,000.00 per filer per calendar year
(10) Agent's statement of resignation	no fee
(11) Restatement of articles of organization	\$25.00
(12) Articles of correction	\$35.00
(13) Application for certificate of existence or authorization	\$35.00
(14) Articles of merger	\$55.00
(15) Annual report of a domestic limited liability company	\$45.00
(16) Annual report of a foreign limited liability company	\$170.00

<del>(17) Reinstatement</del>	<del>\$35.00</del>
<del>(18) Any other document required or permitted to be filed by this chapter</del>	<del>\$20.00</del>
<del>(19) Articles of domestication</del>	<del>\$20.00</del>
<del>(20) Articles of termination</del>	<del>\$20.00</del>
<del>(21) Notice of withdrawal of reserved name</del>	<del>\$20.00</del>
<del>(22) Statement of conversion</del>	<del>\$20.00</del>

~~(b) The Secretary of State shall collect the following fees:~~

~~(1) \$35.00 each time process is served on the Secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.~~

~~(2) \$25.00 for the certificate certifying the copy of any filed document relating to a limited liability company or a foreign limited liability company A person who submits a document for filing pursuant to this chapter shall pay to the Secretary of State the amount specified in section 1651 of this title.~~

~~\* \* \*~~

#### § 4023. ARTICLES OF ORGANIZATION

~~\* \* \*~~

~~(b) Articles of organization of a limited liability company may set forth:~~

~~(1) provisions permitted to be set forth in an operating agreement; and~~

~~(2) name, email, and address information for one or more owners, officers, or other principals of the company; and~~

~~(3) other matters not inconsistent with law.~~

~~\* \* \*~~

#### § 4033. ANNUAL REPORT FOR SECRETARY OF STATE

~~(a) Each domestic limited liability company and each foreign limited liability company authorized to transact business in this State shall file an annual report with the Secretary of State. The annual report shall set forth the following information:~~

~~(1) the name of the company and the state or country under whose law it is organized; and~~

~~(2) the address of its designated office; and~~

(3) the name, email, and address of its designated agent for service of process at that office in this State.

(b) Information in the annual report shall be current as of the date the annual report is signed on behalf of the company.

(c) The annual report shall be delivered to the Secretary of State within three months after the expiration of the company's fiscal year.

(d) The Secretary of State shall amend its records to reflect a change, if specified in the report, to the business's purpose, email, address, or principal information.

\* \* \*

#### § 4112. APPLICATION FOR CERTIFICATE OF AUTHORITY

(a) A foreign limited liability company may apply for a certificate of authority to transact business in this State by delivering an application to the Secretary of State for filing. The application shall set forth:

(1) the name of the foreign company and, if its name is unavailable for use in this State, an alternate name that satisfies the requirements of section 4116 of this title;

(2) the name of the state or country under whose law it is organized;

(3) the address of its initial designated office; and

(4) the name, email, and address information ~~and street address, and the mailing address if different from the street address,~~ of its designated agent for service of process in this State pursuant to section 1655 of this title.

(b) An application may set forth:

(1) provisions permitted to be included in an operating agreement;

(2) the name, email, and address information for one or more owners, officers, or other principals of the company; and

(3) other matters not inconsistent with law.

(c) A foreign limited liability company shall deliver with the completed application a certificate of existence or a document of similar import, authenticated by the Secretary of State or other official having custody of company records in the state or country under whose law it is organized, dated ~~no~~ not earlier than 90 days prior to filing of the application.

\* \* \*

\* \* \* Updates to Title 11A language \* \* \*

Sec. 8. 11A V.S.A. chapter 1 is amended to read:

CHAPTER 1. GENERAL PROVISIONS

\* \* \*

§ 1.20. FILING REQUIREMENTS

\* \* \*

(j)(1) Any of the terms of a plan or filed documents may be made dependent on facts ascertainable outside the plan or filed documents as follows:

(A) The manner in which the facts operate on the terms of the plan or filed document must be clearly and expressly set forth in the plan or filed document.

(B) The facts may include without limitation actions or events within the control of, or determinations made by, a ~~part party~~ party to the plan or filing the filed document or a representative of a party to the plan or filing the filed document.

(2) As used in this section:

(A) "Filed document" means a document filed with the ~~secretary of state~~ Secretary of State under any provision of this title, except chapter 15 or section 16.22 of this title.

(B) "Plan" means a plan of merger or share exchange.

\* \* \*

§ 1.22. ~~FILING; SERVICE AND COPYING FEES~~

~~(a) The Secretary of State shall collect the following fees when the documents described in this section are delivered to the Office of the Secretary of State for filing:~~

<del>(1) Articles of incorporation</del>	\$155.00
<del>(2) Application for reserved name</del>	\$40.00
<del>(3) Notice of transfer of reserved name</del>	\$20.00
<del>(4) Application for registered name of a foreign corporation</del>	\$50.00
<del>(5) Application for renewal of registered name of a foreign corporation</del>	\$50.00

(6) Statement of change of registered agents or registered office, or both	
	\$25.00 and not to exceed \$1,000.00 per filer per calendar year.
(7) Agent's statement of resignation	No fee
(8) Amendment of articles of incorporation	\$50.00
(9) Restatement of articles of incorporation	\$50.00
(10) Articles of merger or share exchange	\$95.00
(11) Articles of dissolution	\$35.00
(12) Articles of revocation of dissolution	\$35.00
(13) Application for certificate of authority	\$155.00
(14) Application for amended certificate of authority	\$50.00
(15) Application for certificate of withdrawal	\$25.00
(16) Annual report of a foreign corporation	\$250.00
(17) Annual report of a domestic corporation	\$60.00
(18) Application for certificate of good standing	\$25.00
(19) Any other document required or permitted to be filed by this title	\$35.00
(20) Articles of correction	\$20.00
(21) Articles of domestication	\$20.00
(22) Statement of conversion	\$20.00

(b) ~~The Secretary of State shall collect a fee of \$25.00 each time process is served on him or her under this title. The party to a proceeding causing service of process is entitled to recover this fee as costs if he or she prevails in the proceeding.~~

(c) ~~The Secretary of State shall collect a fee of \$25.00 for copying and certifying the copy of any filed document relating to a domestic or foreign corporation.~~

(d) ~~When a corporation has been involuntarily terminated for failure to file its annual report, the Secretary of State shall collect, for each year the corporation failed to file its annual report, the annual report filing fee and a reinstatement fee of \$50.00~~ A person who submits a document for filing pursuant to this title shall pay to the Secretary of State the amount specified in 11 V.S.A. § 1651.

\* \* \*

#### § 1.40. DEFINITIONS

As used in this title:

\* \* \*

(8) “Entity” includes corporation and foreign corporation; ~~not-for-profit~~ nonprofit corporation; profit and not-for-profit nonprofit unincorporated association; business trust, estate, partnership, trust, and two or more persons having a joint or common economic interest; and state, United States, and foreign government.

\* \* \*

Sec. 9. 11A V.S.A. § 2.02 is amended to read:

#### § 2.02. ARTICLES OF INCORPORATION

(a) The articles of incorporation shall set forth:

(1) a corporate name for the corporation that satisfies the requirements of section 4.01 of this title;

(2) the classes of shares, if any, and the number of shares in each class that the corporation is authorized to issue;

(3) the number of shares the corporation is authorized to issue;

(4) the street address of the corporation’s initial registered office and the name and email of its initial registered agent for service of process at that office pursuant to 11 V.S.A. § 1655;

(5) the name and address of each incorporator;

(6) one or more classes of shares that together have unlimited voting rights; and

(7) one or more classes of shares, (which may be the same class or classes as those with voting rights), that together are entitled to receive the net assets of the corporation upon dissolution.

(b) The articles of incorporation may set forth:

(1) the names and addresses of the individuals who are to serve as the initial board of directors, and of any other principals the corporation provides;

(2) provisions not inconsistent with law regarding:

\* \* \*

Sec. 10. 11A V.S.A. chapter 4 is amended to read:

CHAPTER 4. NAME

§ 4.01. CORPORATE ~~HEAD~~ NAME

(a) A corporate name:

(1) shall contain the word “corporation,” “incorporated,” “company,” or “limited,” or the abbreviation “corp.,” “inc.,” “co.,” or “ltd.,” or words or abbreviations of like import in another language;

(2) may not contain language stating or implying that the corporation is organized for a purpose other than that permitted by section 3.01 of this title and its articles of incorporation;

(3) shall not have the word “cooperative” or any abbreviation thereof as part of its name unless the corporation is a worker cooperative corporation organized under 11 V.S.A. chapter 8, a housing cooperative corporation organized under 11 V.S.A. chapter 14, or the articles of incorporation contain all of the provisions required of a ~~corporation organized as a cooperative association~~ general cooperative corporation in 11 V.S.A. § 981; and

(4) shall not include any word not otherwise authorized by law.

\* \* \*

§ 4.02. RESERVED NAME

~~(a) A person may reserve the exclusive use of a corporate name, including a fictitious name for a foreign corporation whose corporate name is not available, by delivering an application to the Secretary of State for filing. The application must set forth the name and address of the applicant and the name proposed to be reserved. If the Secretary of State finds that the corporate name applied for is available, he or she shall reserve the name for the applicant’s exclusive use for a 120-day period. Such 120-day period may be renewed no more than twice.~~

~~(b) The owner of a reserved corporate name may transfer the reservation to another person by delivering to the Secretary of State a signed notice of the transfer that states the name and address of the transferee~~ A person may reserve the exclusive use of a business name by delivering an application to the Secretary of State for filing pursuant to 11 V.S.A. § 1652.

§ 4.03. REGISTERED NAME

(a) A foreign corporation may register its corporate name, or its alternate name or corporate name with any addition required by section 15.06 of this title, if the name is distinguishable in the records of the Secretary of State from

the corporate or business names that are not available under section 4.01(b)(3) of this title.

(b) A foreign corporation registers its corporate name, or its alternate name or corporate name with any addition required by section 15.06 of this title, by delivering to the Secretary of State for filing an application:

(1) setting forth its corporate name, or its alternate name or corporate name with any addition required by section 15.06 of this title, the state or country and date of its incorporation, and a brief description of the nature of the business in which it is engaged; and

(2) accompanied by a certificate of good standing or a document of similar import from the state or country of incorporation.

\* \* \*

Sec. 11. 11A V.S.A. chapter 5 is amended to read:

#### CHAPTER 5. OFFICE AND AGENT

##### § 5.01. REGISTERED OFFICE AND REGISTERED AGENT FOR SERVICE OF PROCESS

Each corporation must continuously maintain in this State:

(1) a registered office that may be the same as any of its places of business; and

(2) a registered agent for service of process pursuant to 11 V.S.A. § 1655, who may be:

~~(A) an individual who resides in this State and whose business office is identical with the registered office;~~

~~(B) a domestic corporation or nonprofit domestic corporation whose business office is identical with the registered office; or~~

~~(C) a foreign corporation or nonprofit foreign corporation authorized to transact business in this State whose business office is identical with the registered office.~~

##### § 5.02. CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT FOR SERVICE OF PROCESS

~~(a) A corporation may change its registered office or registered agent for service of process information by delivering to the Secretary of State for filing a statement of change pursuant to 11 V.S.A. § 1655. that sets forth:~~

~~(1) the name of the corporation;~~



~~(2) the street address of its current registered office;~~

~~(3) if the current registered office is to be changed, the street address of the new registered office;~~

~~(4) the name of its current registered agent;~~

~~(5) if the current registered agent is to be changed, the name of the new registered agent and the new agent's written consent (either on the statement or attached to it) to the appointment; and~~

~~(6) that after the change or changes are made, the street addresses of its registered office and the business office of its registered agent will be identical~~

~~(b) If a registered agent changes the street address of the agent's business office, the agent may change the street address of the registered office of any corporation for which he or she is the registered agent by notifying the corporation in writing of the change and signing (either manually or in facsimile) and delivering to the Secretary of State for filing a statement that complies with the requirements of subsection (a) of this section and recites that the corporation has been notified of the change.~~

#### § 5.03. RESIGNATION OF REGISTERED AGENT

~~(a) A registered agent may resign his or her agency appointment by signing and delivering to the Secretary of State for filing, and the corporation at its registered office, the signed original and two exact copies of a statement of resignation. The statement may include a statement that the registered office is also discontinued.~~

~~(b) After filing the statement, the Secretary of State shall mail one copy to the registered office (if not discontinued) and the other copy to the corporation at its principal office.~~

~~(c) The agency appointment is terminated, and the registered office discontinued if so provided, on the 31st day after the date on which the statement is filed A registered agent for service of process may resign as agent by filing a statement of resignation pursuant to 11 V.S.A. § 1655.~~

#### § 5.04. SERVICE ON CORPORATION

~~(a) The corporation's registered agent shall be an agent of such corporation upon whom any process, notice, or demand required or permitted by law to be served upon the corporation may be served.~~

~~(b) Whenever a corporation shall fail to appoint or maintain a registered agent in this State, or whenever its registered agent cannot with reasonable diligence be found at the registered office, then the Secretary of State shall be~~

~~an agent of such corporation upon whom any such process, notice or demand may be served. Service on the Secretary of State of any such process, notice, or demand shall be made by delivering to and leaving with him or her, or with any clerk having charge of the corporation department of his or her office, duplicate copies of such process, notice, or demand. In the event any such process, notice, or demand is served on the Secretary of State, he or she shall immediately cause one of the copies thereof to be forwarded by registered or certified mail, return receipt requested, addressed to the corporation at its registered office.~~

~~(e) The Secretary of State shall keep a record of all processes, notices, and demands served upon the Secretary under this section, and shall record therein the time of such service and the Secretary's action with reference thereto.~~

~~(d) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law, or by rule~~  
A corporation is subject to the service of process provisions in 11 V.S.A. 1656.

