

House Calendar

Thursday, January 29, 2026

24th DAY OF THE ADJOURNED SESSION

House Convenes at 3:30 P.M.

TABLE OF CONTENTS

	Page No.
ACTION CALENDAR	
Third Reading	
H. 270 Confidentiality for peer support counseling among emergency service providers	276
H. 516 Approval of amendments to the charter of the Town of Essex	276
Committee Bill for Second Reading	
H. 790 Fiscal year 2026 budget adjustments Rep. Scheu for Appropriations	276
Favorable with Amendment	
H. 648 Banking, insurance, and securities Rep. Olson for Commerce and Economic Development	276
Rep. Burkhardt for Ways and Means	326
Rep. Nigro for Appropriations	326
Action Under Rule 52	
H.R. 12 Expressing support for the principles behind the statement of Governor Philip B. Scott regarding the federal surge of U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP) agents in the State of Minnesota	326
CONSENT CALENDAR FOR NOTICE	
H.C.R. 176 Congratulating the 2025 West Rutland High School Golden Horde's Division IV championship softball team	327
H.C.R. 177 Congratulating Twin Valley High School Athletic Director extraordinaire and 500 game-winning boys' soccer coach Buddy Hayford ..	327
H.C.R. 178 In memory of former Senator William H. Carris of Wells	327
H.C.R. 179 Congratulating the Essex High School Hornets girls' volleyball team on winning the school's fifth consecutive divisional championship ...	327

H.C.R. 180 Congratulating the 2025 Essex High School Hornets on winning the State boys' volleyball championship	327
H.C.R. 181 Congratulating the winners of the 2025 Spirit of the ADA Award	327
H.C.R. 182 Designating February 5, 2026, as Outdoor Recreation Day at the State House	327
H.C.R. 183 Recognizing July 2026 as Park and Recreation Month in Vermont and designating July 17, 2026, as Vermont Park and Recreation Professionals Day in Vermont	328
H.C.R. 184 Celebrating the restoration of a wild turkey population in Vermont	328

ORDERS OF THE DAY

ACTION CALENDAR

Third Reading

H. 270

An act relating to confidentiality for peer support counseling among emergency service providers

H. 516

An act relating to approval of amendments to the charter of the Town of Essex

Committee Bill for Second Reading

H. 790

An act relating to fiscal year 2026 budget adjustments

(Rep. Scheu of Middlebury will speak for the Committee on Appropriations.)

Favorable with Amendment

H. 648

An act relating to banking, insurance, and securities

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

* * * Banking; Financial and Related Services * * *

Sec. 1. 8 V.S.A. § 2102 is amended to read:

§ 2102. APPLICATION FOR LICENSE

(a) Application for a license or registration shall be in writing, under oath or affirmation, and in the form prescribed by the Commissioner and shall contain the legal name, any fictitious name or trade name, and the address of the residence and place of business of the applicant; if the applicant is a partnership corporation, limited liability company, partnership, or other entity, the name and title of each key individual and person in control of the applicant; the county and municipality with street and number, if any, where the business is to be conducted; and such further information as the Commissioner may require.

(b) At the time of making an application, the applicant shall pay to the Commissioner a fee for investigating the application and a license or registration fee for a period terminating on the last day of the current calendar year. The following fees are imposed on applicants:

* * *

(9) For an application for a consumer litigation funding company registration under chapter 74 of this title, \$200.00 as a ~~registration~~ license fee and \$300.00 as an application and investigation fee.

* * *

Sec. 2. 8 V.S.A. § 2103 is amended to read:

§ 2103. APPROVAL OF APPLICATION AND ISSUANCE OF LICENSE

(a) Upon the filing of an application, payment of the required fees, and satisfaction of any applicable bond and liquid asset requirements, the Commissioner shall issue a license to the applicant if the Commissioner finds:

(1)(A) The financial condition and responsibility, financial and business experience, competence, character, and general fitness of the applicant command the confidence of the community; and warrant belief that the business will be operated honestly, fairly, and efficiently pursuant to the applicable chapter of this title; and otherwise indicate that it is in the public interest to permit the applicant to provide services in this State. If the applicant is a corporation, limited liability company, partnership, or association other entity, such findings are required with respect to each key individual and each person in control of the applicant.

(B) For purposes of assessing whether a person is financially responsible, the Commissioner may consider how the person has managed his or her the person's own financial condition, which may include factors such as whether the person has:

- (i) current outstanding judgments, except judgments solely as a result of medical expenses;
- (ii) current outstanding tax liens or other government liens and filings;
- (iii) foreclosures within the past three years; or
- (iv) a pattern of seriously delinquent accounts within the past three years.

(2) Allowing the applicant to engage in business will promote the convenience and advantage of the community in which the applicant will conduct its business.

(3) The applicant, each key individual, and each person in control of the applicant has never had a financial services license or similar license revoked in any governmental jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation.

(4) The applicant, each key individual, and each person in control of the applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court:

(A)(i) during the seven-year period preceding the date of the application for licensing and registration; or

(ii) at any time preceding such date of application, if such felony involved an act of fraud or dishonesty, a breach of trust, or money laundering; and

(B) provided that any pardon or expungement of a conviction shall not be a conviction for purposes of this subsection.

(5) The applicant has satisfied the applicable surety bond and liquid asset requirement as follows:

(A) for an application for a lender license, mortgage broker license, mortgage loan originator license, or loan solicitation license, the applicable bond and liquid asset requirements of sections 2203 and 2203a of this title;

(B) for an application for a consumer litigation funding company registration license, the financial stability requirement of section 2252 of this title;

(C) for an application for a money transmitter license, the net worth and security requirements of sections 2540 and 2541 of this title;

(D) for an application for a debt adjuster license, the bond requirement of section 2755 of this title; and

(E) for an application for a loan servicer license, the bond requirement of sections 2903 and 2907 of this title.

(6) For an application for a mortgage loan originator license, the applicant has satisfied the prelicense education requirement of section 2204a of this title and the prelicensing testing requirement of section 2204b of this title.

* * *

Sec. 3. 8 V.S.A. § 2107 is amended to read:

§ 2107. CHANGE OF CONTROL

(a) Any person or group of persons acting in concert, seeking to acquire control of a licensee, shall submit a request to the Commissioner and shall obtain the approval of the Commissioner prior to acquiring control. If the person or group of persons is seeking to acquire control of a money transmitter licensee, the person or group of persons shall submit with the request a nonrefundable fee of \$500.00. An individual is not deemed to acquire control of a licensee and is not subject to this section when that individual becomes a key individual in the ordinary course of business.

(b) The request required by subsection (a) of this section shall include all information required for the person or group of persons seeking to acquire control and all new key individuals that have not previously submitted the application requirements contained in ~~section 2102 of this chapter or 2202a of this title, as applicable to the specific license.~~

(c) The Commissioner shall approve a request for change of control under subsection (a) of this section if, after investigation, the Commissioner determines that the person or group of persons requesting approval has the financial condition and responsibility, competence, financial and business experience, character, and general fitness to control and operate the licensee in a lawful and proper manner, and that the interests of the public will not be jeopardized by the change of control.

(d) The Commissioner shall approve or deny a request for change of control not later than 60 days after a complete request is filed and notify the licensee of the decision in a record. The Commissioner for good cause may extend the review period.

