House Calendar

Friday, May 30, 2025

143rd DAY OF THE BIENNIAL SESSION

House Convenes at 9:30 A.M.

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ACTION CALENDAR

Action Postponed Until Friday, May 30, 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.

* * *

 $(5)(\underline{A})$ 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 <u>homelessness service</u> organizations <u>approved by the</u> <u>Department</u> 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; $\ensuremath{\mbox{or}}$

(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 <u>The total</u> 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 <u>a prorated</u> 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 <u>or an amount otherwise authorized by the Agency</u>.

* * *

* * * 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 servicesupported 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; <u>an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database;</u> 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 <u>the following:</u>

(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

 $(\underline{8})$ 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. <u>Annually on or before December</u> 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 governmentissued 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, <u>citizenship, immigration status</u>, 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, <u>citizenship</u>, <u>immigration status</u>, 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.

* * *

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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, <u>citizenship</u>, <u>immigration status</u>, 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, <u>citizenship</u>, <u>immigration</u> <u>status</u>, 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, <u>citizenship</u>, <u>immigration status</u>, 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, <u>citizenship, immigration status</u>, 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, <u>citizenship</u>, <u>immigration status</u>, 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, <u>citizenship</u>, <u>immigration status</u>, 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, <u>citizenship, immigration status</u>, 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, <u>citizenship</u>, <u>immigration</u> 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 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, <u>including what</u> 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 <u>ALARMS</u> AND CARBON MONOXIDE DETECTORS <u>ALARMS</u>

§ 2881. DEFINITIONS

As used in this chapter:

* * *

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(2) "Smoke detector <u>alarm</u>" 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 <u>alarm</u>" 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 <u>alarms</u> in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide detectors <u>alarms</u> in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, detectors <u>alarms</u> 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 power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power, carbon monoxide detectors alarms shall be powered by the electrical power.

(c) Nothing in this section shall require an owner or occupant of a singlefamily dwelling to maintain or use a smoke detector <u>alarm</u> or a carbon monoxide detector <u>alarm</u> 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 <u>Alarms</u>. 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 <u>compliant</u> smoke detectors <u>alarms</u> and carbon monoxide detectors <u>alarms</u> be conspicuously posted in the retail sales area where the <u>detectors alarms</u> 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 underrepresented 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

<u>The purpose of housing infrastructure tax increment financing is to provide</u> 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.

H. 480

An act relating to miscellaneous amendments to education law

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. 2023 Acts and Resolves No. 29, Secs. 5 and 6 are amended to read:

Sec. 5. BEHAVIORAL THREAT ASSESSMENT TEAMS; IMPLEMENTATION

* * *

(b) Establishment of behavioral threat assessment teams; training.

(1) School districts and independent schools not already using behavioral threat assessment teams shall take all actions necessary to establish a team establish a team and identify team members not later than July 1, 2025, including:.

(2) School districts and independent schools shall take all actions necessary to implement comprehensive behavioral threat assessment and management programs not later than October 1, 2025, including:

(A) identifying and training team members, which shall include group bias training and the training requirements contained in 16 V.S.A. § 1485(d);

(B) adopting a behavioral threat assessment team policy;

(C) establishing procedures for proper, fair, and effective use of behavioral threat assessment teams;

(D) updating and exercising emergency operations plans; and

(E) providing education to the school community on the purpose and use of behavioral threat assessment teams.

(2)(3) School districts and independent schools currently using behavioral threat assessment teams shall certify compliance with the training requirements contained in 16 V.S.A. § 1485(d) on or before the first day of the 2023–2024 school year.

(3)(4) The Agency of Education and Department of Public Safety shall issue guidance and offer training necessary to assist school districts and independent schools with implementation of this subsection.

(c) The Agency of Education shall establish guidelines necessary to collect the data required pursuant to 16 V.S.A. § 1485(e). Each supervisory union, supervisory district, and independent school using behavioral threat assessment teams as of July 1, 2023 shall comply with the data collection requirements under 16 V.S.A. § 1485(e) beginning in the 2023–2024 school year. [Repealed.]

* * *

Sec. 6. EFFECTIVE DATES

* * *

(c) Sec. 2 (16 V.S.A. § 1480) shall take effect on July 1, 2024 2025.

(d) Sec. 4 (16 V.S.A. § 1485) shall take effect on July 1, 2025, except that subdivision (b)(3) shall take effect on October 1, 2025 and subsection (e) shall take effect on July 1, 2027.

Sec. 2. 16 V.S.A. § 1485 is amended to read:

§ 1485. BEHAVIORAL THREAT ASSESSMENT TEAMS

* * *

(b) Policy.

* * *

(3) Each school district and each approved or recognized independent school shall develop, adopt, and ensure implementation of a policy and procedures for use of behavioral threat assessment teams that is consistent with and at least as comprehensive as the model policy and procedures developed by the Secretary. Any school board or independent school that fails to adopt such a policy or procedures shall be presumed to have adopted the most current model policy and procedures published by the Secretary. <u>Any</u> superintendent or independent school that fails to adopt such procedures shall be presumed to have adopted the most current model procedures published by the Secretary.

* * *

* * * Postsecondary Schools Chartered in Vermont * * *

Sec. 3. 16 V.S.A. § 176(d) is amended to read:

(d) Exemptions. The following are exempt from the requirements of this section except for the requirements of subdivision (c)(1)(C) of this section:

* * *

(4)Postsecondary schools that are accredited. The following postsecondary institutions are accredited, meet the criteria for exempt status, and are authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate: Bennington College, Champlain College, College of St. Joseph, Goddard College, Green Mountain College, Landmark College, Marlboro College, Middlebury College, New England Culinary Institute, Norwich University, Saint Michael's College, SIT Graduate Institute, Southern Vermont College, Sterling College, Vermont College of Fine Arts, and Vermont Law and Graduate School. This authorization is provided solely to the extent necessary to ensure institutional compliance with federal financial aid-related regulations, and it does not affect, rescind, or supersede any preexisting authorizations, charters, or other forms of recognition or authorization.

* * *

* * * Nutrition Contracts and Public Bids * * *

Sec. 4. 16 V.S.A. § 559 is amended to read:

§ 559. PUBLIC BIDS

* * *

(e) Application of this section. Any contract entered into or purchase made in violation of the provisions of this section shall be void; provided, however, that:

(1) The provisions of this section shall not apply to contracts for the purchase of books or other materials of instruction.

(2) A school board may name in the specifications and invitations for bids under this section the particular make, kind, or brand of article or articles to be purchased or contracted.

(3) Nothing in this section shall apply to emergency repairs.

(4) Nothing in this section shall be construed to prohibit a school board from awarding a school nutrition contract after using any method of bidding or requests for proposals permitted under federal law for award of the contract. Notwithstanding the monetary amount in subsection (a) of this section for which a school board is required to advertise publicly or invite three or more bids or requests for proposal, a school board is required to publicly advertise or invite three or more bids or requests for proposal for purchases made from the nonprofit school food service account for purchases in excess of the federal simplified acquisition threshold when purchasing food or in excess of \$25,000.00 when purchasing nonfood items, unless a municipality sets a lower threshold for purchases from the nonprofit school food service account. The provisions of this section shall not apply to contracts for the purchase of food made from a nonprofit school food services account.

* * *

* * * Virtual Learning * * *

Sec. 5. 16 V.S.A. § 948 is added to read:

§ 948. VIRTUAL LEARNING

(a) The Agency of Education shall maintain access to and oversight of a virtual learning provider for the purpose of offering virtual learning opportunities to Vermont students.

(b) A student may enroll in virtual learning if:

(1) the student is enrolled in a Vermont public school, including a Vermont career technical center;

(2) virtual learning is determined to be an appropriate learning pathway outlined in the student's personalized learning plan; and

(3) the student's learning experience occurs under the supervision of an appropriately licensed educator and aligns with State expectations and standards, as adopted by the Agency and the State Board of Education, as applicable.

(c) A school district shall count a student enrolled in virtual learning in the school district's average daily membership, as defined in section 4001 of this title, if the student meets all of the criteria in subsection (b) of this section.

Sec. 6. 16 V.S.A. § 942(13) is amended to read:

(13) "Virtual learning" means learning in which the teacher and student communicate concurrently through real-time telecommunication. "Virtual learning" also means online learning in which communication between the teacher and student does not occur concurrently and the student works according to his or her own schedule an intentionally designed learning environment for online teaching and learning using online design principles and teachers trained in the delivery of online instruction. This instruction may take place either in a self-paced environment or a real-time environment.

* * * BOCES Start-up Grant Program * * *

Sec. 7. 2024 Acts and Resolves No. 168, Sec. 4 is amended to read:

Sec. 4. BOCES GRANT PROGRAM; APPROPRIATION

(a) There is established the Boards of Cooperative Education Services Start-up Grant Program, to be administered by the Agency of Education, from funds appropriated for this purpose, to award grants to <u>enable the formation of</u> boards of cooperative education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024. BOCES Supervisory unions shall be eligible for a single \$10,000.00 grant after the Secretary of Education approves the applicant's initial articles of agreement pursuant to 16 V.S.A. § 603(b) two or more boards vote to explore the advisability of forming a board of cooperative education services pursuant to 16 V.S.A. § 603(a). Grants may be used for start-up and formation costs and may include reimbursement to member supervisory unions for costs incurred during the exploration and formation of the BOCES and articles of agreement, including the development of proposed articles of agreement. Grants shall be awarded to only one supervisory union within each group of supervisory unions exploring the formation of a BOCES.

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

* * * Military-Related Postsecondary Opportunities * * *

Sec. 8. 16 V.S.A. § 941 is amended to read:

§ 941. FLEXIBLE PATHWAYS INITIATIVE

(a) There is created within the Agency a Flexible Pathways Initiative:

(1) to encourage and support the creativity of school districts as they develop and expand high-quality educational experiences that are an integral part of secondary education in the evolving 21st Century 21st-century classroom;

(2) to promote opportunities for Vermont students to achieve postsecondary readiness through high-quality educational experiences that acknowledge individual goals, learning styles, and abilities; and

(3) to increase the rates of secondary school completion and postsecondary continuation <u>and retention</u> in Vermont.

(b) The Secretary shall develop, publish, and regularly update guidance, in the form of technical assistance, sharing of best practices and model documents, legal interpretations, and other support designed to assist school districts:

(1) to <u>To</u> identify and support secondary students who require additional assistance to succeed in school and to identify ways in which individual students would benefit from flexible pathways to graduation;

(2) to $\underline{\text{To}}$ work with every student in grade 7 seven through grade 12 in an ongoing personalized learning planning process that:

(A) identifies the student's emerging abilities, aptitude, and disposition;

(B) includes participation by families and other engaged adults;

(C) guides decisions regarding course offerings and other highquality educational experiences; and

(D) <u>identifies career and postsecondary planning options using</u> resources provided pursuant to subdivision (4) of this subsection (b); and

(E) is documented by a personalized learning plan;.

(3) to \underline{To} create opportunities for secondary students to pursue flexible pathways to graduation that:

(A) increase aspiration and encourage postsecondary continuation of training and education;

(B) are an integral component of a student's personalized learning plan; and

(C) include:

(i) applied or work-based learning opportunities, including career and career technical education and internships;

(ii) virtual learning and blended learning;

(iii) dual enrollment opportunities as set forth in section 944 of this title;

(iv) early college programs as set forth in subsection 4011(e) of this title; and

(v) [Repealed.]

(vi) adult education and secondary credential opportunities as set forth in section 945 of this title; and.

(4) to <u>To</u> provide students, beginning no <u>not</u> later than in grade 7 <u>seven</u>, with career development and postsecondary planning resources to ensure that they are able to take full advantage of the opportunities available within the flexible pathways to graduation and to achieve their career and postsecondary education and training goals. <u>Resources provided pursuant to this subdivision</u> shall include information regarding the admissions process and requirements necessary to proceed with any and all military-related opportunities.

(c) Nothing in this subchapter shall be construed as discouraging or limiting the authority of any school district to develop or continue to provide educational opportunities for its students that are otherwise permitted, including the provision of Advanced Placement courses.

(d) An individual entitlement or private right of action shall not arise from creation of a personalized learning plan.

* * * Secretary of Education Search * * *

Sec. 9. 3 V.S.A. § 2702 is amended to read:

§ 2702. SECRETARY OF EDUCATION

(a) With the advice and consent of the Senate, the Governor shall appoint a Secretary of Education from among no <u>not</u> fewer than three candidates proposed by the State Board of Education. The Secretary shall serve at the pleasure of the Governor.

(1) Not later than 30 days after public notification of a vacancy or anticipated vacancy in the position of Secretary of Education, the Governor

shall send a letter to the Chair of the State Board of Education asking the Board to initiate the candidate selection process for a new Secretary of Education. The Governor's letter shall include direction as to the Governor's preferred candidate qualifications and experience.

(2) The State Board shall begin a national search process not later than 60 days after receipt of a letter from the Governor issued pursuant to subdivision (1) of this subsection.

(3) The State Board may request from the Agency of Education the funds necessary to utilize outside resources for the search process required pursuant to this subsection.

(b) The Secretary shall report directly to the Governor and shall be a member of the Governor's Cabinet.

(c) At the time of appointment, the Secretary shall have expertise in education management and policy and demonstrated leadership and management abilities.

* * * Supplemental Reading Instruction * * *

Sec. 10. 16 V.S.A. § 2903 is amended to read:

§ 2903. PREVENTING EARLY SCHOOL FAILURE; READING INSTRUCTION FOUNDATION FOR LITERACY

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

* * *

(c) Reading instruction. A public school or approved independent school that is eligible to receive public tuition that offers instruction in grades kindergarten, one, two, or three shall provide systematic and explicit evidence-based reading instruction to all students. In addition, such for students in grades kindergarten through 12, public schools and approved independent schools that are eligible to receive public tuition shall provide supplemental

reading instruction to any enrolled student whose reading proficiency falls <u>significantly</u> below proficiency standards for the student's grade level or whose reading proficiency prevents progress in school. Schools shall provide support and information to the parents and legal guardians of such students regarding the student's current level of reading proficiency, which shall be based on valid and reliable assessments.

* * * Vermont National Guard Tuition Benefit Program * * *

Sec. 11. 16 V.S.A. § 2857 is amended to read:

§ 2857. VERMONT NATIONAL GUARD TUITION BENEFIT PROGRAM

(a) Program creation. The Vermont National Guard Tuition Benefit Program (Program) is created, under which a member of the Vermont National Guard (member) who meets the eligibility requirements in subsection (c) of this section is entitled to the following tuition benefit for up to full-time attendance:

(1) For courses at any Vermont State College institution or the University of Vermont and State Agricultural College (UVM), the benefit shall be the in-state residence tuition rate for the relevant institution.

(2) For courses at any eligible Vermont private postsecondary institution, the benefit shall be the in-state tuition rate charged by UVM.

(3) For courses at an eligible training institution offering nondegree, certificate training, or continuing education programs, the benefit shall be the lower of the institution's standard tuition or the in-state tuition rate charged by UVM.

(4) For courses at a non-Vermont approved postsecondary education institution approved for federal Title IV funding where the degree program is not available in Vermont, the benefit shall be the in-state tuition rate charged by UVM.

(b) Tuition benefit.

(1) The tuition benefit provided under the Program shall be paid on behalf of the member by the Vermont Student Assistance Corporation (VSAC), subject to the appropriation of funds by the General Assembly specifically for this purpose. An eligible Vermont postsecondary institution that accepts or receives the tuition benefit on behalf of a member shall charge the member the tuition rate for an in-state student. The amount of tuition for a member who attends an educational institution under the Program on less than a full-time basis shall be reduced to reflect the member's course load in a manner determined by VSAC under subdivision (f)(1) of this section.

(2) The tuition benefit shall be conditioned upon the member's executing a promissory note obligating the member to repay the member's tuition benefit, in whole or in part, if the member fails to complete the period of Vermont National Guard service required in subsection (d) of this section, or if the member's benefit is terminated pursuant to subdivision (e)(1) of this section.

(c) Eligibility.

(1) To be eligible for the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(A) be an active member of the Vermont National Guard;

(B) have successfully completed basic training;

(C) be enrolled:

(i) at UVM, a Vermont State College, or any other college or university located in Vermont in a program that leads to an undergraduate certificate or, an undergraduate degree, or <u>a graduate degree</u>;

(ii) at an eligible training institution in a program that leads to a certificate or other credential recognized by VSAC; or

(iii) at a non-Vermont approved postsecondary education institution approved for Title IV funding only when the degree program is not available in Vermont;

(D) have not previously earned an undergraduate bachelor's degree; [Repealed.]

(E) continually demonstrate satisfactory academic progress as determined by criteria established by the Vermont National Guard and VSAC, in consultation with the educational institution at which the individual is enrolled under the Program;

(F) have used available post-September 11, 2001 tuition benefits and other federally funded military tuition assistance; provided, however, that this subdivision shall not apply to:

(i) tuition benefits and other federally funded military tuition assistance for which the individual has not yet earned the full amount of the benefit or tuition;

(ii) Montgomery GI Bill benefits;

(iii) post-September 11, 2001 educational program housing allowances;

- (iv) federal educational entitlements;
- (v) National Guard scholarship grants;
- (vi) loans under section 2856 of this title; and
- (vii) other nontuition benefits; and

(G) have submitted a statement of good standing to VSAC signed by the individual's commanding officer within 30 days prior to the beginning of each semester.