Sec. 12. 11A V.S.A. chapter 14 is amended to read:

#### CHAPTER 14. DISSOLUTION

\* \* \*

#### § 14.05. EFFECT OF DISSOLUTION

\* \* \*

(b) Dissolution of a corporation does not:

- (1) transfer title to the corporation's property;
- (2) prevent transfer of its shares or securities, although the authorization to dissolve may provide for closing the corporation's share transfer records;
- (3) subject its directors or officers to standards of conduct different from those prescribed in chapter 8 of this title;
- (4) change quorum or voting requirements for its board of directors or shareholders; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws;
- (5) prevent commencement of a proceeding by or against the corporation in its corporate name;
- (6) abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution; or

(7) terminate the authority of the registered agent for service of process of the corporation.

\* \* \*

§ 14.20. INVOLUNTARY TERMINATION

\* \* \*

(d) Involuntary termination of a corporation does not:

(1) prevent commencement of a proceeding against the corporation in its corporate name;

(2) abate or suspend a proceeding pending by or against the corporation on the effective date of involuntary termination; or

(3) terminate the authority of the registered agent for service of process of the corporation.

\* \* \*

Sec. 13. 11A V.S.A. chapter 15 is amended to read:

CHAPTER 15. FOREIGN CORPORATIONS

\* \* \*

§ 15.03. APPLICATION FOR CERTIFICATE OF AUTHORITY

(a) A foreign corporation may apply for a certificate of authority to transact business in this State by delivering an application and the applicable filing fee to the Secretary of State for filing. The application must set forth:

(1) the name of the foreign corporation or, if its name is unavailable for use in this State, a corporate name that satisfies the requirements of section 15.06 of this title;

(2) the name of the state or country under whose law it is incorporated;

(3) its date of incorporation and period of duration;

(4) the street address of its principal office;

(5) the address of its registered office in this State and the name of its registered agent for service of process at that office, pursuant to 11 V.S.A. § 1655; and

(6) the names and usual business addresses of its current directors and officers, and of any other principals the corporation provides.

(b) The foreign corporation shall deliver with the completed application a certificate of good standing (or a document of similar import) duly

authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated.

\* \* \*

#### § 15.06. CORPORATE NAME OF FOREIGN CORPORATION

(a) If the corporate name of a foreign corporation does not satisfy the requirements of section 4.01 of this title, the foreign corporation to obtain or maintain a certificate of authority to transact business in this State:

(1) may add the word “corporation,” “incorporated,” “company,” or “limited,” or the abbreviation “corp.,” “inc.,” “co.,” or “ltd.,” to its corporate name for use in this State; or

(2) may ~~use an available trade~~ adopt an alternate name to transact business in this State if its corporate name is unavailable and it delivers to the Secretary of State for filing a copy of the resolution of its board of directors, certified by its secretary, adopting the ~~trade~~ alternate name.

(b) Except as authorized by subsections (c) and (d) of this section, the corporate name, including a ~~trade~~ an alternate name, of a foreign corporation shall be distinguishable in the records of the Secretary of State from any name granted, registered, or reserved under this chapter, or the name of any other entity, whether domestic or foreign, that is reserved, registered, or granted by or with the Secretary of State.

(c) A foreign corporation may apply to the Secretary of State for authorization to use in this State the name of another corporation incorporated or authorized to transact business in this State that is not distinguishable in the records from one or more of the names described in subsection (b) of this section, by submitting to the Secretary of State a satisfactory written form indicating the other corporation’s consent and change of name.

(d) A foreign corporation may use in this State the name, including the ~~trade~~ alternate name, of another domestic or foreign corporation that is used in this State if the other corporation is incorporated or authorized to transact business in this State and the foreign corporation:

(1) has merged with the other corporation;

(2) has been formed by reorganization of the other corporation; or

(3) has acquired all or substantially all of the assets, including the corporate name, of the other corporation.

\* \* \*

#### § 15.07. REGISTERED OFFICE AND REGISTERED AGENT FOR

### SERVICE OF PROCESS OF FOREIGN CORPORATION

Each foreign corporation authorized to transact business in this State must continuously maintain in this State:

(1) a registered office that may be the same as any of its places of business; and

(2) a registered agent for service of process, pursuant to 11 V.S.A. § 1655, who may be:

~~(A) an individual who resides in this State and whose business office is identical with the registered office;~~

~~(B) a domestic corporation or domestic not-for-profit corporation whose business office is identical with the registered office; or~~

~~(C) a foreign corporation or foreign not-for-profit corporation authorized to transact business in this State whose business office is identical with the registered office.~~

### § 15.08. CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT FOR SERVICE OF PROCESS OF FOREIGN CORPORATION

(a) A foreign corporation authorized to transact business in this State may change its registered office or registered agent for service of process by delivering to the Secretary of State for filing a statement of change that sets forth:

(1) its name;

(2) the street address of its current registered office;

~~(3) if the current registered office is to be changed, the street address of its new registered office;~~

(4) the name of its current registered agent;

~~(5) if the current registered agent is to be changed, the name of its new registered agent and the new agent's written consent (either on the statement or attached to it) to the appointment; and~~

~~(6) that after the change or changes are made, the street addresses of its registered office and the business office of its registered agent will be identical.~~

(b) If a registered agent changes the street address of his or her business office, he or she may change the street address of the registered office of any foreign corporation for which he or she is the registered agent by notifying the corporation in writing of the change and signing (either manually or in facsimile) and delivering to the Secretary of State for filing a statement of

~~change that complies with the requirements of subsection (a) of this section and recites that the corporation has been notified of the change pursuant to 11 V.S.A. § 1655.~~

§ 15.09. RESIGNATION OF REGISTERED AGENT FOR SERVICE OF  
PROCESS OF FOREIGN CORPORATION

~~(a) The registered agent of a foreign corporation may resign his or her agency as agent by filing a statement of resignation pursuant to 11 V.S.A. § 1655 appointment by signing and delivering to the Secretary of State for filing the original and two exact or conformed copies of a statement of resignation. The statement of resignation may include a statement that the registered office is also discontinued.~~

~~(b) After filing the statement, the Secretary of State shall attach the filing receipt to one copy and mail the copy and receipt to the registered office if not discontinued. The Secretary of State shall mail the other copy to the foreign corporation at its principal office address shown in its most recent annual report.~~

~~(c) The agency appointment is terminated, and the registered office discontinued if so provided, on the 31st day after the date on which the statement was filed.~~

§ 15.10. SERVICE OF PROCESS ON FOREIGN CORPORATION

~~Service of process on a foreign corporation is governed by 12 V.S.A. subchapter 6, chapter 25 and by the Vermont Rules of Civil Procedure A foreign corporation is subject to the service of process provisions in 11 V.S.A. § 1656.~~

\* \* \*

§ 15.30. INVOLUNTARY TERMINATION

(a) The Secretary of State shall terminate the certificate of authority of a foreign corporation if:

(1) the foreign corporation fails to deliver its annual report to the Secretary of State as required by section 16.22 of this title;

(2) the foreign corporation does not pay any franchise taxes or penalties imposed by this title or other law;

(3) the foreign corporation is without a registered agent for service of process or registered office in this State;

(4) the foreign corporation fails to inform the Secretary of State under section 15.08 or 15.09 of this title that its registered agent for service of process or registered office has changed;

(5) a material misrepresentation is knowingly made in a signed document delivered to the Secretary of State for filing;

(6) the Secretary of State receives a duly authenticated certificate from the Secretary of State or other official having custody of corporation records in the state or country under whose law the foreign corporation is incorporated stating that it has been dissolved or terminated or disappeared as the result of a merger;

(7) the foreign corporation has failed to comply with subdivision 11.07(a)(3) of this title requiring it to file articles of merger where it is the survivor of a merger with a domestic corporation; or

(8) the Commissioner of Taxes notifies the Secretary of State that a foreign corporation has failed to make a return, to pay a tax, to file a bond, or to do any other act required to be done under the provisions of 32 V.S.A. chapter 211.

(b) The Secretary of State shall serve the foreign corporation with written notice of termination of its certificate of authority under section 15.10 of this title, setting out each deficiency.

(c) The authority of a foreign corporation to transact business in this State ceases on the date shown on the notice terminating its certificate of authority. Termination of a foreign corporation's certificate of authority does not terminate the authority of the registered agent for service of process of the corporation.

(d) The Secretary of State's termination of a foreign corporation's certificate of authority appoints the Secretary of State the foreign corporation's agent for service of process in any proceeding based on a cause of action that arose during the time the foreign corporation was authorized to transact or was transacting without authorization business in this State. Service of process on the Secretary of State under this subsection is service on the foreign corporation. Upon receipt of process, the Secretary of State shall mail a copy of the process to the secretary of the foreign corporation at its principal office shown in its most recent annual report or in any subsequent communication received from the corporation stating the current mailing address of its principal office, or, if none is on file, in its application for a certificate of authority, or otherwise perfect service under section 15.10 of this title.

(e) If the foreign corporation corrects each ground for termination and demonstrates to the reasonable satisfaction of the Secretary of State that each ground cited in the notice of termination does not exist, and pays to the Secretary of State a reinstatement fee of ~~\$25.00~~ for each year it is delinquent, the secretary may cancel the termination and prepare a certificate of reinstatement, file the original of the certificate, and serve a copy on the corporation under section 15.10 of this title.

\* \* \*

Sec. 14. 11A V.S.A. chapter 16 is amended to read:

#### CHAPTER 16. RECORDS AND REPORTS

\* \* \*

##### § 16.22. ANNUAL REPORT FOR SECRETARY OF STATE

(a) Each domestic corporation, and each foreign corporation authorized to transact business in this State, shall deliver to the Secretary of State for filing an annual report that sets forth:

(1) the name of the corporation and the state or country under whose law it is incorporated;

(2) the address of its registered office and the name and email of its registered agent for service of process at that office in this State;

\* \* \*

~~(e) Listing the name of the registered agent and the address of the registered office does not effectuate a change in such agent or office unless the report also contains the requirements of section 5.02 of this title The Secretary of State shall amend its records to reflect a change, if specified in the report, to the business's purpose, email, address, or principal information.~~

\* \* \* Updates to Title 11B language \* \* \*

Sec. 15. 11B V.S.A. chapter 1 is amended to read:

#### CHAPTER 1. GENERAL PROVISIONS

\* \* \*

##### § 1.21. FORMS

(a) The Secretary of State may prescribe the form or electronic format of and furnish on request, forms or specifications for formats for:

(1) an application for a certificate of ~~existence~~ good standing;



(2) a foreign corporation's application for a certificate of authority to transact business in this State;

(3) a foreign corporation's application for a certificate of withdrawal; and

(4) the biennial report.

(b) The Secretary of State may prescribe and furnish on request forms for other documents required or permitted to be filed by this title but their use is not mandatory.

#### § 1.22. ~~FILING; SERVICE AND COPYING FEES~~

~~The Secretary of State shall collect the following fees when the documents described in this section are delivered to the Office of the Secretary of State for filing:~~

<del>(1) Articles of incorporation</del>	<del>\$155.00</del>
<del>(2) Application for reserved name</del>	<del>\$35.00</del>
<del>(3) Transfer of reserved name</del>	<del>\$35.00</del>
<del>(4) Application for registered name</del>	<del>\$45.00</del>
<del>(5) Renewal of registered name</del>	<del>\$45.00</del>
<del>(6) Statement of change of registered agents or registered office, or both</del>	<del>\$35.00 and not to exceed \$1,000.00 per filer per calendar year.</del>
<del>(7) Agent's statement of resignation</del>	<del>No fee</del>
<del>(8) Amendment of articles of association</del>	<del>\$45.00</del>
<del>(9) Restatement of articles of association</del>	<del>\$45.00</del>
<del>(10) Articles of merger</del>	<del>\$90.00</del>
<del>(11) Articles of dissolution</del>	<del>No fee</del>
<del>(12) Articles of revocation of dissolution</del>	<del>\$10.00</del>
<del>(13) Application for reinstatement following administrative dissolution</del>	<del>\$45.00</del>
<del>(14) Application for certificate of authority for a foreign corporation</del>	<del>\$175.00</del>
<del>(15) Application for amended certificate of authority</del>	<del>\$45.00</del>
<del>(16) Application for certificate of withdrawal</del>	<del>\$10.00</del>

(17) ~~Biennial report~~ \$35.00 ~~except that a corporation which certifies to the Secretary of State, on a form approved by the Secretary, that it did not compensate its officers, directors, or employees during the prior calendar year shall be exempt from the fee required by this subdivision.~~

(18) ~~Articles of correction~~ \$30.00

(19) ~~Application for certificate of good standing~~ \$35.00

(20) ~~Certified copy of any filed document~~ \$25.00

(21) ~~Restatement of articles of organization~~ \$30.00 A person who submits a document for filing pursuant to this title shall pay to the Secretary of State the amount specified in 11 V.S.A. § 1651.

\* \* \*

Sec. 16. 11B V.S.A. chapter 2 is amended to read:

## CHAPTER 2. INCORPORATION

\* \* \*

### § 2.02. ARTICLES OF INCORPORATION

(a) The articles of incorporation must set forth:

(1) a A corporate name for the corporation that satisfies the requirements of section 4.01 of this title;

(2) ~~one~~ One of the following statements:

(A) This corporation is a public benefit corporation.

(B) This corporation is a mutual benefit corporation.

(3) ~~the~~ The street address of the corporation's initial registered office and the name and email of its initial registered agent for service of process at that office, pursuant to 11 V.S.A. § 1655;

(4) ~~the~~ The name and address of each incorporator;

(5) ~~whether~~ Whether or not the corporation will have members; ~~and~~.