(e) The following persons are exempt from the prefiling requirements of subsection (a) of this section, but the licensee shall notify the Commissioner of the change of control, unless exempted by subsection (f) of this section, and request the Commissioner's approval using the standards in subsection (b) of this section for a change of control:

(1) a person that acts as a proxy for the sole purpose of voting at a designated meeting of the security holders or holders of voting interests of a licensee or person in control of a licensee;

(2) a person that acquires control of a licensee by devise or descent;

(3) a person that acquires control as a personal representative, custodian, guardian, conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law; and

(4) a person that the Commissioner, by rule or order, exempts in the public interest.

(f) Regarding the control of a money transmitter licensee, the following persons are exempt from the prefiling requirements of subsection (a) of this section and do not need the Commissioner's approval with respect to the following specific actions:

(1) a person that acts as a proxy for the sole purpose of voting at a designated meeting of the security holders or holders of voting interests of a money transmitter licensee or person in control of a money transmitter licensee;

(2) a person that acquires control of a money transmitter licensee by devise or descent;

(3) a person that acquires control of a money transmitter licensee as a personal representative, custodian, guardian, conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law;

(4) a person in control of the money transmitter licensee where there has been an internal reorganization of such person but the ultimate person in control of the money transmitter licensee remains the same; and

(5) a person that the Commissioner, by rule or order, exempts in the public interest.

(g) Subsection (a) of this section does not apply to public offerings of securities.

(g)(h) Before filing a request for approval to acquire control, a person may request in a record a determination from the Commissioner as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the Commissioner determines that the person would not be a person in control of a licensee, the Commissioner shall enter an order to that effect, and the proposed person and transaction is not subject to the requirements of subsections (a) through (e) (a)-(c) of this section.

(h)(i) If an applicant avails itself or is otherwise subject to a multistate licensing process:

(1) the Commissioner is authorized to accept the investigation results of a lead investigative state for the purposes of reaching the findings in subsection (c) of this section if the lead investigative state has sufficient staffing, expertise, and minimum standards; or

(2) if Vermont is a lead investigative state, the Commissioner is authorized to investigate the applicant pursuant to subsection (c) of this section.

Sec. 4. 8 V.S.A. § 2109 is amended to read:

§ 2109. ANNUAL RENEWAL OF LICENSE

(a) On or before December 1 of each year, every licensee shall renew its license or registration for the next succeeding calendar year and shall pay to the Commissioner the applicable renewal of license or registration fee. At a minimum, the licensee or registrant shall continue to meet the applicable standards for licensure or registration. At the same time, the licensee or registrant shall maintain with the Commissioner any required bond in the amount and of the character as required by the applicable chapter. The annual license or registration renewal fee shall be:

* * *

(9) For a consumer litigation funding company ~~registration license~~ under chapter 74 of this title, \$200.00.

* * *

(e) Notwithstanding any other provision of this title to the contrary, the license of a mortgage loan originator ~~who that~~ fails to pay the annual renewal fee or fails to satisfy all of the minimum license renewal standards by December 1 shall automatically expire on December 31.

(f) Notwithstanding any other provision of this title to the contrary, the ~~registration license of a consumer~~ litigation funding company that fails to pay the annual renewal fee or fails to satisfy all of the minimum ~~registration license~~ renewal requirements by December 1 shall automatically expire on December 31.

(g) Notwithstanding any other provisions of this title to the contrary, the license of a money transmitter ~~who that~~ fails to pay the annual renewal fee on or before December 1 shall automatically expire on December 31.

Sec. 5. 8 V.S.A. § 2110 is amended to read:

§ 2110. REVOCATION, SUSPENSION, TERMINATION, OR

NONRENEWAL OF LICENSE; CEASE AND DESIST ORDERS

(a) The Commissioner may deny, suspend, terminate, revoke, condition, or refuse to renew a license or order that any person or licensee cease and desist in any specified conduct if the Commissioner finds:

* * *

(5) subsequent to the date of application, the licensee is convicted of, or pleads guilty or nolo contendere to, a violation of a state or federal anti-money laundering statute felony in a domestic, foreign, or military court;

(6) the competence, financial condition and responsibility, financial and business experience, competence, character, or general fitness of the licensee, person in control of a licensee, or key individual does not command the confidence of the community; does not warrant belief that the business will be operated honestly, fairly, and efficiently pursuant to the applicable chapter of this title; or otherwise indicates that it is not in the public interest to permit the person to provide services in this State;

* * *

(d)(1) If the Commissioner refuses to renew a license, then not later than 15 days after the date the renewal request is refused, the licensee may request that the Commissioner reconsider the renewal request.

(2) The licensee shall submit the licensee's request in writing and shall respond specifically to the Commissioner's stated reason or reasons for refusing the renewal request.

(3) The Commissioner shall reconsider the renewal request in light of the licensee's request for reconsideration and response and shall issue a decision pursuant to the standards in subsection (a) of this section not later than 60 days after the date of the request.

(4) The licensee may appeal the Commissioner's decision by filing an action in the Civil Division of the Superior Court of Washington County not later than 15 days after the date of the Commissioner's decision.

Sec. 6. 8 V.S.A. § 2117 is amended to read:

§ 2117. EXAMINATIONS AND INVESTIGATIONS; EXAMINATION FEES

* * *

(k) Information obtained during, or for, an examination or investigation under this part, including reports required pursuant to section 2120 of this chapter, shall be confidential and privileged and shall be treated as provided in section 23 of this title.

Sec. 7. 8 V.S.A. § 2252 is amended to read:

§ 2252. REGISTRATION LICENSE REQUIRED; FINANCIAL STABILITY

(a) A ~~company person~~ shall not engage in the business of consumer litigation funding without first ~~filing a registration with the Commissioner on a form prescribed by the Commissioner and submitting a registration fee and proof of financial stability~~ obtaining a license under this chapter.

(b) ~~A company shall file with the Commissioner evidence of its financial stability, which shall include proof of~~ In addition to the information required by section 2102 of this title, an applicant for a consumer litigation funding license shall provide, and a licensee shall at all times maintain, a surety bond or irrevocable letter of credit issued and confirmed by a financial institution authorized by law to transact business in Vermont that is equal to double the amount of the company's largest funded amount in Vermont in the prior three calendar years or \$50,000.00, whichever is greater.

Sec. 8. 8 V.S.A. § 2260 is amended to read:

§ 2260. ANNUAL REPORTS

(a) Annually, on or before April 1, each company ~~registered~~ licensed under this chapter shall file a report with the Commissioner under oath or affirmation and in the form and manner prescribed by the Commissioner. In addition to information required by section 2120 of this title, the report shall include any information the Commissioner requires concerning the company's business and operations during the preceding calendar year within Vermont and, in addition, shall include:

* * *

Sec. 9. 8 V.S.A. § 2503 is amended to read:

§ 2503. DEFINITIONS

As used in this chapter:

* * *

(8) “Eligible rating” shall mean means a credit rating of any of the three highest rating categories provided by an eligible rating service, whereby each category may include rating category modifiers such as “plus” or “minus” for S&P, or the equivalent for any other eligible rating service. Long-term credit ratings are deemed eligible if the rating is equal to A- or higher by S&P, or the equivalent from any other eligible rating service. Short-term credit ratings are deemed eligible if the rating is equal to or higher than A-2 or SP-2 by S&P, or the equivalent from any other eligible rating service. In the event that ratings differ among eligible rating services, the highest rating shall apply when determining whether a security bears an eligible rating.