(2) An individual may receive more than one undergraduate certificate, <u>undergraduate degree</u>, graduate degree, or other credential recognized by VSAC under the Program, provided that the cost of all certificates, degrees, and credentials received by the individual under the Program does not exceed <u>an amount equal to twice</u> the full-time in-state tuition rate charged by UVM for completion of an undergraduate baccalaureate degree.

(d) Service commitment.

(1) For each full academic year of attendance under the Program, a member shall be required to serve two years in the Vermont National Guard in order to receive the full tuition benefit under the Program.

(2) If a member's service with the Vermont National Guard terminates before the member fulfills this two-year service commitment, other than for good cause as determined by the Vermont National Guard, the individual shall reimburse VSAC a pro rata portion of the tuition paid under the Program pursuant to the terms of an interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(3) For members participating in the Program on a less than full-time basis, the member's service commitment shall be at the rate of one month of Vermont National Guard service commitment for each credit hour, not to exceed 12 months of service commitment for a single semester.

(e) Termination of tuition benefit.

(1) The Office of the Vermont Adjutant and Inspector General may terminate the tuition benefit provided an individual under the Program if:

(A) the individual's commanding officer revokes the statement of good standing submitted pursuant to subdivision (c)(7) of this section as a result of an investigation or disciplinary action that occurred after the statement of good standing was issued;

(B) the individual is dismissed from the educational institution in which the individual is enrolled under the Program for academic or disciplinary reasons; or

(C) the individual withdraws without good cause from the educational institution in which the individual is enrolled under the Program.

(2) If an individual's tuition benefit is terminated pursuant to subdivision (1) of this subsection, the individual shall reimburse VSAC for the tuition paid under the Program, pursuant to the terms of an interest-free reimbursement promissory note signed by the individual at the time of entering the Program; shall be responsible on a pro rata basis for the remaining tuition cost for the current semester or any courses in which the individual is currently enrolled; and shall be ineligible to receive future tuition benefits under the Program.

(3) If an individual is dismissed for academic or disciplinary reasons from any postsecondary educational institution before receiving tuition benefits under the Program, the Office of the Adjutant and Inspector General may make a determination regarding the individual's eligibility to receive tuition benefits under the Program.

(f) Adoption of policies, procedures, and guidelines.

(1) VSAC, in consultation with the Office of the Adjutant and Inspector General, shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, which shall include eligibility, application, and acceptance requirements, proration of service requirements for academic semesters or attendance periods shorter than one year, data sharing guidelines, and the criteria for determining "good cause" as used in subdivisions (d)(2) and (e)(1)(C) of this section.

(2) Each educational institution participating in the Program shall adopt policies and procedures for the enrollment of members under the Program. These policies and procedures shall be consistent with the policies, procedures, and guidelines adopted by VSAC under subdivision (1) of this subsection.

(g) Reports.

(1) On or before November 1 of each year, the President, Chancellor, or equivalent position of each educational institution that participated in the Program during the immediately preceding school year shall report to the Vermont National Guard and VSAC regarding the number of members enrolled at its institution during that school year who received tuition benefits under the Program and, to the extent available, the courses or program in which the members were enrolled. (2) On or before January 15 of each year, the Vermont National Guard and VSAC shall report these data and other relevant performance factors, including information pertaining to the achievement of the goals of this entitlement program and the costs of the Program to date, to the Governor, the House and Senate Committees on Education, and the House Committees on Appropriations and on General, Housing, and Military Affairs Government Operations and Military Affairs. The provisions of 2 V.S.A. § 20(d), expiration of reports, shall not apply to the reports to be made under this subsection

* * * Cardiac Emergency Response Plans * * *

Sec. 12. 16 V.S.A. § 1480 is amended to read:

§ 1480. EMERGENCY OPERATIONS PLANS

* * *

(d) The template maintained by the Vermont School Safety Center shall include, at a minimum, hazard-specific provisions for:

(1) acute cardiac events in schools, including protocols that address:

(A) the use and maintenance of automated external defibrillator (AED) devices;

(B) the specific steps to reduce death from cardiac arrest during school activities or within school or district facilities, which shall be consistent with nationally recognized, evidence-based standards;

(C) the appropriate use of school personnel to respond to incidents involving an individual experiencing sudden cardiac arrest or a similar lifethreatening emergency while on school grounds;

(D) implementation of AED placement and routine maintenance within each school or district facility, which shall be consistent with applicable nationally recognized, evidence-based standards, and which shall include a requirement for clearly marked and easily accessible AEDs at each athletic venue where practices or competitions are held;

(E) required staff training in CPR and AED use and practice drills regarding the cardiac response plan; and

(2) an athletic emergency action plan (AEAP) for all public or approved and recognized independent schools with an athletic department or organized athletic program. The AEAP shall detail the steps to be taken in response to a serious or life-threatening injury of a student participating in sports or other athletic activities. The AEAP established by public and independent schools pursuant to this subdivision shall be consistent with the athletic emergency action plans policy established by the Vermont Principals' Association.

Sec. 13. IMPLEMENTATION

School districts and independent schools shall have a cardiac emergency response plan developed and ready for implementation beginning in the 2026–2027 school year.

* * * Energy Performance Contracting * * *

Sec. 14. 16 V.S.A. § 3448f is amended to read:

§ 3448f. ENERGY PERFORMANCE CONTRACTING; AUTHORIZATION; STATE AID

* * *

(b) Authorization. Notwithstanding any provision of law to the contrary, a district may enter into a performance contract pursuant to this section for a period not to exceed 20 years. Cost-saving measures implemented under the contract shall comply with all State and local building codes.

(c) Selection of qualified contractor.

(1) Request for proposals. The district shall issue a request for proposals from individuals or entities interested in entering into a performance contract (who shall become the "contractor"), shall consider the proposals, and shall select a qualified contractor to engage in final contract negotiations. In developing the request for proposals and in selecting a qualified contractor, the district should make use of any assistance available from Efficiency Vermont, the School Energy Management Program of the Vermont Superintendents Association, and other similar entities. Factors to be considered in the final selection shall include contract terms, comprehensiveness of the proposal, comprehensiveness of cost-saving measures, experience of the contractor, quality of technical approach, and overall benefits to the district.

(2) Financial grade audit. The person selected pursuant to this subsection shall prepare a financial grade energy audit that, upon acceptance by the district, shall be part of the final performance contract executed with the district. If after preparation of the financial grade energy audit the district decides not to execute a performance contract with the contractor, the district shall pay the qualified contractor for costs incurred in preparing the financial grade energy audit. If, however, the district decides to execute a performance contract with the contractor, the costs of the financial grade energy audit shall be part of the costs of the performance contract.

(3) Voter approval of proposed performance contract. If the terms of the proposed performance contract permit the district to make payments to the contractor over a period of time exceeding 10 years, then the district shall not enter into a final performance contract until it receives approval from the electorate to do so. [Repealed.]

* * *

* * * School Library Material Selection Procedures * * *

Sec. 15. 16 V.S.A. § 1624 is amended to read:

§ 1624. SCHOOL LIBRARY MATERIAL SELECTION POLICY

(a) Each school board and each approved independent school shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title a library material selection policy and. Each superintendent and head of school of an approved independent school shall develop and implement procedures for the reconsideration and retention of materials. The policy and procedures shall affirm the importance of intellectual freedom and be guided by the First Amendment to the U.S. Constitution, the Civil Rights Act of 1964, Vermont laws prohibiting discrimination in places of public accommodation, the 2004 American Library Association's Freedom to Read Statement, Vermont's the 2024 Vermont Freedom to Read Statement, and reflect Vermont's diverse people and history, including diversity of race, ethnicity, sex, gender identity, sexual orientation, disability status, religion, and political beliefs.

* * *

* * * Exception to Moratorium on New Approved Independent Schools * * *

Sec. 16. 2023 Acts and Resolves No. 78, Sec. E.511.1 is amended to read:

Sec. E.511.1 MORATORIUM ON APPROVAL OF NEW APPROVED INDEPENDENT SCHOOLS

(a) Notwithstanding any provision of law to the contrary, the State Board of Education shall be prohibited from approving an application for initial approval of an approved independent school until further direction by the General Assembly.

(b) Notwithstanding subsection (a) of this section, a change in either tax status or conversion to a nonprofit organization by a therapeutic approved independent school, absent any other changes, shall not effect the approval status of the school.

* * * Cell Phone and Social Media Use in Schools * * *

Sec. 17. 16 V.S.A. chapter 9, subchapter 7 is added to read:

Subchapter 7. Cell Phone, Personal Electronic Device, and Social Media Use in Schools

§ 581. INTENT

It is the intent of the General Assembly for all students in Vermont to access the benefits of a phone- and social media-free school environment, which promotes focus, improved mental health, and increased social cohesion.

§ 582. DEFINITIONS

As used in this subchapter:

(1) "Cell phone" means any device capable of using cellular technology to facilitate voice service through a commercial telecommunications company, regardless of whether the device can access internet services and electronic mail.

(2) "Individualized health care plan" means a written document developed by a school nurse, in collaboration with parents, students, and other relevant professionals, to outline specific health care needs and management strategies tailored to the unique health condition of a student.

(3) "Parent" means a parent of a student and includes legal guardians who are legally authorized to make education decisions for the student.

(4) "School" means any public school, approved independent school, or career and technical education center located in Vermont.

(5) "Student" means an individual currently enrolled in or registered at a school located in Vermont, as defined under subdivision (4) of this section.

§ 583. STUDENT USE OF CELL PHONES AND PERSONAL ELECTRONIC DEVICES IN SCHOOLS

(a) Model policy.

(1) The Secretary of Education, in consultation with the Vermont School Boards Association, the Vermont Independent School Association, and a representative from the Vermont Coalition for Phone and Social Media Free Schools, shall develop, and review at least annually, a policy to, subject to the exceptions in subdivision (2) of this subsection, prohibit student use of cell phones and non-school-issued personal electronic devices that connect to cellular networks, the internet, or have wireless capabilities at school from arrival to dismissal. (2) The model policy shall provide exceptions for students to use a cell phone or personal electronic device if such use is:

(A) required as part of a student's individualized health care plan, individualized education program, or 504 plan, which shall be documented according to applicable State and federal law; provided, however, that if such use is required to meet an international student's special education needs or as part of a disability accommodation, and the international student does not have an individualized education program or 504 plan, the need for such use shall be documented in a manner the school deems appropriate;

(B) approved by an administrator for an academic, school-sponsored athletic, or co-curricular purpose, for the most limited use reasonably possible; or

(C) required for compliance with the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11431–11435.

(b) Policy adoption.

(1) Beginning with the 2026–2027 school year, each school board shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title a student cell phone and personal electronic device use policy that shall be at least as stringent as the model policy developed by the Secretary. Any school board that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Secretary.

(2) Beginning with the 2026–2027 school year, each approved independent school shall develop, adopt, and ensure the enforcement of a student cell phone and personal electronic device use policy that shall be at least as stringent as the model policy developed by the Secretary. Any approved independent school that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Secretary.

§ 584. USE OF SOCIAL MEDIA PLATFORMS IN EDUCATION

Schools, school districts, and supervisory unions shall be prohibited from:

(1) utilizing social media for communication with students directly unless the program or platform is approved for such communication by the school district or independent school; provided, however, that any approved communication program or platform shall allow school officials to archive all communications and prevent all communications from being edited or deleted once a communication has been sent; and (2) requiring students to use social media for out-of-school academic work, school sports, extracurricular clubs, or any other out-of-school school-sponsored activities.

Sec. 18. CELL PHONE AND PERSONAL ELECTRONIC DEVICE POLICY IMPLEMENTATION

(a) On or before January 1, 2026, the Agency of Education shall develop and publish a model student cell phone and personal electronic device use policy pursuant to Sec. 2 of this act.

(b) On or before July 1, 2026, school boards and approved independent schools shall adopt student cell phone and personal electronic device use policies as required pursuant to Sec. 2 of this act, to be effective in the 2026–2027 school year.

* * * CTE Attendance Outside Service Region * * *

Sec. 18a. STUDENTS ATTENDING A CTE CENTER OUTSIDE THEIR SERVICE REGION

(a) As used in this section:

(1) "Receiving district" means a school district receiving tuition on behalf of a student to whom it provides career technical education.

(2) "Sending district" means a school district paying tuition on behalf of a student to a school district that provides CTE courses.

(b) Secondary students may apply for enrollment into programs offered at CTE centers outside their service region when the center in their service region does not offer the program in which they wish to enroll or they are not able to enroll in the program of their choice. The school district of the students' residence shall pay tuition for that enrollment pursuant to an agreement between the sending district and the receiving district that specifies how costs for such enrollments shall be covered.

(c) Beginning in the 2025–2026 school year, a regional CTE center may provide transportation to and from the technical center for students residing outside the technical center's service region if the student is attending pursuant to subsection (b) of this section.

(d) Any changes in the tuition charged by a career and technical center due to the acceptance of students residing outside of the CTE center's service region shall be reconciled through the tuition reconciliation process outlined in State Board of Education rule 2393, Agency of Education, Career and Technical Education State Board Regulations (22-000-007). (e) A school district that maintains a secondary school shall provide the requested directory information of enrolled students to a CTE center located outside the school district's assigned CTE service region, for the limited purpose of the CTE center providing information to students and their parents about CTE center offerings in the following situations:

(1) the school district's assigned CTE center has a waitlist for enrollment;

(2) students were denied entry to their assigned CTE center or a program operated by their assigned CTE center; or

(3) when a student has interest in a program not offered at the student's assigned CTE center.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) Secs. 8 (military-related postsecondary opportunities) and 13 (cardiac emergency response plans implementation) shall take effect on July 1, 2025.

(b) Sec. 12 (16 V.S.A. § 1480(d)) shall take effect on July 1, 2026.

(c) This section and the remainder of this act shall take effect on passage

Amendment to be offered by Reps. McCann of Montpelier and Waszazak of Barre City to H. 480

That the House concur in the Senate proposal of amendment with further proposal of amendment thereto as follows:

<u>First</u>: By striking out Secs. 17 and 18 in their entireties and inserting in lieu thereof new Secs. 17 and 18 to read as follows:

Sec. 17. 16 V.S.A. chapter 9, subchapter 7 is added to read:

Subchapter 7. Cell Phone and Social Media Use in Schools

§ 581. INTENT

It is the intent of the General Assembly for all students in Vermont to access the benefits of a phone- and social media-free school environment, which promotes focus, improved mental health, and increased social cohesion.

§ 582. DEFINITIONS

As used in this subchapter:

(1) "Cell phone" means any device capable of using cellular technology to facilitate voice service through a commercial telecommunications company, regardless of whether the device can access internet services and email. (2) "Individualized health care plan" means a written document developed by a school nurse, in collaboration with parents, students, and other relevant professionals, to outline specific health care needs and management strategies tailored to the unique health condition of a student.

(3) "Parent" means a parent of a student and includes legal guardians who are legally authorized to make education decisions for the student.

(4) "School" means any public school, approved independent school, or career and technical education center located in Vermont.

(5) "Student" means an individual currently enrolled in or registered at a school located in Vermont, as defined under subdivision (4) of this section.

§ 583. STUDENT USE OF CELL PHONES IN SCHOOLS

(a) Model policy.

(1) The Secretary of Education, in consultation with the Vermont School Boards Association, the Vermont Independent School Association, and a representative from the Vermont Coalition for Phone and Social Media Free Schools, shall develop, and review at least annually, a policy to, subject to the exceptions in subdivision (2) of this subsection, prohibit student use of cell phones from arrival to dismissal.

(2) The model policy shall provide exceptions for students to use a cell phone if such use is:

(A) required as part of a student's individualized health care plan, individualized education program, or 504 plan, which shall be documented according to applicable State and federal law; provided, however, that if such use is required to meet an international student's special education needs or as part of a disability accommodation, and the international student does not have an individualized education program or 504 plan, the need for such use shall be documented in a manner the school deems appropriate;

(B) approved by an administrator for an academic, school-sponsored athletic, or cocurricular purpose, for the most limited use reasonably possible; or

(C) required for compliance with the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11431–11435.

(b) Policy adoption.

(1) Beginning with the 2026–2027 school year, each school board shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title a student cell phone use policy

that shall be at least as stringent as the model policy developed by the Secretary. Any school board that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Secretary.

(2) Beginning with the 2026–2027 school year, each approved independent school shall develop, adopt, and ensure the enforcement of a student cell phone use policy that shall be at least as stringent as the model policy developed by the Secretary. Any approved independent school that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Secretary.

§ 584. USE OF SOCIAL MEDIA PLATFORMS IN EDUCATION

Schools, school districts, and supervisory unions shall be prohibited from:

(1) utilizing social media for communication with students directly unless the program or platform is approved for such communication by the school district or independent school; provided, however, that any approved communication program or platform shall allow school officials to archive all communications and prevent all communications from being edited or deleted once a communication has been sent; and

(2) requiring students to use social media for out-of-school academic work, school sports, extracurricular clubs, or any other out-of-school school-sponsored activities.

Sec. 18. CELL PHONE POLICY IMPLEMENTATION

(a) On or before January 1, 2026, the Agency of Education shall develop and publish a model student cell phone use policy pursuant to Sec. 17 of this act.

(b) On or before July 1, 2026, school boards and approved independent schools shall adopt student cell phone use policies as required pursuant to Sec. 17 of this act, to be effective in the 2026–2027 school year.

Second: By adding one new section to be Sec. 17a to read as follows:

Sec. 17a. CELL PHONE USE IN SCHOOLS; FINDINGS

The General Assembly finds that requiring school staff to police students' use of personal electronic devices other than cell phones is legislative overreach and places an unnecessary strain on educators and administrators.