(6) ~~provisions~~ Provisions not inconsistent with law regarding the distribution of assets on dissolution.

(b) The articles of incorporation may set forth:

(1) the purpose or purposes for which the corporation is organized, which may be, either alone or in combination with other purposes, the transaction of any lawful activity;

(2) the names and addresses of the individuals who are to serve as the initial directors, and of any other principals the corporation provides;

(3) provisions not inconsistent with law regarding:

(A) managing and regulating the affairs of the corporation;

(B) defining, limiting, and regulating the powers of the corporation, its board of directors, and members (or any class of members);

(C) the characteristics, qualifications, rights, limitations, and obligations attaching to each or any class of members; and

(4) any provision that under this title is required or permitted to be set forth in the bylaws.

\* \* \*

Sec. 17. 11B V.S.A. chapter 4 is amended to read:

#### CHAPTER 4. NAME

\* \* \*

##### § 4.02. RESERVED NAME

~~(a) A person may reserve the exclusive use of a corporate name, including a fictitious name for a foreign corporation whose corporate name is not available, by delivering an application to the Secretary of State for filing. Upon finding that the corporate name applied for is available, the Secretary of State shall reserve the name for the applicant's exclusive use for a 120-day period. Such 120-day period may be renewed no more than twice.~~

~~(b) The owner of a reserved corporate name may transfer the reservation to another person by delivering to the Secretary of State a signed notice of the transfer that states the name and address of the transferee~~ A person may reserve the exclusive use of a business name by delivering an application to the Secretary of State for filing pursuant to 11 V.S.A. § 1652.

##### § 4.03. REGISTERED NAME

(a) A foreign corporation may register its corporate name, or its alternate name or corporate name with any addition required by section 15.06 of this title, if the name is distinguishable upon the records of the Secretary of State from:

(1) the corporate name of a nonprofit or business corporation incorporated or authorized to do business in this State; and

(2) a corporate name reserved under section 4.02 of this title or 11A V.S.A. § 4.02 or registered under this section.

(b) A foreign corporation registers its corporate name, or its alternate name corporate name with any addition required by section 15.06 of this title, by delivering to the Secretary of State an application:

(1) setting forth its corporate name, or its alternate name or corporate name with any addition required by section 15.06 of this title, the state or country and date of its incorporation, and a brief description of the nature of the activities in which it is engaged; and

(2) accompanied by a certificate of existence (or a document of similar import) from the state or country of incorporation.

\* \* \*

Sec. 18. 11B V.S.A. chapter 5 is amended to read:

#### CHAPTER 5. OFFICE AND AGENT

##### § 5.01. REGISTERED OFFICE AND REGISTERED AGENT FOR SERVICE OF PROCESS

Each corporation must continuously maintain in this State:

(1) a registered office that may be the same as any of its places of business; and

(2) a registered agent for service of process, pursuant to 11 V.S.A. § 1655, whose business office is identical with the registered office.

##### § 5.02. CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT FOR SERVICE OF PROCESS

(a) A corporation may change its registered office or registered agent for service of process by delivering to the Secretary of State for filing a statement of change pursuant to 11 V.S.A. § 1655 that sets forth:

(1) the name of the corporation;

(2) the street address of its current registered office;

(3) if the current registered office is to be changed, the street address of the new registered office;

(4) the name of its current registered agent;

(5) if the current registered agent is to be changed, the name of the new registered agent and the new agent's written consent (either on the statement or attached to it) to the appointment; and

~~(6) that after the change or changes are made, the street addresses of its registered office and the office of its registered agent will be identical~~

~~(b) If the street address of a registered agent's office is changed, the registered agent may change the street address of the registered office of any corporation for which the registered agent is the registered agent by notifying the corporation in writing of the change and by signing (either manually or in facsimile) and delivering to the Secretary of State for filing a statement that complies with the requirements of subsection (a) of this section and recites that the corporation has been notified of the change.~~

#### § 5.03. RESIGNATION OF REGISTERED AGENT FOR SERVICE OF PROCESS

~~(a) A registered agent may resign as registered agent by signing and delivering to the Secretary of State a statement of resignation pursuant to 11 V.S.A. § 1655 the original and two exact or conformed copies of a statement of resignation. The statement may include a statement that the registered office is also discontinued.~~

~~(b) After filing the statement, the Secretary of State shall mail one copy to the registered office (if not discontinued) and the other copy to the corporation at its principal office as shown in the most recent biennial report filed pursuant to section 16.22 of this title.~~

~~(c) The agency appointment is terminated, and the registered office discontinued if so provided, on the 31st day after the date on which the statement is filed.~~

#### § 5.04. SERVICE ON CORPORATION

~~(a) The corporation's registered agent shall be an agent of such corporation upon whom any process, notice, or demand required or permitted by law to be served upon the corporation may be served~~

~~(b) Whenever a corporation shall fail to appoint or maintain a registered agent in this State, or whenever its registered agent cannot with reasonable diligence be found at the registered office, then the Secretary of State shall be an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Secretary of State of any such process, notice, or demand shall be made by delivering to and leaving with him or her, or with any clerk having charge of the corporation department of his or her office, duplicate copies of such process, notice, or demand. In the event any such process, notice, or demand is served on the Secretary of State, he or she shall immediately cause one of the copies thereof to be forwarded by registered or~~

~~certified mail, return receipt requested, addressed to the corporation at its registered office.~~

~~(e) The Secretary of State shall keep a record of all processes, notices, and demands served upon the Secretary under this section, and shall record therein the time of such service and the Secretary's action with reference thereto.~~

~~(d) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law, or by rule~~  
A corporation is subject to the service of process provisions in 11 V.S.A. § 1656.

Sec. 19. 11B V.S.A. chapter 14 is amended to read:

#### CHAPTER 14. DISSOLUTION

\* \* \*

##### § 14.05. EFFECT OF DISSOLUTION

\* \* \*

(b) Dissolution of a corporation does not:

- (1) transfer title to the corporation's property;
- (2) subject its directors or officers to standards of conduct different from those prescribed in chapter 8 of this title;
- (3) change quorum or voting requirements for its board or members; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws;
- (4) prevent commencement of a proceeding by or against the corporation in its corporate name;
- (5) abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution; or
- (6) terminate the authority of the registered agent for service of process.

\* \* \*

##### § 14.20. INVOLUNTARY TERMINATION

The Secretary of State may commence a proceeding under section 14.21 of this title to administratively dissolve a corporation if:

- (1) the corporation does not pay within 60 days after they are due fees imposed by this title;

(2) the corporation does not deliver its biennial report to the Secretary of State within 60 days after it is due;

(3) the corporation is without a registered agent for service of process or registered office in this State for 60 days or more; or

(4) the corporation does not notify the Secretary of State within 120 days that its registered agent for service of process or registered office has been changed, that its registered agent for service of process has resigned, or that its registered office has been discontinued.

§ 14.21. PROCEDURE FOR AND EFFECT OF INVOLUNTARY  
TERMINATION

\* \* \*

(d) The ~~involuntarily~~ involuntary dissolution of a corporation does not terminate the authority of its registered agent for service of process.

§ 14.22. REINSTATEMENT FOLLOWING INVOLUNTARY  
DISSOLUTION

(a) A corporation involuntarily dissolved that has not distributed its assets under section 14.21 of this title may apply to the Secretary of State for reinstatement upon payment of \$25.00 the fee specified in 11 V.S.A. § 1651 for each year the corporation is delinquent. The application must:

(1) recite the name of the corporation and the effective date of its involuntary dissolution;

(2) state that the ground or grounds for dissolution either did not exist or have been eliminated; and

(3) state that the corporation's name satisfies the requirements of section 4.01 of this title.

\* \* \*

Sec. 20. 11B V.S.A. chapter 15 is amended to read:

CHAPTER 15. FOREIGN CORPORATIONS

\* \* \*

§ 15.03. APPLICATION FOR CERTIFICATE OF AUTHORITY

(a) A foreign corporation may apply for a certificate of authority to transact business in this State by delivering an application to the Secretary of State. The application must set forth:

(1) the name of the foreign corporation or, if its name is unavailable for use in this State, a corporate name that satisfies the requirements of section 15.06 of this title;

(2) the name of the state or country under whose law it is incorporated;

(3) the date of incorporation and period of duration;

(4) the street address of its principal office;

(5) the address of its registered office in this State and the name and email of its registered agent for service of process at that office;

(6) the names and usual business or home addresses of its current directors and officers and of any other principals the corporation provides;

(7) whether the foreign corporation has members; and

(8) whether the corporation, if it had been incorporated in this State, would be a public benefit or mutual benefit corporation.

(b) The foreign corporation shall deliver with the completed application a certificate of existence, (or a document of similar import), duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated.

\* \* \*

#### § 15.06. CORPORATE NAME OF FOREIGN CORPORATION

(a) If the corporate name of a foreign corporation does not satisfy the requirements of section 4.01 of this title, the foreign corporation to obtain or maintain a certificate of authority to transact business in this State:

(1) may add the word “corporation,” “incorporated,” “company,” or “limited,” or the abbreviation “corp.,” “inc.,” “co.,” or “ltd.,” to its corporate name for use in this State; or

(2) may ~~use an available trade~~ adopt an alternate name to transact business in this State if its corporate name is unavailable and it delivers to the Secretary of State for filing a copy of the resolution of its board of directors, certified by its secretary, adopting the ~~trade~~ alternate name.

(b) Except as authorized by subsections (c) and (d) of this section, the corporate name, (including a ~~trade~~ an alternate name,) of a foreign corporation must be distinguishable upon the records of the Secretary of State from reserved or registered trade names or corporate names.

(c) A foreign corporation may apply to the Secretary of State for authorization to use in this State the name of another corporation incorporated



or authorized to transact business in this State that is not distinguishable upon the records from the name applied for by submitting to the Secretary of State a satisfactory written form indicating the other corporation's consent and change of name.

(d) A foreign corporation may use in this State the name, (including the trade alternate name,) of another domestic or foreign corporation that is used in this State if the other corporation is incorporated or authorized to transact business in this State and the foreign corporation:

\* \* \*

§ 15.07. REGISTERED OFFICE AND REGISTERED AGENT FOR  
SERVICE OF PROCESS OF FOREIGN CORPORATION

Each foreign corporation authorized to transact business in this State must continuously maintain in this State:

(1) a registered office with the same address as that of its registered agent for service of process; and

(2) a registered agent for service of process, who may be:

~~(A) an individual who resides in this State and whose office is identical with the registered office;~~

~~(B) a domestic business or nonprofit corporation whose office is identical with the registered office; or~~

~~(C) a foreign business or nonprofit corporation authorized to transact business in this State whose office is identical with the registered office pursuant to 11 V.S.A. § 1655.~~

§ 15.08. CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT  
FOR SERVICE OF PROCESS OF FOREIGN CORPORATION

~~(a) A foreign corporation authorized to transact business in this State may change its registered office or registered agent for service of process by delivering to the Secretary of State for filing a statement of change that sets forth:~~

~~(1) its name;~~

~~(2) the street address of its current registered office;~~

~~(3) if the current registered office is to be changed, the street address of its new registered office;~~

~~(4) the name of its current registered agent;~~

~~(5) if the current registered agent is to be changed, the name of its new registered agent and the new agent's written consent (either on the statement or attached to it) to the appointment; and~~

~~(6) that after the change or changes are made, the street addresses of its registered office and the office of its registered agent will be identical.~~

~~(b) If a registered agent changes the street address of its business office, the agent may change the address of the registered office of any foreign corporation for which the agent is the registered agent by notifying the corporation in writing of the change and signing (either manually or in facsimile) and delivering to the Secretary of State for filing a statement of change that complies with the requirements of subsection (a) of this section and recites that the corporation has been notified of the change pursuant to 11 V.S.A. § 1655.~~

#### ~~§ 15.09. RESIGNATION OF REGISTERED AGENT OF FOREIGN CORPORATION~~

~~(a) The registered agent of a foreign corporation may resign as agent by signing and delivering to the Secretary of State for filing a statement of resignation pursuant to 11 V.S.A. § 1655 the original and two exact or conformed copies of a statement of resignation. The statement of resignation may include a statement that the registered office is also discontinued.~~

~~(b) After filing the statement, the Secretary of State shall attach the filing receipt to one copy and mail the copy and receipt to the registered office if not discontinued. The Secretary of State shall mail the other copy to the foreign corporation at its principal office address shown in its most recent biennial report.~~

~~(c) The agency is terminated, and the registered office discontinued if so provided, on the 31st day after the date on which the statement was filed.~~

#### ~~§ 15.10. SERVICE ON FOREIGN CORPORATION~~

~~(a) The registered agent of a foreign corporation authorized to transact business in this State is the corporation's agent for service of process, notice, or demand required or permitted by law to be served on the foreign corporation.~~

~~(b) A foreign corporation may be served by registered or certified mail, return receipt requested, addressed to the secretary of the foreign corporation at its principal office shown in its application for a certificate of authority or in its most recent biennial report filed under section 16.22 of this title if the foreign corporation:~~

~~(1) has no registered agent or its registered agent cannot with reasonable diligence be served;~~

~~(2) has withdrawn from transacting business in this State under section 15.20 of this title; or~~

~~(3) has had its certificate of authority revoked under section 15.31 of this title.~~

~~(e) Service is perfected under subsection (b) of this section at the earliest of:~~

~~(1) the date the foreign corporation receives the mail;~~

~~(2) the date shown on the return receipt, if signed on behalf of the foreign corporation; or~~

~~(3) five days after its deposit in the U.S. mail, as evidenced by the postmark if mailed postpaid and correctly addressed.~~

~~(d) This section does not prescribe the only means, or necessarily the required means, of serving a foreign corporation. A foreign corporation is subject to the service of process provisions in 11 V.S.A. § 1656.~~

#### § 15.20. WITHDRAWAL OF FOREIGN CORPORATION

\* \* \*

(b) A foreign corporation authorized to transact business in this State may apply for a certificate of withdrawal by delivering an application to the Secretary of State for filing. The application must set forth:

(1) the name of the foreign corporation and the name of the state or country under whose law it is incorporated;

(2) that it is not transacting business in this State and that it surrenders its authority to transact business in this State;

(3) that it revokes the authority of its registered agent for service of process to accept service on its behalf and appoints the Secretary of State as its agent for service of process in any proceeding based on a cause of action arising during the time it was authorized to do business in this State;

(4) a mailing address to which the Secretary of State may mail a copy of any process served on him or her under subdivision (3) of this subsection; and

(5) a commitment to notify the Secretary of State in the future of any change in the mailing address.

