House Calendar

Friday, May 23, 2025

136th DAY OF THE BIENNIAL SESSION

House Convenes at 9:30 A.M.

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S. 127

An act relating to housing and housing development

Rep. Mihaly of Calais, for the Committee on General and Housing, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

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

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

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

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

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

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be

made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

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

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

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

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

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

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

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

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

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

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

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

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

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

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

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

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

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

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

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

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year

forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and Homeownership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Revolving Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Revolving Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system;

(3) the proximity to a designated area;

(4) the project readiness and estimated time until the need for financing;

(5) the demonstration of financing for project completion or completion of a project component; and

(6) the relative need and capacity of the community.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Universal Design Study Committee * * *

Sec. 5. RESIDENTIAL UNIVERSAL DESIGN STANDARDS; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Residential Universal Design Study Committee to explore implementation of statewide universal design standards for all residential buildings.

(b) Membership. The Committee shall be composed of the following members with preference for appointment of members with lived experience:

(1) one member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one member of the Senate, who shall be appointed by the Committee on Committees;

(3) one member, appointed by the Vermont Builders and Remodelers Association;

(4) one member, appointed by the Vermont Chapter of the American Institute of Architects;

(5) the Director of Fire Safety or designee;

(6) one member of the Vermont Access Board, appointed by the Chair;

(7) one member, appointed by the Vermont Housing Finance Agency;

(8) one member, appointed by the Vermont Housing and Conservation Board;

(9) one member, appointed by the Vermont Center for Independent Living;

(10) one member, appointed by the Vermont Developmental Disabilities Council;

(11) the Commissioner of Housing and Community Development or designee;

(12) one member, appointed by the Vermont Leagues of Cities and Towns;

(13) one member, appointed by the Vermont Assessors and Listers Association;

(14) one member, appointed by the Vermont Association of Realtors;

(15) the Commissioner of Disabilities, Aging and Independent Living or designee;

(16) one member, appointed by ADA Inspections Nationwide, LLC; and

(17) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall study the development and implementation of statewide universal design standards for residential buildings, including identification and analysis of the following issues:

(1) existing federal and state laws regarding the Americans with Disabilities Act, 42 U.S.C. §§ 12101–12213, standards and building codes;

(2) existing federal, state, and international best practices and standards addressing accessibility and adaptability characteristics of single-family and multiunit buildings;

(3) opportunities and challenges for supporting the residential building industry in meeting universal design standards, including considerations of workforce education and training;

(4) cost benefits and impacts of adopting a universal design standard for residential buildings;

(5) opportunities and challenges with enforcement of identified standards; and

(6) impacts to the valuation and financing of impacted buildings.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(e) Report. On or before November 1, 2025, the Committee shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The member of the House of Representatives shall call the first meeting of the Committee to occur on or before June 1, 2025.

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

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

(4) The Committee shall cease to exist on December 1, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this section, per diems for the cost of attending meetings shall only be available in

the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Housing and Residential Services Planning Committee * * *

Sec. 6. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families,

including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

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

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

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

(4) The Committee shall cease to exist on November 30, 2025.

(g)(1) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.

§ 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 7. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director~~:~~ education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 8. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 9. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 10. DHCD LAND BANK REPORT

(a) On or before November 1, 2025, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

* * * Housing and Public Accommodations Protections * * *

Sec. 11. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord shall accept any of the following:

(A) an original or a copy of any unexpired form of government-issued identification;

(B) an Individual Taxpayer Identification Number; or

(C) a Social Security number.

(2) A residential rental application shall inform an applicant that the applicant may provide any of the above forms of identification in order to conduct a background or credit check.

Sec. 12. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 13. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 14. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because

of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights

and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * Housing Appeals * * *

Sec. 15. 10 V.S.A. § 8502 is amended to read:

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

* * *

Sec. 16. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days of the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may appeal to the Environmental Division an act or decision made under that chapter by a board of adjustment, a planning commission, or a development review board; provided, however, that decisions of a development review board under 24 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are not subject to appeal but shall serve as presumptions under chapter 151 of this title.

* * *

(h) De novo hearing. The Environmental Division, applying the substantive standards that were applicable before the tribunal appealed from, shall hold a de novo hearing on those issues that have been appealed~~, except.~~ For a municipal land use permit application for a housing development, if the appeal is of a denial, the Environmental Division shall determine if the application is consistent with the municipal bylaw or land use regulation that directly affects the property or if the appeal is of an approval, if the application

is inconsistent with the municipal bylaw or land use regulation that directly affects the property. It shall not be de novo in the case of:

(1) a decision being appealed on the record pursuant to 24 V.S.A. chapter 117; or

(2) a decision of the Commissioner of Forests, Parks and Recreation under section 2625 of this title being appealed on the record, in which case the court shall affirm the decision, unless it finds that the Commissioner did not have reasonable grounds on which to base the decision.

* * *

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

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

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

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

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

(5) except for cases the court considers of greater importance, appeals of an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving housing development take precedence on the docket over other cases and shall be assigned for hearing and trial or for argument accordingly.

* * *

Sec. 17. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

* * *

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

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) ~~A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality~~.

~~(4) Any 20 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.~~

~~(5)~~ Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

Sec. 18. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(i) Notwithstanding this section and any other law to the contrary, for bylaw amendments that are required to comply with amendments to this chapter, no hearings are required to be held on the bylaw amendments.

* * * LURB Study * * *

Sec. 19. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of ~~non-profit~~ nonprofit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

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

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

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

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

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

* * * Brownfields * * *

Sec. 20. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 21. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 22. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 23. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 24. 2023 Acts and Resolves No. 78, Sec. B.1103, as amended by 2024 Acts and Resolves No. 87, Sec. 43, is further amended to read:

Sec. B.1103 CLIMATE AND ENVIRONMENT – FISCAL YEAR 2024

ONE-TIME APPROPRIATIONS

* * *

(h) In fiscal year 2024, the amount of $2,500,000 General Fund is appropriated to the ~~Department of Environmental Conservation~~ Environmental Contingency Fund established pursuant to 10 V.S.A. § 1283 for the Brownfields Reuse and Environmental Liability Limitation Act as codified in 10 V.S.A. chapter 159. Funds shall be used for the assessment ~~and cleanup~~, planning, and cleanup of brownfields sites.

* * *

* * * Tax Increment Financing * * *

Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other

instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Household of low income" means a household earning up to 80 percent of area median income, as defined by the U.S. Department of Housing and Urban Development.

(6) "Household of moderate income" means a household earning up to 120 percent of area median income, as defined by the U.S. Department of Housing and Urban Development.

(7) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(8) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(10) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(11) "Improvements" means:

(A) the installation, construction, or rehabilitation of infrastructure that will serve a public good and fulfill the purpose of housing infrastructure tax increment financing as stated in section 1907 of this subchapter, including utilities, digital infrastructure, roads, bridges, sidewalks, parking, public facilities and amenities, public recreation, land and property acquisition and demolition, brownfield remediation, site preparation, and flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(12) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(13) "Low or moderate income housing" means housing for which the total annual cost of renting or ownership, as applicable, does not exceed 30

percent of the gross annual income of a household of low income or a household of moderate income.

(14) "Low or moderate income housing development" means a housing development of which at least 20 percent of the units are low or moderate income housing units. Low or moderate income housing units shall be subject to covenants or restrictions that preserve their affordability until all indebtedness for the housing infrastructure project of which the housing development is part has been retired.

(15) "Municipality" means a city, town, or incorporated village.

(16) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(17) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for serving debt as determined in accordance with subsection 1910c(c) of this subchapter.

(18) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of housing infrastructure tax increment financing is to provide revenues for improvements and related costs to encourage the development of primary residences for households of low or moderate income.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which

shall consist of the parcel or parcels on which a housing development is installed or constructed and any immediately contiguous parcels.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(f) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purposes of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be initially offered exclusively as a bona fide domicile; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) Review. The Vermont Economic Progress Council may approve only applications that:

(1) meet the process requirements, either of the project criteria, and either of the location criteria of this section; and

(2) are submitted on or before December 31, 2035.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project adhering to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criteria.

(1) The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether:

(A) at least 70 percent of the gross floor area of the projected housing development is dedicated to housing; and

(B) the proposed housing development furthers the purposes of section 1907 of this title.

(2) If the Vermont Economic Progress Council determines that a municipality's housing infrastructure project application satisfies the process requirements and either of the location criteria of this section but does not satisfy the project criterion under subdivision (1) of this subsection, the Council shall request the Community and Housing Infrastructure Program Board to determine whether the projected housing development will meaningfully address the purposes in section 1907 of this subchapter and the housing needs of the community, and the Board's affirmative determination will satisfy this project criterion.

(e) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following areas, provided that a housing development for which all permits required pursuant to 10 V.S.A. chapter 151 (State land use and development plans) have been secured as of the time of application shall be deemed to have satisfied the location criteria of this subsection:

(1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area exempt from the provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions);

(2) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16); or

(3) an area located in Tier 2 pursuant to 10 V.S.A chapter 151 (State land use and development plans) that has permanent zoning and subdivision bylaws and where the project site would be eligible to become Tier 1 when the improvements funded in the housing infrastructure project are complete.

(f) Low or moderate affordability criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is a low or moderate income housing development.

(g) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years. If no debt is incurred for the housing infrastructure project during the debt incursion period, whether by the municipality or sponsor, the housing development site shall terminate.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, five years following the creation of the housing development site.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the low or moderate affordability criterion of section 1910 of this subchapter, up to 70 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the low or moderate affordability criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the 10th year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax

increment financing debt actually incurred and the history of increment generated during the first 10 years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter;

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the expected or actual sale and rental prices of any housing units;

(6) the number of housing units known to be occupied on a basis other than as primary residences;

(7) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(8) projected and actual incremental revenue amounts;

(9) the allocation of incremental revenue, including the amount allocated to related costs; and

(10) projected and actual financing.

(c) On or before January 15, 2030, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means that:

(1) describes for each housing development site the change in assessed valuation and the municipal grand list across the life of the housing infrastructure project;

(2) describes barriers municipalities, developers, and sponsors encounter in using the Community and Housing Infrastructure Program; and

(3) provides considerations for updating the Community and Housing Infrastructure Program to address any barriers identified under subdivision (2) of this subsection.

(d) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion and location criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(d) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter.

§ 1910g. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM BOARD

(a) Creation. There is created the Community and Housing Infrastructure Program Board to assist the Vermont Economic Progress Council with evaluating a municipality's housing infrastructure project application pursuant to subsection 1910(d) of this subchapter.

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

(1) the State Treasurer, who shall serve as chair of the Board;

(2) the Executive Director of the Vermont Housing Finance Agency;

(3) the Chief Executive Officer of the Vermont Economic Development Authority;

(4) the Executive Director of the Vermont Bond Bank; and

(5) the Executive Director of the Vermont League of Cities and Towns.

(c) Duties. Upon request of the Vermont Economic Progress Council, the Board shall evaluate the housing development plan component of a municipality's housing infrastructure project application to determine whether the proposed housing development will meaningfully serve the housing needs of the community. The Board shall respond with its determination not later than 30 days following receipt of the request from the Vermont Economic Progress Council.

(d) Assistance. The Board shall have the administrative and technical assistance of the Office of the State Treasurer.

(e) Meetings. The Board shall meet upon request of the Vermont Economic Progress Council.

(f) Compensation and reimbursement. Members of the Board shall be entitled to per diem compensation and reimbursement of expenses as permitted under section 1010 of this title.

(g) Decisions not subject to review. A decision of the Board under subsection (c) of this section is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 26. 24 V.S.A. § 1910(e) is amended to read:

(e) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following

areas, provided that a housing development for which all permits required pursuant to 10 V.S.A. chapter 151 (State land use and development plans) have been secured as of the time of application shall be deemed to have satisfied the location criteria of this subsection:

(1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area exempt from the provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions); ~~or~~

(2) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16); ~~or~~

(3) an area located in Tier 2 pursuant to 10 V.S.A chapter 151 (State land use and development plans) that has permanent zoning and subdivision bylaws and where the project site would be eligible to become Tier 1 when the improvements funded in the housing infrastructure project are complete; or

(4) an area located in Tier 2 pursuant to 10 V.S.A chapter 151 (State and use and development plans) that has permanent zoning and subdivision bylaws and has been delineated as a Transition or Infill area on the regional plan future land use map pursuant to 24 V.S.A. § 4348.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 27. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 28. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * VHFA Off-Site Construction * * *

Sec. 29. VHFA OFF-SITE CONSTRUCTION REPORT

Provided there are sufficient resources, the Vermont Housing Finance Agency shall issue a report by December 15, 2026 that, at a minimum:

(1) identifies and recommends a set of State policy objectives and priorities related to off-site housing construction;

(2) defines the structure and relevant actors for using bulk purchases of single- and multi-family homes produced through off-site construction to achieve lower construction costs;

(3) gathers input from potential manufacturers about how to best achieve cost savings through a bulk purchase program;

(4) determines any business planning support needed for existing Vermont businesses seeking to develop or expand off-site construction;

(5) explores creating a working group of neighboring states that considers a regional market and shared approach; and

(6) prepares an analysis of the funding and structure needed to support greater development of off-site homes.

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

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

(1) Secs. 4 (Rental Housing Revolving Loan Program), Sec. 5 (Universal Design Study Committee), and Sec. 8 (repeal, Act 181 prospective landlord certificate changes) and this section shall take effect on passage; and

(2) Sec. 26 (24 V.S.A. § 1910(e)) shall take effect on January 1, 2028.

(Committee vote: 10-1-0)

Rep. Kimbell of Woodstock, for the Committee on Ways and Means, recommends that the report of the Committee on General and Housing be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

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

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

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

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

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

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

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

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

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

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

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

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

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

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

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

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

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

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

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

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

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

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

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

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

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

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and Homeownership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Revolving Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Revolving Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system;

(3) the proximity to a designated area;

(4) the project readiness and estimated time until the need for financing;

(5) the demonstration of financing for project completion or completion of a project component; and

(6) the relative need and capacity of the community.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Universal Design Study Committee * * *

Sec. 5. RESIDENTIAL UNIVERSAL DESIGN STANDARDS; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Residential Universal Design Study Committee to explore implementation of statewide universal design standards for all residential buildings.

(b) Membership. The Committee shall be composed of the following members with preference for appointment of members with lived experience:

(1) one member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one member of the Senate, who shall be appointed by the Committee on Committees;

(3) one member, appointed by the Vermont Builders and Remodelers Association;

(4) one member, appointed by the Vermont Chapter of the American Institute of Architects;

(5) the Director of Fire Safety or designee;

(6) one member of the Vermont Access Board, appointed by the Chair;

(7) one member, appointed by the Vermont Housing Finance Agency;

(8) one member, appointed by the Vermont Housing and Conservation Board;

(9) one member, appointed by the Vermont Center for Independent Living;

(10) one member, appointed by the Vermont Developmental Disabilities Council;

(11) the Commissioner of Housing and Community Development or designee;

(12) one member, appointed by the Vermont Leagues of Cities and Towns;

(13) one member, appointed by the Vermont Assessors and Listers Association;

(14) one member, appointed by the Vermont Association of Realtors;

(15) the Commissioner of Disabilities, Aging and Independent Living or designee;

(16) one member, appointed by ADA Inspections Nationwide, LLC; and

(17) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall study the development and implementation of statewide universal design standards for residential buildings, including identification and analysis of the following issues:

(1) existing federal and state laws regarding the Americans with Disabilities Act, 42 U.S.C. §§ 12101–12213, standards and building codes;

(2) existing federal, state, and international best practices and standards addressing accessibility and adaptability characteristics of single-family and multiunit buildings;

(3) opportunities and challenges for supporting the residential building industry in meeting universal design standards, including considerations of workforce education and training;

(4) cost benefits and impacts of adopting a universal design standard for residential buildings;

(5) opportunities and challenges with enforcement of identified standards; and

(6) impacts to the valuation and financing of impacted buildings.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(e) Report. On or before November 1, 2025, the Committee shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The member of the House of Representatives shall call the first meeting of the Committee to occur on or before June 1, 2025.

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

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

(4) The Committee shall cease to exist on December 1, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Housing and Residential Services Planning Committee * * *

Sec. 6. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

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

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

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

(4) The Committee shall cease to exist on November 30, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 7. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director~~:~~ education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 8. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 9. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the

School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 10. DHCD LAND BANK REPORT

(a) On or before November 1, 2025, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

* * * Housing and Public Accommodations Protections * * *

Sec. 11. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord shall accept any of the following:

(A) an original or a copy of any unexpired form of government-issued identification;

(B) an Individual Taxpayer Identification Number; or

(C) a Social Security number.

(2) A residential rental application shall inform an applicant that the applicant may provide any of the above forms of identification in order to conduct a background or credit check.

Sec. 12. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 13. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 14. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a

person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service,

organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * Housing Appeals * * *

Sec. 15. 10 V.S.A. § 8502 is amended to read:

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

* * *

Sec. 16. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days of the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may appeal to the Environmental Division an act or decision made under that chapter by a board of adjustment, a planning commission, or a development review board; provided, however, that decisions of a development review board under 24 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are not subject to appeal but shall serve as presumptions under chapter 151 of this title.

* * *

(h) De novo hearing. The Environmental Division, applying the substantive standards that were applicable before the tribunal appealed from, shall hold a de novo hearing on those issues that have been appealed~~, except~~. For a municipal land use permit application for a housing development, if the appeal is of a denial, the Environmental Division shall determine if the application is consistent with the municipal bylaw or land use regulation that directly affects the property or if the appeal is of an approval, if the application is inconsistent with the municipal bylaw or land use regulation that directly affects the property. It shall not be de novo in the case of:

(1) a decision being appealed on the record pursuant to 24 V.S.A. chapter 117; or

(2) a decision of the Commissioner of Forests, Parks and Recreation under section 2625 of this title being appealed on the record, in which case the court shall affirm the decision, unless it finds that the Commissioner did not have reasonable grounds on which to base the decision.

* * *

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

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

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

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

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

(5) except for cases the court considers of greater importance, appeals of an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving housing development take precedence on the docket over other cases and shall be assigned for hearing and trial or for argument accordingly.

* * *

Sec. 17. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

* * *

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

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) ~~A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality~~.

~~(4) Any 20 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought~~

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

~~(5)~~ Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

Sec. 18. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(i) Notwithstanding this section and any other law to the contrary, for bylaw amendments that are required to comply with amendments to this chapter, no hearings are required to be held on the bylaw amendments.

* * * LURB Study * * *

Sec. 19. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of ~~non-profit~~ nonprofit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural

Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

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

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

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

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

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

* * * Brownfields * * *

Sec. 20. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the

Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 21. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 22. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 23. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 24. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to $2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Tax Increment Financing * * *

Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(6) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Improvements" means:

(A) any of the following that will serve a public good and fulfill the purpose of section 1907 of this subchapter:

(i) the installation or construction of:

(I) wastewater, storm water, water dispersal, water collection, water treatment facilities and equipment, or related wastewater, storm water, or water equipment;

(II) public roads, streets, bridges, multimodal facilities, public transit stop equipment and amenities, street and sidewalk lighting, sidewalks,

streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn lanes; or

(III) digital or telecommunications infrastructure;

(ii) site preparation for development or redevelopment, including land and property acquisition, demolition, brownfield remediation, or flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) "Lifetime education property tax increment retention" means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.

(12) "Middle-income housing" means housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual duration.

(13) "Middle-income housing development" means a housing development of which at least 20 percent of the units are middle-income housing units.

(14) "Municipality" means a city, town, or incorporated village.

(15) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(16) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with subsection 1910c of this subchapter.

(17) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of the pilot Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low or moderate income that would not be created but for the infrastructure improvements funded by the Program.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be offered exclusively as a bona fide domicile in perpetuity; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) Review. The Vermont Economic Progress Council may recommend for approval by the Community and Housing Infrastructure Program Board only applications:

(1) that meet the but-for test, the process requirements, the project criterion, and either of the location criteria of this section;

(2) for which the Council has approved the tax increment financing plan; and

(3) that are submitted on or before December 31, 2031.