New Business

Favorable with Amendment

S. 23

An act relating to the use of synthetic media in elections

Rep. Waters Evans of Charlotte, for the Committee on Government Operations and Military Affairs, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 17 V.S.A. chapter 35, subchapter 4 is added to read:

Subchapter 4. Use of Synthetic Media in Elections

§ 2031. DEFINITIONS

As used in this subchapter:

(1) "Deceptive and fraudulent synthetic media" means synthetic media that appears to a reasonable person to be an authentic recording of a political candidate saying or doing something that injures the reputation of the candidate or that attempts to unduly influence the outcome of an election.

(2) "Synthetic media" means an image, an audio recording, or a video recording of a political candidate's appearance, speech, or conduct that has been created or intentionally manipulated with the use of digital technology, including artificial intelligence, without the consent of the candidate.

§ 2032. DISCLOSURE OF A DECEPTIVE AND FRAUDULENT

SYNTHETIC MEDIA

(a) Disclosure. A person shall not, within 90 days before an election in Vermont, publish, communicate, or otherwise distribute synthetic media that the person knows is deceptive and fraudulent synthetic media unless the person includes a disclosure in the synthetic media stating: "This media has been created or intentionally manipulated by digital technology or artificial intelligence."

(1) For deceptive and fraudulent synthetic media consisting of images and video recordings, the text of the disclosure shall appear in a size that is easily readable by the average viewer. For video recordings, the disclosure shall appear for the full duration of the video recording.

(2) For deceptive and fraudulent synthetic media consisting of audio recordings only, the disclosure shall be read in a clearly spoken manner and in a pitch and pace that can be easily heard by the average listener, at the beginning of the audio recording, at the end of the audio recording, and, if the audio is greater than two minutes in length, interspersed within the audio recording at intervals of not greater than two minutes each.

(b) Exceptions. Subsection (a) of this section shall not apply to:

(1) a radio or television broadcasting station, including a cable or satellite television operator, programmer, or producer, or to a website, streaming platform, or mobile application, that:

(A) broadcasts deceptive and fraudulent synthetic media as part of a bona fide newscast, news interview, news documentary, commentary of general interest, or on-the-spot coverage of bona fide news events, so long as the broadcast clearly acknowledges through content or a disclosure, in a manner that can be easily heard or read by the average listener or viewer, that there are questions about the authenticity of the deceptive and fraudulent synthetic media;

(B) is paid to broadcast deceptive and fraudulent synthetic media; or

(C) is required by federal law to broadcast advertisements from legally qualified candidates;

(2) a website or a regularly published newspaper, magazine, or other periodical of general circulation, including an internet or electronic publication, that routinely carries news and commentary of general interest, and that publishes deceptive and fraudulent synthetic media, if the publication clearly states that the deceptive and fraudulent synthetic media does not accurately represent the speech or conduct of the represented individual;

(3) a person that produces or distributes deceptive and fraudulent synthetic media constituting satire or parody;

(4) a provider of a telecommunications service or information service, as those terms are defined in the Communications Act of 1934, 47 U.S.C. § 153, for content provided by another person; or

(5) a provider of an interactive computer service, as defined in 47 U.S.C. § 230, for content provided by another person.

§ 2033. PENALTIES

(a) A person that knowingly and intentionally violates a provision of this subchapter shall be fined not more than \$1,000.00, unless:

(1) the person commits the violation with the intent to cause violence or bodily harm, in which case the fine shall be not more than \$5,000.00;

(2) the person commits the violation within five years after one or more prior violations under this section, in which case the fine shall be not more than 10,000.00; or

(3) the person commits the violation with the intent to cause violence or bodily harm and the person commits the violation within five years after one or more prior violations under this section, in which case the fine shall be not more than \$15,000.00.

(b) A candidate whose appearance, speech, conduct, or environment is misrepresented through the use of deceptive and fraudulent synthetic media in violation of section 2032 of this title may seek injunctive or other equitable relief prohibiting the publication, communication, or other distribution of such deceptive and fraudulent synthetic media.

Sec. 2. 17 V.S.A. chapter 35, subchapter 5 is added to read:

Subchapter 5. Enforcement and Investigation

§ 2041. ENFORCEMENT

In addition to the other remedies provided in this chapter, a State's Attorney or the Attorney General may institute any appropriate action, injunction, or other proceeding to prevent, restrain, correct, or abate any violation of this chapter.

§ 2042. CIVIL INVESTIGATIONS

(a)(1) The Attorney General or a State's Attorney, whenever there is reason to believe any person to be or to have been in violation of this chapter, may examine or cause to be examined by any designated agent or representative any books, records, papers, memoranda, or physical objects of any nature bearing upon each alleged violation and may demand written responses under oath to questions bearing upon each alleged violation.

(2) The Attorney General or a State's Attorney may require the attendance of such person or of any other person having knowledge in the premises in the county where such person resides or has a place of business or in Washington County if such person is a nonresident or has no place of business within the State and may take testimony and require proof material for that person's information and may administer oaths or take acknowledgment in respect of any book, record, paper, or memorandum.

(3) The Attorney General or a State's Attorney shall serve notice of the time, place, and cause of such examination or attendance or notice of the cause of the demand for written responses personally or by certified mail upon such person at that person's principal place of business or, if such place is not

known, to that person's known address. Such notice shall include a statement that a knowing and intentional violation of this chapter is subject to criminal prosecution.

(4) Any book, record, paper, memorandum, or other information produced by any person pursuant to this section shall not, unless otherwise ordered by a court of this State for good cause shown, be disclosed to any person other than the authorized agent or representative of the Attorney General or a State's Attorney or another law enforcement officer engaged in legitimate law enforcement activities unless with the consent of the person producing the same, except that any transcript of oral testimony, written responses, documents, or other information produced pursuant to this section may be used in the enforcement of this chapter, including in connection with any civil action brought under this subchapter or subsection (c) of this section.

(5) Nothing in this subsection is intended to prevent the Attorney General or a State's Attorney from disclosing the results of an investigation conducted under this section, including the grounds for the decision as to whether to bring an enforcement action alleging a violation of this chapter or of any rule made pursuant to this chapter.

(6) This subsection shall not be applicable to any criminal investigation or prosecution brought under the laws of this or any state.

(b)(1) A person upon whom a notice is served pursuant to the provisions of this section shall comply with its terms unless otherwise provided by the order of a court of this State.

(2) Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under this section, removes from any place; conceals, withholds, or destroys; or mutilates, alters, or by any other means falsifies any documentary material in the possession, custody, or control of any person subject to such notice or mistakes or conceals any information shall be fined not more than \$5,000.00.

(c)(1) Whenever any person fails to comply with any notice served upon that person under this section or whenever satisfactory copying or reproduction of any such material cannot be done and the person refuses to surrender the material, the Attorney General or a State's Attorney may file, in the Superior Court in the county in which the person resides or of that person's principal place of business or in Washington County if the person is a nonresident or has no principal place of business in this State, and serve upon the person a petition for an order of the court for the enforcement of this section. (2) Whenever any petition is filed under this section, the court shall have jurisdiction to hear and determine the matter so presented and to enter any order or orders as may be required to carry into effect the provisions of this section. Any disobedience of any order entered under this section by any court shall be punished as a contempt of the court.

(d) Any person aggrieved by a civil investigation conducted under this section may seek relief from Washington Superior Court or the Superior Court in the county in which the aggrieved person resides. Except for cases the court considers to be of greater importance, proceedings before Superior Court as authorized by this section shall take precedence on the docket over all other cases.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-4-1)

Amendment to be offered by Rep. Waters Evans of Charlotte to the report of the Committee on Government Operations and Military Affairs on S. 23

That the report of the Committee on Government Operations and Military Affairs be amended in Sec. 1, 17 V.S.A. chapter 35, subchapter 4, in section 2031, by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) "Deceptive and fraudulent synthetic media" means synthetic media that appears to a reasonable person to be an authentic representation of a political candidate and that injures the reputation of the candidate or attempts to unduly influence the outcome of an election.

Senate Proposal of Amendment

H. 321

An act relating to miscellaneous cannabis amendments

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. 7 V.S.A. § 832 is amended to read:

§ 832. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO SEIZURE AND FORFEITURE

Cannabis possessed unlawfully in violation of this title <u>or administrative</u> <u>rules adopted pursuant to this title</u> may be seized by law enforcement and is subject to forfeiture.

Sec. 2. 7 V.S.A. § 844 is amended to read:

§ 844. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

(a) The Board shall establish a user agreement with the Vermont Crime Information Center in accordance with 20 V.S.A. chapter 117 for the purpose of obtaining Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation as required by chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title.

(b) A fingerprint-based state and national criminal history record check shall be conducted for each natural person prior to being issued a cannabis establishment identification card pursuant to chapter 33 (cannabis establishments) of this title or a medical cannabis dispensary identification card pursuant to chapter 37 (medical cannabis dispensaries) of this title. The Board may require that such record checks be completed as a condition precedent to license renewal.

Sec. 2a. [Deleted.]

Sec. 2b. 10 V.S.A. § 325u is amended to read:

§ 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

* * *

(b) Organization of Board. The Board shall be composed of:

* * *

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

(11) one member, appointed by Vermont Psychiatric Survivors; and

(12) one member, appointed by Migrant Justice.

* * *

Sec. 3. 7 V.S.A. § 861(23) is amended to read:

 $(23)(\underline{A})$ "Hemp products" or "hemp-infused products" means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts that are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth,

cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

(B) Notwithstanding subdivision (A) of this subdivision (23), "hemp products" and "hemp-infused products" do not include any substance, manufacturing intermediary, or product that:

(i) is prohibited or deemed a regulated cannabis product by administrative rule of the Cannabis Control Board; or

(ii) contains more than 0.3 percent total tetrahydrocannabinol on a dry-weight basis.

(C) A hemp-derived product or substance that is excluded from the definition of "hemp products" or "hemp-infused products" pursuant to subdivision (B) of this subdivision (23) shall be considered a cannabis product as defined by subdivision 831(3) of this title; provided, however, that a person duly licensed or registered by the Cannabis Control Board lawfully may possess such products in conformity with the person's license or hemp processor registration.

Sec. 4. 7 V.S.A. § 881 is amended to read:

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

(a) The Board shall adopt rules to implement and administer this chapter in accordance with subdivisions (1)–(8)(9) of this subsection.

(1) Rules concerning any cannabis establishment shall include:

(A) the form and content of license and renewal applications;

(B) qualifications for licensure that are directly and demonstrably related to the operation of a cannabis establishment, including:

(i) a requirement to submit an operating plan, which shall include information concerning:

(I) the type of business organization, the identity of its controlling owners and principals, and the identity of the controlling owners and principals of its affiliates; and

(II) the sources, amount, and nature of its capital, assets, and financing; the identity of its financiers; and the identity of the controlling owners and principals of its financiers;

(ii) a requirement to file an amendment to its operating plan in the event of a significant change in organization, operation, or financing; and

(iii) the requirement for a fingerprint-based criminal history record check and regulatory record check pursuant to section 883 of this title;

(C) oversight requirements, including provisions to ensure that a licensed establishment complies with State and federal regulatory requirements governing insurance, securities, workers' compensation, unemployment insurance, and occupational health and safety;

(D) inspection requirements;

(E) records to be kept by licensees and the required availability of the records;

(F) employment and training requirements;

(G) security requirements, including any appropriate lighting, physical security, video, and alarm requirements;

(H) health and safety requirements;

(I) regulation of additives to cannabis and cannabis products, including cannabidiol derived from hemp and substances that are toxic or designed to make the product more addictive, more appealing to persons under 21 years of age, or to mislead consumers;

(J) procedures for seed-to-sale traceability of cannabis, including any requirements for tracking software;

(K) regulation of the storage and transportation of cannabis;

(L) sanitary requirements;

(M) procedures for the renewal of a license, which shall allow renewal applications to be submitted up to 90 days prior to the expiration of the cannabis establishment's license;

(N) procedures for suspension and revocation of a license;

(O) requirements for banking and financial transactions, including provisions to ensure that the Board, the Department of Financial Regulation, and financial institutions have access to relevant information concerning licensed establishments to comply with State and federal regulatory requirements;

(P) disclosure or eligibility requirements for a financier, its owners and principals, and its affiliates, which may include:

(i) requirements to disclose information to a licensed establishment, the Board, or the Department of Financial Regulation;

(ii) a minimum age requirement and a requirement to conduct a background check for natural persons;

(iii) requirements to ensure that a financier complies with applicable State and federal laws governing financial institutions, licensed lenders, and other financial service providers; and

(iv) any other requirements, conditions, or limitations on the type or amount of loans or capital investments made by a financier or its affiliates, which the Board, in consultation with the Department of Financial Regulation, determines are necessary to protect the public health, safety, and general welfare;

(Q) policies and procedures for conducting outreach and promoting participation in the regulated cannabis market by diverse groups of individuals, including those who have been disproportionately harmed by cannabis prohibition;

(R) advertising and marketing; and

(S) requirements for cannabis control testing of hemp, hemp-infused products, cannabis, and cannabis products<u>; and</u>

(T) requirements and criteria governing licensee applications to change ownership, control, or location.

* * *

(5) Rules concerning retailers shall include:

* * *

(F) location or siting requirements that increase the geographic distribution of new cannabis retail establishments based on <u>regional</u> population and, market needs, and community input; and

* * *

(9) Rules concerning trim and harvest services shall include:

(A) requirements for verification of the licenses of clients;

(B) essential content and permissible terms of written service contracts, including provisions for security and diversion prevention;

(C) provisions to ensure safe and lawful transportation and lodging of travelling personnel;

(D) essential content of employee health, safety, and skills training, including first aid and recognition of common pests and pathogens;

(E) requirements appropriate to minimize the risk of pest and pathogen transmission; and

(F) procedures for documenting lawful compensation.

* * *

Sec. 5. 7 V.S.A. § 883 is amended to read:

§ 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

(a) The Board shall obtain from the Vermont Crime Information Center a copy of a fingerprint-based Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation for each license applicant, principal of an applicant, and person who controls an applicant who is a natural person. <u>Checks may be repeated for good cause or with prudent frequency as determined by the Board</u>.

(b) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license because of his or her the applicant's criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Notwithstanding subsection (a) of this section <u>or subsection 844(b) of</u> <u>this title</u>, if required records are not reasonably available to the Board due to <u>circumstances beyond its control</u>, with the consent of the applicant, the Board may accept third-party criminal background checks submitted by an applicant for a cannabis establishment license or renewal in lieu of obtaining the records from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation from a reputable commercial provider. Any such third-party background check shall:

(1) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act; and

(2) include a multistate and multi-jurisdiction <u>multijurisdiction</u> criminal record locator. <u>Consumer credit scores shall not be a basis for license denial.</u>

Sec. 6. 7 V.S.A. § 884 is amended to read:

§ 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

(a) Every owner, principal, and employee of a cannabis establishment shall obtain an identification card issued by the Board. A person may apply for an identification card prior to obtaining employment with a licensee. An employee identification card shall authorize the person to work for any licensee.

(b)(1)(A) Prior to issuing the identification card to an owner or principal of a cannabis establishment, the Board shall obtain from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.

(B) Prior to issuing the identification card to an employee of a cannabis establishment, the Board shall obtain a copy of a fingerprint-based identity history summary record from the Federal Bureau of Investigation.

(2) The Board shall adopt rules that set forth standards for determining whether a person should be denied a cannabis establishment identification card because of his or her the person's criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Once an identification card application has been submitted, a person the Board, for good cause, may serve issue a temporary permit authorizing the applicant to serve as an employee of a cannabis establishment pending the background check, provided the person is supervised in his or her duties by someone who is a cardholder. The Board shall issue a temporary permit to the person for this purpose, which shall expire upon the issuance of the identification card or disqualification of the person in accordance with this section Good cause exists if, among other reasons, the application is reasonably expected to take more than 12 days to process.

(d) An identification card shall expire one year after its issuance or, in the case of owners and principals, upon the expiration of the cannabis establishment's license, whichever occurs first.

Sec. 7. 7 V.S.A. § 886 is added to read:

<u>§ 886. INCAPACITY OR DISTRESS; SPECIAL PERMITTING;</u> <u>IMMUNITY</u>

(a) It is the purpose of this section to authorize the Board to effectively oversee cannabis establishments and the persons authorized to operate such establishments in case of incapacity of a principal, dysfunction, operating distress, interruption in licensure, abrupt closure, or judicial intervention including receivership.

(b) The Board may issue a special permit temporarily authorizing a licensed or unlicensed designee of suitable ability and judgment to temporarily operate a cannabis establishment, or to possess, transport, or dispose of cannabis and cannabis products, as specified by the terms of the permit. The permit shall be printed on official Board letterhead, bear the signature of the Chair of the Board, state clearly a means of prompt authentication by law enforcement and licensees, and specify start and end dates and times. A person's eligibility for a permit under this subsection shall not be limited by subdivision 901(d)(3) of this title.

(c) A person acting in conformity with the terms and scope of a special permit issued pursuant to subsection (b) of this section shall be immune from civil and criminal liability in relation to possession, transportation, or transfer of cannabis within the borders of this State. The Board shall not be liable for economic losses resulting from forfeiture, seizure, sequestration, sale stoppage, transportation, storage, or destruction of cannabis or cannabis products.

(d) If appropriate to facilitate judicial proceedings involving a cannabis establishment or its principals, including an action for receivership, a State court of competent jurisdiction may request that the Board determine whether a person is suited by background and qualifications to hold a special permit issued pursuant to subsection (b) of this section for a purpose specified by the court. In the alternative, the court may ask that the Board recommend such person.