\* \* \*

#### § 15.30. INVOLUNTARY TERMINATION

(a) The Secretary of State shall terminate the certificate of authority of a foreign corporation if:

(1) the foreign corporation fails to deliver its biennial report to the Secretary of State as required by section 16.22 of this title;

(2) the foreign corporation does not pay any penalties imposed by this title or other law;

(3) the foreign corporation is without a registered agent for service of process or registered office in this State;

(4) the foreign corporation fails to inform the Secretary of State under section 15.08 or 15.09 of this title that its registered agent for service of process or registered office has changed;

(5) a material misrepresentation is knowingly made in a signed document delivered to the Secretary of State for filing;

(6) the Secretary of State receives a duly authenticated certificate from the secretary of state or other official having custody of corporation records in the state or country under whose law the foreign corporation is incorporated stating that it has been dissolved or terminated or disappeared as the result of a merger; or

(7) the foreign corporation has failed to comply with subdivision 11.07(a) of this title requiring it to file articles of merger where it is the survivor of a merger with a domestic corporation.

(b) The Secretary of State shall serve the foreign corporation with written notice of termination of its certificate of authority under section 15.10 of this title, setting out each deficiency.

(c) The authority of a foreign corporation to transact business in this State ceases on the date shown on the notice terminating its certificate of authority. Termination of a foreign corporation's certificate of authority does not terminate the authority of the registered agent for service of process of the corporation.

(d) The Secretary of State's termination of a foreign corporation's certificate of authority appoints the Secretary of State the foreign corporation's agent for service of process in any proceeding based on a cause of action that arose during the time the foreign corporation was authorized to transact or was transacting without authorization business in this State. Service of process on the Secretary of State under this subsection is service on the foreign corporation. Upon receipt of process, the Secretary of State shall mail a copy of the process to the secretary of the foreign corporation at its principal office

shown in its most recent biennial report or in any subsequent communication received from the corporation stating the current mailing address of its principal office, or, if none is on file, in its application for a certificate of authority, or otherwise perfect service under section 15.10 of this title.

(e) If the foreign corporation corrects each ground for termination and demonstrates to the reasonable satisfaction of the Secretary of State that each ground cited in the notice of termination does not exist, and pays to the Secretary of State ~~a fee of \$25.00~~ the fee specified in 11 V.S.A. § 1651 for each year it is delinquent, the Secretary may cancel the termination and prepare a certificate of reinstatement, file the original of the certificate, and serve a copy on the corporation under section 15.10 of this title.

\* \* \*

Sec. 21. 11B V.S.A. chapter 16 is amended to read:

#### CHAPTER 16. RECORDS AND REPORTS

\* \* \*

#### § 16.22. BIENNIAL REPORT FOR SECRETARY OF STATE

(a) Each domestic corporation, and each foreign corporation authorized to transact business in this State, shall deliver to the Secretary of State a biennial report on a form prescribed and furnished by the Secretary of State that sets forth:

(1) the name of the corporation and the state or country under whose law it is incorporated;

(2) the address of its registered office and the name and email of its registered agent for service of process at the office in this State;

(3) the address of its principal office;

(4) the names and business or residence addresses of its directors and principal officers; and

(5) a brief description of the nature of its activities.

(b) The information in the biennial report must be current on the date the biennial report is executed on behalf of the corporation.

(c) The first biennial report must be delivered to the Secretary of State between January 1 and April 1 of the year following the calendar year in which a domestic corporation was incorporated or a foreign corporation was authorized to transact business. Subsequent biennial reports must be delivered

to the Secretary of State between January 1 and April 1 following each succeeding two calendar years.

(d) If a biennial report does not contain the information required by this section, the Secretary of State shall promptly notify the reporting domestic or foreign corporation in writing and return the report to it for correction. If the report is corrected to contain the information required by this section and delivered to the Secretary of State within 30 days after the effective date of notice, it is deemed to be timely filed.

(e) The Secretary of State shall amend its records to reflect a change, if specified in the report, to the business's purpose, email, address, or principal information.

\* \* \* Updates to Title 11C language \* \* \*

Sec. 22. 11C V.S.A. chapter 1 is amended to read:

#### CHAPTER 1. GENERAL PROVISIONS

\* \* \*

##### § 112. RESERVATION OF NAME

~~(a) A person may reserve the exclusive use of the name of a mutual benefit enterprise, including a fictitious name for a foreign enterprise whose name is not available under section 111 of this title, by delivering an application to the Secretary of State for filing. The application shall set forth the name and address of the applicant and the name proposed to be reserved. If the Secretary of State finds that the name applied for is available under section 111 of this title, the Secretary of State shall reserve the name for the applicant's exclusive use for a nonrenewable period of 120 days.~~

~~(b) A person who has reserved a name for a mutual benefit enterprise may transfer the reservation to another person by delivering to the Secretary of State a signed notice of the transfer which states the name, street address, and, if different, the mailing address of the transferee. If the person is an organizer of the enterprise and the name of the enterprise is the same as the reserved name, the delivery of articles of organization for filing by the Secretary of State is a transfer by the person to the enterprise~~ A person may reserve the exclusive use of a business name by delivering an application to the Secretary of State for filing pursuant to 11 V.S.A. § 1652.

\* \* \*

##### § 117. DESIGNATED OFFICE AND AGENT FOR SERVICE OF PROCESS

(a) A mutual benefit enterprise or a foreign enterprise that has a certificate of authority under section 1404 of this title shall designate and continuously maintain in this State:

(1) an office, as its designated office, which need not be a place of the enterprise's or foreign enterprise's activity in this State; and

(2) an agent for service of process, pursuant to 11 V.S.A. § 1655, at the designated office.

~~(b) An agent for service of process of a mutual benefit enterprise or foreign enterprise shall be an individual who is a resident of this State or an entity that is authorized to do business in this State.~~

#### § 118. CHANGE OF DESIGNATED OFFICE OR AGENT FOR SERVICE OF PROCESS

~~(a) Except as otherwise provided in subsection 207(e) of this title, to change its designated office, its agent for service of process, or the street address or, if different, mailing address of its principal office, a mutual benefit enterprise shall deliver to the Secretary of State for filing a statement of change containing:~~

~~(1) the name of the mutual benefit enterprise;~~

~~(2) the street address and, if different, mailing address of its designated office;~~

~~(3) if the designated office is to be changed, the street address and, if different, mailing address of the new designated office;~~

~~(4) the name of its agent for service of process; and~~

~~(5) if the agent for service of process is to be changed, the name of the new agent.~~

~~(b) Except as otherwise provided in subsection 207(e) of this title, to change its agent for service of process, the address of its designated office, or the street address or, if different, mailing address of its principal office, a foreign enterprise shall deliver to the Secretary of State for filing a statement of change containing:~~

~~(1) the name of the foreign enterprise;~~

~~(2) the name, street address, and, if different, mailing address of its designated office;~~

~~(3) if the current agent for service of process or an address of the designated office is to be changed, the new information;~~

~~(4) the street address and, if different, the mailing address of its principal office; and~~

~~(5) if the street address or, if different, the mailing address of its principal office is to be changed, the street address and, if different, the mailing address of the new principal office.~~

~~(c) Except as otherwise provided in section 204 of this title, a statement of change is effective when filed by the Secretary of State A mutual benefit enterprise or foreign enterprise shall change its designated office or agent for service of process information by submitting to the Secretary of State for filing a statement of change pursuant to 11 V.S.A. § 1655.~~

#### § 119. RESIGNATION OF AGENT FOR SERVICE OF PROCESS

~~(a) To resign as an agent for service of process of a mutual benefit enterprise or foreign enterprise, the agent shall deliver to the Secretary of State for filing a statement of resignation containing the name of the agent and the name of the enterprise or foreign enterprise.~~

~~(b) After receiving a statement of resignation under subsection (a) of this section, the Secretary of State shall file it and mail or otherwise provide or deliver a copy to the mutual benefit enterprise or foreign enterprise at its principal office.~~

~~(c) An agency for service of process of a mutual benefit enterprise or foreign enterprise terminates on the earlier of:~~

~~(1) the 31st day after the Secretary of State files a statement of resignation under subsection (b) of this section; or~~

~~(2) when a record designating a new agent for service of process is delivered to the Secretary of State for filing on behalf of the enterprise or foreign enterprise and becomes effective An agent for service of process may resign as agent by submitting to the Secretary of State for filing a statement of resignation pursuant to 11 V.S.A. § 1655.~~

#### § 120. SERVICE OF PROCESS

~~(a) An agent for service of process appointed by a mutual benefit enterprise or foreign enterprise is an agent of the enterprise or foreign enterprise for service of process, notice, or a demand required or permitted by law to be served upon the enterprise or foreign enterprise.~~

~~(b) If a mutual benefit enterprise or foreign enterprise does not appoint or maintain an agent for service of process in this State or the agent for service of process cannot with reasonable diligence be found at the address of the designated office on file with the Secretary of State, the Secretary of State is~~



~~an agent of the enterprise or foreign enterprise upon which process, notice, or a demand may be served.~~

~~(c) Service of process, notice, or a demand on the Secretary of State as agent of a mutual benefit enterprise or foreign enterprise may be made by delivering to the Secretary of State two copies of the process, notice, or demand. The Secretary of State shall forward one copy by registered or certified mail, return receipt requested, to the enterprise or foreign enterprise at its principal office.~~

~~(d) Service is effected under subsection (c) of this section on the earliest of:~~

~~(1) the date the mutual benefit enterprise or foreign enterprise receives the process, notice, or demand;~~

~~(2) the date shown on the return receipt, if signed on behalf of the enterprise or foreign enterprise; or~~

~~(3) five days after the process, notice, or demand is deposited by the Secretary of State for delivery by the U.S. Postal Service, if postage is prepaid to the address of the principal office on file with the Secretary of State.~~

~~(e) The Secretary of State shall keep a record of each process, notice, and demand served pursuant to this section and record the time of and the action taken regarding the service.~~

~~(f) This section does not affect the right to serve process, notice, or a demand in any other manner provided by law. A mutual benefit enterprise or foreign enterprise is subject to the service of process provisions in 11 V.S.A. § 1656.~~

Sec. 23. 11C V.S.A. chapter 2 is amended to read:

## CHAPTER 2. FILING AND ANNUAL REPORTS

\* \* \*

### § 202. SIGNING AND FILING OF RECORDS PURSUANT TO JUDICIAL ORDER

(a) If a person required by this title to sign or deliver a record to the Secretary of State for filing does not do so, the Superior Court of the county of the mutual benefit enterprise's principal office or the foreign enterprise's registered designated office, upon petition of an aggrieved person, may order:

(1) the person to sign the record and deliver it to the Secretary of State for filing; or

(2) delivery of the unsigned record to the Secretary of State for filing.

\* \* \*

§ 206. CERTIFICATE OF GOOD STANDING OR AUTHORIZATION

(a) The Secretary of State, upon request and payment of the required fee, shall furnish any person that requests it a certificate of good standing for a mutual benefit enterprise if the records filed in the Office of the Secretary of State show that the Secretary of State has filed the enterprise's articles of organization, that the enterprise is in good standing, and that the Secretary of State has not filed a statement of termination.

(b) The Secretary of State, upon request and payment of the required fee, shall furnish to any person that requests it a certificate of ~~authority~~ authorization for a foreign enterprise if the records filed in the Office of the Secretary of State show that the Secretary of State has filed the foreign enterprise's certificate of authority, has not revoked nor has reason to revoke the certificate of authority, and has not filed a notice of cancellation.

(c) Subject to any exceptions stated in the certificate, a certificate of good standing or ~~authority~~ authorization issued by the Secretary of State establishes conclusively that the mutual benefit enterprise or foreign enterprise is in good standing or is authorized to transact business in this State.

§ 207. ANNUAL REPORT FOR SECRETARY OF STATE

(a) A mutual benefit enterprise or foreign enterprise authorized to transact business in this State shall deliver to the Secretary of State for filing an annual report that states:

(1) the name of the enterprise or foreign enterprise;

(2) ~~the street address and, if different, mailing~~ address of the enterprise's or foreign enterprise's designated office and the name of its agent for service of process at the designated office;

(3) ~~the street address and, if different, mailing~~ address of the enterprise's or foreign enterprise's principal office;

(4) the name and business address of any director or officer; and

(5) in the case of a foreign enterprise, the state or other jurisdiction under whose law the foreign enterprise is formed and any alternative name adopted under section 1405 of this title.

(b) Information in an annual report shall be current as of the date the report is delivered to the Secretary of State.

(c) A mutual benefit enterprise or foreign enterprise authorized to transact business in this State shall deliver its annual report to the Secretary for filing

between January 1 and April 1 of each year, beginning in the year following the calendar year in which the mutual benefit enterprise is formed or the foreign enterprise is authorized to transact business in this State.