(9) “Eligible rating service” shall mean means any Nationally Recognized Statistical Rating Organization (NRSRO) as defined by the U.S. Securities and Exchange Commission, and any other organization designated by the Commissioner by rule or order.

(10) “Exchange,” when used as a verb in reference to a transaction or relationship involving virtual currency, means to assume or exercise control of virtual currency from or on behalf of a person, including momentarily, to buy, sell, trade, or convert:

(A) virtual currency for money, monetary value, bank credit, or one or more forms of virtual currency, or other consideration; or

(B) money, monetary value, bank credit, or other consideration for one or more forms of virtual currency.

(11) “In this State” means at a physical location within Vermont for a transaction requested in person. For a transaction requested electronically or by phone, the provider of money transmission may determine if the person requesting the transaction is “in this State” by relying on other information provided by the person regarding the location of the individual’s residential address or a business entity’s principal place of business or other physical address location, and any records associated with the person that the provider of money transmission may have to indicate such location, including an address associated with an account.

(11)(12) “Licensee” means a person licensed under this chapter.

(12)(13) “Limited station” means private premises where a check casher is authorized to engage in check cashing for not more than two days of each week solely for the employees of the particular employer or group of employers specified in the check casher license application.

(13)(14) “Mobile location” means a vehicle or a movable facility where check cashing occurs.

(14)(15) “Monetary value” means a medium of exchange, whether or not redeemable in money.

(15)(16) “Money” means a medium of exchange that is issued by the United States or a foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments.

(16)(17) “Money services” means money transmission, check cashing, or currency exchange.

(17)(18)(A) “Money transmission” means any of the following:

(i) selling or issuing payment instruments to a person located in this State;

(ii) selling or issuing stored value to a person located in this State; or

(iii) receiving money for transmission from a person located in this State; or

(iv) virtual-currency business activity.

(B) The term “money transmission” includes payroll processing services.

(C) The term “money transmission” does not include the provision solely of telecommunications services or network access.

(18)(19) “Money transmission kiosk” means an automated, unstaffed electronic machine that ~~allows users to engage in~~ ~~through which~~ money transmission, including any machine that is capable of accepting or dispensing cash ~~in exchange for virtual currency~~ ~~is offered, facilitated, or engaged in, in whole or in part, directly or indirectly.~~ The term includes any virtual-currency kiosk. The term does not include consumer cell phones and other similar personal devices ~~of consumers~~.

(19)(20)(A) “Outstanding money transmission obligations” shall be established and extinguished in accordance with applicable state law and shall ~~mean~~ means:

(i) any payment instrument or stored value issued or sold by the licensee to a person located in the United States or reported as sold by an authorized delegate of the licensee to a person that is located in the United States that has not yet been paid or refunded by or for the licensee, or escheated in accordance with applicable abandoned property laws; or

(ii) any money received for transmission by the licensee or an authorized delegate in the United States from a person located in the United States that has not been received by the payee or refunded to the sender, or escheated in accordance with applicable abandoned property laws.

(B) For purposes of this section, “in the United States” shall ~~include~~ includes, to the extent applicable, a person in any state, territory, or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico; or a U.S. military installation located in a foreign country.

(20)(21) “Payment instrument” means a written or electronic check, draft, money order, traveler’s check, or other written or electronic instrument

for the transmission or payment of money or monetary value, whether or not negotiable. The term does not include stored value or any instrument that is:

(A) redeemable by the issuer only for goods or services provided by the issuer or its affiliate or franchisees of the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value; or

(B) not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

(21)(22) “Payroll processing services” means receiving money for transmission pursuant to a contract with a person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make payments relating to employee benefit plans, or make distributions of other authorized deductions from wages or salaries. The term does not include an employer performing payroll processing services on its own behalf or on behalf of its affiliate.

(22)(23) “Prevailing market value” means the value to buy or sell a particular virtual currency, as applicable, quoted on a virtual currency exchange operated by a licensee based in the United States, with sufficient volume to reflect the prevailing market price of such virtual currency.

(23)(24) “Receiving money for transmission” or “money received for transmission” means receiving money or monetary value in the United States for transmission within or outside the United States by electronic or other means.

(24)(25) “Stored value” means monetary value representing a claim against the issuer evidenced by an electronic or digital record, and that is intended and accepted for use as a means of redemption for money or monetary value, or payment for goods or services. The term includes “prepaid access” as defined by 31 C.F.R. § 1010.100, as may be amended. Notwithstanding the foregoing, the term “stored value” does not include a payment instrument or closed loop stored value, or stored value not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

(25)(26) “Tangible net worth” means the aggregate assets of a licensee excluding all intangible assets, less liabilities, as determined in accordance with United States U.S. generally accepted accounting principles.

(27) “Transfer,” when used in reference to a transaction or relationship involving virtual currency, means to assume or exercise control of virtual currency from or on behalf of a person and to:

(A) credit the virtual currency to the account or digital wallet of another person;

(B) move the virtual currency from one account or digital wallet of a person to another account or digital wallet of the same person; or

(C) relinquish or transfer control or ownership of virtual currency to another person, digital wallet, distributed ledger address, or smart contract.

(26)(28) “U.S. dollar equivalent of virtual currency” means the prevailing market value of a particular virtual currency in United States dollars for a particular date or period specified in this chapter.

(27)(29)(A) “Virtual currency” means a digital representation of value that:

(i) is used as a medium of exchange, unit of account, or store of value; and

(ii) is not money, whether or not denominated in money.

(B) The term “virtual currency” does not include:

(i) a digital representation of value that can be redeemed for goods, services, discounts, or purchases solely as part of a customer affinity or rewards program with the issuing merchant or other designated merchants, or both, or can be redeemed for digital units in another customer affinity or rewards program, but cannot be, directly or indirectly, converted into, redeemed, or exchanged for money, monetary value, bank credit, or virtual currency; or

(ii) a digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform, and:

(I) has no market or application outside of such online game, game platform, or family of games;

(II) cannot be, directly or indirectly, converted into, redeemed, or exchanged for money, monetary value, bank credit, or virtual currency; and

(III) may or may not be redeemable for real-world goods, services, discounts, or purchases.

(28)(30) “Virtual-currency administration” means:

(A) issuing virtual currency with the authority to redeem such virtual currency for money, monetary value, bank credit, or other virtual currency; or

(B) issuing virtual currency that entitles the purchaser or holder of such virtual currency, or otherwise conveys or represents a right of the purchaser or holder of such virtual currency, to redeem such virtual currency for money, monetary value, bank credit, or other virtual currency.

(29)(31) “Virtual-currency business activity” means:

(A) exchanging or transferring virtual currency, engaging in virtual-currency administration, or engaging in virtual-currency storage, in each case whether directly or through an agreement with a virtual-currency control-services vendor;

(B) holding electronic precious metals or electronic certificates representing interests in precious metals on behalf of another person or issuing shares or electronic certificates representing interests in precious metals;

(C) buying or selling virtual currency as a consumer business; or

(D) receiving virtual currency or control of virtual currency for transmission or transmitting virtual currency, except where the transaction is undertaken for nonfinancial purposes and does not involve the transfer of more than a nominal amount of virtual currency.