Sec. 8. 7 V.S.A. § 901 is amended to read:

§ 901. GENERAL PROVISIONS

(a) Except as otherwise permitted by law, a person shall not engage in the cultivation, preparation, processing, packaging, transportation, testing, or sale of cannabis or cannabis products without obtaining a license from the Board.

(b) All licenses shall be valid for one year and expire at midnight on the eve of the anniversary of the date the license was issued. A licensee may apply to renew the license annually.

(c) Applications for licenses and renewals shall be submitted on forms provided by the Board and shall be accompanied by the fees provided for in section 910 of this title.

(d)(1) There shall be seven <u>eight</u> types of licenses available:

(A) a cultivator license;

(B) a propagator license;

(C) a wholesaler license;

(D) a product manufacturer license;

(E) a retailer license;

(F) a testing laboratory license; and

(G) a trim and harvest service license; and

(H) an integrated license.

(2)(A) The Board shall develop tiers for:

(i) cultivator licenses based on the plant canopy size of the cultivation operation or plant count for breeding stock; and

(ii) retailer licenses.

(B) The Board may develop tiers for other types of licenses.

(3)(A) Except as provided in subdivisions (B) and (C) of this subdivision (3), an applicant and its affiliates may obtain a maximum of one type of each type of license as provided in subdivisions (1)(A)-(F)(G) of this subsection (d). Each license shall permit only one location of the establishment, however a trim and harvest service licensee may provide services at multiple other licensed cannabis establishments.

(B) An applicant and its affiliates that control a dispensary registered on April 1, 2022 may obtain one integrated license provided in subdivision (1)(G)(H) of this subsection (d) or a maximum of one of each type of license provided in subdivisions (1)(A)–(F) of this subsection (d). An integrated licensee may not hold a separate cultivator, propagator, wholesaler, product manufacturer, retailer, or testing laboratory license, and no applicant or its affiliates that control a dispensary shall hold more than one integrated license. An integrated license shall permit only one location for each of the types of activities permitted by the license: cultivation, propagator, wholesale operations, product manufacturing, retail sales, and testing.

(C) An applicant and its affiliates may obtain multiple testing laboratory licenses.

(e) A dispensary that obtains a retailer license or an integrated license pursuant to this chapter shall maintain the dispensary and retail operations in a manner that protects patient and caregiver privacy in accordance with rules adopted by the Board. (f) Each licensee shall obtain and maintain commercial general liability insurance in accordance with rules adopted by the Board. Failure to provide proof of insurance to the Board, as required, may result in revocation of the license.

(g) All licenses may be renewed according to procedures adopted through rulemaking by the Board.

(h) [Repealed.]

Sec. 9. 7 V.S.A. § 904 is amended to read:

§ 904. CULTIVATOR LICENSE

* * *

(d) Each cultivator shall create packaging for its cannabis.

(1) Packaging shall include:

(A) The name and registration number of the cultivator.

(B) The strain and variety of cannabis contained.

(C) The potency of the cannabis represented by the amount of tetrahydrocannabinol and cannabidiol in milligrams total and per serving.

(D) A "produced on" date reflecting the date that the cultivator finished producing the cannabis "harvested on" date reflecting the date the cultivator harvested the cannabis and a "packed on" date reflecting the date the product was packaged for sale.

(E) Appropriate warnings as prescribed by the Board in rule.

(F) Any additional requirements contained in rules adopted by the Board in accordance with this chapter. Rules shall take into consideration that different labeling requirements may be appropriate depending on whether the cannabis is sold to a wholesaler, product manufacturer, or retailer.

(2) Packaging shall not be designed to appeal to persons under 21 years of age.

* * *

Sec. 10. 7 V.S.A. § 904b is amended to read:

§ 904b. PROPAGATION CULTIVATOR LICENSE

(a) A propagation cultivator licensed under this section may:

(1) cultivate not more than 3,500 square feet of cannabis clones, immature cannabis plants, or mature cannabis plants;

(2) test, transport, and sell cannabis clones and immature cannabis plants to licensed cultivators <u>and retailers;</u> and

(3) test, transport, and sell cannabis seeds that meet the federal definition of hemp to a licensed cultivator or retailer or to the public.

(b) A licensed propagation cultivator shall not cultivate mature cannabis plants for the purpose of producing, harvesting, transferring, or selling cannabis flower for or to any person.

Sec. 11. 7 V.S.A. § 904c is added to read:

§ 904c. TRIM AND HARVEST SERVICE LICENSE

<u>A trim and harvest service licensed under this section may contract with</u> cultivators licensed under section 904 or 904a of this chapter, on a seasonal or temporary basis, to supply specified cannabis maintenance services within the scope of each client-cultivator's license.

Sec. 12. 7 V.S.A. § 910 is amended to read:

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

The following fees shall apply to each person or product licensed by the Board:

* * *

(8) <u>Trim and harvest services.</u> Trim and harvest services shall be assessed an annual licensing fee of \$500.00.

(9) Employees. Cannabis establishments licensed by the Board shall be assessed an annual licensing fee of \$50.00 for each employee. <u>The Board shall offer one-year and two-year employee licenses.</u>

(9)(10) Products. Cannabis establishments licensed by the Board shall be assessed an annual product licensing fee of \$50.00 for every type of cannabis and cannabis product that is sold in accordance with this chapter. The Board may issue longer product registrations, prorated at the same cost per year, for products it deems low risk and shelf stable. Such products may be defined and distinguished in readily accessible published guidance.

(10)(11) Local licensing fees. Cannabis establishments licensed by the Board shall be assessed an annual local licensing fee of \$100.00 in addition to each fee assessed under subdivisions (1)–(7) of this section. Local licensing fees shall be distributed to the municipality in which the cannabis establishment is located pursuant to section 846(c) of this title.

(11)(12) One-time fees Application fee.

(A) All applicants for a cannabis establishment license shall be assessed an initial one-time application fee of \$1,000.00.

(B) An applicant may choose to be assessed an initial one-time intent-to-apply fee of \$500.00. If the applicant subsequently seeks a license within one year after paying the intent-to-apply fee, the initial one-time application fee of \$1,000.00 shall be reduced by \$500.00.

Sec. 12a. CANNABIS CONTROL BOARD REPORT; PROPOSAL FOR FEES AND APPROPRIATIONS FOR FISCAL YEAR 2027

(a) On or before November 15, 2025, the Cannabis Control Board shall submit to the House Committees on Ways and Means and on Government Operations and Military Affairs and the Senate Committees on Finance and on Economic Development, Housing and General Affairs a report that includes the following information:

(1) a summary of all cannabis fees in effect in fiscal year 2026, including the amounts of revenue derived from each fee in fiscal year 2025;

(2) a projection of the fee revenues in fiscal year 2026;

(3) any available information regarding comparable fees in other jurisdictions;

(4) any polices or trends that might affect the viability of the fee amount; and

(5) a recommendation regarding how the cannabis establishment fee schedule as set forth in 7 V.S.A. § 910 may be adjusted to better promote the intent of the General Assembly to encourage participation in the regulated cannabis market by small local farmers and social equity applicants.

(b) As part of the report required under subsection (a) of this section, the Cannabis Control Board shall recommend whether a portion of the cannabis excise tax established pursuant to 32 V.S.A. § 7902 should be allocated to the Cannabis Business Development Fund for uses as provided pursuant to 7 V.S.A. § 987 and the Vermont Land Access and Opportunity Board to fulfill the duties of the Board.

Sec. 13. 32 V.S.A. § 3260 is amended to read:

§ 3260. BULK SALES

(a) Whenever a person (transferor) required to collect or withhold a trust tax pursuant to chapter 151, <u>207</u>, 225, or 233 of this title shall make any sale, transfer, long-term lease, or assignment (transfer) in bulk of any part or the whole of the assets of a business, otherwise than in the ordinary course of the

business, the purchaser, transferee or assignee (transferee) shall, at least 10 days before taking possession of the subject of the transfer or before payment therefore if earlier, notify the Commissioner in writing of the proposed sale and of the price, terms, and conditions thereof whether or not the transferor has represented to or informed the transferee that the transferor owes any trust tax pursuant to chapter 151, <u>207</u>, 225, or 233 and whether or not the transferee has knowledge that such taxes are owed, and whether any taxes are in fact owed.

(b) Whenever the transferee shall fail to give notice to the Commissioner as required by subsection (a) of this section, or whenever the Commissioner shall inform the transferee that a possible claim for tax exists, any sums of money, property, or choses in action, or other consideration, which the transferee is required to transfer over to or for the transferor, shall be subject to a first priority right and lien for any taxes theretofore or thereafter determined to be due from the transferor to the State, and the transferee is forbidden to transfer the consideration to or for the transferor to the extent of the amount of the State's claim.

(c) For failure to comply with this section, the transferee shall be personally liable for the payment to the State of any taxes theretofore or thereafter determined to be due to the State from the transferor and the liability may be assessed and enforced in the same manner as the liability for tax under chapter 151, <u>207</u>, 225, or 233.

* * *

Sec. 13a. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

As used in this chapter unless the context otherwise requires:

* * *

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

* * *

(20) "New smokeless tobacco" means any tobacco product manufactured from, derived from, or containing tobacco <u>or nicotine</u>, whether <u>natural or synthetic</u>, including nicotine alkaloids and nicotine analogs, that is not intended to be smoked, has a moisture content of less than 45 percent, or is offered in individual single-dose tablets or other discrete single-use units.

* * *

Sec. 14. 2020 Acts and Resolves No. 164, Sec. 6d, as amended by 2023 Acts and Resolves No. 3, Sec. 90, is further amended to read:

Sec. 6d. [Deleted.]

Sec. 15. [Deleted.]

Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

(a) A licensed retail cannabis establishment in good standing with the Board may apply to the Board for a cannabis showcase event permit. Multiple retailers may apply and be granted permission to participate in each event, but the Board shall allow not more than five events between July 1, 2025 and December 31, 2026, and such events shall be issued in geographically dispersed locations.

(b) A permit issued under this section shall authorize the recipient to coordinate, oversee, and be the responsible administrator of a single, defined commercial event, held at a defined access-controlled location, for a defined period not to exceed 24 hours, at which cannabis or cannabis products lawfully may be purchased and possessed by screened participants acting in conformity with terms set out by the Board in the issued permit.

(c) To be eligible for a cannabis showcase event permit, an applicant retail cannabis establishment shall demonstrate to the Board's satisfaction:

(1) written approval to pursue a permit in the proposed location, from the cannabis control commission created by the municipality pursuant to 7 V.S.A. § 863, if one exists, or from the local legislative body or designee;

(2) partnership with a minimum of three tier 1 or tier 2 licensed cultivators or product manufacturers that are in good standing with the Board and wholly independent of the retail cannabis establishment and its affiliates who will be showcased at the event;

(3) a commitment that the retailer will not offer for sale any cannabis or cannabis products produced from a cultivator license or product manufacturer license held by the retailer; (4) a transparent revenue-sharing agreement that, in the Board's sole judgment, meaningfully promotes the goals of the General Assembly to promote market access for small cultivators;

(5) a security plan to ensure intoxicated persons or persons under 21 years of age cannot access the space subject to the permit, that the premises are secured from diversion or inversion, and that the premises lawfully may be used for the purpose intended;

(6) a product sale plan that describes quantities and types of cannabis and cannabis products that will be offered for sale and explains how they will be transported to the site, monitored, secured, displayed, and sold in conformity with State law and Board rule;

(7) actual capacity and intent to administer and enforce and apply the required plans;

(8) proof of commercially reasonable insurance for the proposed event; and

(9) compliance with such other requirements as the Board may prescribe.

(d) Deviation from security and sales plans, product tracking and taxation requirements, or permit terms shall be a violation subject to adverse licensing action consistent with Board rules.

(e) Permittee cannabis establishments shall be assessed a fee of \$250.00 to apply for a Cannabis Showcase Event Permit of which 50 percent shall be distributed to the host municipality and 50 percent shall be deposited in the Cannabis Regulation Fund.

(f) The Board shall prioritize social equity applicants, as defined by 7 V.S.A. § 911 and any related rules, when deciding whether to approve an application under this section.

Sec 15b. CANNABIS RETAIL SALES REPORT

The Cannabis Control Board shall monitor and evaluate events authorized under Sec. 15a of this act. On or before January 15, 2026, the Board shall provide an interim report and, on or before January 15, 2027, a final report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs on a concise assessment of the benefits, challenges, and administrative viability of offering cannabis retail sales at events outside the confines of a retail cannabis establishment. The Board may recommend best practices for, among other considerations, security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators.

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2025.

Amendment to be offered by Rep. Birong of Vergennes to H. 321

That the House concur in the Senate proposal of amendment with further proposal of amendment thereto as follows:

<u>First</u>: By striking out Sec. 4, 7 V.S.A. § 881, in its entirety and inserting in lieu thereof the following:

Sec. 4. [Deleted.]

Second: By striking out Sec. 8, 7 V.S.A. § 901, in its entirety and inserting in lieu thereof the following:

Sec. 8. [Deleted.]

<u>Third</u>: By striking out Sec. 11, 7 V.S.A. § 904c, in its entirety and inserting in lieu thereof the following:

Sec. 11. [Deleted.]

<u>Fourth</u>: By striking out Sec. 12, 7 V.S.A. § 910, in its entirety and inserting in lieu thereof the following:

Sec. 12. [Deleted.]

H. 484

An act relating to miscellaneous agricultural subjects

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:

* * * Beneficial Substances * * *

Sec. 1. 6 V.S.A. chapter 28 is amended to read:

CHAPTER 28. FERTILIZER AND, LIME, AND BENEFICIAL SUBSTANCES

§ 361. TITLE

This chapter shall be known as the "Fertilizer, Lime, Plant Amendment, Plant Biostimulant, and Soil Amendment and Beneficial Substances Law."

§ 362. ENFORCING OFFICIAL

This chapter shall be administered by the Secretary of Agriculture, Food and Markets or designee, hereafter referred to as the Secretary.

§ 363. DEFINITIONS

As used in this chapter:

(1) "Agricultural lime" or "agricultural liming material" or "lime" means one or more of the following:

(A) All products with calcium and magnesium compounds that are capable of neutralizing soil acidity and that are intended, sold, or offered for sale for agricultural or plant propagation purposes.

(B) Limestone consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.

(C) Industrial waste or industrial by-products byproducts that contain calcium; calcium and magnesium; or calcium, magnesium, and potassium in forms that are capable of neutralizing soil acidity and that are intended, sold, or offered for sale for agricultural purposes. For the purposes of this chapter, the terms "agricultural lime," "lime," and "agricultural liming material" shall have the same meaning.

(2) <u>"Beneficial substance" means any substance or compound, other</u> than primary, secondary, and micro plant nutrients (fertilizers), and excluding pesticides, that can be demonstrated by scientific research to be beneficial to one or more species of plants, soil, or media. Beneficial substances include plant amendments, plant biostimulants, plant inoculants, soil amendments, soil inoculants, and other chemical or biological substances beneficial to plants or their growing environment.

(3) "Brand" means a term, design, or trademark used in connection with one or more grades or formulas of fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime.

(3)(4) "Distribute" means to import, consign, manufacture, produce, compound, mix, blend, offer for sale, sell, barter, or supply a fertilizer, a plant amendment, a plant biostimulant, a soil amendment <u>a beneficial substance</u>, or lime in this State through any means, including sales outlets, catalogues, the telephone, the internet, or any electronic means.

(4)(5) "Distributor" means any person who distributes fertilizer, plant amendment, plant biostimulant, soil amendments beneficial substance, or lime.

(5)(6) "Exceptional quality biosolid" means a product derived in whole or in part from domestic wastes that have been subjected to and meet the requirements of the following:

(A) a pathogen reduction process established in 40 C.F.R. § 503.32(a)(3), (4), (7), or (8);

(B) one of the vector attraction reduction standards established in 40 C.F.R. § 503.33;

(C) the contaminant concentration limits in Vermont Solid Waste Rules 6-1303(a)(1); and

(D) if derived from a composting process, Vermont Solid Waste Rules \S 6-1303(a)(5).

(6)(7) "Fertilizer" means any substance containing one or more recognized plant nutrients that is used for its plant nutrient content and that is designed for use or claimed to have value in promoting plant growth or health, except unprocessed animal or vegetable manures and other products exempted by the Secretary.

(A) A fertilizer material is a substance that either:

(i) contains important quantities of at least one of the primary plant nutrients: nitrogen, phosphorus, or potassium;

(ii) has 85 percent or more of its plant nutrient content present in the form of a single chemical compound; or

(iii) is derived from a plant or chemical residue or by-product byproduct or natural material deposit that has been processed in such a way that its content of plant nutrients has not been materially changed except by purification and concentration.

(B) A mixed fertilizer is a fertilizer containing any combination or mixture of fertilizer materials.

(C) A specialty fertilizer is a fertilizer distributed for nonfarm use.

(D) A bulk fertilizer is a fertilizer distributed in a nonpackaged form.

(7)(8) "Formulation" means a material or mixture of materials prepared according to a particular formula.

(8)(9) "Grade" means the percentage of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or potash stated in whole numbers in the same terms, order, or percentages as in the guaranteed analysis. Specialty fertilizers and fertilizer materials may be guaranteed in

fractional terms. Any grade expressed in fractional terms that is not preceded by a whole number shall be preceded by zero.