(d) If an annual report does not contain the information required by subsection (a) of this section, the Secretary of State shall promptly notify the reporting mutual benefit enterprise or foreign enterprise and return the report for correction. If the report is corrected to contain the information required by subsection (a) of this section and delivered to the Secretary of State not later than 30 days after the date of the notice from the Secretary of State, it is timely delivered.

~~(e) If a filed annual report contains an address of the designated office, the name or business address of a director or officer, or address of the principal office which differs from the information shown in the records of the Secretary of State immediately before the filing, the differing information in the annual report is considered a statement of change~~ The Secretary of State shall amend its records to reflect a change, if specified in the report, to the business's purpose, email, address, or principal information.

\* \* \*

#### § 208. FILING FEES

~~The filing fees for records filed under this article by the Secretary of State are the same as those set forth for a limited liability company under 11 V.S.A. § 3013~~ A person who submits a document for filing pursuant to this title shall pay to the Secretary of State the amount specified in 11 V.S.A. § 1651.

Sec. 24. 11C V.S.A. chapter 14 is amended to read:

#### CHAPTER 14. FOREIGN ENTERPRISES

\* \* \*

#### § 1402. APPLICATION FOR CERTIFICATE OF AUTHORITY

(a) A foreign enterprise may apply for a certificate of authority by delivering an application to the Secretary of State for filing. The application shall state:

(1) the name of the foreign enterprise and, if the name does not comply with section 111 of this title, an alternative name adopted pursuant to section 1405 of this title;

(2) the name of the state or other jurisdiction under whose law the foreign enterprise is organized;

(3) the street address and, if different, mailing address of the principal office and, if the law of the jurisdiction under which the foreign enterprise is organized requires the foreign enterprise to maintain another office in that jurisdiction, the street address and, if different, mailing address of the required office;

(4) the street address and, if different, mailing address of the foreign enterprise's designated office in this State, and the name of the foreign enterprise's agent for service of process at the designated office; and

(5) the name, street address and, if different, mailing address of each of the foreign enterprise's current directors and officers, and of any other principal the enterprise provides.

\* \* \*

\* \* \* Updates to Title 12 language \* \* \*

Sec. 25. 12 V.S.A. chapter 25, subchapter 6 is amended to read:

Subchapter 6. ~~Foreign Corporations~~ Business Organizations

§ 851. SERVICE ON SECRETARY OF STATE

~~When a foreign corporation has appointed the Secretary of State as its process agent pursuant to the statutes relating to such corporations, service of process made upon the Secretary by delivering to him or her duplicate copies thereof, shall be sufficient. A copy of the stipulation, filed under the provisions of 11 V.S.A. § 3011, 11A V.S.A. § 15.10, and 11B V.S.A. § 15.10, certified by the Secretary, with his or her certificate that process has been served on him or her, shall be sufficient evidence thereof~~ A business organization is subject to the service of process provisions in 11 V.S.A. § 1656.

§ 852. FEES; MAILING OF COPY TO CORPORATION BUSINESS

ORGANIZATION

~~When process is served on the Secretary of State under the provisions of section 851 of this title 11 V.S.A. § 1656, there shall be paid to the Secretary by the officer at the time of such service the sum of \$35.00 amount specified in 11 V.S.A. § 1651. The Secretary shall forthwith forward by mail prepaid one of the duplicate copies to the corporation at its home office or to a person whom it designates.~~

§ 853. DOING BUSINESS BY PARTICULAR COMPANIES WITHOUT  
DESIGNATING PROCESS AGENT; PENALTY

A person or agent for a foreign insurance, express, shipping car, telephone or telegraph company, or other foreign company doing like business, which has not designated the Secretary of State as its process agent, ~~as required by 11 V.S.A. § 692~~ who solicits or receives a risk or application for insurance, or receives money or value for such insurance by such company, or receives money or value for the transportation of a package or property by such express or shipping car company, or for the transmission of a message or dispatch by such telegraph company, or receives money, rent, royalty, or income for such telephone company for the use of its instruments or lines or for the sending of any message, shall be fined not more than \$500.00 nor less than \$100.00.

\* \* \*

§ 855. DOING BUSINESS AS APPOINTMENT OF PROCESS AGENT

If the contact with the State or the activity in the state of a foreign ~~corporation~~ business organization, or the contact or activity imputable to it, is sufficient to support a Vermont personal judgment against it, the contact or activity shall be deemed to be doing business in Vermont by that foreign ~~corporation~~ organization and shall be equivalent to the appointment by it of the Secretary of the State of Vermont and ~~his or her~~ the Secretary's successors to be its true and lawful attorney upon whom may be served all lawful process in any action or proceedings against it arising or growing out of that contact or activity, and also shall be deemed to be its agreement that any process against it ~~which~~ that is so served upon the Secretary of State shall be of the same legal force and effect as if served on the foreign corporation at its principal place of business in the state or country where it is incorporated according to the law of that state or country.

§ 856. SERVICE OF PROCESS

Service of process by virtue of section 855 of this title shall be made pursuant to 11 V.S.A. § 1656 ~~by delivering to the Secretary of State duplicate copies of the process, with the officer's return of service thereon, and a fee of \$25.00, to be taxed in the plaintiff's costs if he or she prevails. The Secretary shall forthwith forward one of the duplicate copies by registered mail prepaid to the corporation at its principal place of business in the state or country where it is incorporated, which principal place of business shall be stated in the process. The service shall be sufficient if a copy of the process, with the officer's return thereon showing the service upon the Secretary of State, is sent by the plaintiff to the foreign corporation by registered mail, and if the~~

~~plaintiff's affidavit of compliance herewith is filed with the process in court. The Secretary shall file one of the copies and endorse upon each copy the day and hour of service.~~

§ 857. CONTINUANCE; COSTS

~~The court in which the action is pending may order such continuances as may be necessary to afford the defendant reasonable opportunity to appear and defend. The fee provided in section 856 of this title shall be taxed in the plaintiff's costs if he or she prevails. [Repealed.]~~

§ 858. ALTERNATIVE MEANS OF SERVICE

~~As an alternative to service of process under this subchapter or when a stipulation appointing the Secretary of State as process agent is not filed with the Commissioner of Foreign Corporations, process may be served upon a foreign corporation in accordance with sections 912 and 913 of this title or by any method that the Supreme Court shall by rule provide for service upon a domestic corporation. [Repealed.]~~

\* \* \* Updates to Title 30 language \* \* \*

Sec. 26. 30 V.S.A. chapter 81 is amended to read:

CHAPTER 81. ELECTRIC UTILITY COOPERATIVES

\* \* \*

§ 3001a. PURPOSE

Cooperatives A cooperative may be organized under this chapter for the purpose of creating or supplying energy, cable television, telecommunications, interactive media, and internet access and facilitating and extending the use thereof, and in addition, any other lawful business not inconsistent with this chapter that utilizes the electric distribution facilities of the cooperative.

§ 3002. POWERS

A cooperative shall have power:

- (1) To sue and be sued in its corporate name.
- (2) To have perpetual existence.
- (3) To adopt a corporate seal and alter the same.

(4) To generate, manufacture, purchase, acquire, accumulate, and transmit electric energy; and to distribute, sell, supply, and dispose of energy, cable television, telecommunications, interactive media, and internet access to its members, to governmental agencies, and to political subdivisions; provided, however, that in the generation of electric energy by water power, a

cooperative shall comply with the provisions of 10 V.S.A. §§ 1081–1099, relating to the construction and maintenance of dams and, provided further, that a cooperative doing any activity governed by this title shall be regulated for that activity.

\* \* \*

### § 3003. NAME

The name of a cooperative governed by this chapter shall include the words “utility” or “energy” or a word designating any specific form of energy such as “electric,” “propane,” or “natural gas” and “cooperative” and the abbreviation “inc.” unless, in an affidavit made by its president or vice president and filed with the Secretary of State, or in an affidavit made by a person signing articles of incorporation, consolidation, merger, or conversion, which relate to the cooperative and filed, together with the articles, with the Secretary of State, it shall appear that the cooperative desires to do business in another state and is or would be precluded by reason of the inclusion of the words in its name. The name of a cooperative shall be distinct from the name of any other cooperative or corporation organized under the laws of, or authorized to do business in, this State.

\* \* \*

### § 3037. FOREIGN COMPANIES; SERVICE OF PROCESS

A foreign nonprofit or cooperative corporation supplying or authorized to supply electric energy and owning or operating electric transmission or distribution lines in an adjacent state, prior to March 26, 1943, may construct or acquire extensions of lines in this State within an area no point of which is more than 25 miles from the boundary line of this State and may operate those extensions without qualifying as a foreign corporation to do business in this State. Before constructing or operating such extensions, by an instrument executed and acknowledged on its behalf by its president or vice president, under its seal attested by its clerk or secretary, and filed with the Secretary of State, a corporation shall designate the Secretary of State its agent to accept service of process on its behalf. Thereafter, the corporation shall have all the rights, powers, privileges, and immunities of a cooperative. Service of process shall be made upon the Secretary of State in accordance with the provisions of ~~12 V.S.A. §§ 851 and 852 and shall forward one copy of the same by registered mail to such corporation at the address of its principal office~~ 11 V.S.A. § 1656.

### § 3038. FEES

(a) ~~There shall be paid to the Secretary of State fees for filing as follows:~~

- ~~(1) Articles of incorporation, \$15.00;~~
- ~~(2) Articles of amendment, \$10.00;~~
- ~~(3) Articles of consolidation or merger, \$15.00;~~
- ~~(4) Articles of conversion, \$10.00;~~
- ~~(5) Certificate of election to dissolve, \$5.00;~~
- ~~(6) Articles of dissolution, \$5.00; and~~
- ~~(7) Certificate of change of principal office, \$5.00.~~

~~(b) Such fees shall include two certified copies of the respective instruments. A person who submits a document for filing pursuant to this chapter shall pay to the Secretary of State the amount specified in 11 V.S.A. § 1651.~~

\* \* \* Business Organizations Study \* \* \*

Sec. 27. BUSINESS SERVICES AND BUSINESS ORGANIZATIONS;  
STUDY

(a) Task. The Secretary of State shall conduct a public engagement process with interested partners to study, consider, and address the following issues:

(1) technical, procedural, and substantive issues concerning the online business filing system;

(2) statutory revisions to adopt provisions of the Uniform Business Organizations Code or other provisions to further harmonize the laws governing business organizations in this State, including provisions governing commercial registered agents and updates to the Titles of the Vermont Statutes Annotated related to business organizations;

(3) statutory revisions to the laws governing trademarks and possible expansion to include service marks;

(4) statutory revisions to the dual framework governing partnerships in 11 V.S.A. chapters 15 and 22 and the mandatory registration of assumed business names and unincorporated nonprofit associations;

(5) assessment of the need for any updates to current model laws or the addition of new model legislation; and

(6) assessment of the administrative oversight authority and substantive provisions governing data brokers, telemarketers, utility cooperatives, and amusement ride operators.

(b) Reporting. The Secretary of State shall, based on the task set forth in subsection (a) of this section, submit to the House Committee on Commerce



and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs, an interim report on or before November 15, 2025 and a final report on or before December 1, 2026 including its findings and any proposed legislation for the General Assembly's consideration. The interim report shall provide the General Assembly with any recommended actions to pursue in the 2026 legislative session.

\* \* \* Effective Date \* \* \*

Sec. 28. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

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

**H. 266**

An act relating to protections for 340B covered entities and 340B contract pharmacies

**Rep. Berbeco of Winooski**, for the Committee on Health Care, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. chapter 91, subchapter 6 is added to read:

Subchapter 6. 340B Drug Pricing Program

§ 4681. DEFINITIONS

As used in this subchapter:

(1) “340B contract pharmacy” means a pharmacy that has a contract with a 340B covered entity to receive and dispense 340B drugs to the 340B covered entity’s patients on the covered entity’s behalf.

(2) “340B covered entity” means an entity participating or authorized to participate in the federal 340B drug pricing program, as described in 42 U.S.C. § 256b. The term includes a 340B covered entity’s pharmacy.

(3) “340B drug” means a drug that has been subject to any offer for reduced prices by a manufacturer pursuant to 42 U.S.C. § 256b and is purchased by a 340B covered entity.

(4) “Discount” means a reduction in the amount a 340B covered entity is charged for a 340B drug at the time of purchase.

(5) “Manufacturer” has the same meaning as in 26 V.S.A. § 2022.

(6) “Pharmacy” means a place licensed by the Vermont Board of Pharmacy at which drugs, chemicals, medicines, prescriptions, and poisons are compounded, dispensed, or sold at retail.

(7) “Pharmacy benefit manager” has the same meaning as in section 3602 of this title.

(8) “Rebate” means a discount in which the terms are fixed and are disclosed in writing to a 340B covered entity at the time of the initial purchase of the 340B drug to which the discount applies, but which discount is not applied at the time of purchase.

#### § 4682. DISCRIMINATION AGAINST 340B ENTITIES PROHIBITED

(a) A manufacturer or its agent shall not deny, restrict, prohibit, or otherwise interfere with, directly or indirectly, the acquisition of a 340B drug by or delivery of a 340B drug to a 340B contract pharmacy on behalf of a 340B covered entity unless receipt by the 340B contract pharmacy is prohibited by the U.S. Department of Health and Human Services.

(b) A manufacturer or its agent shall not directly or indirectly require a 340B covered entity to submit any claims, utilization, encounter, purchase, or other data as a condition for allowing the acquisition of a 340B drug by or delivery of a 340B drug to a 340B contract pharmacy unless the claims or utilization data-sharing is required by the U.S. Department of Health and Human Services.