(30)(32) “Virtual-currency control-services vendor” means a person that has control of virtual currency solely under an agreement with a person that, on behalf of another person, assumes control of virtual currency.

(33) “Virtual-currency kiosk” means a money transmission kiosk through which virtual-currency business activity is offered, facilitated, or engaged in, in whole or in part, directly or indirectly. Examples include money transmission kiosks that are capable of accepting or dispensing money, monetary value, or other forms of consideration in connection with a virtual-currency transaction.

(31)(34) “Virtual-currency kiosk operator” means a person that offers, facilitates, or engages in, in whole or in part, directly or indirectly, virtual-currency business activity via a money transmission virtual-currency kiosk located in this State or a person that owns, operates, or manages a money transmission virtual-currency kiosk located in this State through which virtual-currency business activity is offered.

(32)(35) “Virtual-currency storage” means:

(A) maintaining possession, custody, or control over virtual currency on behalf of another person, including as a virtual-currency control-services vendor;

(B) issuing, transferring, or otherwise granting or providing to any person in this State any claim or right, or any physical, digital, or electronic instrument, receipt, certificate, or record representing any claim or right to receive, redeem, withdraw, transfer, exchange, or control any virtual currency or amount of virtual currency; or

(C) receiving possession, custody, or control over virtual currency from a person in this State, in return for a promise or obligation to return, repay, exchange, or transfer such virtual currency or a like amount of such virtual currency.

(36) “Virtual-currency transaction” means a transaction, conducted or performed by any means, involving or related to virtual-currency business activity. Examples include purchasing stored value or closed loop stored value for the purpose of exchanging, transferring, buying, or selling virtual currency.

Sec. 10. 8 V.S.A. § 2506 is amended to read:

§ 2506. APPLICATION FOR LICENSE; ADDITIONAL INFORMATION

(a) In addition to the information required by section 2102 of this title, an application for a license under this subchapter shall state or contain:

* * *

(7) the name and address of any financial institution or credit union through which the applicant plans to conduct money services.

(b) For good cause shown and consistent with the purposes of this section, the Commissioner may waive one or more requirements of this section or permit an applicant to submit substituted information in lieu of the required information.

Sec. 11. 8 V.S.A. § 2507 is amended to read:

§ 2507. MONEY TRANSMISSION KIOSK REGISTRATION

(a) A licensee shall not locate, or allow a third party to locate, a money transmission kiosk in this State that allows users of the money transmission kiosk to engage in money transmission through which money transmission is offered, facilitated, or engaged in, in whole or in part, directly or indirectly, by or on behalf of the licensee unless the licensee registers the money transmission kiosk and obtains the prior approval of the Commissioner for its activation.

(b) To apply for registration and approval to activate a money transmission kiosk, a licensee shall submit an application, using a form prescribed by the Commissioner, that includes the ownership and location of the money

transmission kiosk, an affidavit of all businesses and services to be offered at the kiosk, the written agreement between the licensee and the owner of the money transmission kiosk if different persons, and the text of each disclosure required pursuant to subsection (c) of this section along with a description of the form, timing, and location for each disclosure.

(c) Each money transmission kiosk shall disclose prominently and conspicuously, using as high a contrast or resolution as any other display or graphics on the money transmission kiosk, prior to the point at which a user of the money transmission kiosk is irrevocably committed to completing any transaction:

(1) on or at the location of the money transmission kiosk, or on the first screen of such kiosk, the name, address, ~~and telephone number, and Vermont license number of the owner of the kiosk licensee~~ and the days, time, and means by which a consumer can contact the ~~owner licensee~~ for consumer assistance; and

* * *

Sec. 12. 8 V.S.A. § 2519 is amended to read:

§ 2519. ACTIVITIES OF CHECK CASHERS AND CURRENCY

EXCHANGES

(a) Check cashing.

(1) A licensee, in every location conducting business under a license issued pursuant to this chapter, shall conspicuously post and at all times display a notice stating all fees charged. A licensee shall file with the Commissioner a statement of the fees charged at every location licensed for services offered there.

(2) Before a licensee shall deposit, with any financial institution or credit union, a payment instrument that is cashed by a licensee, each such item shall be endorsed with the actual name under which such licensee is doing business. Additionally, the words "Licensed Check Cashing Business" must be written legibly or stamped immediately after or below the name of the endorser.

(3) A licensee shall comply with all applicable federal statutes governing currency transaction reporting.

(4) A licensee may not alter or delete any information on any payment instrument cashed.

(5) A licensee shall issue a receipt for each check cashing transaction upon request. The receipt shall include, among other matters the licensee may desire to include, the amount of the payment instrument and the total fee charged.

(6) A licensee shall not impose any fee or other charge for bad checks other than as expressly permitted under the provisions of 9 V.S.A. §§ 2311 and 2312.

(7) Within 10 business days after being advised by the payor financial institution or credit union that a payment instrument has been altered, forged, stolen, obtained through fraudulent or illegal means, or negotiated without proper legal authority, or represents the proceeds of illegal activity, the licensee shall notify the police department in the city or town where the payment instrument was cashed. If a payment instrument is returned to the licensee by the payor financial institution or credit union for any of the aforementioned reasons, the licensee may not release or destroy the payment instrument without the consent of the city or town police department, or other investigative law enforcement authority.

* * *

Sec. 13. 8 V.S.A. § 2573 is amended to read:

§ 2573. CONDITIONS PRECEDENT TO ENGAGING IN VIRTUAL-CURRENCY BUSINESS ACTIVITY

* * *

(b) ~~A person that engages in virtual currency business activity is engaged in the business of money transmission.~~ [Repealed.]

* * *

Sec. 14. 8 V.S.A. § 2571 is amended to read:

§ 2571. DEFINITIONS

As used in this subchapter:

(1) “Blockchain” has the same meaning as in 12 V.S.A. § 1913(a)(1).

(2) “Blockchain analytics” means a software service that uses data from various virtual currencies and their applicable blockchains to provide a risk rating specific to digital wallet addresses from users of virtual-currency kiosks.

(3) “Digital wallet” means hardware or software that enables individuals to store and use virtual currency.

(4) “Digital wallet address” means an alphanumeric identifier representing a destination on a blockchain for a virtual currency transfer that is associated with a digital wallet.

(5) “Exchange,” used as a verb, means to assume or exercise control of virtual currency from or on behalf of a person, including momentarily, to buy, sell, trade, or convert:

(A) virtual currency for money, monetary value, bank credit, or one or more forms of virtual currency, or other consideration; or

(B) money, monetary value, bank credit, or other consideration for one or more forms of virtual currency.

(6) “Existing customer” means a consumer who:

(A) is engaging in a transaction at a virtual-currency kiosk in Vermont; and

(B) whose first transaction with the virtual-currency kiosk operator occurred more than 30 days prior.

(7)(6) “New customer” means a consumer who:

(A) is engaging in a transaction at a virtual-currency kiosk in Vermont; and

(B) whose first transaction with the virtual-currency kiosk operator occurred not more than 30 days prior.

(8) “Transfer” means to assume or exercise control of virtual currency from or on behalf of a person and to:

(A) credit the virtual currency to the account or digital wallet of another person;

(B) move the virtual currency from one account or digital wallet of a person to another account or digital wallet of the same person; or

(C) relinquish or transfer control or ownership of virtual currency to another person, digital wallet, distributed ledger address, or smart contract.