(9)(10) "Guaranteed analysis" means:

(A) in reference to fertilizer, the minimum percentages of plant nutrients claimed by the manufacturer or producer of the product in the following order and form: nitrogen, phosphorus, and potash; and

(B) in reference to agricultural lime or agricultural liming material, the minimum percentages of calcium oxide and magnesium oxide or calcium carbonate and the calcium carbonate equivalent, or both, as claimed by the manufacturer or producer of the product.

(10)(11) "Label" means the display of all written, printed, or graphic matter upon the immediate container or a statement accompanying a fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime.

(11)(12) "Labeling" means all written, printed, or graphic material upon or accompanying any fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime, including advertisements, brochures, posters, and television and radio announcements used in promoting the sale of the fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime.

(12)(13) "Official sample" means any sample of fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime taken by the Secretary.

(13)(14) "Plant amendment" means any substance applied to plants or seeds that is intended to improve growth, yield, product quality, reproduction, flavor, or other favorable characteristics of plants, except for fertilizer, soil amendments, agricultural liming materials, animal and vegetable manures, pesticides, plant regulators, and other materials exempted by rule adopted under this chapter.

(14)(15) "Plant biostimulant" means a substance or, microorganism, or mixtures thereof that, when applied to seeds, plants, or the rhizosphere, stimulates soil, or other growth media act to support a plant's natural nutrition processes to enhance or benefit nutrient uptake, nutrient efficiency, tolerance to abiotic stress, or crop quality and yield, except for fertilizers, soil amendments, plant amendments, or pesticides independently of the biostimulant's nutrient content. The plant biostimulant thereby improves nutrient availability, uptake, or use efficiency; tolerance to abiotic stress; and consequent growth development, quality, or yield. The Secretary may modify the definition of "plant biostimulant" by rule or procedure in order to maintain consistency with U.S. Department of Agriculture requirements.

(16) "Plant inoculant" means a product consisting of microorganisms to be applied to the plant or soil for the purpose of enhancing the availability or uptake of plant nutrients through the root system.

(15)(17) "Percent" or "percentage" means the percentage by weight.

(16)(18) "Primary nutrient" includes nitrogen, available phosphoric acid or phosphorus, and soluble potash or potassium.

(17)(19) "Product" means the name of the fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime that identifies it as to kind, class, or specific use.

(18)(20) "Registrant" means the person who registers a fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime under the provisions of this chapter.

(19)(21) "Soil amendment" means a substance or mixture of substance that is intended to improve the physical, chemical, <u>biochemical</u>, <u>biological</u>, or other characteristics of the soil or a distinct form of horticultural growing media used in lieu of soil. "Soil amendment" does not mean fertilizers, agricultural liming materials, unprocessed animal manures, unprocessed vegetable manures, pesticides, <u>plant biostimulants</u>, and other materials exempted by rule. A compost product from a facility under the jurisdiction of the Agency of Natural Resources' Solid Waste Management Rules or exceptional quality biosolids shall not be regulated as a soil amendment under this chapter, unless marketed and distributed for the use in the production of an agricultural commodity.

(22) "Soil inoculant" means a microbial product that is applied to colonize the soil to benefit the soil chemistry, biology, or structure.

(20)(23) "Ton" means a net weight of 2,000 pounds avoirdupois.

(21)(24) "Use" includes all purposes for which a fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime is applied.

(22)(25) "Weight" means the weight of undried material as offered for sale.

§ 364. REGISTRATION

(a) Each brand or grade or formula of fertilizer, plant amendment, plant biostimulant, or soil amendment beneficial substance shall be registered in the

name of the person whose name appears upon the label before being distributed in this State. The application for registration shall be submitted to the Secretary on a form furnished by the Agency of Agriculture, Food and Markets and shall be accompanied by a fee of \$85.00 per grade or formulation registered. Upon approval by the Secretary, a copy of the registration shall be furnished to the applicant. All registrations expire on December 31 of each year. The application shall include the following information:

- (1) the brand and grade or formulation;
- (2) the guaranteed analysis if applicable; and
- (3) the name and address of the registrant.

(b) A distributor shall not be required to register any fertilizer, plant amendment, plant biostimulant, or soil amendment or beneficial substance that is already registered under this chapter by another person, provided there is no change in the label for the fertilizer, plant amendment, plant biostimulant, or soil amendment or beneficial substance.

(c) Each beneficial substance brand shall refer to a specific formulation. Different brands may refer to the same specific formulation. Products for which formulations change, such as changes in the "Contains Beneficial Substances" analysis, statement of composition, or anything that implies a different product, must obtain a new registration with a brand that distinguishes it from the previous formulation.

(d) A distributor shall not be required to register each grade of fertilizer formulated or each formulation of soil amendment according to specifications that are furnished by a consumer prior to mixing but shall be required to label the fertilizer or soil amendment as provided in subsection 365(b) of this title.

(d)(e) The Secretary may request additional proof of testing of products prior to registration for guaranteed analyses or adulterants.

(e)(f) Each separately identified agricultural lime product shall be registered before being distributed in this State. Registration shall be performed in the same manner as fertilizer registration except that each application shall be accompanied by a fee of \$50.00 per product.

(f)(g) The registration and tonnage fees, along with any deficiency penalties collected pursuant to sections 331 and 372 of this title, shall be deposited in a special fund. Funds deposited in this fund shall be restricted to implementing and administering the provisions of this title and any other provisions of law relating to feeds and seeds.

§ 365. LABELS

(a)(1) Any fertilizer or agricultural lime distributed in this State in containers shall have placed on or affixed to the container a label setting forth in clearly legible and conspicuous form the following information:

(A) net weight;

(B) brand and grade, provided that grade shall not be required when no primary nutrients are claimed;

(C) guaranteed analysis; and

(D) name and address of the registrant.

(2) For bulk shipments, this information in written or printed form shall accompany delivery and be supplied to the purchaser at the time of delivery.

(b) A fertilizer or lime formulated according to specifications furnished by a consumer prior to mixing shall be labeled to show the net weight, the guaranteed analysis or name, analysis and weight of each ingredient used in the mixture, and the name and address of the distributor and purchaser.

(c) If the Secretary finds that a requirement for expressing calcium and magnesium in elemental form would not impose an economic hardship on distributors and users of agricultural liming materials by reason of conflicting label requirements among states, the Secretary may require by rule that the minimum percent of calcium oxide and magnesium oxide or calcium carbonate and magnesium carbonate, or both, shall be expressed in the following terms:

Total Calcium (Ca) percent

Total Magnesium (Mg) percent

(d)(1) Any plant amendment, plant biostimulant, or soil amendment beneficial substance distributed in this State in containers shall have placed on or affixed to the container a label setting forth in clearly legible and conspicuous form the following information:

- (A) net weight or volume;
- (B) brand name;
- (C) purpose statement identifying the purpose of the product;
- (D) directions for application or use;
- (E) guaranteed analysis; and
- (F) name and address of the registrant; and

(F) a statement of composition showing the amount of each ingredient, which is the agent in a product primarily responsible for the intended effects using the following format:

CONTAINS BENEFICIAL SUBSTANCE(S)

Name of beneficial substance% (or acceptableunits)

<u>Genus and species of microorganism</u> % viable CFU/cm3, /ml, /g, or other acceptable units

(Identify and list all beneficial substances. Substances shall include ingredient source, if applicable. Ex. "humic acid from leonardite or saponin from Yucca schidigera").

(2) For products that claim microorganisms, labels shall also include:

(A) the expiration date for use; and

(B) storage conditions.

(3) For bulk shipments of fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substances, or lime, the information required under this subsection shall accompany delivery in written or printed form and shall be supplied to the purchaser at the time of delivery.

(4) Efficacy data may be required to support beneficial substance ingredient claims if the ingredient is not presently defined by the Association of American Plant Food Control Officials' Official Publication for the particular claim.

(3)(5) Under a rule adopted under this subsection, an affected person shall be given a reasonable time to come into compliance.

§ 366. TONNAGE FEES

(a) A person distributing fertilizer to a nonregistrant consumer in the State annually shall pay the following fees to the Secretary:

(1) a \$150.00 minimum tonnage fee;

(2) \$0.50 per ton of agricultural fertilizer distributed; and

(3) \$30.00 per ton of nonagricultural fertilizer distributed.

(b) Persons distributing fertilizer shall report annually on or before January 15 for the previous year ending December 31 to the Secretary revealing the amounts of each grade of fertilizer and the form in which the fertilizer was distributed within this State. Each report shall be accompanied with payment and written permission allowing the Secretary to examine the person's books for the purpose of verifying tonnage reports.

(c) No information concerning tonnage sales furnished to the Secretary under this section shall be disclosed in such a way as to divulge the details of the business operation to any person unless it is necessary for the enforcement of the provisions of this chapter.

(d) Persons distributing a plant amendment, plant biostimulant, or soil amendment beneficial substance in the State shall report annually on or before January 15 for the previous year ending December 31 to the Secretary revealing the amounts of each formulation of plant amendment, plant biostimulant, or soil amendment beneficial substance and the form in which the plant amendment, plant biostimulant, or soil amendment beneficial substance was distributed within this State. Each report shall include a written authorization allowing the Secretary to examine the person's books for the purpose of verifying tonnage reports. Plant amendments, plant biostimulants, and soil amendments are <u>A beneficial substance is</u> exempt from tonnage fees.

(e) Agricultural limes, including agricultural lime mixed with wood ash, are exempt from the tonnage fees required in this section.

(f) Lime and wood ash mixtures may be registered as agricultural liming materials and guaranteed for potassium or potash, provided that the wood ash totals less than 50 percent of the mixture.

(g)(1) All fees collected under subdivisions (a)(1) and (2) of this section shall be deposited in the special fund created by subsection 364(f) of this title and used in accordance with its provisions.

(2) All fees collected under subdivision (a)(3) of this section shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title.

(h) [Repealed.]

§ 367. INSPECTION; SAMPLING; ANALYSIS

For the purpose of enforcing this chapter and determining whether or not fertilizers, plant amendment, plant biostimulant, soil amendments beneficial substances, and lime distributed in this State endanger the health and safety of Vermont citizens, the Secretary upon presenting appropriate credentials is authorized:

(1) To enter any public or private premises except domiciles during regular business hours and stop and enter any vehicle being used to transport

or hold fertilizer, a plant amendment, a plant biostimulant, a soil amendment beneficial substances, or lime.

(2) To inspect blending plants, warehouses, establishments, vehicles, equipment, finished or unfinished materials, containers, labeling, and records relating to distribution, storage, or use.

(3) To sample and analyze any fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime. The methods of sampling and analysis shall be those adopted by the Association of Official Analytical Chemists. In cases not covered by this method or in cases where methods are available in which improved applicability has been demonstrated, the Secretary may authorize and adopt methods that reflect sound analytical procedures.

(4) To develop any reasonable means necessary to monitor and adopt rules for the use of fertilizers, plant amendments, plant biostimulants, soil amendments beneficial substances, and lime on Vermont soils where monitoring indicates environmental or health problems. In addition, the Secretary may develop and adopt rules for the proper storage of fertilizers, plant amendments, plant biostimulants, soil amendments beneficial substances, and lime held for distribution or sale.

§ 368. MISBRANDING

(a) No person shall distribute a misbranded fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or agricultural lime. A fertilizer, plant amendment, plant biostimulant, or soil amendment <u>beneficial substance</u> shall be deemed to be misbranded if the Secretary determines one or more of the following:

(1) The labeling is false or misleading in any particular.

(2) It is distributed under the name of another fertilizer product, plant amendment, plant biostimulant, or soil amendment beneficial substance.

(3) It contains unsubstantiated claims.

(4) It is not labeled as required in section 365 of this title and in accordance with rules adopted under this chapter.

(5) It is labeled, or represented, to contain a plant nutrient that does not conform to the standard of identity established by rule. In adopting rules under this chapter, the Secretary shall give consideration to consider definitions recommended by the Association of American Plant Food Control Officials.

(b) An agricultural lime shall be deemed to be misbranded if:

(1) its labeling is false or misleading in any particular; or

(2) it is not labeled as required by section 365 of this title and in accordance with rules adopted under this chapter.

§ 369. ADULTERATION

No person shall distribute an adulterated lime, plant amendment, plant biostimulant, soil amendment beneficial substance, or fertilizer product. A fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime shall be deemed to be adulterated if:

(1) it contains any deleterious or harmful ingredient in an amount sufficient to render it injurious to beneficial plant life, <u>animals</u>, <u>humans</u>, <u>aquatic life</u>, <u>soil</u>, <u>or water</u> when applied in accordance with directions for use on the label, or if uses of the product may result in contamination or condemnation of a raw agricultural commodity by use, or if adequate warning statements or directions for use that may be necessary to protect plant life, <u>animals</u>, <u>humans</u>, <u>aquatic life</u>, <u>soil</u>, <u>or water</u> are not shown on the label;

(2) its composition falls below or differs from that which it is purported to possess by its labeling;

(3) it contains crop seed or weed seed; or

(4) it contains heavy metals, radioactive substances, or synthetic organics in amounts sufficient to render it injurious to livestock or human health when applied in accordance with directions for use on the label, or if adequate warning statements or directions for use that may be necessary to protect livestock or human health are not shown on the label.

§ 370. PUBLICATION; CONSUMER INFORMATION REGARDING USE ON NONAGRICULTURAL TURF OF FERTILIZER, PLANT AMENDMENTS, PLANT BIOSTIMULANTS, AND SOIL AMENDMENTS <u>BENEFICIAL SUBSTANCES</u>

(a) The Secretary shall publish on an annual basis:

(1) information concerning the distribution of fertilizers, plant amendments, plant biostimulants, soil amendments <u>beneficial substances</u>, and limes; and

(2) results of analyses based on official samples of fertilizers, plant amendments, plant biostimulants, soil amendments beneficial substances, and lime distributed within the State as compared with guaranteed analyses required pursuant to the terms of this chapter.

(b)(1) The Secretary, in consultation with the University of Vermont Extension, fertilizer industry representatives, lake groups, and other interested or affected parties, shall produce information for distribution to the general public with respect to the following:

(A) problems faced by the waters of the State because of discharges of phosphorus;

(B) an explanation of the extent to which phosphorus exists naturally in the soil;

(C) voluntary best management practices for the use of fertilizers containing phosphorus on nonagricultural turf; and

(D) best management practices for residential sources of phosphorus.

(2) The Secretary shall develop the information required under this subsection and make it available to the general public in the manner deemed most effective, which may include:

(A) conspicuous posting at the point of retail sale of fertilizer containing phosphorus, according to recommendations for how that conspicuous posting may best take place;

(B) public service announcements by means of electronic media; or

(C) other methods deemed by the Secretary to be likely to be effective.

* * *

§ 371. RULES

The Secretary is authorized to adopt rules pursuant to 3 V.S.A. chapter 25 as may be necessary to implement the intent of this chapter and to enforce those rules.

* * *

§ 374. SHORT WEIGHT

(a) If any fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or agricultural liming material is found to be short in net weight, the registrant of the fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime shall pay a penalty of three times the value of the actual shortage to the affected party.

(b) Each registrant shall be offered an opportunity for a hearing before the Secretary. Penalty payments shall be made within 30 days after notice of the

Secretary's decision to assess a penalty. Proof of payment to the consumer shall be promptly forwarded to the Secretary by the registrant.

(c) If the consumer cannot be found, the amount of the penalty payments shall be paid to the Secretary who shall deposit the payment into the revolving account established by subsection 364(f) of this title.

(d) This section is not an exclusive cause of action, and persons affected may utilize any other right of action available under law.

§ 375. CANCELLATION OF REGISTRATION

The Secretary is authorized to cancel or suspend the registration of any fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial</u> <u>substance</u>, or lime or refuse a registration application if the provisions of this chapter or the rules adopted under this chapter have been violated, provided that no registration shall be revoked or refused without a hearing before the Secretary.

§ 376. DETAINED FERTILIZER, <u>BENEFICIAL SUBSTANCE</u>, AND LIME

Withdrawal from distribution orders. When the Secretary has (a) reasonable cause to believe any lot of fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime is being distributed in violation of any of the provisions of this chapter or any of the rules under this chapter, the Secretary may issue and enforce a written or printed "withdrawal from distribution" order, warning the distributor not to dispose of the lot of fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime in any manner until written permission is given by the Secretary or the court. The Secretary shall release the lot of fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime withdrawn when this chapter and rules have been complied with. If compliance is not obtained within 30 days, the Secretary may begin, or upon request of the distributor or registrant shall begin, proceedings for condemnation.

(b) Condemnation and confiscation. Any lot of fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime not in compliance with this chapter and rules shall be subject to seizure on complaint of the Secretary to a court of competent jurisdiction in the area in which the fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime is located. In the event the court finds the fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial</u> <u>substance</u>, or lime to be in violation of this chapter and orders the condemnation of the fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime, it shall be disposed of in any manner consistent with the quality of the fertilizer, <u>plant</u> amendment, <u>plant</u> biostimulant, soil amendment <u>beneficial substance</u>, or lime and the laws of the State, provided that in no instance shall disposition of the fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime be ordered by the court without first giving the claimant an opportunity to apply to the court for release of the fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime or for permission to process or relabel the fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime to bring it into compliance with this chapter.