(c) A manufacturer or its agent shall not interfere with the ability of a pharmacy contracted with a 340B covered entity to dispense 340B drugs to eligible patients of the 340B covered entity.

(d) A manufacturer or its agent shall offer or otherwise make available 340B drug pricing to a 340B covered entity or 340B contract pharmacy in the form of a discount at the time of purchase and shall not offer or otherwise make available 340B drug pricing in the form of a rebate.

#### § 4683. MEDICAID UNAFFECTED

Nothing in this subchapter shall be deemed to apply to the Vermont Medicaid program as payor.

#### § 4684. VIOLATIONS

(a) A 340B covered entity, 340B contract pharmacy, or other person injured by a manufacturer’s or its agent’s violation of this subchapter may bring an action in Superior Court for injunctive relief, compensatory and punitive damages, costs and reasonable attorney’s fees, and other appropriate relief.

(b) A violation occurs each time a prohibited act is committed. For purposes of section 4682 of this subchapter, a prohibited act is defined as each package of 340B drugs that is subject to a discriminatory action by a manufacturer or its agent.

§ 4685. NO CONFLICT WITH FEDERAL LAW

Nothing in this subchapter shall be construed or applied to conflict with or to be less restrictive than federal law for a person regulated by this subchapter.

Sec. 2. 18 V.S.A. § 9406 is added to read:

§ 9406. REPORTING ON PARTICIPATION IN 340B DRUG PRICING PROGRAM

Annually on or before January 31, each hospital participating in the federal 340B drug pricing program established by 42 U.S.C. § 256b shall submit to the Green Mountain Care Board a report detailing the hospital's participation in the program during the previous hospital fiscal year, which report shall be posted on the Green Mountain Care Board's website and which shall contain at least the following information:

(1) The annual estimated savings to the hospital from participating in the 340B program, comparing the acquisition price of drugs under the 340B program to group purchasing organization pricing. If group purchasing organization pricing is not available for a specific drug, the hospital shall compare the acquisition price under the 340B program to the price from another generally accepted pricing source.

(2) The aggregated payment amount that the hospital made to pharmacies with which the hospital contracted to dispense drugs to its patients under the 340B program during the previous hospital fiscal year.

(3) The aggregated payment amount that the hospital made to any other outside vendor for managing, administering, or facilitating any aspect of the hospital's 340B drug program during the previous hospital fiscal year.

(4) The number of claims for all prescription drugs the hospital obtained through the 340B program during the previous hospital fiscal year.

(5) A description of the ways in which the hospital uses savings from its participation in the 340B program to benefit its community through programs and services funded in whole or in part by savings from the 340B program, including services that support community access to care that the hospital could not continue without these savings.

(6) A description of the hospital’s internal review and oversight of its participation in the 340B program in compliance with the U.S. Department of Health and Human Services, Health Resources and Services Administration’s 340B program rules and guidance.

Sec. 3. REPEAL

Sec. 2 (18 V.S.A. § 9406; reporting on participation in 340B drug pricing program) is repealed on January 1, 2031.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage, with the first report under Sec. 2 (18 V.S.A. § 9406) due on or before January 31, 2026.

and that after passage the title of the bill be amended to read: “An act relating to the 340B prescription drug pricing program”

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

**H. 398**

An act relating to the Vermont Economic Development Authority

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

Sec. 1. 10 V.S.A. chapter 12 is amended to read:

CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT AUTHORITY

\* \* \*

§ 212. DEFINITIONS

As used in this chapter:

\* \* \*

(6) “Eligible facility” or “eligible project” means any industrial, commercial, or agricultural enterprise or endeavor approved by the Authority ~~that meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under section 280b of this title~~ used in a trade or business whether or not such business is operated for profit, including land and rights in land, air, or water; buildings; structures; machinery; and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of State, and except further that an eligible facility or project shall not include the

portion of an enterprise or endeavor relating to housing unless otherwise authorized in this chapter. Such enterprises or endeavors may include:

\* \* \*

(T) Any capital improvement; purchase of receivables, property, assets, commodities, bonds, or other revenue streams or related assets; working capital program or liability; or other insurance program.

\* \* \*

~~(9) “Insurance contract” means a contract insuring mortgage payments under subchapter 2 of this chapter. [Repealed.]~~

\* \* \*

~~(11) “Maturity date,” as used in subchapter 2 of this chapter, means the date upon which the note or other evidence of indebtedness secured by a mortgage would be extinguished if paid in accordance with the mortgage payments. [Repealed.]~~

~~(12) “Mortgage,” as used in subchapter 2 of this chapter, means a first mortgage upon an eligible facility given by a mortgagor, as herein defined, to secure the repayment of amounts borrowed to pay costs of a project. [Repealed.]~~

~~(13) “Mortgage payments,” as used in subchapter 2 of this chapter, means the periodic payments called for by a mortgage that shall cover lease land rentals, if any, mortgage insurance premiums, interest, installments of principal, taxes and assessments, hazard insurance payments, and any other payments called for in the mortgage. [Repealed.]~~

~~(14) “Mortgagee,” as used in subchapter 2 of this chapter, means the original lender under a mortgage and its successors and assigns, if approved by the Authority. [Repealed.]~~

~~(15) “Mortgagor,” as used in subchapter 2 of this chapter, means the original borrower under a mortgage or a security agreement and its successors and assigns, if approved by the Authority. [Repealed.]~~

\* \* \*

## § 213. AUTHORITY; ORGANIZATION

\* \* \*

(c) The Authority shall elect a chair from among its appointed members, and a vice chair and ~~treasurer~~ other officers from among its members and shall employ a manager who shall hold office at the Authority’s pleasure and who,

unless ~~he or she~~ the individual is a member of the classified service under 3 V.S.A. chapter 13, shall receive such compensation as may be fixed by the Authority ~~with the approval of the Governor~~. A quorum shall consist of eight members. Members disqualified from voting under section 214 of this title shall be considered present for purposes of determining a quorum. No action of the Authority shall be considered valid unless the action is supported by a majority vote of the members present and voting and then only if at least five members vote in favor of the action.

\* \* \*

(i) ~~The Authority shall study and report back to the Legislature no later than January 15, 1989 on the feasibility of hiring full-time counsel in lieu of retaining outside counsel. [Repealed.]~~

#### § 214. MEMBERS; DISQUALIFICATION

A member of the Authority may not participate in any decision:

\* \* \*

(2) Upon any ~~insurance contract under subchapter 2 of this chapter or loan under subchapter 5 of this chapter~~; if the member is a member, director, trustee, employee, or officer of; or has any interest direct or indirect in; or owns any stock, bonds, or other liabilities issued by or authorized by the prospective mortgagor, mortgagee, or tenant;

\* \* \*

#### § 215. MANAGER; DUTIES

The manager shall be the chief administrative officer of the Authority and shall direct and supervise the administrative affairs and technical activities of the Authority in accordance with any rules, ~~regulations, and policies~~, and procedures set forth by the Authority. In addition to any other duties, the manager shall:

\* \* \*

(4) work closely with the Agency of Commerce and Community Development and provide assistance to the various divisions of that Agency when requested to facilitate the planning and financing of projects; and

(5) ~~make recommendations and reports, in cooperation with the Agency of Commerce and Community Development, to the Authority on the merits of any proposed project, on the status of local development corporations, and on suitable industrial sites; [Repealed.]~~

(6) perform such other duties as may be directed by the Authority in the carrying out of the purposes of this chapter.

§ 216. AUTHORITY; GENERAL POWERS

The Authority is hereby authorized:

(1) To sue and be sued in its own name and plead and be impleaded; service of process upon it in any action shall be made by service upon the Secretary of State either in hand or by leaving a copy of the process at ~~his or her~~ the Secretary's office.

\* \* \*

(3) To adopt and from time to time amend bylaws, and rules, ~~and regulations~~ for the calling and conduct of its meetings and for the conduct of its affairs, including ~~regulations~~ rules, policies, and procedures relating to applications for financial assistance and disclosure of information supplied to it.

\* \* \*

(10) To administer its own funds and to invest or deposit funds ~~which~~ that are not needed currently to meet the obligations of the Authority.

\* \* \*

(13) To cause to be incorporated in Vermont a nonprofit corporation that will qualify as a State development company under ~~Title 15 of the U.S. Code~~ 15 U.S.C. § 695 and ~~rules and regulations adopted~~ promulgated pursuant thereto. The voting members of the Authority shall be members of the company and shall constitute the board of directors of the company. ~~The company shall have at least 14 other members selected by the members of the Authority.~~ The company shall be organized and operate under the nonprofit corporation laws of the State of Vermont to the extent not inconsistent herewith. The Authority shall have the power to contract with the company to provide staff and management needs of the company. The Authority is authorized to contribute to the capital of the company in an amount the Authority determines is necessary and appropriate.

\* \* \*

(15) To delegate to loan officers the power to review, approve, and make loans under this chapter, ~~subject to the approval of the manager,~~ and to disburse funds on such loans, ~~subject to the approval of the manager~~ as set forth in the policies and procedures of the Authority.

\* \* \*

§ 217. RECORDS; ANNUAL REPORT; AUDIT

(a) The Authority shall keep an accurate account of all its activities and of all its receipts and expenditures. ~~Information and records in connection with an application for an insurance contract under subchapter 2 of this chapter shall be preserved for three years after the application has been denied or, if the application is accepted, for three years after the mortgage has been discharged and thereafter until the Authority orders them destroyed.~~

\* \* \*

(c) The Auditor of Accounts of the State and ~~his or her~~ the Auditor's authorized representatives may at any time examine the accounts and books of the Authority, including its receipts, disbursements, contracts, funds, investments, and any other matters relating to its financial statements.

\* \* \*

§ 217a. APPLICATION

Among such other things as may be required by the Authority, any application for financing ~~or for mortgage insurance~~ under this chapter shall state in detail on the application the nature and purpose of the business and its products for which the loan; or revenue bonds or mortgage insurance is are intended to benefit.

\* \* \*

§ 231. ASSISTANCE TO LOCAL DEVELOPMENT CORPORATIONS

Upon application of a local development corporation, the Authority may loan money to that local development corporation, upon such terms and conditions as it may prescribe, for the purpose of industrial park planning and development, for constructing or improving a speculative building or small business incubator facility on land owned or held under lease by the local development corporation, for purchase or improvement of existing buildings suitable for or which can be made suitable for industrial or small business incubation facility purposes and for the purchase of land in connection with any of the foregoing. Before the local development corporation receives such funds for such purposes from the Authority, it shall give to the Authority security for the repayment of the funds. The security shall be in such form and amounts as the Authority may determine and shall, in each instance, include a first mortgage on the land, or the leasehold, building, and appurtenances financed by such funds. Loans by the Authority to local development corporations for the construction of speculative buildings or improvements to those buildings shall be repaid in full, including interest and other charges, within 90 days after the building is occupied if the building is being sold, or



within five years after the property is occupied if the building is being leased, or within such period of time deemed reasonable by the Authority. Loans by the Authority to local development corporations for the construction, purchase, or improvement of small business incubator facilities shall be repaid in full, including interest and other charges, within ~~ten~~ 20 years after the property is occupied.

\* \* \*

#### § 244. BONDS

\* \* \*

(b) Bonds shall bear the manual or electronic signature of the treasurer of the municipality and the manual, electronic, or facsimile signature or signatures of the mayor or a majority of the selectboard or trustees as the case may be. Interest coupons, if any, shall bear the facsimile signature of the treasurer. If the municipality has a corporate seal, bonds shall bear the seal or a facsimile of the seal. Bonds executed in accordance with this subchapter shall be valid notwithstanding that before the delivery thereof and payment therefor any or all of the persons whose signatures appear thereon shall have ceased to hold office.

\* \* \*

#### § 253. STATE AUTHORITY PROJECTS

(a) The ~~State of Vermont~~ Authority may engage in projects within the state ~~State~~ in accordance with the provisions of this subchapter. For the purposes of this section and section 254 of this title:

(1) The word “municipality” as used in the sections of this subchapter other than this section shall mean the ~~“State of Vermont”~~ “Authority”;

\* \* \*

(b) For the purposes of engaging in a project, the Authority shall act ~~in the name of the State and~~ on its behalf of the State as its agent and instrumentality for the execution of financing documents, security documents, bonds, and other appropriate instruments or for the taking of any action with respect to a project financed in whole or in part by the issue of bonds under section 254 of this title.

(c) Title to or possessory interest in any eligible facility that is financed in whole or in part by the issue of bonds pursuant to section 254 of this title may be taken and held in the name of the State Authority. In performing its functions under this section, the Authority may exercise any and all powers conferred upon municipalities by this subchapter, but the Authority shall not

execute any financing document, security document, or bond with respect to a project until the Authority has made the findings required by section 246 of this title.

\* \* \*

#### § 254. STATE BONDS

\* \* \*

(c) Bonds issued under this section shall bear the manual, electronic, or facsimile signature of the manager or treasurer of the Authority ~~and the manual or facsimile signature of the Chair or Vice Chair of the Authority, or authorized designee and agent~~; provided, however, that ~~at least one of the foregoing~~ such signatures shall be manual unless the bonds are to be manually authenticated by a bank or trust company serving as trustee for the bonds. The details of the bonds shall be fixed by the signing officers in accordance with section 244 of this title. Bonds shall be sold by the signing officers at public or private sale, and the proceeds thereof shall be paid to the trustee, lender, or disbursing agent under the security document that secures the bonds.

(d) No financing or security document, or bond, ~~or other instrument~~ issued or entered into ~~in the name and on behalf of the State~~ under this subchapter shall in any way obligate the State to raise any money by taxation or use other funds for any purpose to pay any debt or meet any financial obligation to any person at any time in relation to an eligible facility financed in whole or in part by the issue of the Authority's bonds under this subchapter, except from monies received or to be received under a financing or security document entered into under this subchapter or except as may be required by any other provision of law. Notwithstanding the provisions of this subsection, the State may accept and expend with respect to an eligible facility any gifts or grants received from any source in accordance with the terms of the gifts or grants.