(c) But-for test. The Vermont Economic Progress Council shall review each application to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(1) the amount of additional time, if any, needed to complete the proposed housing development and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(2) how the proposed housing development components and size would differ, if at all, including, if applicable to the housing development, in the number of units of middle-income housing, without education property tax increment financing; and

(3)(A) the amount of additional revenue expected to be generated as a result of the proposed housing development;

(B) the percentage of that revenue that shall be paid to the Education Fund;

(C) the percentage that shall be paid to the municipality; and

(D) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for the infrastructure improvements.

(d) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(e) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether at least 65 percent of the floor area of the projected housing development is dedicated to housing.

(f) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following areas:

(1) an area exempt from the provisions of 10 V.S.A. chapter 151 (State land use and development plans) pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions); or

(2) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16).

(g) Middle-income criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is a middle-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.

(h) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

(i) Board approval. The Vermont Economic Progress Council shall recommend to the Community and Housing Infrastructure Program Board for approval any application that meets the standards of subsection (b) of this section. The Board shall review the Council's recommendation and approve the application unless the Board determines that the application fails to satisfy the purpose of section 1907 of this subchapter or fails to meet the standards of subsection (b) of this section.

(j) Tax increment financing approval; limit. The Vermont Economic Progress Council may only approve pursuant to this subchapter tax increment financing for applications that have received Board approval pursuant to subsection (i) of this section. The Vermont Economic Progress Council shall not annually approve more than $40,000,000.00 in aggregate lifetime education property tax increment retention.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years. If no debt is incurred for the housing infrastructure project during the debt incursion period, whether by the municipality or sponsor, the housing development site shall terminate.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the

legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, five years following the creation of the housing development site.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the middle-income criterion of section 1910 of this subchapter, up to 60 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the middle-income criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the fifth year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first five years, whether the percentages approved under

this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the expected or actual sale and rental prices of any housing units;

(6) the number of housing units known to be occupied on a basis other than as primary residences;

(7) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(8) projected and actual incremental revenue amounts;

(9) the allocation of incremental revenue, including the amount allocated to related costs;

(10) projected and actual financing; and

(11) an evaluation of the amount of public funds flowing to private ownership or usage.

(c) On or before January 15, 2030, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion and location criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. RULEMAKING

(a) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Council shall specifically adopt rules to:

(1) govern the prioritization of applications submitted for approval of tax increment financing under this subchapter that take into consideration the purpose of section 1907 of this subchapter, blight, regional equity and verifiable housing shortages, and labor sheds; and

(2) determine the appropriate floor area measure for purposes of the project criterion under subsection 1910(e) of this subchapter.

(b) At least 45 days prior to prefiling a rule authorized under this section with the Interagency Committee on Administrative Rules under 3 V.S.A. § 837, the Vermont Economic Progress Council shall submit a copy of the draft rule to the Joint Fiscal Committee for review.

§ 1910g. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

§ 1910h. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM BOARD

(a) Creation. There is created the Community and Housing Infrastructure Program Board to review applications for tax increment financing recommended by the Vermont Economic Progress Council pursuant to section 1910 of this subchapter.

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

(1) the chair of the Vermont Economic Progress Council, who shall serve as chair of the Board;

(2) the State Treasurer or designee;

(3) the Executive Director of the Vermont Housing Finance Agency or designee;

(4) the Executive Director of the Vermont Housing and Conservation Board or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the Executive Director of the Vermont Bond Bank or designee;

(7) the Executive Director of the Vermont Council on Rural Development or designee;

(8) a representative of the Regional Planning Commissions; and

(9) the Executive Director of the Vermont School Boards Association or designee.

(c) Duties. The Board shall review applications for tax increment financing recommended by the Vermont Economic Progress Council pursuant to section 1910 of this subchapter. The Board shall respond with its approval or denial not later than 45 days following receipt of the recommendation from the Vermont Economic Progress Council.

(d) Assistance. The Board shall receive administrative support from the Agency of Commerce and Community Development and the Department of Taxes.

(e) Compensation and reimbursement. Members of the Board shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010.

(f) Decisions not subject to review. A decision of the Board under subsection (c) of this section is an administrative decision that is not subject to

the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

(g) Report. On or before December 15, 2025, the Board shall submit to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means a report describing the Board's recommended process and membership for reviewing housing infrastructure project applications.

Sec. 26. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

(3) the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 27. 32 V.S.A. § 5404a(f) is amended to read:

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (A) of this subdivision (3), the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall only approve under this section applications for tax increment financing submitted prior to July 1, 2028.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 28. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 29. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * VHFA Off-Site Construction * * *

Sec. 30. VHFA OFF-SITE CONSTRUCTION REPORT

Provided there are sufficient resources, the Vermont Housing Finance Agency shall issue a report by December 15, 2026 that, at a minimum:

(1) identifies and recommends a set of State policy objectives and priorities related to off-site housing construction;

(2) defines the structure and relevant actors for using bulk purchases of single- and multi-family homes produced through off-site construction to achieve lower construction costs;

(3) gathers input from potential manufacturers about how to best achieve cost savings through a bulk purchase program;

(4) determines any business planning support needed for existing Vermont businesses seeking to develop or expand off-site construction;

(5) explores creating a working group of neighboring states that considers a regional market and shared approach; and

(6) prepares an analysis of the funding and structure needed to support greater development of off-site homes.

* * * Effective Dates * * *

Sec. 31. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 5 (Residential Universal Design Study Committee), Sec. 8 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

(Committee Vote: 9-0-2)

Rep. Scheu of Middlebury, for the Committee on Appropriations, recommends that the bill ought to pass in concurrence with the proposal of amendment recommended by the Committee on General and Housing, when further amended as recommended by the Committee on Ways and Means.

(Committee Vote: 8-3-0)

Amendment to be offered by Rep. North of Ferrisburgh to the report of the Committee on Ways and Means on S. 127

That the report of the Committee on Ways and Means be amended by adding two new sections to be Sec. 19a and Sec. 19b to read as follows:

Sec. 19a. 10 V.S.A. § 6001(3)(D)(viii)(III) is amended to read:

(III) Notwithstanding any other provision of law to the contrary, until ~~January 1, 2027~~ December 31, 2031, the last date by which applications for the Community Housing and Infrastructure Program established in 24 V.S.A. chapter 53, subchapter 7 may be submitted, the construction of a priority housing project located entirely within areas of a designated downtown development district, designated neighborhood development area, or a designated growth center or within one-half mile around such designated center with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. For purposes of this subdivision (III), in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-half mile of the designated center boundary. If the one-half mile around the designated center extends into an adjacent municipality, the legislative body of the adjacent municipal may inform the Board that it does not want the exemption to extend into that area.

Sec. 19b. 10 V.S.A. § 6081(dd) is amended to read:

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until ~~January 1, 2027~~ December 31, 2031, the last date by which applications for the

Community Housing and Infrastructure Program established in 24 V.S.A. chapter 53, subchapter 7 may be submitted, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 75 units or fewer, constructed or maintained on a tract or tracts of land, located entirely within the areas of a designated new town center, a designated growth center, or a designated neighborhood development area served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(2)(A) Notwithstanding any other provision of law to the contrary, until ~~July 1, 2027~~ December 31, 2031, the last date by which applications for the Community Housing and Infrastructure Program established in 24 V.S.A. chapter 53, subchapter 7 may be submitted, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 50 or fewer units, constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within:

* * *

(3) Notwithstanding any other provision of law to the contrary, until ~~January 1, 2027~~ December 31, 2031, the last date by which applications for the Community Housing and Infrastructure Program established in 24 V.S.A. chapter 53, subchapter 7 may be submitted, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

Amendment to be offered by Reps. Kimbell of Woodstock, Graning of Jericho, Kornheiser of Brattleboro, Marcotte of Coventry, and Mihaly of Calais to the report of the Committee on Ways and Means on S. 127

That the report of the Committee on Ways and Means be amended by striking out Secs. 25–27 and their reader assistance heading in their entireties and inserting in lieu thereof a new reader assistance heading and three new sections to be Secs. 25–27 to read as follows:

* * * Tax Increment Financing * * *

Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(6) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Improvements" means:

(A) any of the following that will serve a public good and fulfill the purpose of section 1907 of this subchapter:

(i) the installation or construction of:

(I) wastewater, storm water, water dispersal, water collection, water treatment facilities and equipment, or related wastewater, storm water, or water equipment;

(II) public roads, streets, bridges, multimodal facilities, public transit stop equipment and amenities, street and sidewalk lighting, sidewalks, streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn lanes; or

(III) digital or telecommunications infrastructure;

(ii) site preparation for development or redevelopment, including land and property acquisition, demolition, brownfield remediation, or flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) "Lifetime education property tax increment retention" means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.

(12) "Mixed-income housing" means housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual duration.

(13) "Mixed-income housing development" means a housing development of which at least 20 percent of the units are mixed-income housing units.

(14) "Municipality" means a city, town, or incorporated village.

(15) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located

within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(16) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with subsection 1910c of this subchapter.

(17) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of the pilot Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties that would not be created but for the infrastructure improvements funded by the Program.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be offered exclusively as a bona fide domicile in perpetuity; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) But-for test. The Vermont Economic Progress Council shall review each application to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(1) the amount of additional time, if any, needed to complete the proposed housing development and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(2) how the proposed housing development components and size would differ, if at all, including, if applicable to the housing development, in the number of units of mixed-income housing, without education property tax increment financing; and

(3)(A) the amount of additional revenue expected to be generated as a result of the proposed housing development;

(B) the percentage of that revenue that shall be paid to the Education Fund;

(C) the percentage that shall be paid to the municipality; and

(D) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for the infrastructure improvements.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether at least 65 percent of the floor area of the projected housing development is dedicated to housing.

(e) Mixed-income criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is a mixed-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

(g) Approval. The Vermont Economic Progress Council shall approve or deny an application submitted pursuant to this section not later than 45 days following receipt of the completed application. The Vermont Economic Progress Council shall only approve tax increment financing for applications:

(1) that meet the but-for test, the process requirements, and the project criterion of this section;

(2) for which the Council has approved the tax increment financing plan; and

(3) that are submitted on or before December 31, 2031.

(h) Limit. The Vermont Economic Progress Council shall not annually approve more than $40,000,000.00 in aggregate lifetime education property tax increment retention. The Vermont Economic Progress Council may increase this limit by not more than $5,000,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee. In evaluating the Governor's request, the Joint Fiscal Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections. The Vermont Economic Progress Council shall provide the Joint Fiscal Committee with testimony, documentation, housing infrastructure project application data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for the creation of additional housing to meet the needs of a municipality or municipalities and the State.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, the debt incursion period ends.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the mixed-income criterion of section 1910 of this subchapter, up to 60 percent of the

education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the mixed-income criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the fifth year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first five years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be

retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the expected or actual sale and rental prices of any housing units;

(6) the number of housing units known to be occupied on a basis other than as primary residences;

(7) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(8) projected and actual incremental revenue amounts;

(9) the allocation of incremental revenue, including the amount allocated to related costs;

(10) projected and actual financing; and

(11) an evaluation of the amount of public funds flowing to private ownership or usage.

(c) On or before January 15, 2030, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. RULEMAKING

The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Council shall specifically adopt rules to:

(1) govern the prioritization of applications submitted for approval of tax increment financing under this subchapter that take into consideration the purpose of section 1907 of this subchapter, vacancy or dilapidation, regional equity and verifiable housing shortages, and labor sheds;

(2) determine the appropriate floor area measure for purposes of the project criterion under subsection 1910(e) of this subchapter; and

(3) supplement the but-for test under subsection 1910(c) of this subchapter giving due consideration to any rulemaking undertaken to supplement the but-for test under 32 V.S.A. § 5404a(h)(1)(A).

§ 1910g. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

Sec. 26. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

(3) the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;

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

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

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

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

(3) Exclusively for purposes of reviewing and approving housing infrastructure project applications under the Community and Housing Infrastructure Program, the Council shall additionally have:

(A) two voting members as follows:

(i) the Executive Director of the Vermont Housing Finance Agency or designee; and

(ii) the Executive Director of the Vermont Housing and Conservation Board or designee; and

(B) as a nonvoting member, the Commissioner of Housing and Community Development or designee.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 27. 32 V.S.A. § 5404a(f) is amended to read:

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (A) of this subdivision (3), the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall only approve under this section applications for tax increment financing submitted prior to December 31, 2031.

Amendment to be offered by Reps. Sibilia of Dover, Hango of Berkshire, Priestley of Bradford, Boyden of Cambridge, Bartley of Fairfax, Greer of Bennington, Gregoire of Fairfield, Harrison of Chittenden, Higley of Lowell, Kleppner of Burlington, Lipsky of Stowe, Morris of Springfield, O'Brien of Tunbridge, Parsons of Newbury, and Sweeney of Shelburne to the amendment offered by Representatives Kimbell of Woodstock, Graning of Jericho, Kornheiser of Brattleboro, Marcotte of Coventry, and Mihaly of Calais:

First: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, in section 1906, by striking out subdivision (9) in its entirety and inserting in lieu thereof a new subdivision (9) to read as follows:

(9) "Improvements" means:

(A) any of the following that will serve a public good and fulfill the purpose of section 1907 of this subchapter:

(i) the installation or construction of:

(I) wastewater, storm water, water dispersal, water collection, water treatment facilities and equipment, or related wastewater, storm water, or water equipment;

(II) public roads, streets, bridges, multimodal facilities, public transit stop equipment and amenities, street and sidewalk lighting, sidewalks, streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn lanes;

(III) digital or telecommunications infrastructure; or

(IV) electricity infrastructure;

(ii) site preparation for development or redevelopment, including land and property acquisition, demolition, brownfield remediation, or flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

Second: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, in section 1910, by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read as follows:

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether at least 51 percent of the floor area of the projected housing development is dedicated to housing.

Third: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, by striking out section 1907 in its entirety and inserting in lieu thereof a new section 1907 to read as follows:

§ 1907. PURPOSE

The purpose of the pilot Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties.

Fourth: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, in section 1910, in subsection (g), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) that meet the process requirements and the project criterion of this section;

Fifth: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, in section 1910, by striking out subsection (b) in its entirety and relettering the remaining subdivisions to be alphabetically correct

Sixth: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, by striking out section 1910f in its entirety and inserting in lieu thereof a new section 1910f to read as follows:

§ 1910f. RULEMAKING

The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Council shall specifically adopt rules to:

(1) govern the prioritization of applications submitted for approval of tax increment financing under this subchapter that take into consideration the purpose of section 1907 of this subchapter, vacancy or dilapidation, regional equity and verifiable housing shortages, and labor sheds; and

(2) determine the appropriate floor area measure for purposes of the project criterion under subsection 1910(e) of this subchapter.

Senate Proposal of Amendment

H. 266

An act relating to the 340B prescription drug pricing program

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

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

(a) 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, in a form and manner prescribed by the 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)(A) For prescription drugs that the hospital or any entity acting on behalf of the hospital obtained through the 340B program and dispensed or administered to patients during the previous calendar year:

(i) the aggregated acquisition cost for all such prescription drugs; and

(ii) the aggregated payment amount that the hospital received for all such prescription drugs, with information reported separately for each of the following distribution channels:

(I) dispensed drugs from an in-house pharmacy;

(II) dispensed drugs from a contract pharmacy;

(III) administered drugs paid separately; and

(IV) administered drugs paid by bundled payments.

(B) For administered drugs for which payment was bundled with payment for other services, as set forth in subdivision (A)(ii)(IV) of this subdivision (1), the hospital shall estimate the payment amount by comparing the actual acquisition cost for a drug to the wholesale acquisition cost for that drug.

(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) A description of the ways in which the hospital uses revenue from its participation in the 340B program to benefit its community through programs and services funded in whole or in part by revenue from the 340B program, including services that support community access to care that the hospital could not continue without this revenue.

(5) 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.

(b) In addition to the vendor information required pursuant to subdivision (a)(3) of this section, each hospital shall also provide to the Board a list of the names of all vendors that managed, administered, or facilitated any aspect of the hospital's 340B program during the previous calendar year, along with a brief description of the work performed by each vendor. The vendor information reported pursuant to this subsection shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential, except that the Board shall provide the information to the Office of the Health Care Advocate, which shall not further disclose this confidential information.

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. 8 V.S.A. § 4089j is amended to read:

§ 4089j. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

* * *

(d)(1) A health insurer or pharmacy benefit manager shall permit a participating network pharmacy to perform all pharmacy services within the lawful scope of the profession of pharmacy as set forth in 26 V.S.A. chapter 36.

* * *

(4) ~~A health insurer or pharmacy benefit manager shall not, by contract, written policy, or written procedure, require that a pharmacy designated by the health insurer or pharmacy benefit manager dispense a medication directly to a health care setting for a health care professional to administer to a patient.~~ [Repealed.]

* * *

Sec. 5. 8 V.S.A. § 4089j is amended to read:

§ 4089j. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

* * *

(d)(1) A health insurer or pharmacy benefit manager shall permit a participating network pharmacy to perform all pharmacy services within the

lawful scope of the profession of pharmacy as set forth in 26 V.S.A. chapter 36.

* * *

(4) ~~[Repealed.]~~ A health insurer or pharmacy benefit manager shall not, by contract, written policy, or written procedure, require that a pharmacy designated by the health insurer or pharmacy benefit manager dispense a medication directly to a health care setting for a health care professional to administer to a patient.

* * *

Sec. 6. GREEN MOUNTAIN CARE BOARD; WHITE BAGGING; REPORT

On or before January 15, 2029, the Green Mountain Care Board, in consultation with the Department of Financial Regulation, shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the impact of the repeal of 8 V.S.A. § 4089j(d)(4) on hospital budgets, on health insurance premiums, and on health insurer solvency.

Sec. 7. EFFECTIVE DATES

(a) Sec. 5 (restoring language in 8 V.S.A. § 4089j(d)(4)) shall take effect on January 1, 2030.

(b) The remainder of 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.

Amendment to be offered by Reps. Berbeco of Winooski, Black of Essex, Cina of Burlington, Cordes of Bristol, Critchlow of Colchester, Demar of Enosburgh, Goldman of Rockingham, Houghton of Essex Junction, McFaun of Barre Town, Page of Newport City, and Powers of Waterford to H. 266

That the House concur in the Senate proposal of amendment with further proposal of amendment thereto by striking out Secs. 4–7 in their entireties and inserting in lieu thereof the following:

Sec. 4. 18 V.S.A. § 9407 is added to read:

§ 9407. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL CHARGES

(a)(1) A hospital shall not submit a claim to a health insurer for reimbursement of a prescription drug administered in an outpatient or office

setting in an amount that exceeds 120 percent of the average sales price (ASP), as calculated by the Centers for Medicare and Medicaid Services, for any drug for which the hospital charged any health insurer more than 120 percent of the ASP in effect as of April 1, 2025.

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer 120 percent or less of the ASP in effect as of April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the ASP, as calculated by the Centers for Medicare and Medicaid, for that drug than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

(3) A hospital shall update the ASP for each drug annually on January 1 and July 1 based on the Centers for Medicare and Medicaid Services' ASP calculations for the most recent calendar quarter.

(b)(1) The purpose of this section is to reduce health care costs. A hospital shall not charge or collect from the patient or health insurer any amount for a prescription drug administered in an outpatient or office setting that exceeds the amounts set forth in subsection (a) of this section or increase the amounts the hospital charges for other prescription drugs, procedures, tests, imaging, or other health care goods or services in an effort to offset revenue reduced as a result of implementing this section.

(2) If a hospital demonstrates to the Green Mountain Care Board in its budget submissions pursuant to subchapter 7 of this chapter that the price cap set forth in subsection (a) of this section is having a negative impact on access to care, the quality of care, or the sustainability of rural health care services, or a combination of these, the hospital may propose to increase the commercial reimbursement rates for one or more of its service lines, such as primary care, and the Board shall consider both the demonstrated impact and the proposed increase to reimbursement rates.