* * *

§ 379. EXCHANGES BETWEEN MANUFACTURERS

Nothing in this chapter shall be construed to restrict or impair sales or exchanges of fertilizers, plant amendments, plant biostimulants, or soil amendments or beneficial substances to each other by importers, manufacturers, or manipulators who mix fertilizer materials, plant amendments, plant biostimulants, or soil amendments or beneficial substances for sale or to prevent the free and unrestricted shipments of fertilizer, plant amendments, plant biostimulant, or soil amendments or beneficial substances to manufacturers or manipulators who have registered their brands as required by provisions of this chapter.

§ 380. ADMINISTRATIVE PENALTY

Consistent with chapter 1 of this title, the Secretary may assess an administrative penalty upon determining that a person has violated a rule issued under this chapter or has violated this chapter in the following manner:

(1) distributed a specialty fertilizer, plant amendment, plant biostimulant, soil amendment <u>beneficial substance</u>, or lime without first obtaining the appropriate product registration;

(2) distributed a fertilizer, plant amendment, plant biostimulant, soil amendment beneficial substance, or lime without appropriate and accurate labeling, including when a beneficial substance label does not reflect its composition;

(3) <u>distributed any adulterated fertilizer</u>, beneficial substance, or lime;

(4) failed to disclose on the label sources of potentially deleterious components;

(5) failed to report or to accurately report the amount and form of each grade of fertilizer distributed in Vermont on an annual basis;

(4)(6) failed to report or to accurately report the amount and form of each formulation of plant amendment, plant biostimulant, or soil amendment beneficial substance;

(5)(7) failed to pay the appropriate tonnage fee; or

(6)(8) violated a cease and desist order.

* * *

* * * Pesticides; Disposal * * *

Sec. 2. 6 V.S.A. § 918 is amended to read:

§ 918. REGISTRATION

* * *

(b)(1) The registrant shall pay an annual fee of \$200.00 for each product registered, and \$185.00 of that amount shall be deposited in the special fund created in section 929 of this title. Of the registration fees collected under this subsection, \$15.00 of the amount collected shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title. Of the registration fees collected under this subsection, \$25.00 of the amount collected shall be used to offset the additional costs of inspection of economic poison products and to provide educational services, training, and technical assistance to pesticide applicators, beekeepers, and the general public regarding the effects of pesticides on pollinators and the methods or best management practices to reduce the impacts of pesticides on pollinators. The annual registration year shall be from December 1 to November 30 of the following year.

(2) In addition to the fee required under subdivision (1) of this subsection, a registrant shall pay a fee of \$50.00 per product registration that shall be deposited in the special fund created in section 929 of this title and used to meet the requirements of subdivision 929(a)(6) of this title. This additional fee shall be collected from registrants until such time as an extended producer responsibility program is implemented in the State that fully funds the collection of obsolete and unwanted pesticides.

* * *

Sec. 3. PESTICIDE DISPOSAL FUNDING STUDY

(a)(1) The Secretary of Agriculture, Food and Markets, in consultation with the Commissioner of Environmental Conservation, shall study options for

sustainable funding sources to reimburse solid waste management entities for all costs associated with the collection and disposal of unwanted or obsolete pesticides at municipal hazardous waste collection programs and events.

(2) The costs to be reimbursed shall include the prorated costs related to facilities, equipment, labor, supplies, maintenance, and collection events. Prorated costs associated with collection events shall include collection event setup fees, environmental service fees, insurance fees, and shipping containers and materials related to the collection and disposal of unwanted or obsolete pesticides.

(3) The study shall include consideration of the viability of an extended producer responsibility program for pesticides among other options.

(4) The Secretary shall consult with stakeholders.

(b) On or before December 15, 2025, the Secretary of Agriculture, Food and Markets shall submit a written report on its findings to the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment and the Senate Committees on Agriculture and on Natural Resources and Energy. The report shall include a recommended funding mechanism that will cover all costs associated with collecting unwanted pesticides through municipal collection programs.

* * * Stormwater Permits * * *

Sec. 4. STORMWATER PERMITTING; RUTLAND COUNTY AGRICULTURAL SOCIETY, INC.

No stormwater impact fee or completion of an offset shall be required for the Rutland County Agricultural Society, Inc. under the three-acre stormwater permit required by 10 V.S.A. § 1264, provided that the Society is registered with the Agency of Agriculture, Food and Markets.

* * * Use Value Appraisal * * *

Sec. 5. 32 V.S.A. § 3752(1) is amended to read:

(1) "Agricultural land" means any land, exclusive of any housesite, in active use to grow hay or cultivated crops, pasture livestock, cultivate trees bearing edible fruit, or produce an annual maple product, and that is 25 acres or more in size, except as provided in this subdivision (1). Agricultural land shall include buffer zones as defined and required in the Agency of Agriculture, Food and Markets' Required Agricultural Practices rule adopted under 6 V.S.A. chapter 215. There shall be a presumption that the land is used for agricultural purposes if:

(A) it is owned by a farmer and is part of the overall farm unit;

(B) it is used by a farmer as part of the farmer's operation under written lease for at least three years; or

(C) it has produced an annual gross income from the sale of farm crops <u>or the equivalent value of donated farm crops</u> in one of two, or three of the five, calendar years preceding of at least:

(i) \$2,000.00 for parcels of up to 25 acres; and.

(ii) \$75.00 per acre for each acre over 25, with the total income required not to exceed \$5,000.00.

(iii) Exceptions to these income requirements may be made in cases of orchard lands planted to fruit-producing trees, bushes, or vines that are not yet of bearing age. As used in this section, the term "farm crops" also includes animal fiber, cider, wine, and cheese, produced on the enrolled land or on a housesite adjoining the enrolled land, from agricultural products grown on the enrolled land.

* * * Heavy Cut Rule * * *

Sec. 6. DEPARTMENT OF FORESTS, PARKS AND RECREATION; HEAVY CUT RULE; VALIDITY

(a) Notwithstanding 1 V.S.A. § 214 to the contrary:

(1) the provisions of 3 V.S.A. § 848(c) (repeal of rules not published in the Vermont Code of Rules as of July 1, 2018) shall be deemed not to have repealed the Department of Forests, Parks and Recreation rule entitled "Intent to Cut Notification Emergency Rules, Standards and Procedures"; and

(2) the provisions of the Department of Forests, Parks and Recreation rule entitled "Intent to Cut Notification Emergency Rules, Standards and Procedures" shall be deemed to have continued in full force and effect and remained valid on and after July 1, 2018.

(b)(1) All actions taken by the Department of Forests, Parks and Recreation from July 1, 2018 through July 1, 2025 to grant or deny an authorization to proceed with a heavy cut pursuant to the provisions of 10 V.S.A. § 2625 and the Department of Forests, Parks and Recreation rule entitled "Intent to Cut Notification Emergency Rules, Standards and Procedures" are valid and enforceable.

(2) As used in this subsection, the term "heavy cut" has the same meaning as in 10 V.S.A. § 2625.

(c) On or before July 1, 2026, the Department of Forests, Parks and Recreation shall publish the rule entitled "Intent to Cut Notification Emergency Rules, Standards and Procedures" in the Vermont Code of Rules.

* * * Household Hazardous Waste Extended Producer Responsibility * * *

Sec. 7. 10 V.S.A. § 7181 is amended to read:

§ 7181. DEFINITIONS

As used in this chapter:

* * *

(4)(A) "Covered household hazardous product" means a consumer product offered for retail sale that is contained in the receptacle in which the product is offered for retail sale, if the product has any of the following characteristics:

(i) the product or a component of the product is a hazardous waste under subchapter 2 of the Vermont Hazardous Waste Management Regulations, regardless of the status of the generator of the hazardous waste; or

(ii) the product is a gas cylinder.

(B) "Covered household hazardous product" does not mean any of the following:

* * *

(iv) architectural paint paint products as that term is defined in section 6672 of this title;

* * *

Sec. 8. 10 V.S.A. § 7182 is amended to read:

§ 7182. SALE OF COVERED HOUSEHOLD HAZARDOUS PRODUCTS; STEWARDSHIP ORGANIZATION REGISTRATION; MANUFACTURER REGISTRATION

(a) Sale prohibited.

(1) A manufacturer of a covered household hazardous product shall not sell, offer for sale, or deliver to a retailer for subsequent sale a covered household hazardous product without registering with the stewardship organization pursuant to subsection (c) of this section.

(2) Beginning six months after a final decision on the adequacy of a collection plan by the Secretary, a manufacturer of a covered household

hazardous product shall not sell, offer for sale, or deliver to a retailer for subsequent sale a covered household hazardous product unless all the following have been met:

(1)(A) The manufacturer is participating in a stewardship organization implementing an approved collection plan.

(2)(B) The name of the manufacturer, the manufacturer's brand, and the name of the covered household hazardous product are submitted to the Agency of Natural Resources by a stewardship organization and listed on the stewardship organization's website as covered by an approved collection plan.

(3)(C) The stewardship organization in which the manufacturer participates has submitted an annual report consistent with the requirements of section 7185 of this title.

(4)(D) The stewardship organization in which the manufacturer participates has conducted a plan audit consistent with the requirements of subsection 7185(b) of this title.

(b) Stewardship organization registration requirements.

(1) On or before July 1, 2025 and annually thereafter, a stewardship organization shall file a registration form with the Secretary. The Secretary shall provide the registration form to the stewardship organization. The registration form shall include:

(A) a list of the manufacturers participating in the stewardship organization;

(B) a list of the brands of each manufacturer participating in the stewardship organization;

(C) a list of the covered household hazardous products of each manufacturer participating in the stewardship organization;

(D) the name, address, and contact information of a person responsible for ensuring compliance with this chapter;

(E) a description of how the stewardship organization meets the requirements of subsection 7184(b) of this title, including any reasonable requirements for participation in the stewardship organization; and

(F)(B) the name, address, and contact information of a person for a nonmember manufacturer to contact regarding how to participate in the stewardship organization to satisfy the requirements of this chapter.

(2) A renewal of a registration without changes may be accomplished through notifying the Agency of Natural Resources on a form provided by the Agency Beginning on July 1, 2026 and annually thereafter, a stewardship organization shall renew its registration with the Secretary. A renewal registration shall include the following:

(A) a list of the manufacturers participating in the stewardship organization;

(B) a list of the brands of each manufacturer participating in the stewardship organization;

(C) a list of the covered household hazardous products of each manufacturer participating in the stewardship organization;

(D) the name, address, and contact information of a person responsible for ensuring compliance with this chapter;

(E) a description of how the stewardship organization meets the requirements of subsection 7184(b) of this title, including any reasonable requirements for participation in the stewardship organization; and

(F) the name, address, and contact information of a person for a nonmember manufacturer to contact regarding how to participate in the stewardship organization to satisfy the requirements of this chapter.

(c) Manufacturer registration. On or before November 1, 2025, a manufacturer of a covered household hazardous product shall register with the stewardship organization in a manner proscribed by the stewardship organization.

Sec. 9. 10 V.S.A. § 7183 is amended to read:

§ 7183. COLLECTION PLANS

(a) Collection plan required. Prior to July 1, 2025 On or before July 1, 2026, any stewardship organization registered with the Secretary as representing manufacturers of covered household hazardous products shall coordinate and submit to the Secretary for review one collection plan for all manufacturers.

(b) Collection plan; minimum requirements. Each collection plan shall include, at a minimum, all of the following requirements:

(1) <u>Initial plan. The initial plan shall last for a period not to exceed</u> three years and contain, at a minimum, the following requirements:

 (\underline{A}) List of participants. A list of the manufacturers, brands, and products participating in the collection plan and a methodology for adding and removing manufacturers and notifying the Agency of new participants.

(2)(B)Free statewide collection of covered household hazardous products. The collection program shall provide reimburse municipalities when a municipality provides for free, convenient, and accessible statewide opportunities for the collection from covered entities of covered household hazardous products, including orphan covered products. A stewardship organization shall accept all covered household hazardous products collected from a covered entity and shall not refuse the collection of a covered household hazardous product, including orphan covered household products, based on the brand or manufacturer of the covered household hazardous product unless specifically exempt from this requirement. The collection program shall also provide for the payment of collection, processing, and endof-life management of the covered household hazardous products. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

(3) Convenient collection location. The stewardship organization shall develop a collection program that allows all municipal household hazardous waste collection programs to opt to be a part of the collection plan, including collection events and facilities offered by solid waste planning entities. The plan shall make efforts to site points of collection equitably across all regions of the State to allow for convenient and reasonable access of all Vermonters to collection facilities or collection events.

(4) Public education and outreach. The collection plan shall include an education and outreach program that shall include a website and may include media advertising, retail displays, articles and publications, and other public educational efforts. Outreach and education shall be suitable for the State's diverse ethnic populations, through translated and culturally appropriate materials, including in-language and targeted outreach. Public education and outreach should include content to increase meaningful participation by environmental justice focus populations as required by 3 V.S.A. chapter 72. During the first year of program implementation and two years after adoption of the collection plan, each stewardship organization shall carry out a survey of public awareness regarding the requirements of the program established under this chapter that can identify communities that have disparities in awareness and need more outreach. Each stewardship organization shall share the results of the public awareness surveys with the Secretary. If multiple stewardship organizations are implementing plans approved by the Secretary, the stewardship organizations shall coordinate in carrying out their education and outreach responsibilities under this subdivision and shall include in their annual reports to the Secretary a summary of their coordinated education and outreach efforts. The education and outreach program and website shall notify the public of the following:

(A) that there is a free collection program for covered household hazardous products;

(B) the location and hours of operation of collection points and how a covered entity can access this collection program;

(C) the special handling considerations associated with covered household hazardous products; and

(D) source reduction information for consumers to reduce leftover covered household products.

(5) Compliance with appropriate environmental standards. In implementing a collection plan, a stewardship organization shall comply with all applicable laws related to the collection, transportation, and disposal of hazardous waste. A stewardship organization shall comply with any special handling or disposal standards established by the Secretary for covered household hazardous products or for the collection plan of the manufacturer.

(6) Method of disposition. The collection plan shall describe how covered household hazardous products will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of covered household hazardous products under the collection plan shall use management activities in the following priority order: source reduction, reuse, recycling, energy recovery, and disposal. Collected covered household hazardous products shall be recycled when technically and economically feasible.

(7) Performance goals. A collection plan shall include:

(A) A performance goal for covered household hazardous products determined by the number of total participants at collection events and facilities listed in the collection plan during a program year divided by the total number of households. The number of households shall include seasonal households. The calculation methodology for the number of households shall be included in the plan.

(B) At a minimum, the collection performance goal for the first approved plan shall be an annual participation rate of five percent of the households for every collection program based on the number of households the collection program serves. After the initial approved program plan, the stewardship organization shall propose performance goals for subsequent program plans. The Secretary shall approve the performance goals for the plan at least every five years. The stewardship organization shall use the results of the most recent waste composition study required under 6604 of this title and other relevant factors to propose the performance goals of the collection plan. If a stewardship organization does not meet its performance goals, the Secretary may require the stewardship organization to revise the collection plan to provide for one or more of the following: additional public education and outreach, additional collection events, or additional hours of operation for collection, education and outreach, or other activities implemented under an approved plan on the basis of achievement of program performance goals.

(8)(C) Collection plan funding. The collection plan shall describe how the stewardship organization will fund the implementation of the collection plan and collection activities under the plan, including the costs for education and outreach, collection, processing, and end-of-life management of the covered household hazardous product all municipal collection offered to the public in a base program year. A base program year shall be based on the services provided in calendar year 2024 and any other collection facilities or events approved by the Secretary. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials. The collection plan shall include how municipalities will be compensated for all costs attributed to collection of covered household hazardous products. The Secretary shall resolve disputes relating to compensation.

(2) Subsequent plans. After the expiration of the initial plan approved by the Secretary, the collection plan shall include, at a minimum, the following:

(A) List of participants. A list of the manufacturers, brands, and products participating in the collection plan and a methodology for adding and removing manufacturers and notifying the Agency of new participants.

(B) Free statewide collection of covered household hazardous products. The collection program shall provide for free, convenient, and accessible statewide opportunities for the collection from covered entities of covered household hazardous products, including orphan covered products. A stewardship organization shall accept all covered household hazardous products collected from a covered entity and shall not refuse the collection of a covered household hazardous product, including orphan covered household products, based on the brand or manufacturer of the covered household hazardous product unless specifically exempt from this requirement. The collection program shall also provide for the payment of collection,

processing, and end-of-life management of the covered household hazardous products. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

(C) Convenient collection location. The stewardship organization shall develop a collection program that allows all municipal household hazardous waste collection programs to opt to be a part of the collection plan, including collection events and facilities offered by solid waste planning entities. The plan shall make efforts to site points of collection equitably across all regions of the State to allow for convenient and reasonable access of all Vermonters to collection facilities or collection events.

(D) Public education and outreach. The collection plan shall include an education and outreach program that shall include a website and may include media advertising, retail displays, articles and publications, and other public educational efforts. Outreach and education shall be suitable for the State's diverse ethnic populations, through translated and culturally appropriate materials, including in-language and targeted outreach. Public education and outreach should include content to increase meaningful participation by environmental justice focus populations as required by 3 V.S.A. chapter 72. During the second approved plan, each stewardship organization shall carry out a survey of public awareness regarding the requirements of the program established under this chapter that can identify communities that have disparities in awareness and need more outreach. Each stewardship organization shall share the results of the public awareness surveys with the Secretary. If multiple stewardship organizations are implementing plans approved by the Secretary, the stewardship organizations shall coordinate in carrying out their education and outreach responsibilities under this subdivision (D) and shall include in their annual reports to the Secretary a summary of their coordinated education and outreach efforts. The education and outreach program and website shall notify the public of the following:

(i) that there is a free collection program for covered household hazardous products;

(ii) the location and hours of operation of collection points and how a covered entity can access this collection program;

(iii) the special handling considerations associated with covered household hazardous products; and

(iv) source reduction information for consumers to reduce leftover covered household products.