\* \* \*

(f) Bonds may be issued by the Authority under this subchapter for the purpose of making loans to local development corporations for industrial park planning and development, constructing, or improving a speculative building or small business incubator facility on land owned or held under lease by the local development corporation, purchase or improvement of existing buildings suitable or that can be made suitable for industrial or business incubation purposes, and purchase of land in connection with any of the foregoing.

(1) Before issuing bonds for construction of a speculative building or small business incubator facility and the purchase of land in connection

therewith, the Authority shall make the determinations and incorporate in its minutes the findings that:

~~(A) the project is within the scope of this chapter, will be of public use and benefit, and may reasonably be expected to create new employment opportunities;~~

~~(B) the proposed site for the speculative building or small business incubator facility will be located on adequate land owned or to be acquired by the local development corporation or leased by the local development corporation on terms satisfactory to the Authority;~~

~~(C) an adequate access road from a public highway is provided to the proposed site and that such utilities as water, sewer, and power facilities are available, or will be available when the speculative building or small business incubator facility is completed;~~

~~(D) the project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the municipality where it is to be located and of the State of Vermont;~~

~~(E) the local development corporation is responsible and has presented evidence to demonstrate its ability to carry out the project as planned;~~

~~(F) evidence has been presented demonstrating the feasibility of the site as a location for business, and additional evidence has been presented that an adequate supply of labor is available within the labor market area to serve a business located on the site;~~

~~(G) the local development corporation has made adequate provisions for insurance protection of the building while it is unoccupied and suitable arrangements have been made for fire protection and maintenance while it is unoccupied;~~

~~(H) the project will be without unreasonable risk of loss to the Authority, and the local development corporation is unable to secure on reasonable terms the funds required for the project without the assistance of the Authority;~~

~~(I) the financing and security documents contain provisions such that under no circumstances is the State obligated directly or indirectly to pay project costs; debt service; or expenses of operation, maintenance, and upkeep of the facility except from bond proceeds or from funds received under the financing or security documents, exclusive of funds received thereunder by the State for its own use;~~

~~(J) neither the financing document nor the security document purports to create any debt of the State with respect to the eligible facility, other than a special obligation of the State under this chapter required by section 232 of this title.~~

(2) Before issuing bonds for industrial park planning and development and the purchase of land in connection therewith, the Authority shall make the determinations and incorporate in its minutes the findings that:

~~(A) the proposed industrial park is on adequate land owned or to be owned by the local development corporation or leased by the local development corporation on terms satisfactory to the Authority;~~

~~(B) an adequate access road from a public highway is provided to the proposed site, and utilities, including water, sewer, and power facilities, are available or will be available for any future tenant located in the park;~~

~~(C) the total industrial park will be planned by architects and engineers acceptable to the Authority;~~

~~(D) no more than 80 percent of the fair market value of the industrial park, as shown by appraisal by an appraiser acceptable to the Authority, is to be financed under the loan;~~

~~(E) the park project is within the scope of this chapter, will be of public use and benefit, and may reasonably be expected to create new employment opportunities;~~

~~(F) the park project complies with all applicable environmental, zoning, planning, and sanitary laws and regulations of the municipality in which it is to be located and of the State of Vermont;~~

~~(G) the local development corporation is responsible and has presented evidence to demonstrate its ability to carry out the park project as planned;~~

~~(H) evidence has been presented demonstrating the feasibility of the site as a location for industry, and additional evidence has been presented that an adequate supply of labor is available within the labor market area to serve an industry located on the site;~~

~~(I) the park project will be without unreasonable risk of loss to the Authority, and the local development corporation is unable to secure on reasonable terms the funds required for the project without the assistance of the Authority;~~

~~(J) the financing and security documents contain provisions such that under no circumstances is the State obligated directly or indirectly to pay~~

~~project costs; debt service; or expenses of operation, maintenance, and upkeep of the facility except from bond proceeds or from funds received under the financing or security documents, exclusive of funds received thereunder by the State for its own use;~~

~~(K) — neither the financing document nor the security document purports to create any debt of the State with respect to the eligible facility, other than a special obligation of the State under this chapter required by section 237 of this title.~~

~~(3) All determinations and findings made by the Authority pursuant to this section shall be conclusive Financing and security documents shall contain provisions such that under no circumstances is the State obligated directly or indirectly to pay project costs; debt service; or expenses of operation, maintenance, and upkeep of the facility except from bond proceeds or from funds received under the financing or security documents, exclusive of funds received thereunder by the State for its own use.~~

~~(4) Financing and security documents shall not create any debt of the State with respect to the eligible facility, other than a special obligation of the State under this chapter.~~

~~(g) Bonds issued by the Authority under this subchapter may be secured, in whole or in part, by mortgage insurance under subchapter 2 of this chapter upon the terms and conditions set forth in subchapter 2 and in this subsection. Such insurance may be in the form of reinsurance or may be for the purpose of creating a loan loss reserve, in a case where the bonds are also secured by the mortgage insurance from another source. The principal amount of bonds so secured outstanding at any time with respect to facilities of any one user, or any related person, in any one municipality, shall not exceed \$2,500,000.00. For purposes of this subsection, the term “mortgagee” as used in subchapter 2 of this chapter shall mean the purchasers of the bonds, or where appropriate the trustee under the security document; the mortgage payments to be insured shall be those required to be made by the user under the financing document; and bond proceeds, instead of being used to pay project costs directly, may be used to purchase participation in loans originated by local banks or other responsible financial institutions where the proceeds of such loans have been used to pay project costs. In authorizing mortgage insurance to secure bonds, the Authority shall make all of the findings and determinations set forth in subsection 221(a) of this title, except that the principal of the mortgage cannot exceed \$2,500,000.00. In authorizing any bonds that are to be secured by mortgage insurance, the Authority shall make all of the findings and determinations set forth in section 246 of this title, and may make the findings set forth in subdivisions 246(5) and (7) of this title, notwithstanding the fact~~

~~that the mortgage insurance will create a contingent liability of the Authority. The creation of such contingent liability shall not be deemed to violate the prohibition contained in subsection (d), and the statement required on each bond that it does not constitute an indebtedness of the State may be modified to refer to the mortgage insurance. Separate series of bonds all of which are secured by mortgage insurance may be combined pursuant to subsection (e) of this section, and the proceeds of any payment of such mortgage insurance may be allocated and applied by the trustee for the benefit of the bondholders in accordance with the terms of the security document providing for the combined financing. All determinations and findings made by the Authority pursuant to this section shall be conclusive.~~

(h) The Authority is authorized to pledge security and to enter into security, insurance, or other forms of credit enhancement. A pledge in any agreement shall be valid and binding from the time such pledge shall be made without any physical delivery or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise, irrespective of whether such parties have notice thereof. Any such pledge shall be perfected by filing of the agreement in the records of the Authority and no filing need be made under any other provision of law.

(i) The Authority may purchase any bond issued under this subchapter 4. Subject to the terms of any agreement with the bondholders, the Authority may hold, pledge, resell, or cancel any bond purchased under this paragraph, except that a purchase under this paragraph shall not cause the extinguishment of such bond unless the Authority cancels the bond or otherwise certifies its intention that the bond be extinguished.

(j) No designated member, director, officer, employee, or agent of the Authority shall be liable personally on the bonds or any contract entered into by the Authority or subject to any personal liability or accountability by reason of the issuance of the bonds unless the personal liability or accountability is the result of intentional misconduct.

#### Subchapter 5. Direct Mortgage Loans

#### § 261. ADDITIONAL POWERS

In addition to powers enumerated elsewhere in this chapter, the Authority may:

(1) Make loans secured by mortgages or other assets, which may be subordinate to one or more prior mortgages or liens, upon application by the proposed ~~mortgagor~~ obligor, who may be a private corporation, nonprofit organization, partnership, person, or municipality financing an eligible project

described in subdivision 212(6) of this title, upon such terms as the Authority may prescribe, for the purpose of financing the establishment or expansion of eligible facilities. Such loans shall be made from the Vermont Jobs Fund established under ~~subchapter 3~~ of this chapter. The Authority may provide for the repayment and redeposit of such loans as provided in this subchapter.

\* \* \*

(3) Purchase prior ~~mortgages~~ secured loans and make payments on prior ~~mortgages~~ secured loans on any eligible facility where the purchase or payment is necessary to protect any loan previously made by the Authority. In addition, the Authority may sell, transfer, convey, and assign any such prior mortgage or security. Monies used by the Authority in the purchase of any prior ~~mortgages~~ mortgage or security, or any payments thereon, shall be withdrawn from the Vermont Jobs Fund, and any monies derived from the sale of any prior ~~mortgages~~ mortgage or security shall be deposited by the Authority in the Vermont Jobs Fund.

\* \* \*

## § 262. FINDINGS

Before making any loan, the Authority shall receive from an applicant a loan application in such form as the Authority may by ~~regulation~~ rule prescribe, and the Authority, or the Authority's loan officer pursuant to the provisions of subdivision 216(15) of this title, shall determine and incorporate findings in its minutes that:

(1) The project is within the scope of this chapter and will increase or maintain employment and expand the economy of the State.

(2) The project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the municipality where it is to be located and of the State of ~~Vermont~~.

\* \* \*

(5) The principal obligation of the Authority's ~~mortgage~~ loan does not exceed \$5,000,000.00, which may be secured by land and buildings or by machinery and equipment, or both, unless:

(A) an integral element of the project consists of the generation of heat or electricity employing biomass, geothermal, methane, solar, or wind energy resources to be primarily consumed at the project, in which case the principal obligation of the Authority's ~~mortgage~~ loan does not exceed \$6,000,000.00, which may be secured by land and by buildings or machinery and equipment, or both; such principal obligation does not exceed 40 percent

of the cost of the project; and the ~~mortgagor~~ obligor is able to obtain financing for the balance of the cost of the project from other sources as provided in the following section; or

\* \* \*

(6) The ~~mortgagor~~ obligor is responsible and able to manage its responsibilities as ~~mortgagor~~ obligor and owner of the project.

(7) The mortgage loan has a satisfactory maturity date, ~~in no case later than 20 years from the date of the mortgage.~~

(8) The ~~mortgagor~~ obligor is unable to finance the project upon reasonable terms without the assistance of the requested loan from the Authority, or in the alternative, the granting of the loan will serve as a substantial inducement for the establishment or expansion of an eligible project within the State.

(9) The ~~mortgagor~~ obligor has made adequate provision for insurance protection of the project while the loan is outstanding.

\* \* \*

#### § 263. ~~MORTGAGE~~ LOAN; LIMITATIONS

(a) When it has been determined by the Authority that the establishment or expansion of a particular eligible facility will accomplish the public purposes of this act, the Authority may contract to loan to the ~~mortgagor~~ obligor an amount not in excess of 40 percent of the cost of such eligible facility. In addition, the Authority shall have determined that the ~~mortgagor~~ obligor has obtained from other independent and responsible sources, such as ~~banks and insurance companies~~ financial institutions or otherwise, a firm commitment for all other funds, over and above the loan of the Authority and such funds or property as the local development corporation may hold, necessary for payment of all of the cost of the project, and that the sum of all these funds, together with any funds, machinery, and equipment to be provided by the ~~mortgagor~~ obligor is adequate for the completion and operation of the project.

(b) Any loan of the Authority under this subchapter shall be for a period of time and shall bear interest at such rate as determined by the Authority and shall be secured by a mortgage on the eligible facility or a lien on its assets for which the loan was made or upon the assets of a municipal communications plant, including the net revenues derived from the operation thereof, or both. The mortgage secured loan may be subordinate to one or more prior ~~mortgages~~ loans, including the ~~mortgage~~ liens securing the obligation issued to secure the commitment of funds from the independent and responsible sources and used in the financing of the economic development project. Monies loaned by the



Authority shall be withdrawn from the Vermont Jobs Fund and paid over to the ~~mortgagor obligor~~ in such manner as provided and prescribed by the rules ~~and regulations~~ of the Authority. All payments of principal and interest on the loans shall be deposited by the Authority in the Vermont Jobs Fund.

(c) Loans by the Authority for an eligible facility under this subchapter shall be made only in the manner and to the extent provided in this section, except, however, in those instances where an agency of the federal government participates in the financing of an eligible facility by loan, grant, or otherwise. When any federal agency participates, the Authority may adjust the required ratio of financial participation by the local development corporation, independent sources of funds, and the Authority in such manner as to ensure the maximum benefit available by the participation of the federal agency. Where any federal agency participating in the financing of an eligible facility is not permitted to take as security a mortgage, the lien of which is junior to the mortgage of the Authority, the Authority shall be authorized to take as security for its loan a mortgage junior in lien to that of the federal agency.

\* \* \*

#### § 264. ACCELERATED REPAYMENT PROVISIONS

Any direct ~~mortgage~~ loan made on or after July 1, 1988 under this subchapter shall be conditioned upon the maintenance of a reasonable level of employment at the facility or facilities owned by the ~~mortgagor obligor~~ and pledged as security for the loan. For the purposes of this section, a reasonable level of employment shall be deemed not to have been maintained whenever a ~~mortgagor~~ an obligor employing 50 or more employees at such facility or facilities permanently transfers, within any three-year period, 50 percent or more of those employees or employment positions to any out-of-state facility. Upon breach of this condition, the Authority may declare all principal and interest of the ~~mortgage~~ loan immediately due and payable and may commence foreclosure on any property held as security for the ~~mortgage~~ loan or take any other lawful steps to obtain payment.