(c) The provisions of this section shall remain in effect unless and until the Green Mountain Care Board establishes a different reference-based price pursuant to section 9376 of this title that applies to prescription drugs administered in an outpatient or office setting.

(d) This section shall not apply to an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont.

Sec. 5. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL CHARGES FOR 2025

(a)(1) A hospital shall not submit a claim to a health insurer for reimbursement of a prescription drug administered in an outpatient or office setting between July 1, 2025 and December 31, 2025 in an amount that exceeds 130 percent of the average sales price (ASP), as calculated by the Centers for Medicare and Medicaid Services for the most recent calendar quarter, for any drug for which the hospital charged any health insurer more than 120 percent of the ASP in effect as of April 1, 2025.

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer 120 percent or less of the ASP in effect as of April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the ASP, as calculated by the Centers for Medicare and Medicaid Services for the most recent calendar quarter, for that drug between July 1, 2025 and December 31, 2025 than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

(b)(1) The purpose of this section is to reduce health care costs. A hospital shall not charge or collect from the patient or health insurer any amount for a prescription drug administered in an outpatient or office setting that exceeds the amounts set forth in subsection (a) of this section or increase the amounts the hospital charges for other prescription drugs, procedures, tests, imaging, or other health care goods or services in an effort to offset revenue reduced as a result of implementing this section.

(2) If a hospital demonstrates to the Green Mountain Care Board in its budget submissions pursuant to subchapter 7 of this chapter that the price cap set forth in subsection (a) of this section is having a negative impact on access to care, the quality of care, or the sustainability of rural health care services, or a combination of these, the hospital may propose to increase the commercial reimbursement rates for one or more of its service lines, such as primary care, and the Board shall consider both the demonstrated impact and the proposed increase to reimbursement rates.

(c) This section shall not apply to an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont.

Sec. 6. EFFECTIVE DATES

(a) Sec. 4 (18 V.S.A. § 9407; outpatient prescription drugs; limitations on hospital charges) shall take effect on January 1, 2026.

(b) Sec. 5 (outpatient prescription drugs; limitations on hospital charges for 2025) shall take effect on July 1, 2025.

(c) The remainder of 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.

New Business

Favorable with Amendment

S. 69

An act relating to an age-appropriate design code

Rep. Micklus of Milton, for the Committee on Commerce and Economic Development, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 9 V.S.A. chapter 62, subchapter 6 is added to read:

Subchapter 6. Vermont Age-Appropriate Design Code Act

§ 2449a. DEFINITIONS

As used in this subchapter:

(1)(A) "Affiliate" means a legal entity that shares common branding with another legal entity or controls, is controlled by, or is under common control with another legal entity.

(B) As used in subdivision (A) of this subdivision (1), "control" or "controlled" means:

(i) ownership of, or the power to vote, more than 50 percent of the outstanding shares of any class of voting security of a company;

(ii) control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or

(iii) the power to exercise controlling influence over the management of a company.

(2) "Age assurance" encompasses a range of methods used to determine, estimate, or communicate the age or an age range of an online user.

(3) "Age range" means either an interval with an upper and lower age limit or a label indicating age above or below a specific age.

(4) "Algorithmic recommendation system" means a system that uses an algorithm to select, filter, and arrange media on a covered business's website for the purpose of selecting, recommending, or prioritizing media for a user.

(5)(A) "Biometric data" means data generated from the technological processing of an individual's unique biological, physical, or physiological

characteristics that allow or confirm the unique identification of the consumer, including:

(i) iris or retina scans;

(ii) fingerprints;

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

(iv) vein patterns;

(v) voice prints or vocal biomarkers; and

(vi) gait or personally identifying physical movement or patterns.

(B) "Biometric data" does not include:

(i) a digital or physical photograph;

(ii) an audio or video recording; or

(iii) any data generated from a digital or physical photograph, or an audio or video recording, unless such data is generated to identify a specific individual.

(6) "Business associate" has the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (HIPAA).

(7) "Collect" means buying, renting, gathering, obtaining, receiving, or accessing any personal data by any means. This includes receiving data from the consumer, either actively or passively, or by observing the consumer's behavior.

(8) "Compulsive use" means the repetitive use of a covered business's service that materially disrupts one or more major life activities of a minor, including sleeping, eating, learning, reading, concentrating, communicating, or working.

(9)(A) "Consumer" means an individual who is a resident of the State.

(B) "Consumer" does not include an individual acting in a commercial or employment context or as an employee, owner, director, officer, or contractor of a company, partnership, sole proprietorship, nonprofit, or government agency whose communications or transactions with the covered business occur solely within the context of that individual's role with the company, partnership, sole proprietorship, nonprofit, or government agency.

(10) "Covered business" means a sole proprietorship, partnership, limited liability company, corporation, association, other legal entity, or an affiliate thereof:

(A) that conducts business in this State;

(B) that generates a majority of its annual revenue from online services;

(C) whose online products, services, or features are reasonably likely to be accessed by a minor;

(D) that collects consumers' personal data or has consumers' personal data collected on its behalf by a processor; and

(E) that alone or jointly with others determines the purposes and means of the processing of consumers personal data.

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

(12) "Covered minor" is a consumer who a covered business actually knows is a minor or labels as a minor pursuant to age assurance methods in rules adopted by the Attorney General.

(13) "Default" means a preselected option adopted by the covered business for the online service, product, or feature.

(14) "De-identified data" means data that does not identify and cannot reasonably be used to infer information about, or otherwise be linked to, an identified or identifiable individual, or a device linked to the individual, if the covered business that possesses the data:

(A)(i) takes reasonable measures to ensure that the data cannot be used to reidentify an identified or identifiable individual or be associated with an individual or device that identifies or is linked or reasonably linkable to an individual or household; and

(ii) for purposes of this subdivision (A), "reasonable measures" includes the de-identification requirements set forth under 45 C.F.R. § 164.514 (other requirements relating to uses and disclosures of protected health information);

(B) publicly commits to process the data only in a de-identified fashion and not attempt to reidentify the data; and

(C) contractually obligates any recipients of the data to comply with all provisions of this subchapter.

(15) "Derived data" means data that is created by the derivation of information, data, assumptions, correlations, inferences, predictions, or conclusions from facts, evidence, or another source of information or data about a minor or a minor's device.

(16) "Genetic data" means any data, regardless of its format, that results from the analysis of a biological sample of an individual, or from another source enabling equivalent information to be obtained, and concerns genetic material, including deoxyribonucleic acids (DNA), ribonucleic acids (RNA), genes, chromosomes, alleles, genomes, alterations or modifications to DNA or RNA, single nucleotide polymorphisms (SNPs), epigenetic markers, uninterpreted data that results from analysis of the biological sample or other source, and any information extrapolated, derived, or inferred therefrom.

(17) "Identified or identifiable individual" means an individual who can be readily identified, directly or indirectly, including by reference to an identifier such as a name, an identification number, specific geolocation data, or an online identifier.

(18) "Known adult" is a consumer who a covered business actually knows is an adult or labels as an adult pursuant to age assurance methods in rules adopted by the Attorney General.

(19) "Minor" means an individual under 18 years of age.

(20) "Online service, product, or feature" means a digital product that is accessible to the public via the internet, including a website or application, and does not mean any of the following:

(A) telecommunications service, as defined in 47 U.S.C. § 153;

(B) a broadband internet access service as defined in 47 C.F.R. § 54.400; or

(C) the sale, delivery, or use of a physical product.

(21)(A) "Personal data" means any information, including derived data and unique identifiers, that is linked or reasonably linkable, alone or in combination with other information, to an identified or identifiable individual or to a device that identifies, is linked to, or is reasonably linkable to one or more identified or identifiable individuals in a household.

(B) Personal data does not include de-identified data or publicly available information.

(22) "Process" or "processing" means any operation or set of operations performed, whether by manual or automated means, on personal data or on sets of personal data, such as the collection, use, storage, disclosure, analysis, deletion, modification, or otherwise handling of personal data.

(23) "Processor" means a person who processes personal data on behalf of:

(A) a covered business;

(B) another processor; or

(C) a federal, state, tribal, or local government entity.

(24) "Profiling" means any form of automated processing performed on personal data to evaluate, analyze, or predict personal aspects, including an individual's economic situation, health, personal preferences, interests, reliability, behavior, location, movements, or identifying characteristics.

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

(i) is made available through federal, state, or local government records or to the general public from widely distributed media; or

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

(B) "Publicly available information" does not include:

(i) biometric data collected by a business about a consumer without the consumer's knowledge;

(ii) information that is collated and combined to create a consumer profile that is made available to a user of a publicly available website either in exchange for payment or free of charge;

(iii) information that is made available for sale;

(iv) an inference that is generated from the information described in subdivision (ii) or (iii) of this subdivision (25)(B);

(v) any obscene visual depiction, as defined in 18 U.S.C. § 1460;

(vi) personal data that is created through the combination of personal data with publicly available information;

(vii) genetic data, unless otherwise made publicly available by the consumer to whom the information pertains;

(viii) information provided by a consumer on a website or online service made available to all members of the public, for free or for a fee, where the consumer has maintained a reasonable expectation of privacy in the information, such as by restricting the information to a specific audience; or

(ix) intimate images, authentic or computer-generated, known to be nonconsensual.

(26) "Reasonably likely to be accessed" means an online service, product, or feature that is reasonably likely to be accessed by a covered minor based on any of the following indicators:

(A) the online service, product, or feature is directed to children, as defined by the Children's Online Privacy Protection Act, 15 U.S.C. §§ 6501–6506 and the Federal Trade Commission rules implementing that Act;

(B) the online service, product, or feature is determined, based on competent and reliable evidence regarding audience composition, to be routinely accessed by an audience that is composed of at least two percent minors two through 17 years of age;

(C) the audience of the online service, product, or feature is determined, based on internal company research, to be composed of at least two percent minors two through 17 years of age; or

(D) the covered business knew or should have known that at least two percent of the audience of the online service, product, or feature includes minors two through 17 years of age, provided that, in making this assessment, the business shall not collect or process any personal data that is not reasonably necessary to provide an online service, product, or feature with which a minor is actively and knowingly engaged.

(27)(A) "Social media platform" means a public or semipublic internet-based service or application that is primarily intended to connect and allow a user to socially interact within such service or application and enables a user to:

(i) construct a public or semipublic profile for the purposes of signing into and using such service or application;

(ii) populate a public list of other users with whom the user shares a social connection within such service or application; or

(iii) create or post content that is viewable by other users, including content on message boards and in chat rooms, and that presents the user with content generated by other users.

(B) "Social media platform" does not mean a public or semipublic internet-based service or application that:

(i) exclusively provides email or direct messaging services; or

(ii) is used by and under the direction of an educational entity, including a learning management system or a student engagement program.

(28) "Third party" means a natural or legal person, public authority, agency, or body other than the covered minor or the covered business.

§ 2449b. EXCLUSIONS

This subchapter does not apply to:

(1) a federal, state, tribal, or local government entity in the ordinary course of its operation;

(2) protected health information that a covered entity or business associate processes in accordance with, or documents that a covered entity or business associate creates for the purpose of complying with, HIPAA;

(3) information used only for public health activities and purposes described in 45 C.F.R. § 164.512;

(4) information that identifies a consumer in connection with:

(A) activities that are subject to the Federal Policy for the Protection of Human Subjects as set forth in 45 C.F.R. Part 46;

(B) research on human subjects undertaken in accordance with good clinical practice guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use;

(C) activities that are subject to the protections provided in 21 C.F.R. Part 50 and 21 C.F.R. Part 56; or

(D) research conducted in accordance with the requirements set forth in subdivisions (A)–(C) of this subdivision (4) or otherwise in accordance with State or federal law;

(5) an entity whose primary purpose is journalism as defined in 12 V.S.A. § 1615(a)(2) and that has a majority of its workforce consisting of individuals engaging in journalism; and

(6) a financial institution subject to Title V of the Gramm-Leach-Bliley Act, Pub. L. No. 106-102, and regulations adopted to implement that act.

§ 2449c. MINIMUM DUTY OF CARE

(a) A covered business that processes a covered minor's data in any capacity owes a minimum duty of care to the covered minor.

(b) As used in this subchapter, "a minimum duty of care" means the use of the personal data of a covered minor and the design of an online service, product, or feature will not result in:

(1) reasonably foreseeable emotional distress as defined in 13 V.S.A. § 1061(2) to a covered minor;

(2) reasonably foreseeable compulsive use of the online service, product, or feature by a covered minor; or

(3) discrimination against a covered minor based upon race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, religion, or national origin.

(c) The content of the media viewed by a covered minor shall not establish emotional distress, compulsive use, or discrimination, as those terms are used in subsection (b) of this section.

(d) Nothing in this section shall be construed to require a covered business to prevent or preclude a covered minor from accessing or viewing any piece of media or category of media.

§ 2449d. REQUIRED DEFAULT PRIVACY SETTINGS AND TOOLS

(a) Default privacy settings.

(1) A covered business shall configure all default privacy settings provided to a covered minor through the online service, product, or feature to the highest level of privacy, including the following default settings:

(A) not displaying the existence of the covered minor's account on a social media platform to any known adult user unless the covered minor has expressly and unambiguously allowed a specific known adult user to view their account or has expressly and unambiguously chosen to make their account's existence public;

(B) not displaying media created or posted by the covered minor on a social media platform to any known adult user unless the covered minor has expressly and unambiguously allowed a specific known adult user to view their media or has expressly and unambiguously chosen to make their media publicly available;

(C) not permitting any known adult users to like, comment on, or otherwise provide feedback on the covered minor's media on a social media platform unless the covered minor has expressly and unambiguously allowed a specific known adult user to do so;

(D) not permitting direct messaging on a social media platform between the covered minor and any known adult user unless the covered minor has expressly and unambiguously decided to allow direct messaging with a specific known adult user;

(E) not displaying the covered minor's location to other users, unless the covered minor expressly and unambiguously shares their location with a specific user;

(F) not displaying the users connected to the covered minor on a social media platform unless the covered minor expressly and unambiguously chooses to share the information with a specific user;

(G) disabling search engine indexing of the covered minor's account profile; and

(H) not sending push notifications to the covered minors.

(2) A covered business shall not:

(A) provide a covered minor with a single setting that makes all of the default privacy settings less protective at once; or

(B) request or prompt a covered minor to make their privacy settings less protective, unless the change is strictly necessary for the covered minor to access a service or feature they have expressly and unambiguously requested.

(b) Timely deletion of account. A covered business shall:

(1) provide a prominent, accessible, and responsive tool to allow a covered minor to request the covered minor's account on a social media platform be unpublished or deleted; and

(2) honor that request not later than 15 days after a covered business receives the request.

§ 2449e. TRANSPARENCY

(a) A covered business shall prominently and clearly provide on their website or mobile application:

(1) the covered business' privacy information, terms of service, policies, and community standards;

(2) the purpose of each algorithmic recommendation system in use by the covered business;

(3) inputs used by the algorithmic recommendation system and how each input:

(A) is measured or determined;

(B) uses the personal data of covered minors;

(C) influences the recommendation issued by the system; and

(D) is weighed relative to the other inputs reported in this subdivision (3); and

(4) descriptions, for every feature of the service that uses the personal data of covered minors, of:

(A) the purpose of the service feature;

(B) the personal data collected by the service feature;

(C) the personal data used by the service feature;

(D) how the personal data is used by the service feature;

(E) any personal data transferred to or shared with a processor or third party by the service feature, the identity of the processor or third party, and the purpose of the transfer or sharing; and

(F) how long the personal data is retained.

§ 2449f. PROHIBITED DATA AND DESIGN PRACTICES

(a) Data privacy. A covered business shall not:

(1) collect, sell, share, or retain any personal data of a covered minor that is not necessary to provide an online service, product, or feature with which the covered minor is actively and knowingly engaged;

(2) use previously collected personal data of a covered minor for any purpose other than a purpose for which the personal data was collected, unless necessary to comply with any obligation under this chapter;

(3) permit any individual, including a parent or guardian of a covered minor, to monitor the online activity of a covered minor or to track the location of the covered minor without providing a conspicuous signal to the covered minor when the covered minor is being monitored or tracked;

(4) use the personal data of a covered minor to select, recommend, or prioritize media for the covered minor, unless the personal data is:

(A) the covered minor's express and unambiguous request to receive:

(i) media from a specific account, feed, or user, or to receive more or less media from that account, feed, or user;

(ii) a specific category of media, such as "cat videos" or "breaking news," or to see more or less of that category of media; or

(iii) more or less media with similar characteristics as the media they are currently viewing;

(B) user-selected privacy or accessibility settings; or

(C) a search query, provided the search query is only used to select and prioritize media in response to the search; or

(5) send push notifications to a covered minor between 12:00 midnight and 6:00 a.m.

(b) Rulemaking. The Attorney General shall, on or before January 1, 2027, adopt rules pursuant to this subchapter that prohibits data processing or design practices of a covered business that, in the opinion of the Attorney General, lead to compulsive use or subvert or impair user autonomy, decision making, or choice during the use of an online service, product, or feature of the covered business. The Attorney General shall, at least once every two years, review and update these rules as necessary to keep pace with emerging technology.

§ 2449g. AGE ASSURANCE PRIVACY

(a) Privacy protections for age assurance data. During the process of conducting age assurance, covered businesses and processors shall:

(1) only collect personal data of a user that is strictly necessary for age assurance;

(2) immediately upon determining whether a user is a covered minor, delete any personal data collected of that user for age assurance, except the determination of the user's age range;

(3) not use any personal data of a user collected for age assurance for any other purpose;

(4) not combine personal data of a user collected for age assurance, except the determination of the user's age range, with any other personal data of the user;

(5) not disclose personal data of a user collected for age assurance to a third party that is not a processor; and

(6) implement a review process to allow users to appeal their age determination.

(b) Rulemaking.

(1) Subject to subdivision (2) of this subsection, the Attorney General shall, on or before January 1, 2027, adopt rules identifying commercially reasonable and technically feasible methods for covered businesses and processors to determine if a user is a covered minor, describing appropriate review processes for users appealing their age designations, and providing any additional privacy protections for age assurance data. The Attorney General

shall periodically review and update these rules as necessary to keep pace with emerging technology.

(2) In adopting these rules, the Attorney General shall:

(A) prioritize user privacy and accessibility over the accuracy of age assurance methods; and

(B) consider:

(i) the size, financial resources, and technical capabilities of covered businesses and processors;

(ii) the costs and effectiveness of available age assurance methods;

(iii) the impact of age assurance methods on users' safety, utility, and experience;

(iv) whether and to what extent transparency measures would increase consumer trust in an age assurance method; and

(v) the efficacy of requiring covered businesses and processors to:

(I) use previously collected data to determine user age;

(II) adopt interoperable age assurance methods; and

(III) provide users with multiple options for age assurance.

§ 2449h. ENFORCEMENT

(a) A covered business or processor that violates this subchapter or rules adopted pursuant to this subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General shall have the same authority under this subchapter to make rules, conduct civil investigations, bring civil actions, and enter into assurances of discontinuance as provided under chapter 63 of this title.

§ 2449i. LIMITATIONS

Nothing in this subchapter shall be interpreted or construed to:

(1) impose liability in a manner that is inconsistent with 47 U.S.C. § 230; or

(2) prevent or preclude any covered minor from deliberately or independently searching for, or specifically requesting, any media.

§ 2449j. RIGHTS AND FREEDOMS OF COVERED MINORS

It is the intent of the General Assembly that nothing in this subchapter may be construed to infringe on the existing rights and freedoms of covered minors or be construed to discriminate against the covered minors based on race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, religion, or national origin.

Sec. 2. EFFECTIVE DATES

This act shall take effect on January 1, 2027, except that 9 V.S.A. § 2449f(b) and 9 V.S.A. § 2449g(b) shall each take effect on July 1, 2025.