(E) Compliance with appropriate environmental standards. In implementing a collection plan, a stewardship organization shall comply with all applicable laws related to the collection, transportation, and disposal of hazardous waste. A stewardship organization shall comply with any special handling or disposal standards established by the Secretary for covered household hazardous products or for the collection plan of the manufacturer.

(F) Method of management. The collection plan shall describe how covered household hazardous products will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of covered household hazardous products under the collection plan shall use management activities in the following priority order: source reduction, reuse, recycling, energy recovery, and disposal. Collected covered household hazardous products shall be recycled when technically and economically feasible.

(G) Performance goals. A collection plan shall include:

(i) A performance goal for covered household hazardous products determined by the number of total participants at collection events and facilities listed in the collection plan during a program year divided by the total number of households. The number of households shall include seasonal households. The calculation methodology for the number of households shall be included in the plan.

(ii) At a minimum, the collection performance goal for the initial plan approved pursuant to subdivision (1) of this subsection (b) shall be an annual participation rate of seven percent of the households for every collection program based on the number of households the collection program serves. After the initial approved program plan, the stewardship organization shall propose performance goals for subsequent program plans. The Secretary shall approve the performance goals for the plan at least every five years. The stewardship organization shall use the results of the most recent waste composition study required under 6604 of this title and other relevant factors to propose the performance goals of the collection plan. If a stewardship organization does not meet its performance goals, the Secretary may require the stewardship organization to revise the collection plan to provide for one or more of the following: additional public education and outreach, additional collection events, or additional hours of operation for collection sites. A stewardship organization is not authorized to reduce or cease collection, education and outreach, or other activities implemented under an approved plan on the basis of achievement of program performance goals.

(H) Collection plan funding. The collection plan shall describe how the stewardship organization will fund the implementation of the collection plan and collection activities under the plan, including the costs for education and outreach, collection, processing, and end-of-life management of the covered household hazardous product. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials. The collection plan shall include how municipalities will be compensated for all costs attributed to collection of covered household hazardous products. The Secretary shall resolve disputes relating to compensation.

(c) Term of collection plan. A collection plan approved by the Secretary under section 7187 of this title shall have a term not to exceed five years, provided that the stewardship organization remains in compliance with the requirements of this chapter and the terms of the approved collection plan.

(d) Collection plan implementation. Stewardship organizations shall implement the collection plan on or before six months after the date of a final decision by the Secretary on the adequacy of the collection plan.

Sec. 10. 10 V.S.A. § 7184 is amended to read:

§ 7184. STEWARDSHIP ORGANIZATIONS

(a) Participation in a stewardship organization. A manufacturer shall meet the requirements of this chapter by participating in a stewardship organization that undertakes the responsibilities under sections 7182, 7183, and 7185 of this title.

(b) Qualifications for a stewardship organization. To qualify as a stewardship organization under this chapter, an organization shall:

(1) commit to assume the responsibilities, obligations, and liabilities of all manufacturers participating in the stewardship organization;

(2) not create unreasonable barriers for participation in the stewardship organization; and

(3) maintain a public website that lists all manufacturers and manufacturers' brands and products covered by the stewardship organization's approved collection plan.

(c) A stewardship organization is authorized to charge its members reasonable fees for the organization, administration, and implementation of the programs required by this chapter.

Sec. 11. 10 V.S.A. § 7187 is amended to read:

§ 7187. AGENCY RESPONSIBILITIES

(a) Review and approve collection plans. The Secretary shall review and approve or deny collection plans submitted under section 7183 of this title according to the public notice and comment requirements of section 7714 of this title.

* * *

(g) Agency collection plan. If no stewardship organization is formed on or before July 1, 2025 or the stewardship organization fails to submit a plan or submits a plan that does not meet the requirements of this chapter, the Secretary shall adopt and administer a plan that meets the requirements of section 7183 of this title. If the Secretary administers the plan adopted under section 7183, the Secretary shall charge each manufacturer the prorated costs of plan administration, the Agency's oversight costs, and an additional hazardous waste reduction assessment of 10 percent of the plan's total cost to be deposited in the Solid Waste Management Assistance Account of the Waste Management Assistance Fund, for the purpose of providing grants to municipalities and small businesses to prevent pollution and reduce the generation of hazardous waste in the State. When determining a manufacturer's assessment under this section, the Agency may allocate costs to a manufacturer of covered household hazardous products based on the sales of covered household hazardous products nationally prorated to the population of Vermont.

Sec. 12. 10 V.S.A. § 6621a is amended to read:

§ 6621a. LANDFILL DISPOSAL REQUIREMENTS

(a) In accordance with the following schedule, no person shall knowingly dispose of the following materials in solid waste or in landfills:

* * *

(12) Covered household hazardous products after July 1, $\frac{2025}{2026}$.

* * *

Sec. 13. SOLID WASTE PLAN; FLEXIBILITY

(a) Notwithstanding the municipal household hazardous waste (HHW) collection requirements under the State Solid Waste Plan adopted pursuant to

10 V.S.A. § 6604, the Secretary of Natural Resources may grant a variance from the requirement to conduct at least two household hazardous waste collection events in that municipality. The variance shall allow a municipality to meet its obligations, as follows:

(1) the municipality has partnered with another municipality to allow its residents the ability to access a permanent HHW facility in the same manner as the municipality that operates the permanent HHW facility;

(2) the municipality has partnered with a nearby municipality to offer collection events to members in both municipalities; or

(3) the municipality has demonstrated that it has made reasonable efforts to provide alternate collection opportunities identified under subdivisions (1) and (2) of this subsection and was unable and that the cost of a collection event is unreasonable. In such circumstances the Secretary of Natural Resources may reduce the required collection events to one per year.

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

* * * Paint Product Stewardship Program * * *

Sec. 14. 10 V.S.A. chapter 159, subchapter 4 is amended to read:

Subchapter 4. Paint Product Stewardship Program

§ 6671. PURPOSE

The purpose of this subchapter is to establish an environmentally sound, cost-effective Paint <u>Product</u> Stewardship Program in the State that will undertake responsibility for the development and implementation of strategies to reduce the generation of postconsumer paint; promote the reuse of postconsumer paint; and collect, transport, and process postconsumer paint, including reuse, recycling, energy recovery, and disposal. The Paint <u>Product</u> Stewardship Program will follow the waste management hierarchy for managing and reducing postconsumer paint, reuse, recycle, provide for energy recovery, and dispose. The Paint <u>Product</u> Stewardship Program will provide for energy recovery, and dispose. The Paint <u>Product</u> Stewardship Program will provide for consumer paint, reuse, recycle, provide for energy recovery, and dispose. The Paint <u>Product</u> Stewardship Program will provide more opportunities for consumers to manage properly their postconsumer paint, provide fiscal relief for local government in managing postconsumer paint, keep paint out of the waste stream, and conserve natural resources.

§ 6672. DEFINITIONS

As used in this subchapter:

(1) <u>"Aerosol coating product" means a pressurized coating product</u> containing pigments or resins dispensed by means of a propellant and packaged and sold in a disposable aerosol container for handheld application, or for use in specialized equipment for ground traffic or marking applications.

(2) "Architectural paint" means interior and exterior architectural coatings, including interior or exterior water- and oil-based coatings, primers, sealers, or wood coatings, that are sold in containers of five gallons or less. "Architectural paint" does not mean industrial coatings, original equipment coatings, or specialty coatings.

(3) "Coating-related product" means a product used as a paint additive, paint thinner, paint colorant, paint remover, surface sealant, surface preparation, or surface adhesive, and sold for home improvement. "Coatingrelated product" does not mean original equipment manufacturer products or industrial products.

(2)(4) "Distributor" means a company that has a contractual relationship with one or more producers to market and sell architectural paint to retailers in Vermont.

(3)(5) "Energy recovery" means recovery in which all or a part of the solid waste materials are processed in order to use the heat content or other forms of energy of or from the material.

(4)(6) "Environmentally sound management practices" means policies to be implemented by a producer or a stewardship organization to ensure compliance with all applicable laws and also addressing such issues as adequate record keeping, tracking and documenting the fate of materials within the State and beyond, and adequate environmental liability coverage for professional services and for the operations of the contractors working on behalf of the producer organization.

(5)(7) "Municipality" means a city, town, or a village.

(6) "Paint stewardship assessment" means a one-time charge that is:

(A) added to the purchase price of architectural paint sold in Vermont;

(B) passed from the producer to the wholesale purchaser to the retailer and then to a retail consumer; and

(C) necessary to cover the cost of collecting, transporting, and processing the postconsumer paint managed through the statewide Program.

(8) "Nonindustrial coating" means arts and crafts paint, automotive refinish paint, driveway sealer, faux finish or glaze, furniture oil, furniture paint, lime wash, lime paint, marine paint, antifouling paint, road and traffic marking paint, two-component paint, wood preservative, fire retardant paint, dry fog paint, chalkboard paint, and conductive paint, sold in containers of five gallons or less for commercial and homeowner use, but does not include coatings purchased for industrial or original equipment manufacturer use.

(9)(A) "Paint product" includes:

(i) architectural paint;

(ii) aerosol coating products;

(iii) coating-related products; and

(iv) nonindustrial coatings.

(B) "Paint product" does not include a health and beauty product.

(7)(10) "Postconsumer paint" means architectural <u>a</u> paint <u>product</u> and its containers not used and no longer wanted by a purchaser.

(8)(11) "Producer" means a manufacturer of architectural paint products who sells, offers for sale, or distributes that paint in Vermont under the producer's own name or brand.

(9)(12) "Recycling" means any process by which discarded products, components, and by-products are transformed into new usable or marketable materials in a manner in which the original products may lose their identity but does not include energy recovery or energy generation by means of combusting discarded products, components, and by-products with or without other waste products.

(10)(13) "Retailer" means any person that offers architectural <u>a</u> paint <u>product</u> for sale at retail in Vermont.

(11)(14) "Reuse" means the return of a product into the economic stream for use in the same kind of application as originally intended, without a change in the product's identity.

(12)(15) "Secretary" means the Secretary of Natural Resources.

(13)(16) "Sell" or "sale" means any transfer of title for consideration, including remote sales conducted through sales outlets, catalogues, or the Internet internet or any other similar electronic means.

(14)(17) "Stewardship organization" means a nonprofit corporation or nonprofit organization created by a producer or group of producers to implement the Paint <u>Product</u> Stewardship Program required under this subchapter.

§ 6673. PAINT <u>PRODUCT</u> STEWARDSHIP PROGRAM

(a) A producer or a stewardship organization representing producers shall submit a <u>an amended</u> plan for the establishment of a Paint <u>Product</u> Stewardship Program to the Secretary for approval by December 1, 2013. The plan shall address the following:

(1) Provide a list of participating producers and brands covered by the Program.

(2) Provide specific information on the architectural paint products covered under the Program, such as interior or exterior water- and oil-based coatings, primers, sealers, or wood coatings.

(3) Describe how the Program proposed under the plan will collect, transport, recycle, and process postconsumer paint <u>products</u> for end-of-life management, including recycling, energy recovery, and disposal, using environmentally sound management practices.

(4) Describe the Program and how it will provide for convenient and available statewide collection of postconsumer architectural paint products in urban and rural areas of the State. The producer or stewardship organization shall use the existing household hazardous waste collection infrastructure when selecting collection points for postconsumer architectural paint products. A paint retailer shall be authorized as a paint collection point of postconsumer architectural paint retailer volunteers to act as a paint collection point and complies with all applicable laws, rules, and regulations.

(5) Provide geographic information modeling to determine the number and distribution of sites for collection of postconsumer architectural paint based on the following criteria:

(A) at least 90 percent of Vermont residents shall have a permanent collection site within a 15-mile radius; and

(B) one additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Secretary.

(6) Establish goals to reduce the generation of postconsumer paint <u>products</u>, to promote the reuse of postconsumer paint <u>products</u>, and for the proper management of postconsumer paint <u>products</u> as practical based on current household hazardous waste program information. The goals may be revised by the producer or stewardship organization based on the information collected for the annual report.

(7) Describe how postconsumer paint <u>products</u> will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of paint under the Program shall use management activities that promote source reduction, reuse, recycling, energy recovery, and disposal.

(8) Describe education and outreach efforts to inform consumers of collection opportunities for postconsumer paint <u>products</u> and to promote the source reduction and recycling of architectural paint <u>products</u> for each of the following: consumers, contractors, and retailers.

(b) The producer or stewardship organization shall submit a budget for the Program proposed under subsection (a) of this section, and for any amendment to the plan that would affect the Program's costs. The budget shall include a funding mechanism under which each architectural paint product producer remits to a stewardship organization payment of a paint product stewardship assessment for each container of architectural paint product it sells in this State. Prior to submitting the proposed budget and assessment to the Secretary, the producer or stewardship organization shall provide the budget and assessment to a third-party auditor agreed upon by the Secretary. The third-party auditor shall provide a recommendation as to whether the proposed budget and assessment is cost-effective, reasonable, and limited to covering the cost of the Program. The paint product stewardship assessment shall be added to the cost of all architectural paint products sold in Vermont. To ensure that the funding mechanism is equitable and sustainable, a uniform paint product stewardship assessment shall be established for all architectural paint products sold. The paint stewardship assessment shall be approved by the Secretary and shall be sufficient to recover, but not exceed, the costs of the Paint Stewardship Program the amount established in section 6681 of this title.

(c) Beginning no later than July 1, 2014, or three <u>Six</u> months after approval of the plan for a Paint <u>Product</u> Stewardship Program required under subsection (a) of this section, whichever occurs later, a producer of architectural paint <u>products</u> sold at retail or a stewardship organization of which a producer is a member shall implement the approved plan for a Paint <u>Product</u> Stewardship Program.

(d) A producer or a stewardship organization of which a producer is a member shall promote a Paint <u>Product</u> Stewardship Program and provide consumers with educational and informational materials describing collection opportunities for postconsumer paint <u>products</u> Statewide and promotion of waste prevention, reuse, and recycling. The educational and informational program shall make consumers aware that the funding for the operation of the

Paint <u>Product</u> Stewardship Program has been added to the purchase price of all architectural paint <u>products</u> sold in the State.

(e) A plan approved under this section shall provide for collection of postconsumer architectural paint at no cost to the person from whom the architectural paint product is collected. The program plan also shall provide for the payment of municipalities for collection, processing, and end-of-life management of aerosol coating products, coating-related products, and nonindustrial coatings contained in the receptacle in which the product is offered for retail sale. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

(f) When a plan or amendment to an approved plan is submitted under this section, the Secretary shall make the proposed plan or amendment available for public review and comment for at least 30 days.

(g) A producer or paint stewardship organization shall submit to the Secretary for review, in the same manner as required under subsection 6675(a) of this title, an amendment to an approved plan when there is:

(1) a change to a paint stewardship assessment under the plan;

(2) an addition to or removal of a category of products covered under the Program; or

(3)(2) a revision of the product stewardship organization's goals.

(h) A plan approved by the Secretary under section 6675 of this title shall have a term not to exceed five years, provided that the producer remains in compliance with the requirements of this chapter and the terms of the approved plan.

(i) In addition to the requirements specified in subsection (a) of this section, a stewardship organization shall notify the Secretary in writing within 30 days of <u>after</u> any change to:

(1) the number of collection sites for postconsumer architectural paint products identified under this section as part of the plan;

(2) the producers identified under this section as part of the plan;

(3) the brands of architectural paint <u>products</u> identified under this section as part of the plan; and

(4) the processors that manage postconsumer architectural paint <u>products</u> identified under this section as part of the plan.

(j) Upon submission of a plan to the Secretary under this section, a producer or a stewardship organization shall pay the fee required by 3 V.S.A. $\S 2822(j)(31)$. Thereafter, the producer or stewardship organization shall pay the fee required by 3 V.S.A. $\S 2822(j)(31)$ annually by on or before July 1 of each year.

§ 6674. RETAILER RESPONSIBILITY

(a) A producer or retailer may not sell or offer for sale architectural <u>a</u> paint <u>product</u> to any person in Vermont unless the producer of that architectural paint brand or a stewardship program of which the producer of that architectural paint brand is a member that the producer is a member of is implementing an approved plan for a Paint <u>Product</u> Stewardship Program as required by section 6673 of this title. A retailer complies with the requirements of this section if, on the date the architectural paint product was ordered from the producer or its agent, the producer or paint brand is listed on the Agency of Natural Resources' website as a producer or brand participating in an approved plan for a Paint <u>Product</u> Stewardship Program.

(b) At the time of sale to a consumer, a producer, a stewardship organization, or a retailer selling or offering architectural paint products for sale shall provide the consumer with information regarding available management options for postconsumer paint products collected through the Paint Product Stewardship Program or a brand of paint being sold under the Program.

§ 6675. AGENCY RESPONSIBILITY

(a)(1) Within 90 days of <u>after</u> receipt of a plan submitted under section 6673 of this title, the Secretary shall review the plan and make a determination whether or not to approve the plan. The Secretary shall issue a letter of approval for a submitted plan if:

(A) the submitted plan provides for the establishment of a Paint <u>Product</u> Stewardship Program that meets the requirements of subsection 6673(a) of this subchapter; and

(B) the Secretary determines that the plan:

(i) achieves convenient collection for consumers;

(ii) educates the public on proper paint <u>product</u> management; <u>and</u>

(iii) manages waste paint <u>products</u> in a manner that is environmentally safe and promotes reuse and recycling; and

(iv) is cost-effective.