\* \* \*

#### § 279c. VERMONT EXPORT FINANCE PROGRAM

\* \* \*

(e) Any excess of revenues over expenses derived from this program shall be deposited in the ~~development fund~~ Vermont Jobs Fund.

\* \* \*

#### § 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

(a) The Authority may develop, modify, and implement any existing or new financing program, provided that any specific project that benefits from such program shall meet the criteria contained in the Vermont Sustainable Jobs Strategy ~~adopted under~~ outlined in section 280b of this title, ~~and provided further that the program shall meet the criteria contained in the Vermont Sustainable Jobs Strategy adopted under section 280b of this title.~~ These programs may include:

(1) ~~the Mortgage Insurance Program, administered under chapter 12, subchapter 2 of this title; [Repealed.]~~

\* \* \*

(11) a program that would award grants made to eligible and qualified recipients as directed by the Agency of Agriculture, Food and Markets or the Agency of Natural Resources for the purpose of funding water quality initiatives approved by the agencies, provided that the maximum amount of grants awarded by the Authority pursuant to the program shall not exceed \$1,340,238.00 in the aggregate; or

(12) loans to agricultural enterprises or endeavors administered by the Authority under chapter 16A of this title and any programs created thereunder.

~~(b) This section shall not apply to the Job Start Program authorized by chapter 12, subchapter 7 of this title, and the agricultural finance programs authorized by chapter 16 of this title. [Repealed.]~~

#### § 280b. THE VERMONT SUSTAINABLE JOBS STRATEGY

~~(a)(1) The Governor, with the advice of the Secretary of Commerce and Community Development and the Authority, shall adopt a Vermont sustainable jobs strategy for the State, in accordance with the provisions of this section Before issuing any funds to an eligible facility or eligible project under section 280a of this title, the Authority shall make a determination that the facility or project materially supports one of the following objectives:~~

~~(A) creating or sustaining employment opportunities for Vermonters in proportion to the amount of financial assistance requested;~~

~~(B) providing quality employment at wage and benefit levels sufficient to permit a reasonable standard of living by community standards, and at levels that may contribute to bringing Vermont's average wage up to or above 100 percent of the national average wage rate;~~

~~(C) promoting employment opportunities in economically disadvantaged areas and communities in the State;~~

(D) advancing the overall growth of wealth in the Vermont economy by promoting the production and sale of goods and services with a substantial Vermont content and those that utilize Vermont's unique human and natural resource base to markets outside of the State and nation, including visitors to, and travelers through, the State;

(E) assisting the development of a business infrastructure that will contribute to sustainable economic development, to include the provision of necessary services, including shipping, warehousing, communications, repair and maintenance, technical services, distribution, and dependent care, particularly when intrastate capability in these areas can replace services currently provided by out-of-state suppliers;

(F) encouraging economic development projects that reduce, mitigate, or eliminate the effects of climate change, the pollution of land, air, or water, or those that will interdict material within the State that, having served its intended purpose, would otherwise enter the solid waste disposal stream and that will cause the diversion of such material to useful purposes, or that will reuse or recycle any such post-consumer material;

(G) encouraging commercial activity in the traditional downtown areas of the State and promoting through appropriate commercial adaptation the preservation of suitable buildings or structures that are historically or aesthetically significant;

(H) encouraging economic development projects that are consistent with and sensitive to the needs of the communities in which such projects are located;

(I) promoting entrepreneurial activity, recognizing that some of those that are the small businesses of today will be the large employers of tomorrow; and

(J) aiding in the achievement of the economic development and business growth strategies adopted by the Vermont Economic Progress Council and the Vermont Department of Economic Development, wherever possible providing assistance to those categories of enterprise that may be designated as especially desirable for Vermont.

(2) All determinations and findings made by the Authority pursuant to this section shall be conclusive.

~~(b)(1) The Vermont sustainable jobs strategy shall contain the criteria upon which the Authority shall develop, modify, and implement its public financing programs, and the criteria for determining whether investments should be made in an eligible project. Such criteria shall include a requirement that,~~

~~before making any investment or other financial commitment, the Authority shall determine that the proposed project is of public use and benefit and is without unreasonable risk of loss to the Authority.~~

~~(2) In adopting the Vermont sustainable jobs strategy, the Governor shall consider:~~

~~(A) the policies established in section 280 of this title; and~~

~~(B) the economic policy and economic development plan of the State, as developed by the Economic Progress Council under subchapter 3 of chapter 29 of this title. The Authority may adopt such policies and procedures necessary to define further any term or criterion used in this section or to set specific standards by which to measure the extent to which any proposed project meets the requirements of this section.~~

~~(c)(1) Before adopting the Vermont sustainable jobs strategy, the Governor shall direct the Authority and the Secretary of Commerce and Community Development to solicit information and recommendations from the people and businesses of the State.~~

~~(2) After soliciting information and recommendations, the Authority and the Secretary shall jointly develop a proposed Vermont sustainable jobs strategy. In developing a proposed strategy, the Authority and the Secretary shall consider how best to integrate Vermont's economic, social, and environmental values into a Vermont sustainable jobs strategy. The Authority and the Secretary shall jointly present their proposed strategy to the House Committee on Commerce and the Senate Committee on Economic Development, Housing and General Affairs meeting in joint hearing.~~

~~(3) After legislative presentation, the Authority and the Secretary may amend the proposed strategy, and shall present the proposed strategy as amended to the Governor. The Governor may adopt the proposed strategy, or may return the proposed strategy to the Authority and the Secretary for further development and legislative presentation. After adoption of the Vermont sustainable jobs strategy, any amendments to the strategy may be adopted by the Governor in accordance with the process established by this section. In deciding whether to provide financial assistance to an applicant, the Authority, after determining that a project meets its credit underwriting standards, shall take into account the criteria outlined in this section, the overall benefits of the project to the State and to the community in which it is proposed to be located, the amount of assistance requested, and the availability of Authority resources to fund the request.~~

\* \* \*

Subchapter 15. Disaster Recovery Loan Fund

§ 280gg. DISASTER RECOVERY LOAN FUND

(a)(1) There is established within the Authority the Vermont Disaster Recovery Loan Fund, referred to in this subchapter as “the Fund,” the purpose of which is to enable the Authority to provide loans and other forms of financial assistance to businesses and agricultural enterprises after disasters.

(2) The Authority shall consult with the Secretary of Commerce and Community Development and the Secretary of Agriculture in determining whether funds shall be made available following a disaster event impacting areas of the State. A consultation shall not be required in the event of a disaster declaration declared by the Governor or the President of the United States.

(b) The Authority shall establish:

(1) policies and procedures for the Fund that the Authority determines are necessary to carry out the purposes of this subchapter; and

(2) financing programs necessary to ensure timely delivery of financial assistance after a disaster.

(c) The Authority shall limit the interest rates charged for loans provided utilizing funds from the Disaster Recovery Loan Fund to rates necessary to cover the costs of administering the Fund.

(d) This is a revolving loan program and any excess of revenues over expenses derived from this program shall be deposited in the Fund.

Sec. 2. 10 V.S.A. § 234 is redesignated and amended to read:

§ 234 220a. THE VERMONT JOBS FUND

(a) There is hereby created the Vermont Jobs Fund, hereinafter called the Fund, which shall be used by the Authority as a nonlapsing fund for the purposes of subchapters 3, 5, 9, and 10 of this chapter. To it shall be charged all operating expenses of the Authority not otherwise provided for and all payments of interest and principal required to be made by the Authority under this subchapter. To it shall be credited any appropriations made by the General Assembly for the purposes of subchapters 3, 5, 9, and 10 of this chapter and all payments required to be made to the Authority under subchapters 3, 5, 9, and 10 of this chapter, it being the intent of this section that the Fund shall operate as a revolving fund whereby all appropriations and payments made thereto; unless required to repay notes under the following section, may be applied and reapplied for the purposes of subchapters 3, 5, 9, and 10 of this chapter.

Monies in the Fund may be loaned at interest rates to be set by the Authority for the following:

~~(1) Loans to local development corporations under this subchapter, provided that if the funds for any such loan are derived from the issue of notes to the State Treasurer under section 235 of this chapter, the loan shall bear interest at a rate not less than the rate on the notes chapter.~~

(2) Direct mortgage loans as described in subchapter 5 of this chapter.

(3) Loans for the financing of export activities under subchapter 9 of this chapter.

(4) Other loans as the Authority may prescribe under subchapter 10 of this chapter.

~~(b) In order to provide monies in the Fund for loans under this chapter, the Authority may issue notes for purchase by the State Treasurer as provided in section 235 of this chapter.~~

~~(e)~~ Monies in the Fund may be loaned to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title at interest rates and on terms and conditions to be set by the Authority to establish a line of credit in an amount not to exceed \$100,000,000.00 to be advanced to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title.

~~(d)~~~~(c)~~ Monies in the Fund may be loaned to the Vermont Small Business Development Corporation to support its lending operations as established pursuant to subdivision 216(14) of this title at interest rates and on terms and conditions to be set by the Authority.

~~(e)~~~~(d)~~ Monies in the Fund may be loaned to the Vermont 504 Corporation to support its lending operations as established pursuant to subdivision 216(13) of this title at interest rates and on terms and conditions to be set by the Authority.

~~(f)~~~~(e)~~ The Authority may loan money from the Fund to the Vermont Sustainable Energy Loan Fund established under subchapter 13 of this chapter at interest rates and on terms and conditions set by the Authority.

Sec. 3. 2024 Acts and Resolves No. 113, Sec. B.1100 is amended to read:

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2025 ONE-TIME

APPROPRIATIONS

\* \* \*

(h) Department of Economic Development. In fiscal year 2025, funds are appropriated for the following:

(1) \$150,000 General Fund for continued funding of the International Business Office previously funded by 2021 Acts and Resolves No. 74, Sec. G.300(b)(1); and

(2) \$2,000,000 General Fund for a grant to the Vermont Economic Development Authority to establish a disaster relief fund for use by businesses and agricultural enterprises following a natural disaster.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

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

**CONSENT CALENDAR FOR NOTICE**

**Concurrent Resolutions for Adoption Under Joint Rules 16a - 16d**

The following concurrent resolutions have been introduced for approval by the Senate and House and will be adopted automatically unless a Senator or Representative requests floor consideration in that member's chamber prior to adjournment of the next legislative day. Requests for floor consideration in either chamber should be communicated to the Senate Secretary's Office or the House Clerk's Office, as applicable. For text of resolutions, see Addendum to House Calendar and Senate Calendar.

**H.C.R. 49**

House concurrent resolution recognizing March 21, 2025 as World Day for Glaciers in Vermont

**H.C.R. 50**

House concurrent resolution recognizing the unique role of certified registered nurse anesthetists in the Vermont health care system

**H.C.R. 51**

House concurrent resolution honoring Louis Lamphere on his receipt of the gubernatorial Rays of Kindness recognition

**H.C.R. 52**

House concurrent resolution honoring Anthony P. Romeo on his 70th birthday

### S.C.R. 3

Senate concurrent resolution congratulating Liliane Gordon of Hinesburg on her receipt of the Girl Scout Gold Award

#### For Informational Purposes

#### CROSSOVER DATES

The Joint Rules Committee established the following crossover dates:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 14, 2025**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by **Friday, March 14, 2025**.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 21, 2025**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

**Exceptions to the foregoing deadlines include the major money bills (the general Appropriations bill (“The Big Bill”), the Transportation Capital bill, the Capital Construction bill, and the Fee/Revenue bills).**

#### HOUSE CONCURRENT RESOLUTION (H.C.R.) PROCESS

Joint Rules 16a–16d provide the procedure for the General Assembly to adopt concurrent resolutions pursuant to the Consent Calendar. Here are the steps for Representatives to introduce an H.C.R. and to have it ceremonially read during a House session:

1. Meet with Legislative Counselor Michael Chernick regarding your H.C.R. draft request. Come prepared with an idea and any relevant supporting documents.
2. Have a date in mind if you want a ceremonial reading. You should meet with Counselor Chernick at least two weeks prior to the week you want your ceremonial reading to happen.



3. Counselor Chernick will draft your H.C.R., and Resolutions Editor and Coordinator Jill Pralle will edit it. Upon completion of this process, a paper or electronic copy will be released to you. If a paper copy is released to you, a sponsor signout sheet will also be included.
4. Please submit the sponsor list to Counselor Chernick by paper *or* electronically, but not both.
5. The final list of sponsors needs to be submitted to Counselor Chernick not later than 12:00 noon the Thursday of the week prior to the H.C.R.'s appearance on the Consent Calendar.
6. The Office of Legislative Counsel will then send your H.C.R. to the House Clerk's Office for incorporation into the Consent Calendar and House Calendar Addendum for the following week.
7. The week that your H.C.R. is on the Consent Calendar, any presentation copies that you requested will be mailed or available for pickup on Friday, after the House and Senate adjourn, which is when your H.C.R. is adopted pursuant to Joint Rules.
8. Your H.C.R. can be ceremonially read during a House session once it is adopted. If you would like to schedule a ceremonial reading, contact Second Assistant Clerk Courtney Reckord to confirm your requested ceremonial reading date.

### **JOINT FISCAL COMMITTEE NOTICES**

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3)(D):

**JFO #3244:** \$2,335,401.00 to the Agency of Human Services, Department of Health from the Substance Abuse and Mental Health Services Administration. Funds support continued crisis counseling assistance and training in response to the July 2024 flood event. *[Received February 7, 2025]*

**JFO #3245:** \$250,000.00 to the Agency of Human Services, Department of Health from the National Association of State Mental Health Program Directors. Funds used to provide trainings for crisis staff and to make improvements to the State's crisis system dispatch platform. *[Received February 7, 2025]*