* * * Banking; Financial and Related Institutions * * *

Sec. 15. REPEAL

8 V.S.A. § 10101 (application of consumer protection chapter) is repealed.

Sec. 16. 8 V.S.A. § 10201 is amended to read:

§ 10201. STATEMENT OF POLICY ON FINANCIAL PRIVACY

It is the policy of this State to protect the privacy of customers of ~~financial institutions regulated entities~~ without unduly inhibiting the free flow of commerce or legitimate law enforcement activities.

Sec. 17. 8 V.S.A. § 10202 is amended to read:

§ 10202. DEFINITIONS

As used in this subchapter:

(1)(A) “Account verification service” means any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of:

(A)(i) assembling information on the frequency and location of depository account openings or attempted openings by a consumer, or forced closings by a depository institution of accounts of a consumer; or

(B)(ii) authenticating or validating Social Security numbers or addresses for the purpose of reporting to third parties for use in fraud prevention.

(B) Mailing such information to a customer to the address provided by such customer shall not be prohibited by this subchapter.

(2) “Credit reporting agency” means any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of reporting to third parties on the credit rating or creditworthiness of any consumer.

(3) “Customer” means, for purposes of this subchapter, any person who deposits, borrows, or invests with a ~~financial institution regulated entity~~, including a surety or a guarantor on a loan.

(4) “Financial information” means an original or copy of, or information derived from:

(A) a document that grants signature authority over a deposit or share account;

(B) a statement, ledger card, or other record of a deposit or share account that shows transactions in or with respect to that deposit or account;

(C) a check, clear draft, or money order that is drawn on a ~~financial institution regulated entity~~ or issued and payable by or through a ~~financial institution regulated entity~~;

(D) any item, other than an institutional or periodic charge, that is made under an agreement between a ~~financial institution regulated entity~~ and another person's deposit or share account;

(E) any information that relates to a loan account or an application for a loan; or

(F) evidence of a transaction conducted by electronic or telephonic means.

(5) "Financial institution" means a financial institution as defined in subdivision 11101(32) of this title, and a credit union, financial institution subsidiary, licensed lender, mortgage broker, or sales finance company ~~organized or regulated under the laws of this State, the United States, or any other state or territory.~~

(6) "Mercantile agency" means any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating business credit information or other information on businesses for the purpose of reporting to third parties on the credit rating or creditworthiness of any business.

(6) "Regulated entity" means a person required to be licensed or chartered pursuant to Part 2 of this title, an entity organized under the laws of another state that is regulated by its home state in an equivalent manner to an independent trust company chartered pursuant to chapter 77 of this title, a financial institution, a credit union, branches and agencies of foreign banks, and subsidiaries of any such person.

Sec. 18. 8 V.S.A. § 10203 is amended to read:

§ 10203. DISCLOSURE OF FINANCIAL RECORDS PROHIBITED

Except as otherwise expressly provided in this subchapter, a ~~financial institution regulated entity~~, its officers, employees, agents, and directors shall not disclose to any person any financial information relating to a customer. ~~Financial institutions~~ Regulated entities shall adopt reasonable procedures to ensure compliance with this subchapter.

Sec. 19. 8 V.S.A. § 10204 is amended to read:

§ 10204. EXCEPTIONS

This subchapter does not prohibit any of the activities listed in this section. This section shall not be construed to require any ~~financial institution regulated entity~~ to make any disclosure not otherwise required by law. This section shall not be construed to require or encourage any ~~financial institution regulated entity~~ to alter any procedures or practices not inconsistent with this subchapter.

This section shall not be construed to expand or create any authority in any person or entity other than a financial institution regulated entity.

* * *

(6) The preparation, examination, handling, or maintenance of financial records by any officer, employee, or agent of a financial institution regulated entity that has custody of the records.

(7) The examination of financial records by a certified public accountant while engaged by the financial institution regulated entity to perform an independent audit.

(8) The disclosure of information to a collection agency, its employees or agents, or to any person engaged by the financial institution regulated entity to assist in recovering an amount owed to the financial institution regulated entity, if such disclosure is made in the furtherance of recovering such amount.

* * *

(13) The exchange, in the regular course of business, of credit information between a financial institution regulated entity and a credit reporting agency, provided such exchange is in compliance with the Vermont Fair Credit Reporting Act, 9 V.S.A. chapter 63, subchapter 3, and the federal Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.

(14) The exchange, in the regular course of business, of information between a financial institution regulated entity and an account verification service, provided such exchange is in compliance with the Vermont Fair Credit Reporting Act, 9 V.S.A. chapter 63, subchapter 3, and the federal Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.

(15) The exchange, in the regular course of business, of information between a financial institution regulated entity and a mercantile agency, provided such exchange is solely for the purpose of reporting to third parties on the credit rating or creditworthiness of any business and is in compliance with the Vermont Fair Credit Reporting Act, 9 V.S.A. chapter 63, subchapter 3, and the federal Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.

* * *

(19) Disclosure requested pursuant to subpoena, provided that no disclosure shall be made until 14 days after the financial institution regulated entity has notified the customer that financial information has been requested by subpoena. Such notice shall be served by first-class mail to the customer at the most recent address known to the financial institution regulated entity. The

provisions of this subdivision shall not apply where the subpoena is issued by or on behalf of a regulatory, criminal, or civil law enforcement agency.

(20) Disclosure required by order of court.

(21) Disclosure of customer financial information among directors, officers, employees, or agents of affiliated ~~financial institutions~~ regulated entities, provided that such disclosure is limited to information necessary or appropriate to the fulfillment of any such persons' duties and responsibilities to the ~~financial institution or institutions~~ regulated entity or entities, and provided further that such disclosure is made in compliance with the Vermont Fair Credit Reporting Act, 9 V.S.A. chapter 63, subchapter 3, and the federal Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.

(22) Disclosure of customer financial information of one ~~financial institution~~ regulated entity to another ~~financial institution~~ regulated entity in connection with a proposed merger, consolidation, acquisition, or other reorganization transaction involving such institution, provided that no further disclosure is made except in compliance with this subchapter, and provided further that such disclosure is made in compliance with the Vermont Fair Credit Reporting Act, 9 V.S.A. chapter 63, subchapter 3, and the federal Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.

(23) Disclosure in accordance with rules adopted by the Commissioner, provided that the Commissioner may permit disclosure by temporary order, until such time as rules under this subdivision are adopted.

(24) Disclosure sought by the Department of Taxes of this State pursuant to its authority and obligations under Title 32.

(25) Reports or disclosure of financial or other information to the Department of Disabilities, Aging, and Independent Living, pursuant to 33 V.S.A. §§ 6903(b), 6904, and 6915.

(26) Disclosure of information sought by the Department of Vermont Health Access or its agents pursuant to the Department's authority and obligations under 33 V.S.A. § 403.

Sec. 20. 8 V.S.A. § 10205 is amended to read:

§ 10205. PENALTIES

In addition to the authority provided ~~under sections 11601, 11602, and 11603 of~~ in this title, the Commissioner may impose an administrative penalty of not more than \$1,000.00 for each violation of this subchapter resulting from willful conduct or from a failure by a ~~financial institution~~ regulated entity to

provide reasonable supervision of its employees to prevent violations of this subchapter.

Sec. 21. 8 V.S.A. § 10206 is amended to read:

§ 10206. LEAD SOLICITATIONS

(a) As used in this section, “consumer” means a natural person residing in this State.