(Committee vote: 10-0-1)

Senate Proposal of Amendment

H. 209

An act relating to intranasal epinephrine in schools

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

Sec. 1. 16 V.S.A. § 1388 is amended to read:

§ 1388. STOCK SUPPLY AND EMERGENCY ADMINISTRATION OF EPINEPHRINE ~~AUTO-INJECTORS~~

(a) As used in this section:

(1) "Designated personnel" means a school employee, agent, or volunteer who has completed training required by State Board policy and who has been authorized by the school administrator or delegated by the school nurse to ~~provide and~~ administer epinephrine ~~auto-injectors under~~ in accordance with a provider's standing order or protocol pursuant to this section ~~and who has completed the training required by State Board policy~~.

(2) "Epinephrine ~~auto-injector~~" means a U.S. Food and Drug Administration-approved single-use ~~device that delivers a~~ epinephrine delivery system containing a premeasured single dose of epinephrine.

(3) "Health care professional" means a physician licensed pursuant to 26 V.S.A. chapter 23 or 33, an advanced practice registered nurse licensed to prescribe drugs and medical devices pursuant to 26 V.S.A. chapter 28, or a physician assistant licensed to prescribe drugs and medical devices pursuant to 26 V.S.A. chapter 31.

(4) "School" means a public or approved independent school and extends to school grounds, school-sponsored activities, school-provided transportation, and school-related programs.

(5) "School administrator" means a school's principal or headmaster.

(6) "School nurse" means a school nurse or associate school nurse endorsed by the Agency of Education pursuant to the Licensing of Educators and the Preparation of Educational Professionals rule (CVR 22-000-010).

(b)(1) A health care professional may prescribe ~~an~~ epinephrine ~~auto-injector~~ in a school's name, which may be maintained by the school for use as described in subsection (d) of this section. The health care professional shall issue to the school a standing order for the use of ~~an~~ epinephrine ~~auto-injector~~ prescribed under this section, including protocols for:

(A) ~~assessing~~ recognizing whether an individual is experiencing a potentially life-threatening allergic reaction;

(B) administering ~~an~~ epinephrine ~~auto-injector~~ to an individual experiencing a potentially life-threatening allergic reaction;

(C) caring for an individual after administering ~~an~~ epinephrine ~~auto-injector to him or her~~, including contacting emergency services personnel and documenting the incident; and

(D) disposing of used or expired epinephrine ~~auto-injectors~~.

(2) A pharmacist licensed pursuant to 26 V.S.A. chapter 36 or a health care professional may dispense epinephrine ~~auto-injectors~~ prescribed to a school.

(c) A school may maintain a stock supply of epinephrine ~~auto-injectors~~. A school may enter into arrangements with epinephrine ~~auto-injector~~ manufacturers or suppliers to acquire ~~epinephrine auto-injectors~~ these products for free or at reduced or fair market prices.

(d) The school administrator may authorize a school nurse or appropriately trained designated personnel, ~~or both,~~ to:

(1) provide ~~an~~ epinephrine ~~auto-injector~~ to a student for self-administration according to a plan of action for managing the student's life-threatening allergy maintained in the student's school health records pursuant to section 1387 of this title;

(2) administer ~~a~~ prescribed epinephrine ~~auto-injector~~ to a student according to a plan of action maintained in the student's school health records; and

(3) administer ~~an~~ epinephrine ~~auto-injector~~, in accordance with the protocol issued under subsection (b) of this section, to a student or other individual at a school if the school nurse or designated personnel believe in good faith that the student or individual is experiencing anaphylaxis, regardless of whether the student or individual has a prescription for ~~an~~ epinephrine ~~auto-injector~~.

(e) Designated personnel, a school, a school nurse, and a health care professional prescribing ~~an~~ epinephrine ~~auto-injector~~ to a school shall be immune from any civil or criminal liability arising from the administration or self-administration of ~~an~~ epinephrine ~~auto-injector~~ under this section, unless the person's conduct constituted intentional misconduct. Providing or administering ~~an~~ epinephrine ~~auto-injector~~ under this section does not constitute the practice of medicine.

(f) ~~On or before January 1, 2014, the~~ The State Board, in consultation with the Department of Health, shall adopt policies for managing students with life-threatening allergies and other individuals with life-threatening allergies who may be present at a school. The policies shall:

(1) establish protocols to prevent exposure to allergens in schools;

(2) establish procedures for responding to life-threatening allergic reactions in schools, including postemergency procedures;

(3) implement a process for schools and the parents or guardians of students with a life-threatening allergy to jointly develop a written individualized allergy management plan of action that:

(A) incorporates instructions from a student's ~~physician~~ health care professional regarding the student's life-threatening allergy and prescribed treatment;

(B) includes the requirements of section 1387 of this title~~,~~ if a student is authorized to possess and self-administer emergency medication at school;

(C) becomes part of the student's health records maintained by the school; and

(D) is updated each school year;

(4) require education and training for school nurses and designated personnel, including training related to storing and administering ~~an~~ epinephrine ~~auto-injector~~ and recognizing and responding to a life-threatening allergic reaction; and

(5) require each school to make publicly available protocols and procedures developed in accordance with the policies adopted by the State Board under this section.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

Amendment to be offered by Reps. Harple of Glover, Brady of Williston, Brown of Richmond, Conlon of Cornwall, Dobrovich of Williamstown, Long of Newfane, McCann of Montpelier, Quimby of Lyndon, Taylor of Milton, and Toof of St. Albans Town to H. 209

That the House concur in the Senate proposal of amendment with further proposal of amendment thereto in Sec. 1, 16 V.S.A. § 1388, in subdivision (a)(6), by inserting "or registered nurses certified through the Office of Professional Regulation and contracted to perform the duties of a school nurse" before the period

H. 222

An act relating to civil orders of protection

The Senate proposes to the House to amend the bill in Sec. 2, 15 V.S.A. § 1103, in subdivision (c)(2)(J), in the second sentence, after "civil contempt proceedings" by inserting "pursuant to Rule 16 of the Vermont Rules of Family Proceedings"

H. 482

An act relating to Green Mountain Care Board authority to adjust a hospital's reimbursement rates and to appoint a hospital observer

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

Sec. 1. 18 V.S.A. § 9384 is added to read:

§ 9384. REDUCTION OR REALLOCATION OF REIMBURSEMENT RATES; RISKS TO HEALTH INSURER SOLVENCY

(a) As used in this section:

(1) "Hospital" has the same meaning as in section 9451 of this title.

(2) "Hospital network" means a system comprising two or more affiliated hospitals, and may include other health care professionals and facilities, that derives 50 percent or more of its operating revenue, at the consolidated network level, from Vermont hospitals and in which the affiliated

hospitals deliver health care services in a coordinated manner using an integrated financial and governance structure.

(b) If the Green Mountain Care Board determines, after consultation with the Commissioner of Financial Regulation, that a domestic health insurer faces an acute and immediate threat to its solvency because its risk-based capital level has triggered a regulatory action level event pursuant to 8 V.S.A. § 8304, the Board may order a reduction of the insurer's reimbursement rates to one or more Vermont hospitals as set forth in subsection (c) of this section until such time as the amount of the insurer's risk-based capital exceeds the company action level risk-based capital threshold defined in 8 V.S.A. § 8301. Notwithstanding any provision of 3 V.S.A. chapter 25 to the contrary, the Board's activities under this section shall not be construed to be a contested case. Any person aggrieved by a final Board action, order, or determination under this section may appeal as set forth in section 9381 of this title.

(c)(1) The Board shall only order a reduction in the reimbursement rates to a hospital that meets one or both of the following criteria:

(A) the hospital has more than 135 days' cash on hand and had a positive operating margin in the previous fiscal year; or

(B) the hospital is a member of a hospital network that, at the consolidated network level, has more than 135 days' cash on hand or had a positive operating margin in the previous fiscal year, or both.

(2) The Board shall order a reduction in reimbursement rates to a hospital pursuant to this section only to the extent necessary to remediate the threat to the domestic health insurer's solvency. In determining whether and to what extent to reduce a hospital's reimbursement rates pursuant to this section, the Board shall consider the competing financial obligations of the hospital and of the domestic health insurer.

(3) The Board shall provide a hospital with the opportunity to request relief from a rate reduction ordered pursuant to this section.

(4) In no event shall a reduction ordered by the Board pursuant to this section result in a decrease to a hospital's or hospital network's projected days' cash on hand to below 125 days.

Sec. 2. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

* * *

(c) Individual hospital budgets established under this section shall:

* * *

(4) reflect budget performances for prior years and, if not already addressed pursuant to subsection (h) of this section, account for any significant deviation in revenue during the most recently completed fiscal year in excess of the budget established for the hospital pursuant to this section;

* * *

(f)(1) The Board may, upon application, adjust a budget established under this section upon a showing of need based upon exceptional or unforeseen circumstances in accordance with the criteria and processes established under section 9405 of this title.

(2) The Board may, on its own initiative, adjust the commercial health insurance reimbursement rates payable to a hospital at any time during the hospital's fiscal year in order to ensure that the hospital operates within the budget established under this section.

(g)(1) The Board may request, and a hospital shall provide, information determined by the Board to be necessary to determine whether the hospital is operating within a budget established under this section. For purposes of this subsection, subsection (h) of this section, and subdivision 9454(a)(7) of this title, the Board's authority shall extend to an affiliated corporation or other person in the control of or controlled by the hospital to the extent that such authority is necessary to carry out the purposes of this subsection, subsection (h) of this section, or subdivision 9454(a)(7) of this title. As used in this subsection, a rebuttable presumption of "control" is created if the entity, hospital, or other person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 20 percent or more of the voting securities or membership interest or other governing interest of the hospital or other controlled entity.

(2)(A) The Board may, upon finding that a hospital has made a material misrepresentation in information or documents provided to the Board or that a hospital is materially noncompliant with the budget established by the Board pursuant to this section, appoint an independent observer with respect to any matter related to the Board's review or enforcement under this section if the Board believes that doing so is in the public interest. The independent observer shall be a person with experience and expertise relevant to the specific circumstances. At the direction of the Board, the independent observer may monitor the hospital's operations, obtain information from the hospital, and report findings and recommendations to the Board.

(B) An independent observer appointed pursuant to this subdivision (2) shall have the right to receive copies of all materials related to the Board's review under this section and the hospital shall provide any information requested by the independent observer, including any information regarding the hospital's participation in a hospital network. The independent observer shall share information provided by the hospital with the Board and with the Office of the Health Care Advocate in accordance with subdivision (d)(3) of this section but shall not otherwise disclose any confidential or proprietary information that the independent observer obtained from the hospital.

(C) The Board may order a hospital to pay for all or a portion of the costs of an independent observer appointed for the hospital pursuant to this subdivision (2).

* * *

Sec. 3. INDEPENDENT HOSPITAL OBSERVER AUTHORITY; PROSPECTIVE REPEAL

18 V.S.A. § 9456(g)(2) (authority to appoint independent hospital observer) is repealed on January 1, 2030.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

NOTICE CALENDAR

Favorable with Amendment

S. 122

An act relating to economic and workforce development

Rep. Duke of Burlington, for the Committee on Commerce and Economic Development, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. EXPANDING SERVICES FOR SMALL BUSINESSES

(a) The Vermont Professionals of Color Network. Of monies appropriated to the Department of Economic Development in fiscal year 2026, $200,000.00 shall be allocated to support The Vermont Professionals of Color Network's critical workforce and business development services it provides to BIPOC business communities and to support its business technical assistance services,

which includes education on basic business practices, resource navigation, and networking support to BIPOC small business owners.

(b) Business advising. Of monies appropriated to the Department of Economic Development in fiscal year 2026, $150,000.00 shall be allocated for a grant to the Vermont Small Business Development Center for the purpose of supporting the continuation of its work in helping Vermonters start, acquire, and grow businesses. The funds shall also be used to continue its business advising and educational workshops to meet increasing demands of entrepreneurs and small business owners post pandemic.

(c) Creation of resource guide. Of monies appropriated to the Agency of Commerce and Community Development in fiscal year 2026, in addition to any other monies allocated to the Vermont Sustainable Jobs Fund Program, $25,000.00 shall be allocated to the Program for purpose of creating a definitive business resource guide directed towards small businesses. The funds shall support the creation of a magazine-style annual guide featuring profiles of Vermont business service organizations, an interactive website that serves as the digital home for the guide's content, and an artificial intelligence platform that complements the website by including events, grants, programs, and educational content.

Sec. 2. INTERNATIONAL TRADE DIVISION

Of monies appropriated to the Department of Economic Development in fiscal year 2026, $150,000.00 shall be allocated to the International Business Office for the purpose of continuing to support the Office's initiatives.

Sec. 3. TASK FORCE TO EXPLORE DEVELOPMENT OF CONVENTION CENTER AND PERFORMANCE VENUE

(a) Creation. There is created the Convention Center and Performance Venue Task Force to study the feasibility of constructing a convention center and performance venue in Vermont.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Commissioner of the Department of Economic Development or designee;

(4) the President of the Vermont Chamber of Commerce or designee;

(5) the Chief Executive Officer of the Lake Champlain Chamber of Commerce or designee;

(6) the President of the Vermont Regional Development Corporations or designee; and

(7) the Chair of the Vermont Association of Planning and Development Agencies or designee.

(c) Powers and duties. The Task Force, in reviewing the feasibility of constructing a convention center and performance venue in Vermont, shall:

(1) determine the ability of the State to support the projects through appropriations, bonding, tax instruments, and other financial assistance;

(2) identify infrastructure improvements needed for the projects, including water, sewer, transportation, lodging, and food;

(3) consider management and operational options for ownership, maintenance, staffing, and related items for the projects;

(4) research the attributes of convention centers and performance venues that have been recently and successfully developed in other states; and

(5) evaluate the economic impact and anticipated return on investment of having a convention center and performance venue.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Agency of Commerce and Community Development.

(e) Reports. On or before November 1, 2025, the Task Force shall submit an interim report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with an update on its work pursuant to subsection (c) of this section. On or before November 1, 2026, the Task Force shall submit a final written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Commissioner of the Department of Economic Development or designee shall call the first meeting of the Task Force to occur on or before July 15, 2025.

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

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

(4) The Task Force shall cease to exist on December 1, 2026.

(5) The Task Force shall meet not more than six times.

(g) Reimbursement.

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

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

(3) Payments to members of the Task Force authorized under this subsection shall be made from monies appropriated from the General Fund.

Sec. 4. 9 V.S.A. chapter 111B is added to read:

CHAPTER 111B. TRADE COMMISSIONS

§ 4129. VERMONT-IRELAND TRADE COMMISSION

(a) The Vermont-Ireland Trade Commission is established within the State Treasurer's office to advance bilateral trade and investment between Vermont and Ireland. The Commission shall consist of seven members as follows:

(1) two members, appointed by the Governor;

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

(3) two members, appointed by the Senate Committee on Committees; and

(4) the State Treasurer or designee.

(b) The purposes of the Vermont-Ireland Trade Commission are to:

(1) advance bilateral trade and investment between Vermont and Ireland;

(2) initiate joint action on policy issues of mutual interest to Vermont and Ireland;

(3) promote business and academic exchanges between Vermont and Ireland;

(4) encourage mutual economic support between Vermont and Ireland;

(5) encourage mutual investment in the infrastructure of Vermont and Ireland; and

(6) address other issues as determined by the Commission.

(c) The members of the Commission, except for the State Treasurer or designee, shall be appointed for terms of four years each and shall continue to serve until their successors are appointed, except that in order to achieve staggered terms, the two members appointed by the Governor shall serve initial terms of two years each and the two members appointed by the Speaker of the House shall serve initial terms of three years each. Members may be reappointed. A member serves at the pleasure of the member's appointing authority. Not more than two members serving on the Commission may be members of the General Assembly.

(d) A vacancy in the membership of the Commission shall be filled by the relevant appointing authority within 90 days after the vacancy.

(e) The Commission shall select a chair from among its members at the first meeting. The Chair, as appropriate, may appoint from among the Commission members subcommittees or a subcommittee at the Chair's discretion. A majority of the members of the Commission shall constitute a quorum for purposes of transacting the business of the Commission.

(f) The Commission shall submit a written report with its findings, results, and recommendations to the Governor and the General Assembly within one year of its initial organizational meeting and on or before December 1 of each succeeding year for the activities of the current calendar year. The report shall also include a disclosure listing any in-kind contributions received by specific members of the Commission through their work in the Commission in the current calendar year.

(g) The Vermont-Ireland Trade Commission is authorized to raise funds, through direct solicitation or other fundraising events, alone or with other groups, and accept donations, grants, and bequests from individuals, corporations, foundations, governmental agencies, and public and private organizations and institutions, to defray the Commission's administrative expenses and to carry out its purposes as set forth in this chapter. The funds, donations, grants, or bequests received pursuant to this chapter shall be deposited in a bank account and allocated annually by the State Treasurer's office to defray the Commission's administrative expenses and carry out its

purposes. Any monies so withdrawn shall not be used for any purpose other than the payment of expenses under this chapter. Interest earned shall remain in the bank account.

Sec. 5. INITIAL APPOINTMENT DEADLINE FOR VERMONT-IRELAND TRADE COMMISSION

Initial appointments to the Vermont-Ireland Trade Commission shall be made not later than October 1, 2026.

Sec. 6. REPEAL; VERMONT-IRELAND TRADE COMMISSION

9 V.S.A. § 4129 (Vermont-Ireland Trade Commission) as added by this act is repealed on June 30, 2030.

Sec. 7. 10 V.S.A. § 540 is amended to read:

§ 540. WORKFORCE EDUCATION AND EMPLOYMENT AND TRAINING ~~LEADER~~ LEADERS

(a) The Commissioner of Labor and the Executive Director of the Office of Workforce Strategy and Development shall be the ~~leader~~ leaders of workforce education and employment and training in the State~~,~~ and shall have the authority and responsibility for the coordination of ~~workforce education and training within State government, including the following duties:~~ the State's workforce system as provided in this section.

(b) The powers and duties provided in this section shall not limit, restrict, or suspend any similar powers the Commissioner of Labor or the Executive Director of the Office of Workforce Strategy and Development may have under other provisions of law.

(c) For purposes of the federal Workforce Innovation and Opportunity Act (WIOA), the Department of Labor shall be designated as the State Workforce Agency and the Commissioner of Labor shall serve as the State Workforce Administrator.