(2) If the Secretary does not approve a submitted plan, the Secretary shall issue to the paint <u>product</u> stewardship organization a letter listing the reasons for the disapproval of the plan. If the Secretary disapproves a plan, a paint <u>product</u> stewardship organization intending to sell or continue to sell architectural paint <u>products</u> in the State shall submit a new plan within 60 days of <u>after</u> receipt of the letter of disapproval.

(b)(1) The Secretary shall review and approve the stewardship assessment proposed by a producer pursuant to subsection 6673(b) of this title. The Secretary shall only approve the Program budget and any assessment if the applicant has demonstrated that the costs of the Program and any proposed assessment are reasonable and the assessment does not exceed the costs of implementing an approved plan.

(2) If an amended plan is submitted under subsection 6673(g) of this title that proposes to change the cost of the Program or proposes to change the paint stewardship assessment under the plan, the disapproval of any proposed new assessment or the failure of an approved new assessment to cover the total costs of the Program shall not relieve a producer or stewardship organization of its obligation to continue to implement the approved plan under the originally approved assessment.

(c) Facilities solely collecting paint <u>products</u> for the Paint <u>Product</u> Stewardship Program that would not otherwise be subject to solid waste certification requirements shall not be required to obtain a solid waste certification. Persons solely transporting paint for the Paint <u>Product</u> Stewardship Program that would not otherwise be subject to solid waste hauler permitting requirements shall not be required to obtain a solid waste hauler's permit.

§ 6676. ANTICOMPETITIVE CONDUCT

(a) A producer or an organization of producers that manages postconsumer paint <u>products</u>, including collection, transport, recycling, and processing of postconsumer paint <u>products</u>, as required by this subchapter may engage in anticompetitive conduct to the extent necessary to implement the plan approved by the Secretary and is immune from liability for the conduct relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce.

(b) The activity authorized and the immunity afforded under subsection (a) of this section shall not apply to any agreement among producers or paint <u>product</u> stewardship organizations:

(1) establishing or affecting the price of paint <u>products</u>, except for the paint stewardship assessment approved under subsection 6675(b) of this title;

(2) setting or limiting the output or production of paint products;

(3) setting or limiting the volume of paint <u>products</u> sold in a geographic area;

(4) restricting the geographic area where paint <u>products</u> will be sold; or

(5) restricting the customers to whom paint <u>products</u> will be sold or the volume of paint <u>products</u> that will be sold.

§ 6677. PRODUCER REPORTING REQUIREMENTS

No later than October 15, 2015, and annually thereafter, <u>Annually</u>, a producer or a stewardship program of which the producer is a member shall submit to the Secretary a report describing the Paint <u>Product</u> Stewardship Program that the producer or Stewardship Program is implementing as required by section 6673 of this title. At a minimum, the report shall include:

(1) a description of the methods the producer or Stewardship Program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint <u>products</u> statewide in Vermont;

(2) the volume and type of postconsumer paint <u>products</u> collected by the producer or Stewardship Program at each collection center in all regions of Vermont;

(3) the volume of postconsumer paint <u>products</u> collected by the producer or Stewardship Program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal;

(4) an independent financial audit of the Paint <u>Product</u> Stewardship Program implemented by the producer or the Stewardship Program;

(5) the prior year's actual direct and indirect costs for each Program element and the administrative and overhead costs of administering the approved Program; and

(6) samples of the educational materials that the producer or stewardship program provided to consumers of architectural paint.

* * *

§ 6680. UNIVERSAL WASTE DESIGNATION FOR POSTCONSUMER PAINT

(a) The requirements of Subchapter 9 of the Vermont Hazardous Waste Management Rules, which allow certain categories of hazardous waste to be

managed as universal waste, shall apply to postconsumer paint <u>products</u> until the postconsumer paint is discarded, provided that:

(1) the postconsumer paint <u>product</u> is collected as a part of a stewardship plan approved under this subchapter; and

(2) the collected postconsumer paint <u>product</u> is or includes <u>a</u> paint <u>product</u> that is a hazardous waste as defined and regulated by the Vermont Hazardous Waste Management Rules.

(b) When postconsumer paint <u>product</u> is regulated as universal waste under subsection (a) of this section, small and large quantity handlers of the postconsumer paint shall manage the postconsumer paint <u>products</u> in a manner that prevents releases of any universal waste or component of the universal waste to the environment. Postconsumer paint <u>products</u> regulated as universal waste shall, at a minimum, be contained in one or more of the following:

(1) a container that remains closed, structurally sound, and compatible with the postconsumer paint <u>products</u> and that lacks evidence of leakage, spillage, or damage that could cause leakage under reasonably foreseeable conditions; or

(2) a container that does not meet the requirements of subdivision (1) of this subsection, provided that the unacceptable container is overpacked in a container that meets the requirements of subdivision (1).

(c) Containers holding postconsumer paint <u>products</u> that is <u>are</u> regulated as universal waste shall be clearly labeled <u>to clearly identify the contents of the</u> <u>container</u>, <u>such as "Paint-Related Waste</u>," "Universal Waste Paint," "Used Paint," or "Waste Paint."

(d) Unless otherwise provided by statute, the definitions of the Vermont Hazardous Waste Management Rules shall apply to this section.

§ 6681. PAINT CONSUMER FEES

(a) The paint product stewardship assessment shall be sufficient to implement and sustain the Paint Product Stewardship Program. If at any time the stewardship assessments established in this section are not sufficient to implement and sustain the Paint Product Stewardship Program, the Paint Product Stewardship Program shall propose new stewardship assessments that are sufficient to implement and sustain the Program.

(b) A retailer shall charge an assessment on paint products, based on current material management costs of the Paint Product Stewardship Program, in the following amounts for architectural paint:

(1) Half pint or smaller:

No fee.

(2) Greater than a half pint to one gallon:	<u>\$0.65.</u>
(3) Greater than one gallon to two gallons:	<u>\$1.35.</u>
(4) Greater than two gallons to five gallons:	\$2.45.

Sec. 15. IMPLEMENTATION; FEE REPORT

(a) The requirements for the sale of paint products under 10 V.S.A. § 6673 shall apply to architectural paint beginning on July 1, 2013 and all paint products beginning on July 1, 2026.

(b) The requirement under 10 V.S.A. § 6673 for an architectural paint producer to submit a stewardship plan to the Secretary of Natural Resources currently applies to producers of architectural paint as required beginning on July 1, 2013 and shall also apply to producers of paint related products beginning on July 1, 2026.

(c) The requirement under 10 V.S.A. § 6677 that an architectural paint producer annually report to the Secretary of Natural Resources currently applies to producers of architectural paint as required beginning on July 1, 2013 and shall also apply to producers of paint related products beginning on March 1, 2027.

(d) On or before December 15, 2025, the Secretary of Natural Resources shall submit to the Senate Committees on Natural Resources and Energy and on Finance and the House Committees on Environment and on Ways and Means a report recommending a paint consumer fee or fees to be charged for paint products that are not architectural paint.

* * * Renewable Power Portfolio * * *

Sec. 16. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO REQUIREMENT

* * *

(d) On or before November 1, 2027 2028, the Commission shall determine, for the period beginning on November 1, 2026 2028 and ending on November 1, 2032, the price to be paid to a plant used to satisfy the baseload renewable power portfolio requirement. The Commission shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25. The price shall be the avoided cost of the Vermont composite electric utility system. As used in this subsection, the term "avoided cost" means the incremental cost to retail electricity providers of electric energy or capacity, or both, that, but for the purchase from the plant proposed to satisfy the baseload renewable power

portfolio requirement, such providers would obtain from a source using the same generation technology as the proposed plant. For the purposes of this subsection, the term "avoided cost" also includes the Commission's consideration of each of the following:

* * *

(k) Collocation and efficiency requirements.

(1) The owner of the plant used to satisfy the baseload renewable power portfolio requirement shall cause the plant's overall efficiency to be increased by at least 50 percent relative to the 12-month period preceding July 1, 2022. In achieving this efficiency, the owner shall comply with the requirements of this subsection.

(2) On or before July October 1, 2023 2025, the owner of the plant shall submit to the Commission and the Department:

(A) A signed contract providing for the construction of a facility at the plant that utilizes the excess thermal heat generated at the plant for a beneficial purpose. As used in this subdivision (A), beneficial purpose may include the displacement of fossil fuel use for the sustainable production of a product or service or more efficient or less costly generation of electricity.

(B) A certification by a qualified professional engineer that the construction of the facility shall meet the requirement of subdivision (1) of this subsection (k).

(3) On or before October 1, 2025 2026, the owner of the plant shall submit to the Commission and the Department a certification that the main components of the facility used to meet the requirement of subdivision (1) of this subsection have been manufactured and that the construction plans for the facility have been completed.

(4) If the contract and certification required under subdivision (2) of this subsection are not submitted to the Commission and Department on or before July October 1, 2023 2025 or if the certification required under subdivision (3) is not submitted to the Commission and Department on or before October 1, 2025 2026, then the obligation under this section for each Vermont retail electricity provider to purchase a pro rata share of the baseload renewable power portfolio requirement shall cease on November 1, 2025 2026, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

(5) On or before September 1, 2026 2027, the Department shall investigate and submit a recommendation to the Commission on whether the plant has achieved the requirement of subdivision (1) of this subsection. If the

Department recommends that the plant has not achieved the requirement of subdivision (1) of this subsection, the obligation under this section shall cease on November 1, 2026 2027, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

(6) After November 1, 2027 2028, the owner of the plant shall report annually to the Department and the Department shall verify the overall efficiency of the plant for the prior 12-month period. If the overall efficiency of the plant falls below the requirement of subdivision (1) of this subsection, the report shall include a plan to return the plant to the required efficiency within one year.

(7) If, after implementing the plan in subdivision (6) of this subsection, the owner of the plant does not achieve the efficiency required in subdivision (1) of this subsection, the Department shall request that the Commission commence a proceeding to terminate the obligation under this section.

* * *

* * * Effective Dates * * *

Sec. 17. EFFECTIVE DATES

(a) This section and Secs. 7–13 (covered household hazardous products), 14–15 (paint products), and 16 (renewable power portfolio) shall take effect on passage.

(b) The remainder of this act shall take effect on July 1, 2025, except that Sec. 5 (use value appraisal) shall take effect on January 1, 2026.

Amendment to be offered by Reps. Nelson of Derby, Bos-Lun of Westminster, Burtt of Cabot, Durfee of Shaftsbury, Lipsky of Stowe, and Morgan, L. of Milton to H. 484

That the House concur in the Senate proposal of amendment with further proposal of amendment thereto as follows:

<u>First</u>: By striking out Sec. 5, 32 V.S.A. § 3752(1), and its reader assistance heading in their entireties and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. [Deleted.]

<u>Second</u>: In Sec. 17, effective dates, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) The remainder of this act shall take effect on July 1, 2025.

NOTICE CALENDAR

Senate Proposal of Amendment to House Proposal of Amendment to Senate Proposal of Amendment

H. 266

An act relating to the 340B prescription drug pricing program

The Senate concurs in the House proposal of amendment to the Senate proposal of amendment with further proposal of amendment thereto as follows:

<u>First</u>: By striking out Sec. 5, outpatient prescription drugs; limitations on hospital charges for 2025, in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. [Deleted.]

<u>Second</u>: In Sec. 6, effective dates, by striking out subsection (b) in its entirety and renumbering subsection (c) to be subsection (b)

Committee of Conference Report

S. 123

An act relating to miscellaneous changes to laws related to motor vehicles

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

The Committee of Conference, to which were referred the disagreeing votes of the two Houses upon Senate Bill, entitled:

S.123. An act relating to miscellaneous changes to laws related to motor vehicles.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment with further proposal of amendment thereto by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * 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 <u>A new</u> 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

* * *

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(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 <u>him or her the</u> <u>Commissioner</u> 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. \S 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 (1) of this section. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veterans 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:

 (\underline{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. \S 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.

Sec. 9. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(d) Individuals receiving Supplemental Security Income or Social Security Disability Income and individuals with a disability as defined in 9 V.S.A. § 4501 shall be provided with operator's licenses or operator privilege cards for the following fees:

(1) Original issuance: \$20.00.

(2) Renewal every four years: \$20.00.

(3) Replacement of lost, destroyed, or mutilated card or a new name is required: \$10.00.

* * * Learner's Permits * * *

Sec. 10. 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 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. <u>An individual under 23 years of age who was in the</u> <u>care and custody of the Commissioner for Children and Families pursuant to</u> <u>33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be</u> <u>charged a fee for the renewal of a motorcycle learner's permit.</u>

(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. 11. 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. 12. 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, <u>commercial learner's permit</u>, 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. 13. 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. 14. 23 V.S.A. § 634 is amended to read:

§ 634. FEE FOR EXAMINATION

* * *

(b)(1) A <u>Beginning on or before July 1, 2026, a</u> 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. 15. 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 <u>Commissioner</u> is satisfied from information given him or her the <u>Commissioner</u> 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 <u>An applicant who is a</u> citizen of a foreign country shall produce <u>his or her the applicant's</u> 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 <u>an applicant who is</u> 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. 16. 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. 17. 23 V.S.A. § 115b is added to read:

§ 115b. EARLY RENEWAL

(a) The holder of a 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. 18. INFORMATION REGARDING PRIVILEGE CARDS AND NONDRIVER IDENTIFICATION CARDS; INTENT

It is the intent of the General Assembly that the Commissioner of Motor Vehicles, to the extent permitted by federal law, ensures 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 continues to be informed of the option of applying for 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. 19. 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. 20. 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. 21. 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 <u>licensed</u> 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

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* * *

* * * Motor Vehicle Taxes * * *

Sec. 22. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

 $(5)(\underline{A})$ "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)(1) 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 <u>him or her the purchaser</u> under contract of collision, comprehensive, or similar insurance after he or she <u>the purchaser</u> has paid the tax imposed by this chapter, if <u>such the</u> 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. 23. 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 eertified mail, and the purchaser shall remit the same within 15 days thereafter after notice is sent or provided.

* * *

Sec. 24. 32 V.S.A. § 8914 is amended to read:

§ 8914. REFUND

Any overpayment of such tax as determined by the Commissioner shall be refunded. <u>To be eligible to receive a refund, a person shall submit a request</u> for a refund within one year after paying the tax.

* * * Refund of Registration Fee * * *

Sec. 25. 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. 26. 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. 27. 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 <u>cause</u> to be sold any motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile and has actual knowledge that <u>if</u> the odometer, hubometer reading, or clock meter reading has been changed, tampered with, or defaced without <u>first</u> 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. 28. 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. 29. 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. 30. 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. 31. 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. 32. 23 V.S.A. § 1205 is amended to read:

§ 1205. CIVIL SUSPENSION; SUMMARY PROCEDURE

(a) Refusal; alcohol concentration <u>at or</u> 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 <u>at or</u> 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 <u>at or</u> 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 <u>at or</u> 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 <u>at or</u> 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 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 <u>at or</u> 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 <u>at or</u> 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 <u>at or</u> above the applicable limit at the time of operating, attempting to operate, or being in actual physical control.

* * *

Sec. 33. 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. 34. 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 semitrailers 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. 35. 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 <u>has</u> the same definition meaning as in 23 V.S.A. $\S 4(21)$.

* * *

(12) "Mail" has the same meaning as in 23 V.S.A. \S 4(87).

Sec. 36. 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. 37. 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. 38. 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. 39. 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 <u>72</u> 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. 40. 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 - 4304 - 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. 41. 23 V.S.A. § 1139 is amended to read:

§ 1139. RIDING ON ROADWAYS AND BICYCLE PATHS

(a) A person <u>Due care and riding on the right</u>. 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 <u>Riding two abreast</u>. Individuals operating bicycles upon a roadway may <u>shall</u> 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. <u>Persons Individuals</u> 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) <u>Riding on a partially controlled access highway.</u> 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. 42. 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 laneuse 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. 43. 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. 44. 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. 45. 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) <u>"Selectmen" includes village trustees and aldermen</u> <u>"Selectboard"</u> means a selectboard as defined in 24 V.S.A. § 2001.

* * *

 $(8)(\underline{A})$ "Trail" means a public right-of-way that is not a highway and that:

(i) municipalities have the authority to exclusively or cooperatively maintain pursuant to the provisions of this chapter; 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 <u>municipality</u> 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. 46. EFFECTIVE DATES

(a) This section and Secs. 16 and 17 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

(b) Sec. 45 (maintenance of legal trails) shall take effect on April 1, 2026.

(c) Secs. 9 (reduced license fees for individuals receiving SSI or SSDI benefits) and 41 (operation of bicycles) shall take effect on July 1, 2026.

(d) The remaining sections shall take effect on July 1, 2025.

REP. MATTHEW E. WALKER REP. PHIL POUECH REP. CANDICE WHITE

Committee on the part of the House

SEN. PATRICK M. BRENNAN SEN. REBECCA E. WHITE SEN. WENDY K. HARRISON

Committee on the part of the Senate

CONSENT CALENDAR FOR ACTION

Concurrent Resolution for Adoption Under Joint Rules 16a - 16d

The following concurrent resolution has 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 the resolution, see Addendum to Senate Calendar of May 28, 2025.

S.C.R. 6

Senate concurrent resolution honoring Montpelier City Manager William J. Fraser for three decades of distinguished municipal public service

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 <u>at least two weeks prior</u> 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 <u>not</u> <u>later than 12:00 noon the Thursday of the week prior</u> 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]