(b) A person shall not use the name, trade name, or trademark of any ~~financial institution~~ regulated entity in any written or oral advertisement or solicitation to a specifically identified consumer, or that contains specific information on the account or loan of a specifically identified consumer, for products or services, without the express written consent of the ~~financial institution~~ regulated entity.

(c) A person shall not include a loan number, loan amount, or any other specific loan information that is publicly available and relative to a specifically identified consumer in any written or oral solicitation for products or services unless the solicitation clearly and conspicuously states on the front page of the correspondence in bold-face type and in a type size at least equal to the body of the correspondence:

(1) that the person is not affiliated with or sponsored by the ~~financial institution~~ regulated entity;

(2) that the solicitation is not authorized by the ~~financial institution~~ regulated entity;

(3) that the ~~financial institution~~ regulated entity has not supplied the person with any loan information or personal or financial information referenced in the solicitation; and

(4) the name, address, and telephone number of the person who paid for the solicitation.

(d) The statements required by subsection (c) of this section shall also be given at the time of any oral solicitation to a specifically identified consumer.

(e) In addition to any other authority provided elsewhere, the Commissioner may enforce violations of this section against any person and may impose penalties as set forth in sections 2110 and 2115 of this title; may recover costs and attorney’s fees, including court costs; may order any person to cease violating this section; and may take such other actions as the Commissioner deems necessary and appropriate. All administrative proceedings shall be conducted in accordance with 3 V.S.A. chapter 25 and any rules adopted by the Commissioner on hearing procedures.

(f) A ~~financial institution~~ regulated entity that has had its name, trade name, or trademark misrepresented in a solicitation in violation of this section may, in addition to any other remedy provided by law, bring an action in the Civil Division of the Superior Court in the county of its primary place of business or, if its primary place of business is located outside Vermont, in Washington the Superior Court of Washington County. The court shall award damages for each violation in the amount of actual damages demonstrated by the ~~financial institution~~ regulated entity or \$5,000.00, whichever is greater. In any successful action for injunctive relief or for damages, the court shall award the ~~financial institution~~ regulated entity reasonable attorney's fees and costs, including court costs.

(g) A person's failure to comply with the requirements of this section shall constitute an unfair and deceptive act in commerce enforceable under 9 V.S.A. chapter 63.

(h) For purposes of this section, each solicitation sent to each consumer constitutes a separate violation.

Sec. 22. 8 V.S.A. § 10301 is amended to read:

§ 10301. COMMUNITY REINVESTMENT REPORTS

Every ~~financial institution~~ person subject to the Federal Community Reinvestment Act of 1977 (12 U.S.C. § 2901), 12 U.S.C. Chapter 30, as may be amended, shall provide to the Commissioner a copy of any report issued with respect to such ~~finaneial institution~~ person under that act Act. If the ~~financial institution~~ person is not a Vermont ~~financial institution~~ person, then the requirements of this section shall only apply to reports that relate to its business in this State. The Commissioner shall make such reports available for public inspection and copying.

Sec. 23. 8 V.S.A. § 10402 is amended to read:

§ 10402. LENDING REPORTS, DISCLOSURES, AND STANDARDS

~~An entity subject to this chapter~~ Any person licensed, chartered, or otherwise authorized, or required to be licensed, chartered, or otherwise authorized, under Part 2, 4, or 5 of this title shall be subject to and comply with the provisions of 9 V.S.A. chapter 4 (interest).

Sec. 24. 8 V.S.A. § 10403 is amended to read:

§ 10403. PROHIBITION ON DISCRIMINATION BASED ON SEX,

MARITAL STATUS, RACE, COLOR, RELIGION, NATIONAL
ORIGIN, AGE, SEXUAL ORIENTATION, GENDER IDENTITY,

OR DISABILITY

(a) Discrimination prohibited. No ~~financial lending~~ institution shall discriminate against any applicant for credit services on the basis of the sex, marital status, race, color, religion, national origin, age, sexual orientation, gender identity, or disability of the applicant, provided the applicant has the legal capacity to contract.

(b) Rulemaking. The ~~Department~~ Commissioner of Financial Regulation shall adopt rules necessary to carry out the provisions of this section.

(c) Definitions. As used in this section:

(1) "Adverse action" means denial, revocation, or termination of credit services. The term does not include a change in the terms of an account expressly agreed to by an applicant nor any action or forbearance relating to an account taken in connection with inactivity, default, or delinquency as to that account.

(2) "Applicant" means any person who applies to a ~~financial lending~~ institution directly for an extension, renewal, or continuation of credit or applies to a ~~finaneial lending~~ institution indirectly by use of an existing credit plan for an amount exceeding a previously established credit limit.

(3) "Application" means an oral or written request for an extension of credit that is made in accordance with procedures established by a ~~finaneial lending~~ institution for the type of credit requested. The term does not include the use of an account or line of credit to obtain an amount of credit that is within a previously established credit limit. A completed application means an application in connection with which a ~~financial lending~~ institution has received all the information that the ~~finaneial lending~~ institution regularly obtains and considers in evaluating applications for the amount and type of credit requested, including credit reports, any additional information requested from the applicant, and any approvals or reports by governmental agencies or other persons that are necessary to guarantee, insure, or provide security for the credit or collateral. The ~~financial lending~~ institution shall exercise reasonable diligence in obtaining such information.

(4) "Credit services" means credit cards, personal loans, mortgage loans, and commercial loans.

(5) "Financial institutions" means ~~Vermont financial institutions, credit unions, and licensed lenders.~~

(6) "Disability" applied to an applicant means a person with a disability as defined in 21 V.S.A. § 495d(5). As used in this section, an applicant with a

disability does not include an alcoholic or drug abuser who, by reason of current alcohol or drug use, constitutes an unacceptable credit risk.

(6) “Lending institution” means a Vermont financial institution, Vermont credit union, and any person required to obtain, or exempt from the requirement to obtain, a lender license pursuant to section 2201 of this title.

(7) “Person” means a natural person, a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, association, or other entity.

(d) Notification requirements.

(1) Within 30 days of after reaching a decision on a completed application, a financial lending institution shall notify the applicant of its decision on the application.

(2) Each applicant against whom adverse action is taken shall receive a written statement of reasons for such action from the financial lending institution.

(3) For commercial credit only, a statement of reasons meets the requirements of this section only if it contains the specific reasons for the adverse action taken and cites the specific documentation or business judgment that supports the adverse decision on the application. Consumer credit shall be governed by the Equal Credit Opportunity Act (~~15 U.S.C. § 1691 et seq.~~), 15 U.S.C. § 1691 et seq., and regulations adopted pursuant to the Act.

(4) Financial Lending institutions shall be required to maintain a copy of all “statements of reasons” and the documentation upon which the decision was based for 24 months after the date of issuance.

(e) Civil enforcement. A financial lending institution that discriminates against an applicant in violation of this section shall be liable to the applicant for punitive damages, for actual damages sustained by the applicant as a result of the discrimination, and for costs and reasonable attorney’s fees as determined by the court.

Sec. 25. 8 V.S.A. § 10404 is amended to read:

§ 10404. HOME LOAN ESCROW ACCOUNTS

* * *

(e) The lender shall maintain escrow account funds in a federally insured depository institution, as defined in the Federal Deposit Insurance Act, 12 U.S.C. § 1813, as may be amended, or as defined under the Federal Credit Union Act, 12 U.S.C. § 1781, as may be amended.