(d) As co-leader of workforce education and employment and training in the State, the Commissioner of Labor, in consultation with the Executive Director of the Office of Workforce Strategy and Development where appropriate, shall:

(1) ~~Perform the following duties in consultation with the State Workforce Development Board:~~ ensure the coordination and administration of workforce education and employment and training programs operated by the Department of Labor;

~~(A) advise the Governor on the establishment of an integrated system of workforce education and training for Vermont;~~

~~(B) create and maintain an inventory of all existing workforce education and training programs and activities in the State;~~

~~(C) use data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;~~

~~(D) develop a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;~~

~~(E) ensure coordination and nonduplication of workforce education and training activities;~~

~~(F) identify best practices and gaps in the delivery of workforce education and training programs;~~

~~(G) design and implement criteria and performance measures for workforce education and training activities;~~

~~(H) establish goals for the integrated workforce education and training system; and~~

~~(I) with the assistance of the Secretaries of Commerce and Community Development, of Human Services, of Education, of Agriculture, Food and Markets, and of Transportation and of the Commissioner of Public Safety, develop and implement a coordinated system to recruit, relocate, and train workers to ensure the labor force needs of Vermont's businesses are met.~~

(2) ~~Require from each business, training provider, or program that receives State funding to conduct workforce education and training a report that evaluates the results of the training. Each recipient shall submit its report on a schedule determined by the Commissioner and shall include at least the following information:~~ enter into agreements, to the extent necessary, with other State agencies and departments for services to improve the employment and economic outcomes for individuals receiving public assistance, including agreements to provide customized or specialized services that are beyond the basic services required by federal law;

~~(A) name of the person who receives funding;~~

~~(B) amount of funding;~~

~~(C) activities and training provided;~~

~~(D) number of trainees and their general description;~~

~~(E) employment status of trainees; and~~

~~(F) future needs for resources.~~

(3) ~~Review reports submitted by each recipient of workforce education and training funding.~~ develop strategies and provide support to entities responsible for federal investments in the State's workforce system;

(4)(A) ~~Issue an annual report to the Governor, the House Committees on Appropriations and on Commerce and Economic Development, and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs on or before December 1 that includes a systematic evaluation of the accomplishments of the State workforce investment system and the performance of participating agencies and institutions. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.~~ develop strategies designed to reduce employee layoffs and business closures; and

(B) provide reemployment services to employees affected by layoffs and closures;

(5) ~~Coordinate public and private workforce programs to ensure that information is easily accessible to students, employees, and employers, and that all information and necessary counseling is available through one contact.~~ administer a system where employment and training resources are provided to individuals and businesses through both physical and virtual service delivery methods;

(6) ~~Facilitate effective communication between the business community and public and private educational institutions.~~ establish job centers in such parts of the State as the Commissioner deems necessary and evaluate such centers on an as-needed basis;

(7) maintain a free and secure electronic job board that, to the extent practicable, compiles all available job, registered apprenticeship, education and training, and credentialing opportunities that support job seekers and career advancers;

~~(7)~~(8) ~~Notwithstanding any provision of State law to the contrary, and to the fullest extent allowed under federal law, ensure that in each State and State-funded workforce education and training program, the program administrator collects and reports data and results at the individual level by Social Security number or an equivalent.~~ use data to ensure that State workforce education and employment and training activities are aligned with the needs of the:

(A) available workforce;

(B) employers to fill their current and future job openings; and

(C) specific credentials required by employers;

~~(8)~~(9) ~~Coordinate intentional outreach and connections between students graduating from Vermont's colleges and universities and employment opportunities in Vermont.~~ require that each business, training provider, or other entity receiving State funding to conduct workforce training submit a report that evaluates the results of the training; and

(10) notwithstanding any provision of State law to the contrary, and to the fullest extent allowed under federal law, ensure that the program administrator in each State and State-funded workforce education and employment and training program collects and reports data and results at the individual level by Social Security number or equivalent.

(e) As co-leader of workforce education and employment and training in the State, the Executive Director of the Office of Workforce Strategy and Development, in consultation with the Commissioner of Labor and the State Workforce Development Board where appropriate, shall:

(1) advise the Governor and members of the Governor's cabinet on the establishment and management of an integrated system of workforce education and training in Vermont;

(2) coordinate across public and private sectors to identify and address labor force needs and ensure that workforce development program information is easily accessible to students, employees, and businesses;

(3) develop a comprehensive workforce strategy that contains measurable statewide workforce goals along with a biennial operational plan to achieve those goals that shall:

(A) be developed in collaboration with, and representative of, workforce system partners, including public, private, nonprofit, and educational sectors and the State Workforce Development Board;

(B) include a set of metrics, designed in consultation with the Agency of Administration's Chief Performance Office, used to evaluate the effectiveness of, to the extent practicable, all workforce development programs;

(C) align with and build upon other required strategic planning efforts, including the WIOA State Plan;

(D) be informed by the inventory system as set forth in subdivision (4) of this subsection (e); and

(E) be reviewed and updated as necessary, but at least once every two years;

(4) create, maintain, and update a publicly accessible inventory of all known workforce education and employment and training programs and activities in the State in order to:

(A) annually assess the investments and effectiveness of the workforce development system;

(B) ensure coordination and nonduplication of workforce education and employment and training activities; and

(C) identify best practices and gaps in the delivery of workforce education and employment and training programs;

(5) identify and manage priority projects specific to regional workforce needs;

(6) facilitate effective communication between the business community, State and local government, and public and private educational institutions, for the purpose of workforce pipeline development and job placement;

(7) coordinate intentional outreach and connections between students and employment opportunities in the State; and

(8) ensure the State Workforce Development Board is carrying out its duties and responsibilities as set forth in section 541a of this chapter.

(f)(1) The Executive Director of the Office of Workforce Strategy and Development shall, once every two years, issue a comprehensive biennial workforce report to the Governor, the House Committees on Appropriations and on Commerce and Economic Development, and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs, on or before December 1, that includes an evaluation of the accomplishments of the State workforce investment system and the performance of participating agencies and institutions covering the previous two calendar years. The report shall include identification of system priorities, need for future funding requests, identification of proposed legislative and administrative changes, and any other information relevant to the performance and future needs of the workforce investment system. The report shall summarize performance and outcome information submitted by federally and State-funded workforce development and investment programs for all public and nonpublic programs.

(2) To the extent practicable, workforce reports required of the Department of Labor, including the apprenticeship report required by 21 V.S.A. § 1113(e)(2), shall be incorporated into the comprehensive report required by subdivision (1) of this subsection.

(3) The Executive Director of the Office of Workforce Strategy and Development shall have the support and coordination of the Department of Labor in developing and submitting the biennial report required by subdivision (1) of this subsection.

(4) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under subdivision (1) of this subsection.

Sec. 8. BABY BONDS PILOT PROGRAM

(a) The Office of the State Treasurer is authorized to commence a five-year pilot program to evaluate the impact, effectiveness, and operational necessities of a permanent program under 3 V.S.A. chapter 20. The Treasurer shall design a pilot program modeled on the Vermont Baby Bond Trust created in 3 V.S.A. chapter 20, which may include taking the following actions:

(1) establishing and appointing members to an advisory committee;

(2) identifying research and evaluation partners;

(3) evaluating eligibility criteria for recipients and the final selection of recipients;

(4) establishing performance metrics and reporting requirements;

(5) working with an investment consultant to create an investment plan and guidance for pilot program funds;

(6) creating partnerships with organizations around the State to support the pilot program and provide feedback on wrap-around services; and

(7) conducting outreach to potential recipients.

(b) Annually on or before January 15 of each year through 2030, the Treasurer shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development detailing:

(1) the activities, operations, receipts, disbursements, earnings, and expenditures of the pilot program during the preceding calendar year;

(2) differences between the pilot program and the permanent program under 3 V.S.A. chapter 20 in eligible recipients and amounts invested; and

(3) any other information the Treasurer deems appropriate.

(c) On or before January 15, 2031, the Treasurer shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development summarizing the pilot program, including recipient demographics, income levels, geographic location of recipients, recipient behavioral changes, and recipient access to wrap-around services.

Sec. 9. BABY BONDS PILOT SPECIAL FUND

(a) There is created the Baby Bonds Pilot Special Fund, to be administered by the Office of the State Treasurer. The Fund shall consist of all gifts, donations, and grants from any source, public or private, dedicated for deposit into the Fund for purposes of the Baby Bond Pilot Program. Monies in the Fund shall be used for the purposes of providing funds to recipients under the Program and to fund administrative costs of the Program.

(b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and any earnings shall remain in the Fund from year to year.

(c) The Treasurer may invest monies in the Fund in accordance with the provisions of 32 V.S.A. § 434.

(d) The Fund shall terminate upon completion of the Program.

Sec. 10. 3 V.S.A. § 609 is amended to read:

§ 609. IMPLEMENTATION~~; PILOT PROGRAM~~

The Treasurer's duty to implement this chapter is contingent upon: ~~publication by the Treasurer of an official statement that the Treasurer has received donations designated for purposes of implementation or administration of the Trust in an amount sufficient to operate a pilot program. Upon publication, the Treasurer shall commence a pilot program implementing the Trust pursuant to the provisions of this chapter. The pilot program shall be used to evaluate the impact, effectiveness, and operational necessities of a permanent program consistent with this chapter~~

(1) submission by the Treasurer to the General Assembly in 2031 of the report summarizing the Baby Bonds Pilot Program; and

(2) an appropriation of funds by the General Assembly in an amount sufficient to fund the Trust.

Sec. 11. EFFECTIVE DATES

(a) This section and Secs. 3, 8, 9, and 10 shall take effect on passage.

(b) Secs. 1–2 and Sec. 7 shall take effect on July 1, 2025.

(c) Secs. 4–6 shall take effect on July 1, 2026.

(Committee vote: 10-0-1)

S. 123

An act relating to miscellaneous changes to laws related to motor vehicles

Rep. Walker of Swanton, for the Committee on Transportation, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Plug-in Electric Vehicles * * *

Sec. 1. 23 V.S.A. § 4(28) is amended to read:

(28) "Pleasure car" shall include all motor vehicles not otherwise defined in this title and shall include plug-in electric vehicles, battery electric vehicles, or plug-in hybrid electric vehicles as defined pursuant to subdivision (85) of this section.

* * * Veteran's Designation * * *

Sec. 2. 23 V.S.A. § 7 is amended to read:

§ 7. ENHANCED DRIVER'S LICENSE; MAINTENANCE OF DATABASE INFORMATION; FEE

* * *

(b)(1) In addition to any other requirement of law or rule, before an enhanced license may be issued to an individual, the individual shall present for inspection and copying satisfactory documentary evidence to determine identity and U.S. citizenship. ~~An~~ A new application shall be accompanied by a photo identity document, documentation showing the individual's date and place of birth, proof of the individual's Social Security number, and documentation showing the individual's principal residence address. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the enhanced license.

(2) If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the individual's status as an honorably discharged veteran; a veteran discharged

under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) To be issued, an enhanced license must meet the same requirements as those for the issuance of a U.S. passport. Before an application may be processed, the documents and information shall be verified as determined by the Commissioner.

(4) Any additional personal identity information not currently required by the U.S. Department of Homeland Security shall need the approval of either the General Assembly or the Legislative Committee on Administrative Rules prior to the implementation of the requirements.

* * *

* * * Documentation of Anatomical Gift * * *

Sec. 3. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

* * *

(g) An identification card issued to a first-time applicant and any subsequent renewals by that person shall contain a photograph or imaged likeness of the applicant. The photographic identification card shall be available at a location designated by the Commissioner. An individual issued an identification card under this subsection that contains an imaged likeness may renew ~~his or her~~ the individual's identification card by mail. Except that a renewal by an individual required to have a photograph or imaged likeness under this subsection must be made in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

(k) At the option of the applicant, ~~his or her~~ the applicant's valid Vermont license may be surrendered in connection with an application for an identification card. In those instances, the fee due under subsection (a) of this section shall be reduced by:

* * *

(n) The Commissioner shall provide a form that, upon the individual's execution, shall serve as a document of an anatomical gift under 18 V.S.A. chapter 110. An indicator shall be placed on the nondriver identification card of any individual who has executed an anatomical gift form in accordance with this section.

* * * Disability Placards for Volunteer Drivers * * *

Sec. 4. 23 V.S.A. § 304a is amended to read:

§ 304a. SPECIAL REGISTRATION PLATES AND PLACARDS FOR INDIVIDUALS WITH DISABILITIES

(a) As used in this section:

(1) "Ambulatory disability" means an impairment that prevents or impedes walking. An individual shall be considered to have an ambulatory disability if ~~he or she~~ the individual:

* * *

(F) is severely limited in ~~his or her~~ the individual's ability to walk due to an arthritic, neurological, or orthopedic condition.

* * *

(b) Special registration plates or removable windshield placards, or both, shall be issued by the Commissioner. The placard shall be issued without a fee to an individual who is blind or has an ambulatory disability. One set of plates shall be issued without additional fees for a vehicle registered or leased to an individual who is blind or has an ambulatory disability or to a parent or guardian of an individual with a permanent disability. The Commissioner shall issue these placards or plates under rules adopted by ~~him or her~~ the Commissioner after proper application has been made to the Commissioner by any person residing within the State. Application forms shall be available on request at the Department of Motor Vehicles.

(1) Upon application for a special registration plate or removable windshield placard, the Commissioner shall send a form prescribed by ~~him or her~~ the Commissioner to the applicant to be signed and returned by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall file the form for future reference and issue the placard or plate. A new application shall be submitted every four years in the case of placards and at every third registration renewal for plates but in no case greater than every four years. When a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has previously certified to the Commissioner that an applicant's condition is both permanent and stable, a special registration plate or placard need not be renewed.

* * *

(3) An individual with a disability who abuses such privileges or allows individuals not disabled to abuse the privileges provided in this section may have this privilege revoked after suitable notice and opportunity for hearing has been given ~~him or her~~ the individual by the Commissioner. Hearings under the provisions of this section shall be held in accordance with sections 105–107 of this title and shall be subject to review by the Civil Division of the Superior Court of the county where the individual with a disability resides.

(4) An applicant for a registration plate or placard for individuals with disabilities may request the Civil Division of the Superior Court in the county in which ~~he or she~~ the applicant resides to review a decision by the Commissioner to deny ~~his or her~~ the applicant's application for a special registration plate or placard.

* * *

(6) On a form prescribed by the Commissioner, a nonprofit organization that provides volunteer drivers to transport individuals who have an ambulatory disability or are blind may apply to the Commissioner for a placard. ~~Placards shall be marked "volunteer driver."~~ The organization shall ensure proper use of placards and maintain an accurate and complete record of the volunteer drivers to whom the placards are given by the organization. Placards shall be returned to the organization when the volunteer driver is no longer performing that service. Abuse of the privileges provided by the placards may result in the privileges being revoked and the placards repossessed by the Commissioner. Revocation may occur only after suitable notice and opportunity for a hearing. Hearings shall be held in accordance with sections 105–107 of this title.

* * *

(e)(1) An individual, other than an eligible person, who for ~~his or her~~ the individual's own purposes parks a vehicle in a space for individuals with disabilities shall be subject to a civil penalty of not less than $200.00 for each violation and shall be liable for towing charges.

(2) An individual, other than an eligible person, who displays a special registration plate or removable windshield placard not issued to ~~him or her~~ the individual under this section and parks a vehicle in a space for individuals with disabilities, shall be subject to a civil penalty of not less than $400.00 for each violation and shall be liable for towing charges.

* * *

(f) Individuals who have a temporary ambulatory disability may apply for a temporary removable windshield placard to the Commissioner on a form

prescribed by ~~him or her~~ the Commissioner. The placard shall be valid for a period of up to six months and displayed as required under the provisions of subsection (c) of this section. The application shall be signed by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The validation period of the temporary placard shall be established on the basis of the written recommendation from a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall adopt rules to implement the provisions of this subsection.

* * * Fees * * *

Sec. 5. 23 V.S.A. § 115(a) is amended to read:

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data as the Commissioner may require that shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

(2) Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the Commissioner may require, consistent with subsection (l) of this section. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the veteran's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) The Commissioner shall require payment of a fee of $29.00 at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to:

(A) an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition; or

(B) an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

Sec. 6. 23 V.S.A. § 376 is amended to read:

§ 376. STATE, MUNICIPAL, FIRE DEPARTMENT, AND RESCUE ORGANIZATION MOTOR VEHICLES

* * *

(h)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles owned by the State.

(2) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles that are owned by any county or municipality in the State and used by that county or municipality or another county or municipality in this State for county or municipal purposes.

(i)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for a motor truck, trailer, ambulance, or other motor vehicle that is:

(A) owned by a volunteer fire department or other volunteer firefighting organization, an ambulance service, or an organization conducting rescue operations; and

(B) used solely for firefighting, emergency medical, or rescue purposes, or any combination of those activities.

(2) A motor vehicle or trailer subject to the provisions of this subsection shall be plainly marked on both sides of the body or cab to indicate its ownership.

Sec. 7. 23 V.S.A. § 378 is amended to read:

§ 378. VETERANS' EXEMPTIONS

No fees, including the annual emissions fee required pursuant to 3 V.S.A. § 2822(m)(1) and the electric vehicle infrastructure fees required pursuant to section 361 of this subchapter, shall be charged ~~an honorably discharged~~ to a veteran of the U.S. Armed Forces who received a discharge under other than dishonorable conditions and is a resident of the State of Vermont for the registration of a motor vehicle that the veteran has acquired with financial assistance from the U.S. Department of Veterans Affairs, or for the registration of a motor vehicle owned by ~~him or her~~ the veteran during ~~his or her~~ the veteran's lifetime obtained as a replacement thereof, when ~~his or her~~ the veteran's application is accompanied by a copy of an approved VA Form 21-

4502 issued by the U.S. Department of Veterans Affairs certifying ~~him or her~~ the veteran to be entitled to the financial assistance.

Sec. 8. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(b) An additional fee of $4.00 per year shall be paid for a motorcycle endorsement. The endorsement may be obtained for either a two-year or four-year period, to be coincidental with the length of the operator's license.

(c)(1) Individuals under 23 years of age who were in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall be provided with operator's licenses or operator privilege cards at no charge.

(2) No additional fee shall be due for a motorcycle endorsement for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

* * * Learner's Permits * * *

Sec. 9. 23 V.S.A. § 617 is amended to read:

§ 617. LEARNER'S PERMIT

* * *

(b)(1) Notwithstanding the provisions of subsection (a) of this section, any licensed person may apply to the Commissioner of Motor Vehicles for a learner's permit for the operation of a motorcycle in the form prescribed by the Commissioner. The Commissioner shall offer both a motorcycle learner's permit that authorizes the operation of three-wheeled motorcycles only and a motorcycle learner's permit that authorizes the operation of any motorcycle. The Commissioner shall require payment of a fee of $24.00 at the time application is made, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(2) After the applicant has successfully passed all parts of the applicable motorcycle endorsement examination, other than a skill test, the Commissioner may issue to the applicant a learner's permit that entitles the applicant, subject to subsection 615(a) of this title, to operate a three-wheeled motorcycle only, or to operate any motorcycle, upon the public highways for a period of 120

days from the date of issuance. The fee for the examination shall be $11.00, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(3) A motorcycle learner's permit may be renewed only twice upon payment of a $24.00 fee. An individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for the renewal of a motorcycle learner's permit.

(4) If, during the original permit period and two renewals the permittee has not successfully passed the applicable skill test or motorcycle rider training course, the permittee may not obtain another motorcycle learner's permit for a period of 12 months from the expiration of the permit unless:

(A) ~~he or she~~ the permittee has successfully completed the applicable motorcycle rider training course; or

(B) the learner's permit and renewals thereof authorized the operation of any motorcycle and the permittee is seeking a learner's permit for the operation of three-wheeled motorcycles only.

* * *

(c) No learner's permit may be issued to any person under 18 years of age unless the parent or guardian of, or a person standing in loco parentis to, the applicant files ~~his or her~~ written consent to the issuance with the Commissioner.

(d)(1) An applicant shall pay $24.00 to the Commissioner for each learner's permit or a duplicate or renewal thereof.

(2) An applicant under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for a learner's permit or a duplicate or renewal thereof.

(3) A replacement learner's permit for the operation of a motorcycle may be generated from the applicant's electronic account for no charge.

(e)(1) A learner's permit~~, which is not a learner's permit~~ for the operation of a motorcycle~~,~~ shall contain a photograph or imaged likeness of the individual. A learner's permit for a motor vehicle shall contain a photograph or imaged likeness of the individual if the permit is obtained in person. ~~The photographic learner's permit shall be available at locations designated by the Commissioner.~~

(2) An individual issued a permit under this subsection may renew ~~his or her~~ the individual's permit by mail or online, but a permit holder who chooses to have a photograph or imaged likeness under this subsection must renew in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

* * * Commercial Learner's Permit * * *

Sec. 10. 23 V.S.A. § 4111a is amended to read:

§ 4111a. COMMERCIAL LEARNER'S PERMIT

(a) Contents of permit. A commercial learner's permit shall contain the following:

* * *

(3) physical and other information to identify and describe the permit holder, including the month, day, and year of birth; sex; ~~and~~ height; and photograph;

* * *

Sec. 11. 23 V.S.A. § 4122 is amended to read:

§ 4122. DEFERRING IMPOSITION OF SENTENCE; PROHIBITION ON MASKING OR DIVERSION

(a) No court, State's Attorney, or law enforcement officer may utilize the provisions of 13 V.S.A. § 7041 or any other program to defer imposition of sentence or judgment if the defendant holds a commercial driver's license, commercial learner's permit, or was operating a commercial motor vehicle when the violation occurred and is charged with violating any State or local traffic law other than ~~a~~ parking ~~violation~~, vehicle weight, or vehicle defect violations.