* * *

Sec. 26. 8 V.S.A. § 10405 is amended to read:

§ 10405. DEBT PROTECTION AGREEMENTS

* * *

(c)(1) Requirements. In the case of credit granted by a seller or retail seller of motor vehicles or of other goods and services that is not required to be licensed under chapter 73 of this title, such retail seller or seller of motor vehicles or of other goods and services shall, within 15 business days, sell, assign, or otherwise transfer the loan agreement, motor vehicle installment contract, or retail sales installment contract, together with the related debt protection agreement in accordance with the provisions of subdivision (2) of this subsection.

(2) All assignments, sales, or transfers of a loan agreement or motor vehicle or retail installment contract to which a debt protection agreement relates and the related debt protection agreement shall be to a financial institution as defined in subdivision 11101(32) of this title, a credit union, or an entity licensed under subdivision 2201(a)(1) or (4) of this title to engage in lending or sales financing.

* * *

Sec. 27. 8 V.S.A. § 10504 is amended to read:

§ 10504. BASIC BANKING RULES

The Commissioner may adopt rules to require Vermont financial institutions with their principal place of business in this State to offer basic checking and savings accounts if the Commissioner finds a material deterioration in the availability and cost of basic checking and savings account services in the results of any two consecutive surveys. The rule Any rules adopted by the Commissioner under this section shall ensure that any required basic banking will not impair the safety and soundness of any affected Vermont financial institution and that any such rules shall not adversely affect other consumers of banking services.

Sec. 28. 8 V.S.A. § 10505 is amended to read:

§ 10505. RETURNED CHECK CHARGES

No depository institution financial institution or credit union shall assess a returned check charge or similar charge against a depositor for the costs of processing a check received by that depositor and returned for nonsufficient funds by the institution upon which it was drawn.

Sec. 29. 8 V.S.A. § 10601 is amended to read:

§ 10601. APPLICATION

This subchapter shall apply to ~~all persons~~ any person licensed, chartered or otherwise authorized, ~~or registered~~, or required to be licensed, chartered or otherwise authorized, ~~or registered~~, under ~~Parts 2, 4, and 5~~ Part 2, 4, or 5 of this title.

Sec. 30. 8 V.S.A. § 10701 is amended to read:

§ 10701. DEFINITIONS

As used in this subchapter, the term

~~(1) Financial institution.~~ “Financial institution” means a financial institution as defined in subdivision 10202(5) of this chapter.

~~(2) Reverse mortgage loan.~~ “Reverse mortgage loan” “reverse mortgage loan” means a loan that:

~~(A)(1)~~ is a loan in which the committed principal amount is secured by a mortgage on residential property owned by the borrower;

~~(B)(2)~~ is due upon sale of the property securing the loan or upon the death of the last surviving borrower or upon the borrower terminating use of the real property as a principal residence or upon the borrower’s default;

~~(C)(3)~~ provides cash advances to the borrower based upon the equity or the value in the borrower’s owner-occupied principal residence; and

~~(D)(4)~~ requires no payment of principal or interest until the entire loan becomes due and payable.

Sec. 31. 8 V.S.A. § 10702 is amended to read:

§ 10702. COUNSELING

Prior to accepting an application for a reverse mortgage loan, a ~~financial institution~~ person shall refer every borrower to counseling from an organization that is a housing counseling agency approved by the U.S. Department of Housing and Urban Development and shall receive certification from the counselor that the borrower has received in-person, face-to-face counseling. However, if the borrower cannot or chooses not to travel to a counselor and cannot be visited by a counselor in their home, telephone counseling shall be provided by counseling agencies that are authorized by the ~~Department of Financial Regulation~~. The certificate shall be signed by the borrower and the counselor and include the date of counseling; the name, address, and telephone number of both the borrower and the organization

providing counseling; and shall be maintained by the holder of the reverse mortgage throughout the term of the reverse mortgage loan.

Sec. 32. 8 V.S.A. § 10703 is amended to read:

§ 10703. ANNUITIES

~~A financial institution~~ No person shall not require an applicant for a reverse mortgage loan to purchase an annuity as a condition of obtaining a reverse mortgage loan. ~~A financial institution or a broker arranging a reverse mortgage loan shall not~~ No person shall:

(1) offer an annuity to the borrower prior to the closing of the reverse mortgage or before the expiration of the right of the borrower to rescind the reverse mortgage agreement;

(2) refer the borrower to anyone for the purchase of an annuity prior to the closing of the reverse mortgage or before the expiration of the right of the borrower to rescind the reverse mortgage agreement.

Sec. 33. 8 V.S.A. § 10704 is amended to read:

§ 10704. LIMITATION ON REVERSE MORTGAGE LOAN PROGRAMS

No ~~financial institution~~ person shall issue a reverse mortgage loan unless it is a lender approved by the federal Department of Housing and Urban Development (HUD) to enter into a loan insured by the federal government and the reverse mortgage loan complies with all requirements for participation in the HUD Home Equity Conversion Mortgage Program or other similar federal reverse mortgage loan program from time to time created and is insured by the Federal Housing Administration or other similar federal agency or is a government sponsored enterprise reverse mortgage loan.

Sec. 34. 8 V.S.A. § 11101 is amended to read:

§ 11101. DEFINITIONS

Except as otherwise specifically provided elsewhere in this title, and subject to such definitions as the Commissioner adopts by rule, the following terms have the following meanings for purposes of this Part and Parts 1, 2, and 5 of this title, unless the context clearly indicates otherwise:

* * *

(65) “Vermont financial institution” means a special purpose ~~financial~~ institution or universal financial institution organized under the laws of the State of Vermont.

* * *

* * * Banking; Financial and Related Institutions * * *

Sec. 35. 8 V.S.A. § 12201 is amended to read:

§ 12201. MEETINGS

(a) The governing body of a Vermont financial institution shall meet at least monthly, except as otherwise provided in this section as often as is necessary to ensure proper oversight of the financial institution but not less than four times per year, at least once each quarter. A governing body that has appointed an executive committee that meets during the months in which the governing body does not meet shall meet at least six times a year, including once each quarter. Minutes If a governing body meets less than monthly, during the months in which the governing body does not meet, the governing body shall appoint an executive committee that meets monthly. The minutes of executive committee meetings shall be ratified by the governing body at the governing body's next meeting.

* * *

Sec. 36. 8 V.S.A. § 13402 is amended to read:

§ 13402. MEETINGS OF THE GOVERNING BODY

(a) The governing body shall hold at least six meetings each year at a time fixed in the internal governance documents, which shall be held of a mutual or cooperative financial institution shall meet as often as is necessary to ensure proper oversight of the financial institution but not less than four times per year, at least once each quarter. In any month in which the governing body does not meet, the executive committee permitted under subsection 13403(e) of this title shall meet and a record of the meeting of the executive committee If a governing body meets less than monthly, during the months in which the governing body does not meet, the governing body shall appoint an executive committee that meets monthly. The minutes of executive committee meetings shall be ratified at the governing body's next meeting of the governing body.