* * *

* * * License Examinations * * *

Sec. 12. 23 V.S.A. § 632 is amended to read:

§ 632. EXAMINATION REQUIRED; WAIVER

(a) Before an operator's or a junior operator's license is issued to an applicant for the first time in this State, or before a renewal license is issued to an applicant whose previous Vermont license had expired more than three years prior to the application for renewal, the applicant shall pass a satisfactory

examination, except that the Commissioner may, in ~~his or her~~ the Commissioner's discretion, waive the examination when the applicant holds a chauffeur's, junior operator's, or operator's license in force at the time of application or within three years prior to the application in some other jurisdiction where an examination is required similar to the examination required in this State.

(b) The examination shall consist of:

* * *

(3) at the discretion of the Commissioner, such other examination or demonstration as ~~he or she~~ the Commissioner may prescribe, including an oral eye examination.

(c) An applicant may have an individual of ~~his or her~~ the applicant's choosing at the oral examination or road test to serve as an interpreter, including to translate any oral commands given as part of the road test.

Sec. 13. 23 V.S.A. § 634 is amended to read:

§ 634. FEE FOR EXAMINATION

* * *

(b)(1) ~~A~~ Beginning on or before July 1, 2026, a scheduling fee of $29.00 shall be paid by the applicant before the applicant may schedule the road test required under section 632 of this title. ~~Unless an applicant gives the Department at least 48 hours' notice of cancellation, if~~

(2) If the applicant does not appear as scheduled, the $29.00 scheduling fee ~~is~~ shall be forfeited, unless either:

(A) the applicant gives the Department at least 48 hours' notice; or

(B) the applicant shows good cause for the cancellation, as determined by the Commissioner.

(3) If the applicant appears for the scheduled road test, the fee shall be applied toward the license examination fee. ~~The Commissioner may waive the scheduling fee until the Department is capable of administering the fee electronically.~~

* * *

* * * Non-Real ID Operator's Privilege Cards * * *

Sec. 14. 23 V.S.A. § 603 is amended to read:

§ 603. APPLICATION FOR AND ISSUANCE OF LICENSE

(a)(1) The Commissioner or ~~his or her~~ the Commissioner's authorized agent may license operators and junior operators when an application, on a form prescribed by the Commissioner, signed and sworn to by the applicant for the license, is filed with ~~him or her~~ the Commissioner, accompanied by the required license fee and any valid license from another state or Canadian jurisdiction is surrendered.

(2) The Commissioner may, however, in ~~his or her~~ the Commissioner's discretion, refuse to issue a license to any person whenever ~~he or she~~ the Commissioner is satisfied from information given ~~him or her~~ the Commissioner by credible persons, and upon investigation, that the person is mentally or physically unfit or, because of ~~his or her~~ the person's habits or record as to crashes or convictions, is unsafe to be trusted with the operation of motor vehicles. A person refused a license under the provisions of this subsection shall be entitled to hearing as provided in sections 105–107 of this title.

* * *

(d) Except as provided in subsection (e) of this section:

(1) ~~A~~ An applicant who is a citizen of a foreign country shall produce ~~his or her~~ the applicant's passport and visa, alien registration receipt card (green card), or other proof of legal presence for inspection and copying as a part of the application process for an operator's license, junior operator's license, or learner's permit.

(2) An operator's license, junior operator's license, or learner's permit issued to an applicant who is a citizen of a foreign country shall expire coincidentally with ~~his or her~~ the applicant's authorized duration of stay.

(e)(1) A citizen of a foreign country unable to establish legal presence in the United States who furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and who satisfies all other requirements of this chapter for obtaining a license or permit, shall be eligible to obtain an operator's privilege card, a junior operator's privilege card, or a learner's privilege card.

* * *

(f) ~~Persons~~ Applicant's able to establish lawful presence in the United States but who otherwise fail to comply with the requirements of the REAL ID

Act of 2005, Pub. L. No. 109-13, §§ 201-202, shall be eligible for an operator's privilege card, a junior operator's privilege card, or a learner's privilege card, provided the applicant furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and satisfies all other requirements of this chapter for obtaining a license or permit. The Commissioner shall require applicants under this subsection to furnish a document or a combination of documents that reliably proves the applicant's Vermont residence and ~~his or her~~ the applicant's name, date of birth, and place of birth.

* * *

(h) A privilege card issued under this section shall:

(1) on its face bear the phrase ~~"privilege card"~~ "non-Real ID" and text indicating that it is not valid for federal identification or official purposes; and

* * *

* * * License Extension * * *

Sec. 15. 23 V.S.A § 604 is added to read:

§ 604. EARLY RENEWAL

(a) The holder of an operator's license or privilege card issued under the provisions of this subchapter may renew the operator's license or privilege card at any time prior to the expiration of the operator's license or privilege card. If one or more years remain before the expiration of the operator's license or privilege card, the Commissioner shall reduce the cost of the renewed operator's license or privilege card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the operator's license or privilege card.

(b) All application and documentation requirements for the renewal of an operator's license or privilege card shall apply to the early renewal of an operator's license or privilege card.

Sec. 16. 23 V.S.A. § 115b is added to read:

§ 115b. EARLY RENEWAL

(a) The holder of nondriver identification card issued under the provisions of section 115 of this chapter may renew the nondriver identification card at any time prior to the expiration of the nondriver identification card. If one or more years remain before the expiration of the nondriver identification card, the Commissioner shall reduce the cost of the renewed nondriver identification card by an amount that is proportionate to the number of years rounded down

to the next whole year remaining before the expiration of the nondriver identification card.

(b) All application and documentation requirements for the renewal of a nondriver identification card pursuant to section 115 of this chapter shall apply to the early renewal of a nondriver identification card.

Sec. 17. INFORMATION REGARDING PRIVILEGE CARDS AND NONDRIVER IDENTIFICATION CARDS; INTENT

It is the intent of the General Assembly that the Commissioner of Motor Vehicles shall ensure that any individual who is unable to or does not wish to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201 and 202 shall continue to be informed of the option of obtaining an operator's privilege card pursuant to the provisions of 23 V.S.A. § 603(f) or a nondriver identification card pursuant to the provisions of 23 V.S.A. § 115.

Sec. 18. OUTREACH; UPDATES

(a) On or before November 15, 2025, the Department of Motor Vehicles shall develop and implement a public education and outreach campaign to inform Vermont residents about:

(1) an individual's ability to obtain an operator's license, operator's privilege card, or nondriver identification card;

(2) an individual's ability under Vermont law to self-attest with respect to the gender marker on the individual's operator's license, operator's privilege card, or nondriver identification card; and

(3) reduced fees that are available to individuals who meet certain requirements.

(b) The Commissioner shall provide two brief, written updates to the House and Senate Committees on Transportation regarding the implementation and utilization of 23 V.S.A. §§ 115b and 604. The first shall be due not more than 30 days after the Department implements the provisions of 23 V.S.A. §§ 115b and 604 and the second shall be due in January 2026.

* * * Commercial Driving Instructors * * *

Sec. 19. 23 V.S.A. § 705 is amended to read:

§ 705. QUALIFICATIONS FOR INSTRUCTOR'S LICENSE

(a) In order to qualify for an instructor's license, each applicant shall:

(1) not have been convicted of:

(A) a felony nor incarcerated for a felony within the 10 years prior to the date of application;

(B) a violation of section 1201 of this title or a like offense in another jurisdiction reported to the Commissioner pursuant to subdivision 3905(a)(2) of this title within the three years prior to the date of application;

(C) a subsequent violation of an offense listed in subdivision 2502(a)(5) of this title or of section 674 of this title; or

(D) a sex offense that requires registration pursuant to 13 V.S.A. chapter 167, subchapter 3;

(2) pass ~~such~~ an examination ~~as~~ required by the Commissioner ~~shall require~~ on:

(A) traffic laws;

(B) safe driving practices;

(C) operation of motor vehicles; and

(D) qualifications as a teacher;

(3) be physically able to operate a motor vehicle and to train others in such operation;

(4) have five years' experience as a licensed operator and be at least 21 years of age on date of application; and

(5) pay the application and license fees prescribed in section 702 of this title.

(b) Commercial motor vehicle instructors shall satisfy the requirements of subdivisions (a)(1), (2), (3), and (5) of this section, and:

(1) If the commercial motor vehicle instructor is a behind the wheel (BTW) instructor, shall either:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

(2) If the commercial motor vehicle instructor is a theory instructor, the instructor shall:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

* * * Motorcycle Instructors * * *

Sec. 20. 23 V.S.A. § 734 is amended to read:

§ 734. INSTRUCTOR REQUIREMENTS AND TRAINING

* * *

(b) The Department shall establish minimum requirements for the qualifications of a rider training instructor. The minimum requirements shall include the following:

* * *

(3) the instructor shall have at least ~~four~~ two years of licensed experience as a motorcycle ~~riding experience~~ operator during the last ~~five~~ four years;

* * *

(7) an applicant shall not be eligible for instructor status until ~~his or her~~ the applicant's driving record for the preceding five years, or the maximum number of years less than five for which a state retains driving records, is furnished; and

* * *

* * * Motor Vehicle Taxes * * *

Sec. 21. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(5)(A) "Taxable cost" means the purchase price as defined in subdivision (4) of this section or the taxable cost as determined under section 8907 of this title.

(B) For any purchaser who has paid tax on the purchase or use of a motor vehicle that was sold or traded by the purchaser or for which the purchaser received payment under a contract of insurance, the taxable cost of the replacement motor vehicle other than a leased vehicle shall exclude:

~~(A)~~(i) The value allowed by the seller on any motor vehicle accepted by the seller as part of the consideration of the motor vehicle, provided the motor vehicle accepted by the seller is owned and previously or currently registered or titled by the purchaser, with no change of ownership since registration or titling, except for motor vehicles for which registration is not required under the provisions of Title 23 or motor vehicles received under the provisions of subdivision 8911(8) of this title.

~~(B)~~(ii) The amount received from the sale of a motor vehicle last registered or titled in the seller's name, the amount not to exceed the clean trade-in value of the same make, type, model, and year of manufacture as designated by the manufacturer and as shown in the ~~NADA Official Used Car Guide (New England edition)~~ J.D. Power Values, or any comparable publication, provided ~~such~~ the sale occurs within three months after the taxable purchase. However, this three-month period shall be extended day-for-day for any time that a member of a guard unit or of the U.S. Armed Forces, as defined in 38 U.S.C. § 101(10), spends outside Vermont due to activation or deployment and an additional 60 days following the individual's return from activation or deployment. ~~Such~~ The amount shall be reported on forms supplied by the Commissioner of Motor Vehicles.

~~(C)~~(iii) The amount actually paid to the purchaser within three months prior to the taxable purchase by any insurer under a contract of collision, comprehensive, or similar insurance with respect to a motor vehicle owned by ~~him or her~~ the purchaser, provided that the vehicle is not subject to the tax imposed by subsection 8903(d) of this title and provided that one of these events occur:

~~(i)~~(I) the motor vehicle with respect to which ~~such~~ the payment is made by the insurer is accepted by the seller as a trade-in on the purchased motor vehicle before the repair of the damage giving rise to insurer's payment; or

~~(ii)~~(II) the motor vehicle with respect to which ~~such~~ the payment is made to the insurer is treated as a total loss and is sold for dismantling.

~~(D)~~(C) A purchaser shall be entitled to a partial or complete refund of taxes paid under subsection 8903(a) or (b) of this title if an insurer makes a payment to ~~him or her~~ the purchaser under contract of collision, comprehensive, or similar insurance after ~~he or she~~ the purchaser has paid the tax imposed by this chapter, if ~~such~~ the payment by the insurer is either:

* * *

~~(E)~~(D) The purchase price of a motor vehicle subject to the tax imposed by subsections 8903(a) and (b) of this title shall not be reduced by the value received or allowed in connection with the transfer of a vehicle that was registered for use as a short-term rental vehicle.

* * *

Sec. 22. 32 V.S.A. § 8907 is amended to read:

§ 8907. COMMISSIONER; COMPUTATION OF TAXABLE COSTS

(a) The Commissioner may investigate the taxable cost of any motor vehicle transferred subject to the provisions of this chapter. If the motor vehicle is not acquired by purchase in Vermont or is received for an amount that does not represent actual value, or if no tax form is filed or it appears to the Commissioner that a tax form contains fraudulent or incorrect information, the Commissioner may, in the Commissioner's discretion, fix the taxable cost of the motor vehicle at the clean trade-in value of vehicles of the same make, type, model, and year of manufacture as designated by the manufacturer, as shown in ~~the NADA Official Used Car Guide (New England Edition)~~ J.D. Power Values or any comparable publication, less the lease end value of any leased vehicle. The Commissioner may develop a process to determine the value of vehicles that do not have clean trade-in value in J.D. Power Values. The Commissioner may compute and assess the tax due and notify the

purchaser verbally, if the purchaser is at a DMV location, or immediately by ~~certified~~ mail, and the purchaser shall remit the same within 15 days ~~thereafter~~ after notice is sent or provided.

* * *

Sec. 23. 32 V.S.A. § 8914 is amended to read:

§ 8914. REFUND

Any overpayment of such tax as determined by the Commissioner shall be refunded. To be eligible to receive a refund, a person shall submit a request for a refund within one year after paying the tax.

* * * Refund of Registration Fee * * *

Sec. 24. 23 V.S.A. § 326 is amended to read:

§ 326. REFUND UPON LOSS OF VEHICLE

The Commissioner may cancel the registration of a motor vehicle when the owner of the motor vehicle proves to the Commissioner's satisfaction that the motor vehicle has been totally destroyed by fire or, through crash or wear, has become wholly unfit for use and has been dismantled. After the Commissioner cancels the registration and the owner returns to the Commissioner either the registration certificate or the number plate or number plates, or other proof of cancellation to the satisfaction of the Commissioner, the Commissioner shall certify to the Commissioner of Finance and Management the fact of the cancellation, giving the name of the owner of the motor vehicle, the owner's address, the amount of the registration fee paid, and the date of cancellation. The Commissioner of Finance and Management shall issue the Commissioner of Finance and Management's warrant in favor of the owner for such percent of the registration fee paid as the unexpired term of the registration bears to the entire registration period, but in no case shall the Commissioner of Finance and Management retain less than $5.00 of the fee paid.

* * * Fuel Tax Refunds * * *

Sec. 25. 23 V.S.A. § 3020 is amended to read:

§ 3020. CREDITS AND REFUNDS

(a) Credits.

(1) A user who purchased fuel within this State from a dealer or distributor upon which ~~he or she~~ the user paid the tax at the time of purchase, or a user exempt from the payment of the tax under subsection 3003(d) of this title who purchased fuel within this State upon which ~~he or she~~ the user paid

tax at the time of purchase, shall be entitled to a credit equal to the amount of tax per gallon in effect when the fuel was purchased. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(3) A user who also sells or delivers fuel subject to the tax imposed by 32 V.S.A. chapter 233 upon which the tax imposed by this chapter has been paid shall be entitled to a credit equal to the amount of such tax paid pursuant to this chapter. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(b) Refunds. A user may request, in writing by mail, a refund of any credits in the user's tax account, but in no case may a user collect a refund requested more than ~~33~~ 12 months following the date the amount was credited to the user's tax account.

* * *

* * * Alteration of Odometers * * *

Sec. 26. 23 V.S.A. § 1704a is amended to read:

§ 1704a. ALTERATION OF ODOMETERS

(a) ~~Any person who sells~~ No person shall:

(1) sell, ~~attempts~~ attempt to sell, or ~~causes~~ cause to be sold any motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile ~~and has actual knowledge that~~ if the odometer, hubometer reading, or clock meter reading has been changed, tampered with, or defaced without first disclosing ~~same and a person who changes, tampers with, or defaces, or who attempts~~ that information to the buyer;

(2) change, tamper with, or deface, or attempt to change, tamper with, or deface~~,~~ any ~~gauge, dial, or other mechanical instrument, commonly known as an~~ odometer, hubometer, or clock meter~~,~~ in a motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile~~, which, under normal circumstances and without being changed, tampered with, or defaced, is designed to show by numbers or words the distance that the motor~~

~~vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile travels,~~; or ~~who~~

(3) willfully ~~misrepresents~~ misrepresent the odometer, hubometer, or clock meter reading on the odometer disclosure statement or similar statement, title, or bill of sale.

(b) A person who violates subsection (a) of this section shall be fined not more than $1,000.00 for a first offense and fined not more than $2,500.00 for each subsequent offense.

* * * Definition of Conviction * * *

Sec. 27. 23 V.S.A. § 102 is amended to read:

§ 102. DUTIES OF COMMISSIONER

* * *

(d)(1) The Commissioner may authorize background investigations for potential employees, which may include criminal, traffic, and financial records checks; provided, however, that the potential employee is notified and has the right to withdraw ~~his or her~~ their name from application. Additionally, employees who are involved in the manufacturing or production of operator's licenses and identification cards, including enhanced licenses, or who have the ability to affect the identity information that appears on a license or identification card, or current employees who will be assigned to such positions, shall be subject to appropriate background checks and shall be provided notice of the background check and the contents of that check. These background checks shall include a name-based and fingerprint-based criminal history records check using at a minimum the Federal Bureau of Investigation's National Crime Information Center and the Integrated Automated Fingerprint Identification database and State repository records on each covered employee.

(2) Employees may be subject to further appropriate security clearances if required by federal law, including background investigations that may include criminal and traffic records checks and providing proof of U.S. citizenship.

(3) The Commissioner may, in connection with a formal disciplinary investigation, authorize a criminal or traffic record background investigation of a current employee; provided, however, that the background review is relevant to the issue under disciplinary investigation. Information acquired through the investigation shall be provided to the Commissioner or designated division director and must be maintained in a secure manner. If the information acquired is used as a basis for any disciplinary action, it must be

given to the employee during any pretermination hearing or contractual grievance hearing to allow the employee an opportunity to respond to or dispute the information. If no disciplinary action is taken against the employee, the information acquired through the background check shall be destroyed.

(e) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 28. 23 V.S.A. § 108 is amended to read:

§ 108. APPLICATION FORMS

(a) The Commissioner shall prepare and furnish all forms for applications, crash reports, conviction reports, a pamphlet containing the full text of the motor vehicle laws of the State, and all other forms needed in the proper conduct of ~~his or her~~ the Commissioner's office. ~~He or she~~ The Commissioner shall furnish an adequate supply of ~~such~~ registration forms, license applications, and motor vehicle laws each year to each town clerk, and to ~~such~~ other persons ~~as may so~~ upon request.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 29. 23 V.S.A. § 1709 is amended to read:

§ 1709. REPORT OF CONVICTIONS TO COMMISSIONER OF MOTOR VEHICLES

(a) The Judicial Bureau and every court having jurisdiction over offenses committed under any law of this State or municipal ordinance regulating the operation of motor vehicles on the highways shall forward a record of any conviction to the Commissioner within 10 days for violation of any State or local law relating to motor vehicle traffic control, other than a parking violation.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 30. 23 V.S.A. § 1200 is amended to read:

§ 1200. DEFINITIONS

As used in this subchapter:

* * *

(11) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

* * * Drunken Driving * * *

Sec. 31. 23 V.S.A. § 1205 is amended to read:

§ 1205. CIVIL SUSPENSION; SUMMARY PROCEDURE

(a) Refusal; alcohol concentration at or above legal limits; suspension periods.

* * *

(2) Upon affidavit of a law enforcement officer that the officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a limit specified in subsection 1201(a) of this title, at the time of operating, attempting to operate, or being in actual physical control, the Commissioner shall suspend the person's operating license or nonresident operating privilege or the privilege of an unlicensed operator to operate a vehicle for a period of 90 days and until the person complies with section 1209a of this title. However, during the suspension, an eligible person may operate under the terms of an ignition interlock RDL or ignition interlock certificate issued pursuant to section 1213 of this title.

* * *

(b) Form of officer's affidavit. A law enforcement officer's affidavit in support of a suspension under this section shall be in a standardized form for use throughout the State and shall be sufficient if it contains the following statements:

* * *

(4) The officer informed the person of ~~his or her~~ the person's rights under subsection 1202(d) of this title.

(5) The officer obtained an evidentiary test (noting the time and date the test was taken) and the test indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, or the person refused to submit to an evidentiary test.

* * *

(c) Notice of suspension. On behalf of the Commissioner of Motor Vehicles, a law enforcement officer requesting or directing the administration of an evidentiary test shall serve notice of intention to suspend and of suspension on a person who refuses to submit to an evidentiary test or on a

person who submits to a test the results of which indicate that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title. The notice shall be signed by the law enforcement officer requesting the test. A copy of the notice shall be sent to the Commissioner of Motor Vehicles, and a copy shall be mailed or given to the defendant within three business days after the date the officer receives the results of the test. If mailed, the notice is deemed received three days after mailing to the address provided by the defendant to the law enforcement officer. A copy of the affidavit of the law enforcement officer shall also be mailed by first-class mail or given to the defendant within seven days after the date of notice.

* * *

(h) Final hearing.

(1) If the defendant requests a hearing on the merits, the court shall schedule a final hearing on the merits to be held within 21 days after the date of the preliminary hearing. In no event may a final hearing occur more than 42 days after the date of the alleged offense without the consent of the defendant or for good cause shown. The final hearing may only be continued by the consent of the defendant or for good cause shown. The issues at the final hearing shall be limited to the following:

* * *

(D) Whether the test was taken and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title, whether the testing methods used were valid and reliable, and whether the test results were accurate and accurately evaluated. Evidence that the test was taken and evaluated in compliance with rules adopted by the Department of Public Safety shall be prima facie evidence that the testing methods used were valid and reliable and that the test results are accurate and were accurately evaluated.

* * *

(i) Finding by the court. The court shall electronically forward a report of the hearing to the Commissioner. Upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person refused to submit to a

test, or upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time the person was operating, attempting to operate, or in actual physical control, the person's operating license, or nonresident operating privilege, or the privilege of an unlicensed operator to operate a vehicle shall be suspended or shall remain suspended for the required term and until the person complies with section 1209a of this title. Upon a finding in favor of the person, the Commissioner shall cause the suspension to be canceled and removed from the record, without payment of any fee.

* * *

(n) Presumption. In a proceeding under this section, if at any time within two hours of operating, attempting to operate, or being in actual physical control of a vehicle a person had an alcohol concentration ~~of~~ at or above a legal limit specified in subsection 1201(a) or (d) of this title, it shall be a rebuttable presumption that the person's alcohol concentration was at or above the applicable limit at the time of operating, attempting to operate, or being in actual physical control.

* * *

Sec. 32. 23 V.S.A. § 1205(d) is amended to read:

(d) Form of notice. The notice of intention to suspend and of suspension shall be in a form prescribed by the Supreme Court. The notice shall include an explanation of rights, a form to be used to request a hearing, and, if a hearing is requested, the date, time, and location of the Criminal Division of the Superior Court where the person must appear for a preliminary hearing. The notice shall also contain, in boldface print, the following:

(1) You have the right to ask for a hearing to contest the suspension of your operator's license.

(2) ~~This notice shall serve as a temporary operator's license and is valid until 12:01 a.m. of the date of suspension.~~ If this is your first violation of section 1201 of this title and if you do not request a hearing, your license will be suspended as provided in this notice. If this is your second or subsequent violation of section 1201 of this title, your license will be suspended on the 11th day after you receive this notice. It is a crime to drive while your license

is suspended unless you have been issued an ignition interlock restricted driver's license or ignition interlock certificate.

* * *

* * * Registration Fees for Trucks * * *

Sec. 33. 23 V.S.A. § 367 is amended to read:

§ 367. TRUCKS

(a)(1) The annual fee for registration of tractors, truck-tractors, or motor trucks except truck cranes, truck shovels, road oilers, bituminous distributors, and farm trucks used as specified in subsection (f) of this section shall be based on the total weight of the truck-tractor or motor truck, including body and cab plus the heaviest load to be carried. In computing the fees for registration of tractors, truck-tractors, or motor trucks with trailers or semi-trailers attached, except trailers or semi-trailers with a gross weight of less than ~~6,000~~ 6,099 pounds, the fee shall be based upon the weight of the tractor, truck-tractor, or motor truck, the weight of the trailer or semi-trailer, and the weight of the heaviest load to be carried by the combined vehicles. In addition to the fee set out in the following schedule, the fee for vehicles weighing between ~~10,000~~ 10,100 and ~~25,999~~ 26,099 pounds inclusive shall be an additional $42.53, the fee for vehicles weighing between ~~26,000~~ 26,100 and ~~39,999~~ 40,099 pounds inclusive shall be an additional $85.03, the fee for vehicles weighing between ~~40,000~~ 40,100 and ~~59,999~~ 60,099 pounds inclusive shall be an additional $297.68, and the fee for vehicles ~~60,000~~ 60,100 pounds and over shall be an additional $467.80. The fee shall be computed at the following rates per 1,000 pounds of weight determined pursuant to this subdivision and rounded up to the nearest whole dollar; the minimum fee for registering a tractor, truck-tractor, or motor truck to ~~6,000~~ 6,099 pounds shall be the same as for the pleasure car type:

$18.21 when the weight ~~exceeds 6,000 pounds but does not exceed 8,000 pounds~~ is at least 6,100 pounds but not more than 8,099 pounds.

$20.83 when the weight ~~exceeds 8,000 pounds but does not exceed 12,000 pounds~~ is at least 8,100 pounds but not more than 12,099 pounds.

$22.97 when the weight ~~exceeds 12,000 pounds but does not exceed 16,000 pounds~~ is at least 12,100 pounds but not more than 16,099 pounds.

$24.56 when the weight ~~exceeds 16,000 pounds but does not exceed 20,000 pounds~~ is at least 16,100 pounds but not more than 20,099 pounds.

$25.71 when the weight ~~exceeds 20,000 pounds but does not exceed 30,000 pounds~~ is at least 20,100 pounds but not more than 30,099 pounds.

$26.26 when the weight ~~exceeds 30,000 pounds but does not exceed 40,000 pounds~~ 30,100 pounds but not more than 40,099 pounds.

$26.90 when the weight ~~exceeds 40,000 pounds but does not exceed 50,000 pounds~~ is at least 40,100 pounds but not more than 50,099 pounds.

$27.13 when the weight ~~exceeds 50,000 pounds but does not exceed 60,000 pounds~~ is at least 50,100 pounds but not more than 60,099 pounds.

$28.06 when the weight ~~exceeds 60,000 pounds but does not exceed 70,000 pounds~~ is at least 60,100 pounds but not more than 70,099 pounds.

$29.00 when the weight ~~exceeds 70,000 pounds but does not exceed 80,000 pounds~~ is at least 70,100 pounds but not more than 80,099 pounds.

$29.94 when the weight ~~exceeds 80,000 pounds but does not exceed 90,000 pounds~~ is at least 80,100 pounds but not more than 90,099 pounds.

(2) ~~Fractions of 1,000 pounds shall be computed at the next highest 1,000 pounds, excepting, however, fractions of hundredweight shall be disregarded.~~ [Repealed.]

* * *

* * * Purchase and Use Tax * * *

Sec. 34. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(6) "Motor vehicle" ~~shall have~~ has the same ~~definition~~ meaning as in 23 V.S.A. § 4(21).

* * *

(12) "Mail" has the same meaning as in 23 V.S.A. § 4(87).

Sec. 35. 32 V.S.A. § 8905 is amended to read:

§ 8905. COLLECTION OF TAX; EDUCATION; APPEALS

(a) Every purchaser of a motor vehicle subject to a tax under subsection 8903(a) of this title shall forward ~~such~~ the tax form to the Commissioner, together with the amount of tax due at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

(b) Every person subject to a use tax under subsection 8903(b) of this title shall forward ~~such~~ the tax form and the tax due to the Commissioner with the registration application or transfer, as the case may be, and fee at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

* * *

(d) Every person required to collect the use tax under subsection 8903(d) of this title shall forward ~~such~~ the tax and a report of ~~same~~ the tax on forms prescribed and furnished by the Commissioner at the frequency determined by the Commissioner.

* * *

(f) Every person subject to the tax imposed by subsection 8903(g) of this title shall forward the tax form and the tax due to the Commissioner along with the title application and fee at the time of applying for a certificate of title to ~~such~~ the motor vehicle as a condition precedent to the titling ~~thereof~~ of the motor vehicle.

(g) The Commissioner shall establish procedures for taxpayers to file an appeal regarding the taxpayer's liability for the tax due pursuant to section 8903 of this chapter and compliance with the requirements of this section. The procedures shall include a process by which a taxpayer can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(h) The Commissioner shall create educational and outreach materials for taxpayers that provide information regarding the appeal process established pursuant to subsection (g) of this section and opportunities to resolve disputes.

* * * Excessive Speed * * *

Sec. 36. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against ~~his or her~~ the person's driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to this title of the Vermont Statutes Annotated.)

* * *

(9) Eight points assessed for sections 1003 ~~and~~, 1007, and 1097. State speed zones and local speed limits, more than 30 miles per hour over and in excess of the speed limit.

* * *

* * * Tinted Windows * * *

Sec. 37. 2024 Acts and Resolves No. 165, Secs. 14, 15, and 16 are amended to read:

Sec. 14. [Deleted.]

Sec. 15. [Deleted.]

Sec. 16. [Deleted.]

* * * All-Terrain Vehicles * * *

Sec. 38. 23 V.S.A. § 3501 is amended to read:

§ 3501. DEFINITIONS

As used in this chapter:

(1) "All-terrain vehicle" or "ATV" means any nonhighway recreational vehicle, except snowmobiles, having not less than two low pressure tires (10 pounds per square inch, or less); not wider than ~~64~~ 72 inches, with two-wheel ATVs having permanent, full-time power to both wheels; and having a dry weight of less than 2,500 pounds, when used for cross-country travel on trails or on any one of the following or a combination thereof: land, water, snow, ice, marsh, swampland, and natural terrain. An ATV on a public highway shall be considered a motor vehicle, as defined in section 4 of this title, only for the purposes of those offenses listed in subdivisions 2502(a)(1)(H), (N), (R), (U), (Y), (FF), (GG), (II), and (AAA); (2)(A) and (B); (3)(A), (B), (C), and (D); (4)(A) and (B); and (5) of this title and as provided in section 1201 of this title. An ATV does not include an electric personal assistive mobility device, a motor-assisted bicycle, or an electric bicycle.

* * *

* * * Purchase and Use Tax and Inspections Report * * *

Sec. 39. MOTOR VEHICLE PURCHASE AND USE TAX; INSPECTIONS; REPORT

(a) On or before January 31, 2026, the Commissioner of Motor Vehicles shall submit a written report to the House Committees on Transportation and on Ways and Means and the Senate Committees on Finance and on Transportation regarding the process for determining the taxable cost of a used

motor vehicle for purposes of the purchase and use tax and the impact of annual motor vehicle safety and emissions inspections on Vermonters.

(b) The report shall include, at a minimum, the following:

(1) the number of persons during calendar years 2024 and 2025 who utilized the dealer appraisal process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax;

(2) the age and type of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(3) the difference between the clean trade-in value and the appraised value of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(4) the number of appeals of the taxable cost of a motor vehicle that were filed in calendar years 2024 and 2025;

(5) the number appeals that resulted in a revision of the taxable cost and the difference between the originally assessed taxable cost and the revised taxable cost following the appeal;

(6) a summary of issues identified by persons contacting the Department pursuant to subsection (c) of this section;

(7) a summary of funding and other assistance related to annual motor vehicle safety and emissions inspections that is available to Vermonters with lower income;

(8) an examination of the potential approaches to reduce the financial burden of annual motor vehicle safety and emissions inspections on Vermonters, including the potential to reduce the frequency of inspections to every two years; and

(9) any recommendations for legislative action.

(c)(1) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding concerns with the motor vehicle purchase and use tax process.

(2) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding the affordability of the annual motor vehicle inspection process and suggestions for reducing the financial impact of the inspection process on Vermonters.

(3) The Commissioner shall conduct outreach at Department locations, on the Department's website, and through motor vehicle dealers to make the public aware of the opportunity to contact the Department pursuant to subdivisions (1) and (2) of this subsection.

* * * Operation of Bicycles * * *

Sec. 40. 23 V.S.A. § 1139 is amended to read:

§ 1139. RIDING ON ROADWAYS AND BICYCLE PATHS

(a) ~~A person~~ Due care and riding on the right. An individual operating a bicycle upon a roadway shall exercise due care when passing a standing vehicle or one proceeding in the same direction. Bicyclists generally shall ride as near to the right side of the improved area of the highway right-of-way as is safe, except that a bicyclist:

* * *

(b) ~~Persons riding~~ Riding two abreast. Individuals operating bicycles upon a roadway ~~may~~ shall not ride more than two abreast except on paths or parts of roadways set aside for the exclusive use of bicycles or except as otherwise permitted by the Commissioner of Public Safety in connection with a public sporting event in which case the Commissioner shall be authorized to adopt such rules as the public good requires. ~~Persons~~ Individuals riding two abreast shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(c) Obedience to traffic-control devices and traffic-control signals. An individual operating a bicycle shall follow all traffic-control devices and traffic-control signals governing motor vehicles except that an individual operating a bicycle who is facing a "walk" signal, as defined in section 1023 of this chapter, may make a turn or proceed across the roadway or intersection in the direction of the signal but shall yield the right of way to any vehicles or pedestrians in the roadway or intersection.

(d) Riding on a partially controlled access highway. Bicycles may be operated on the shoulders of partially controlled access highways, which are those highways where access is controlled by public authority but where there are some connections with selected public highways, some crossings at grade, and some private driveway connections. The Traffic Committee may determine that any portion of these highways is unsafe and therefore closed to bicycle operation.

Sec. 41. 23 V.S.A. § 1139a is added to read:

§ 1139a. BICYCLE CONTROL SIGNALS

(a) Bicycles shall obey bicycle-control signals. An individual operating a bicycle shall obey the instructions of a bicycle-control signal, if present, instead of any traffic-control signal for motor vehicles.

(b) Bicycle-control signal legend.

(1) Green bicycle signal.

(A) An individual operating a bicycle facing a green bicycle signal may proceed straight through the intersection or turn right or left unless a sign prohibits such a turn, provided that:

(i) the individual operating the bicycle will not be in conflict with any simultaneous motor vehicle movements at that location; or

(ii) the bicycle movement at that location is not modified by lane-use signs, turn-prohibition signs, pavement markings, separate turn signal indications, or other traffic-control devices.

(B) An individual operating a bicycle pursuant to a green bicycle signal, including when turning right and left, shall yield the right-of-way to other individuals operating bicycles and pedestrians that are in the intersection when the signal is exhibited.

(2) Steady yellow bicycle signal. An individual operating a bicycle facing a steady yellow bicycle signal is warned that the steady green signal is being terminated and that the red signal will be exhibited immediately following the steady yellow signal, at which time bicycle traffic traveling in that direction shall not enter the intersection.

(3) Steady red bicycle signal.

(A) An individual operating a bicycle facing a steady red bicycle signal alone shall stop at a clearly marked stop line, or if there is none, shall stop before entering the crosswalk on the near side of the intersection.

(B) Except when a sign is in place prohibiting a turn, an individual operating a bicycle facing a steady red bicycle signal may:

(i) cautiously enter the intersection to turn right; or

(ii) after stopping as required pursuant to subdivision (A) of this subdivision (b)(3), turn left from a one-way street onto a one-way street.

(C) An individual making a turn pursuant to subdivision (B) of this subdivision (b)(3) shall yield the right-of-way to pedestrians and other vehicles that are in the intersection.

(D) An individual operating a bicycle shall not turn right when facing a red arrow signal unless a sign permitting such a turn is present.

(E) An individual operating a bicycle to the left of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning right when facing a steady red bicycle signal and an individual operating a bicycle to the right of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning left when facing a steady red bicycle signal.

Sec. 42. BICYCLE OPERATION AT STOP SIGNS AND SIGNALS; EDUCATION; OUTREACH

On or before April 1, 2026, the Commissioners of Motor Vehicles and of Public Safety, in consultation with stakeholders representing bicyclists, pedestrians, municipalities, and law enforcement agencies, shall develop education and outreach materials to inform vehicle operators, law enforcement officers, municipalities, and members of the public regarding the laws governing to the operation of bicycles on roadways, including at signalized intersections. The materials shall include both written and graphical materials explaining permitted bicycle operations and requirements for the operation of motor vehicles in relation to bicycles, including safe passing distance requirements.

* * * Legal Trails * * *

Sec. 43. FINDINGS; INTENT; LEGAL TRAILS

(a) Findings. The General Assembly finds the following:

(1) Outdoor recreation is a significant part of Vermont's identity and economy.

(2) Trails provide Vermonters and visitors with access to natural beauty throughout the State and are used for a wide variety of outdoor recreational activities throughout the year.

(3) Some trails are also used by Vermonters for travel or to access their homes and properties.

(4) The State and municipalities use some trails to provide maintenance to State and municipal lands and facilities, as well as to provide public safety and rescue services.

(5) Trails may require regular maintenance to ensure that they remain passable and can continue to support recreation, travel, access, and various public services.

(6) While many trails in Vermont have been established through private easements or other agreements, a subset of trails, known as legal trails, lie along public rights-of-way that were once town highways and are governed by the provisions of 19 V.S.A. chapter 3.

(b) Intent. It is the intent of the General Assembly to clarify municipalities' authority to exclusively or cooperatively maintain legal trails under the provisions of 19 V.S.A. chapter 3.

Sec. 44. 19 V.S.A. chapter 3 is amended to read:

CHAPTER 3. TOWN HIGHWAYS

§ 301. DEFINITIONS

As used in this chapter:

* * *

(2) "Legislative body" ~~includes boards of selectmen, aldermen, and village trustees~~ means a legislative body as defined in 24 V.S.A. § 2001.

(3) ~~"Selectmen" includes village trustees and aldermen~~ "Selectboard" means a selectboard as defined in 24 V.S.A. § 2001.

* * *

(8)(A) "Trail" means a public right-of-way that is not a highway and that:

(i) municipalities have the authority to exclusively or cooperatively maintain; and

~~(A)~~(ii)(I) previously was a designated town highway having the same width as the designated town highway, or a lesser width if so designated; or

~~(B)~~(II) a new public right-of-way laid out as a trail by the ~~selectmen~~ legislative body for the purpose of providing access to abutting properties or for recreational use.

(B) Nothing in this ~~section~~ subdivision (8) shall be deemed to independently authorize the condemnation of land for recreational purposes or to affect the authority of ~~selectmen~~ legislative bodies to reasonably regulate the uses of recreational trails.

§ 302. CLASSIFICATION OF TOWN HIGHWAYS

(a) For the purposes of this section and receiving State aid, all town highways shall be categorized into one or another of the following classes:

* * *

(2) Class 2 town highways are those town highways selected as the most important highways in each town. As far as practicable, they shall be selected with the purposes of securing trunk lines of improved highways from town to town and to places that by their nature have more than normal amount of traffic. The ~~selectmen~~ legislative body, with the approval of the Agency, shall determine which highways are to be class 2 highways.

(3) Class 3 town highways:

(A) Class 3 town highways are all traveled town highways other than class 1 or 2 highways. The ~~selectmen~~ legislative body, after conference with a representative of the Agency, shall determine which highways are class 3 town highways.

* * *

(5) Trails shall not be considered highways ~~and the town~~. A municipality shall have the authority to maintain trails but shall not be responsible for any maintenance, including culverts and bridges.

* * *

§ 303. TOWN HIGHWAY CONTROL

Town highways shall be under the general supervision and control of the ~~selectmen~~ legislative body of the town where the roads are located. ~~Selectmen~~ The legislative body of a town shall supervise all expenditures.

§ 304. DUTIES OF SELECTBOARD

(a) It shall be the duty and responsibility of the selectboard of the town to, or acting as a board, it shall have the authority to:

* * *

(16) Unless the town electorate votes otherwise, under the provisions of 17 V.S.A. § 2646, appoint a road commissioner, or remove ~~him or her~~ the road commissioner from office, pursuant to 17 V.S.A. § 2651. Road commissioners, elected or appointed, shall have only the powers and authority regarding highways granted to them by the selectboard.

* * *

(24) Maintain trails, but shall not be required to maintain trails.

* * *

* * * Effective Dates * * *

Sec. 45. EFFECTIVE DATES

(a) This section and Secs. 15 and 16 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2025.

(Committee vote: 11-0-0)

Rep. Canfield of Fair Haven, for the Committee on Ways and Means, recommends that the bill ought to pass in concurrence with the proposal of amendment recommended by the Committee on Transportation.

(Committee Vote: 9-0-2)

Rep. Kascenska of Burke, for the Committee on Appropriations, recommends that the bill ought to pass in concurrence with the proposal of amendment recommended by the Committee on Transportation.

(Committee Vote: 11-0-0)

Amendment to be offered by Reps. Headrick of Burlington, Bos-Lun of Westminster, Burrows of West Windsor, Carris-Duncan of Whitingham, Casey of Montpelier, Cina of Burlington, Cole of Hartford, Cordes of Bristol, Critchlow of Colchester, Galfetti of Barre Town, Logan of Burlington, McCann of Montpelier, Minier of South Burlington, Nelson of Derby, Priestley of Bradford, Rachelson of Burlington, Sibilia of Dover, Surprenant of Barnard, Sweeney of Shelburne, and Tomlinson of Winooski to the report of the Committee on Transportation on S. 123

That the report of the Committee on Transportation be amended as follows:

First: After Sec. 15, 23 V.S.A. § 604, early renewal, by adding four new sections to be Secs. 15a–15d to read as follows:

Sec. 15a. 23 V.S.A. § 601 is amended to read:

§ 601. LICENSE REQUIRED

* * *

(b)(1) All operator's licenses issued under this chapter shall expire, unless earlier cancelled, at midnight on the eve of the second ~~or~~, fourth, or eighth anniversary of the date of birth of the license holder following the date of issue. Renewed licenses shall expire at midnight on the eve of the second ~~or~~,

fourth, or eighth anniversary of the date of birth of the license holder following the date the renewed license expired.

(2) All junior operator's licenses shall expire, unless earlier cancelled, at midnight on the eve of the second anniversary of the date of birth of the license holder following the date of issue.

(3) A person born on February 29 shall, for the purposes of this section, be considered as born on March 1.

* * *

Sec. 15b. 23 V.S.A. § 603 is amended to read:

§ 603. APPLICATION FOR AND ISSUANCE OF LICENSE

* * *

(h) A privilege card issued under this section shall:

* * *

(2) expire at midnight on the eve of the second ~~birthday of the applicant following the date of issuance or, at the option of an applicant for an operator's privilege card and upon payment of the required four-year fee, at midnight on the eve of the,~~ fourth, or eighth birthday of the applicant following the date of issuance.

* * *

Sec. 15c. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

(a)(1) The eight-year fee required to be paid the Commissioner for licensing an operator of motor vehicles or for issuing an operator's privilege card shall be $156.00.

(2) The four-year fee required to be paid the Commissioner for licensing an operator of motor vehicles or for issuing an operator's privilege card shall be $62.00.

(3) The two-year fee required to be paid the Commissioner for licensing an operator or for issuing an operator's privilege card shall be $39.00, and the two-year fee for licensing a junior operator or for issuing a junior operator's privilege card shall be $39.00.

* * *

(c)(1) The Operator's License Revenue Stabilization Special Fund is established pursuant to 32 V.S.A. chapter 7, subchapter 5. Notwithstanding 19

V.S.A. § 11(1), one-half of the fees for eight-year operator's licenses collected pursuant to subdivision (a)(1) of this section shall be deposited into the Treasury and credited to the Fund.

(2)(A) Monies in the Fund shall be used to support the operations of the Department of Motor Vehicles and the State's Transportation Program and for necessary costs incurred in administering the Fund.

(B) Monies to support the operations of the Department of Motor Vehicles and the State's Transportation Program shall be transferred into the Transportation Fund each fiscal year in an amount necessary to offset cyclical variation in license fee revenue, provided that the amount transferred shall not result in a negative balance in the Fund.

(3) All interest earned on Fund balances shall be credited to the Fund and any balance remaining in the Fund at the end of the fiscal year shall be carried forward in the Fund.

Sec. 15d. 23 V.S.A. § 7 is amended to read:

§ 7. ENHANCED DRIVER'S LICENSE; MAINTENANCE OF DATABASE INFORMATION; FEE

* * *

(d) The fee for an enhanced license shall be:

(1) for a two-year or four-year license, $36.00 in addition to the fees otherwise established by this title; and

(2) for an eight-year license, $72.00 in addition to the fees otherwise established by this title.

Second: After Sec. 16, 23 V.S.A. § 115b, early renewal, by adding a new section to be Sec. 16a to read as follows:

Sec. 16a. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data ~~as the Commissioner may require that shall include, in~~ required by the Commissioner. In the case of minor applicants, the Commissioner shall require the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

(2) Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the Commissioner may require, consistent with subsection (l) of this section.

(3) New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the veteran's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(4) The Commissioner shall require payment of a fee of $29.00 for a four-year nondriver identification card or $58.00 for an eight-year nondriver identification card at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition.

(b)(1) Every identification card shall expire, unless earlier canceled, at 12:00 midnight on the eve of the fourth or eighth anniversary of the date of birth of the cardholder following the date of original issue and may be renewed ~~every~~ for four years upon payment of a $29.00 fee or for eight years upon payment of a $58.00 fee.

(2) A renewed identification card shall expire, unless earlier canceled, at 12:00 midnight on the eve of the fourth or eighth anniversary of the date of birth of the cardholder following the expiration of the card being renewed.

(3) At least 30 days before an identification card will expire, the Commissioner shall mail first-class to the cardholder or send the cardholder electronically an application to renew the identification card~~; a~~. A cardholder shall be sent the renewal notice by mail unless the cardholder opts in to receive electronic notification.

(4) An individual born on February 29 shall, for the purposes of this section, be considered as born on March 1.

* * *

Amendment to be offered by Rep. Noyes of Wolcott to the report of the Committee on Transportation on S. 123

That the report of the Committee on Transportation be amended by striking out Sec. 45, effective dates, and its reader assistance heading in their entireties and by inserting three new sections to be Secs. 45, 46, and 47 and their associated reader assistance headings to read as follows:

* * * Motor Vehicle Inspections * * *

Sec. 45. 23 V.S.A. § 1222 is amended to read:

§ 1222. INSPECTION OF REGISTERED VEHICLES

(a) Except for school buses, which shall be inspected as prescribed in section 1282 of this title, and motor buses as defined in subdivision 4(17) of this title, which shall be inspected twice during the calendar year at six-month intervals, all motor vehicles registered in this State shall undergo a safety and visual emissions inspection once ~~each year~~ every two years and all motor vehicles that are registered in this State and are 16 model years old or less shall undergo an emissions or on board diagnostic (OBD) systems inspection once ~~each year~~ every two years as applicable. Any motor vehicle, trailer, or semi-trailer not currently inspected in this State shall be inspected within 15 days following the date of its registration in the State of Vermont.

* * *

Sec. 46. 23 V.S.A. § 1230 is amended to read:

§ 1230. CHARGE

For each inspection certificate issued by the Department of Motor Vehicles, the Commissioner shall be paid ~~$8.00~~ $16.00, provided that State and municipal inspection stations that inspect only State or municipally owned and registered vehicles shall not be required to pay a fee. All vehicle inspection certificate charge revenue shall be allocated to the Transportation Fund with one-half reserved for bridge maintenance activities.

* * * Effective Dates * * *

Sec. 47. EFFECTIVE DATES

(a) This section and Secs. 15 and 16 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2025.

Senate Proposal of Amendment

H. 479

An act relating to housing

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

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

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

(B) Solely with regards to actions undertaken pursuant to this subdivision, entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

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

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

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

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

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

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

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

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

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

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

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

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

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

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

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

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

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

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

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

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

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

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

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

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and HomeOwnership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Program Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system and the proximity to a designated area;

(3) the project readiness and estimated time until the need for financing; and

(4) the demonstration of financing for project completion or completion of a project component.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Housing and Residential Services Planning Committee * * *

Sec. 5. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

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

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

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

(4) The Committee shall cease to exist on November 30, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 6. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director: education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system

prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 7. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 8. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each~~

~~rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 9. DHCD LAND BANK REPORT

(a) On or before November 1, 2026, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation and ongoing administration of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the establishment and sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

(c) On or before January 15, 2026, the Department of Housing and Community Development shall provide a written update to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on progress made, including a preliminary assessment of the information required in the final report.

* * * Housing and Public Accommodations Protections * * *

Sec. 10. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord may request a Social Security number from a residential rental applicant.

(2) In the event an applicant does not have a Social Security number, a landlord shall accept one of the following:

(A) an original or a copy of any unexpired form of government-issued identification; or

(B) an Individual Taxpayer Identification Number.

Sec. 11. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 12. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 13. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national

origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of

the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * LURB Study * * *

Sec. 14. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of non-profit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

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

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

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

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

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

* * * Brownfields * * *

Sec. 15. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 16. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 17. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that

is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 18. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 19. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to $2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 20. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 21. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * Positive Rental Payment Pilot Program * * *

Sec. 22. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

(a) Definitions. As used in this section:

(1) "Contractor" means the third-party vendor that the State Treasurer's Office contracts with to administer the pilot program described in this section.

(2) "Dwelling unit" has the same meaning as in 9 V.S.A. § 4451(3).

(3) "Participant property owner" means a landlord that has agreed in writing to participate in the pilot program and has satisfied the requirements described in subsection (c) of this section.

(4) "Participant tenant" means a tenant that has elected to participate in the pilot program and whose landlord is a participant property owner.

(5) "Rental payment information" means information concerning a participating tenant's timely payment of rent. "Rent payment information" does not include information concerning a participating tenant's payment or nonpayment of fees.

(b) Pilot program creation.

(1) The State Treasurer shall create and implement a two-year positive rental payment reporting pilot program to facilitate the reporting of rent

payment information from participating tenants to consumer reporting agencies.

(2) On or before May 1, 2026, the State Treasurer shall contract with a third party to administer a positive rental payment pilot program and facilitate the transmission of rent reporting information from a participant property owner to a consumer reporting agency. The third-party administrator shall be required to:

(A) enter into an agreement with one or more participant property owners in the State in accordance with the requirements of this section for participation in the pilot program;

(B) ensure that information to a credit reporting agency includes only rent payment information after the date on which the participant tenant elected to participate in the pilot program;

(C) develop and implement a process for removal of participant tenants for failure to comply with program requirements, including failure make timely rental payments;

(D) establish a standard form for a participant tenant to use to elect to participate or cease participation in the pilot program, which shall include a statement that the tenant's participation is voluntary and that a participant may cease participating in the pilot program at any time and for any reason by providing notice to the participant's landlord and that the tenant may be removed from the program for failure to comply with program requirements, including failure to make timely rental payments; and

(E) offer an optional financial education course for participant tenants.

(c) Program agreements. A participant property owner shall agree in writing:

(1) to participate in the pilot program for the duration of the program;

(2) not to charge a participant tenant for participation in the pilot program;

(3) to comply with the requirements of the program;

(4) to provide information as required by the State Treasurer concerning the implementation of the pilot program; and

(5) to assist in the recruitment of tenants to participate in the pilot program.

(d) Program participants. On or before June 1, 2026, the Contractor shall, in coordination with the State Treasurer, recruit not more than 10 participant property owners and, to the extent practicable, not less than 100 participant tenants, to participate in the pilot program. The Contractor shall seek to select participant tenants from populations that are under-served and under-represented in home ownership. The Contractor shall also seek to recruit participant landlords who offer:

(1) a variety of types of dwelling units for rent, including dwelling units of various sizes;

(2) dwelling units for rent that are located in geographically diverse areas of the State; and

(3) at least five dwelling units for rent.

(e) Termination. The State Treasurer may terminate the pilot program at any time in the Treasurer's sole discretion or terminate participation of a participant property owner for failure to comply with the requirements of the program.

(f) Reports.

(1) On or before November 1, 2027, the State Treasurer shall submit an interim report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing regarding the findings of the pilot program. The report shall include:

(A) the number of participant tenants, including information regarding the demographic makeup of participant tenants, such as race, ethnicity, gender, income, and age, as voluntarily provided by the participant;

(B) the number of participant tenants who ceased participating in the program voluntarily;

(C) the number of participant tenants who were removed from the program and the reasons why;

(D) a breakdown of costs of administering the program, including the monthly costs associated with rent reporting;

(E) a description of challenges faced by the participating property owners and participating tenants during the pilot program;

(F) an analysis of the outcomes of rent reporting on participant tenant's credit scores; and

(G) recommendations for legislative action, including proposed statutory language and an appropriation for associated costs.

(2) On or before November 1, 2028, the State Treasurer shall submit a final report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing regarding the findings of the pilot program. The report shall include an update to the information required in the interim report.

Sec. 22a. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT; IMPLEMENTATION

The duty to implement Sec. 26 of this act shall be contingent upon an appropriation of funds in fiscal year 2026 from the General Fund to the Office of the State Treasurer for the purposes of carryout that section.

* * * Tax Increment Financing * * *

Sec. 23. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Housing development" means the construction of one or more buildings that includes housing.

(6) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to

construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Improvements" means:

(A) the installation or construction of infrastructure that will serve a public good and fulfill the purpose of housing infrastructure tax increment financing as stated in section 1907 of this subchapter, including utilities, digital infrastructure, transportation, public recreation, parking, public facilities and amenities, land and property acquisition and demolition, brownfield remediation, site preparation, and flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) "Municipality" means a city, town, or incorporated village.

(12) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(13) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for serving debt as determined in accordance with subsection 1910c(c) of this subchapter.

(14) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of housing infrastructure tax increment financing is to provide revenues for improvements and related costs to encourage the development of primary residences for households of low or moderate income.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed and any immediately contiguous parcels.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(f) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development; and

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project; and

(4) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) Review. The Vermont Economic Progress Council may approve only applications that:

(1) meet the process requirements, the project criterion, and any of the location criteria of this section; and

(2) are submitted on or before December 31, 2035.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project adhering to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development includes housing.

(e) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following areas:

(1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area exempt from the provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions);

(2) an area designated Tier 2 pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area in which the housing development site is compatible with regional and town land use plans as evidenced by a letter of support from the regional planning commission for the municipality; or

(3) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16).

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years. If no debt is incurred for the housing infrastructure project during the debt incursion period, whether by the municipality or sponsor, the housing development site shall terminate.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, five years following the creation of the housing development site.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no

taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment. Up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 100 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion

of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each of the following:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans)

and, for each applicable housing development, the current stage of the permitting process;

(6) projected and actual incremental revenue amounts;

(7) the allocation of incremental revenue; and

(8) projected and actual financing.

(c) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion and location criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this

section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(d) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter.

* * * ANR Report Surface Water Discharges * * *

Sec. 23a. ANR REPORT ON SURFACE WATER DISCHARGES

On or before November 15, 2025, the Secretary of Natural Resources shall submit a report to the General Assembly investigating the steps currently necessary to permit new surface water direct discharges of domestic wastewater in Vermont, identifying funding sources available to support the construction of such projects, and any recommendations for improving or streamlining the process.

Sec. 24. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

(3) housing infrastructure tax increment financing pursuant to 24 V.S.A. chapter 53, subchapter 7.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53,

subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

* * * Effective Dates * * *

Sec. 25. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 7 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

CONSENT CALENDAR FOR ACTION

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 before today's adjournment. 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 of May 22, 2025.

H.C.R. 151

House concurrent resolution congratulating Casella Waste Systems, Inc. on the company's 50th anniversary

H.C.R. 152

House concurrent resolution honoring Silas R. Loomis for his more than half century of extraordinary municipal public service as the esteemed Castleton First Constable

H.C.R. 153

House concurrent resolution congratulating Ronald Loomis on his receipt of the 2025 Shaftsbury Ordinary Hero Award

H.C.R. 154

House concurrent resolution recognizing May 2025 as Mental Health Awareness Month in Vermont

For Informational Purposes

H.C.R. Approval Deadline

To guarantee that any 2025 House Concurrent Resolution that has been drafted is printed in a 2025 House Calendar and Addendum, the sponsor of the H.C.R. must return approval of the draft, along with the final list of any cosponsors, to Michael Chernick in the Office of Legislative Counsel by **5:00 p.m. on Wednesday, May 14, 2025**.

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]*

JFO #3246: 125+ acre land donation valued at $184,830.00 from Pieter Van Schaik of Cavendish, VT to the Agency of Natural Resources,

Department of Forests, Parks and Recreation. The acreage will become part of the Lord State Forest. *[Received March 24, 2025]*

JFO #3247: $2,875,419.00 to the Agency of Human Services, Department for Children and Families to support families affected by the July 2024 flood event. The request includes three (3) limited-service positions. Two (2) Emergency Management Specialists to the AHS central office and one (1) Grants and Contract Manager to the Department of Children and Families Positions funded through June 30, 2027. *[Received 04/10/2025, expedited review requested 04/10/2025]*

JFO #3248: $35,603.00 to the Vermont Department of Libraries from the Vermont Community Foundation and the dissolution of the VT Public Library Foundation. The grant will provide modest grants to VT libraries with a preference for smaller libraries and for programs and projects that support children and diversity. *[Received April 10, 2025]*

JFO #3249: $22.117.00 to the Agency of Human Services, Department of Corrections to ensure compliance with the Prison Rape Elimination Act (PREA). *[Received April 10, 2025]*

JFO #3250: $391,666.00 to the Vermont Agency of Natural Resources, Department of Forests, Parks and Recreation from the Northern Border Regional Commission. Funds will support the Vermont Outdoor Recreation Economic Collaboration (VOREC) Program Director as well as VOREC initiatives. *[Received April 11, 2025]*

JFO #3251: $50,000.00 to the Agency of Human Services, Central Office from the National Governor's Association. The funds will support state-side improvements of service-to-career pathways, with a focus on emergency responders. *[Received April 11, 2025]*

JFO #3252: $10,000,000.00 to the Vermont Department of Libraries from the U.S. Department of Housing and Urban Development. The Public Facilities Preservation Initiative grant will provide smaller grants to rural libraries for the completion of necessary capital improvement projects. *[Received April 11, 2025]*

JFO #3253: $20,000.00 to the Vermont Department of Public Safety, Vermont State Police. Funds will be used by the Vermont Boating Law Administrator, with the support of the Vermont Department of Health, to create a comprehensive boating injury data tracking system.*[Received May 6, 2025]*

JFO #3254: $994,435.00 to the Vermont Department Public Safety, Vermont Emergency Management from the Federal Emergency

Management Agency. Funds for emergency work and repair/replacement of disaster damaged facilities during the severe storm and flooding event in Lamoille County from June 22-24, 2024. *[Received May 6, 2025]*

JFO #3255: $41,000.00 to the Vermont Agency of Commerce and Community Development, Department of Housing and Community Development. Funds will be used to restore the Baldwin Model K piano, once played by First Lady Grace Coolidge, which now resides in the President Calvin Coolidge State Historic Site in Plymouth, VT. *[Received May 6, 2025]*