* * *

Sec. 37. 8 V.S.A. § 14301 is amended to read:

§ 14301. LOAN AUTHORITY

(a) General loan authority. Unless otherwise prohibited by State law, a Vermont financial institution may make, sell, purchase, arrange, participate in, invest in, or otherwise deal in loans, derivative transactions, or extensions of credit for any lawful purpose.

(b) Written loan policy.

(1) A financial institution's governing body shall establish a written loan, credit, and derivative transaction policy, as applicable to the activities of the financial institution, which shall be reviewed and ratified at least annually, that addresses at a minimum, the following:

(A) loan portfolio mix and diversification standards and, if applicable, derivative transaction portfolio mix and diversification standards;

(B) prudent underwriting standards, including loan-to-value limits that are clear and measurable;

(C) loan administration procedures, including delegation and individual lending officer authority; and

(D) documentation and approval requirements to monitor compliance with lending policies; and

(E) the circumstances under which a loan shall be considered for approval by the financial institution's governing body.

(2) The policies adopted pursuant to this section shall be consistent with safe and sound banking practices and appropriate to the size of the institution and nature and scope of its operations.

(c) Interest on loans. Financial institutions may demand and receive interest and charges on their loans in accordance with 9 V.S.A. chapter 4 (interest) or as otherwise provided by law.

(d) Limitations. A Vermont financial institution ~~may~~ shall not make loans, derivative transactions, or extensions of credit outstanding at one time to a borrower in excess of 20 percent of its capital ~~or to a corporate group in excess of 50 percent of its capital~~. As used in this subsection, "corporate group" means a person and all persons in whom it owns, controls, or holds the power to vote 50 percent or more of any class of voting securities. Total loans, derivative transactions, or other extensions of credit in excess of 10 percent of capital shall be approved by a majority of the governing body or the executive committee of that institution or organization.

(1) Loans, derivative transactions, or extensions of credit to one person ~~will~~ shall be attributed to another person and ~~each person~~ both persons shall be deemed a single borrower as follows:

(A) ~~In the case of obligations of one person, the~~ The ~~proceeds will of~~ a loan, derivative transaction, or extension of credit to one person shall be deemed to be used for the direct benefit of another person and ~~will~~ shall be attributed to the other person when the proceeds, or assets purchased with the proceeds, are transferred to another person, other than in a bona fide arm's

length transaction where the proceeds are used to acquire property, goods, or services.

(B) A common enterprise shall be deemed to exist between persons, and the obligations of one person shall be attributed to the other person in the following situations:

(i) The expected source of repayment for each obligation is the same for each borrower and neither borrower has another source of income from which the loan, together with the borrower's other obligations, may be fully repaid. An employer shall not be treated as a source of repayment under this subdivision (i) with respect to wages and salaries paid to an employee, unless the situation in subdivision (ii) of this subdivision (d)(1)(B) exists.

(ii)(I) Loans, derivative transactions, or extensions of credit are made:

(aa) to borrowers who are related directly or indirectly through common control, including where one borrower is directly or indirectly controlled by another borrower; and

(bb) substantial financial interdependence exists between or among the borrowers.

(II) For purposes of this subdivision (d)(1)(B)(ii), control is deemed to exist when a person directly or indirectly, or acting through or together with one or more persons, owns, controls, or has the power to vote 25 percent or more of any class of voting securities of another person; controls, in any manner, the election of a majority of the directors, trustees, or other persons exercising similar functions of another person; or has the power to exercise a controlling influence over the management or policies of another person.

(III) For purposes of this subdivision (d)(1)(B)(ii), substantial financial interdependence is deemed to exist when 50 percent or more of one borrower's gross receipts or gross expenditures are, on an annual basis, derived from transactions with the other borrower.

(IV) For the purposes of this subdivision (d)(1)(B)(ii), gross receipts and expenditures include gross revenues, gross expenses, intercompany loans, dividends, capital contributions, and similar receipts or payments.

(iii) Loans, derivative transactions, or extensions of credit are made to borrowers to acquire a business enterprise of which those borrowers will own more than 50 percent of the voting securities or voting interests.

(iv) The Commissioner determines, based upon an evaluation of the facts and circumstances of particular transactions, that a common enterprise exists.

(C) In the case of The obligations of a partnership or association, the obligations of each shall be attributed to each general partner and of or each member of the association.

(C)(D) In the case of The obligations of a general partner or a member of an association, the obligations of shall be attributed to the partnership or association.

(D) In the case of obligations of a corporation, the obligations of any subsidiaries in which it holds, directly or indirectly, a controlling equity interest.

(E) In the case of obligations of a limited liability company, the obligations of any subsidiaries in which it holds, directly or indirectly, a controlling equity interest.

(F) In the case of obligations of a corporation or limited liability company, the amount of a loan made to any other person to the extent that the proceeds of the loan directly or indirectly are to be:

(i) loaned to the corporation or limited liability company;

(ii) used for the acquisition from the corporation or limited liability company of any equity interest in the corporation or company; and

(iii) transferred to the corporation or limited liability company without fair and adequate consideration; provided, however, that the discharge of an equivalent amount of debt previously incurred in good faith for value shall be deemed fair and adequate consideration.

(E) The obligations of a general partner or a member of an association are not attributed to other general partners or members unless the situation in subdivision (A) or (B) of this subdivision (d)(1) exists.

(F) The obligations of persons in a corporate group are not attributed to other persons in the corporate group unless the situation in subdivision (A) or (B) of this subdivision (d)(1) exists.

(2) The following shall not be counted as indebtedness subject to the limitation of this subsection:

(A) Indebtedness evidenced by bills of exchange or drafts drawn against existing values and secured by a lien upon goods in transit with shipper's order, bills of lading, or comparable instruments attached.;

(B) Indebtedness evidenced by notes or other paper secured by readily marketable corporate stock having a fair market value of not less than 125 percent of the indebtedness:;

(C) Indebtedness evidenced by notes or other paper secured by an assignment of accounts receivable or of amounts due to become due on open account or on a contract to the extent of not less than 125 percent of the indebtedness:;

(D) Indebtedness evidenced by notes or other paper secured by liens upon agricultural products, manufactured goods, or other chattels in storage in warehouses or elevators with warehouse or elevator receipts attached, or goods released on trust receipts, when the value of the security is not less than 125 percent of the indebtedness and the financial institution's interest is insured against loss by insurance policies or certificates of insurance attached:;

(E) Indebtedness arising out of the daily transaction of the business of any clearing house association:;

(F) Indebtedness secured to the extent thereof by the cash surrender value of life insurance evidenced by policies of insurance validity issued and assigned:;

(G) Indebtedness secured to the extent thereof by savings deposits or certificates of deposit of solvent financial institutions up to the amount insured by the Federal Deposit Insurance Corporation, and duly assigned:;

(H) Any any portion of any indebtedness that the U.S. government, or an agency or instrumentality of the United States, unconditionally agreed to purchase or has unconditionally guaranteed as to payment of both principal and interest, including loans insured or guaranteed under the National Housing Act, 12 U.S.C. Chapter 13, or the Servicemen's Readjustment Act of 1944, 38 U.S.C. Chapter 37, as may be amended:;

(I) Additional additional funds advanced for the benefit of a borrower by a financial institution for payment of taxes, insurance, utilities, security, and maintenance and operating expenses necessary to preserve the value of real property securing the loan:;

(J) Amounts amounts paid against uncollected funds in the normal process of collection:; and

(K) That that portion of a loan or extension of credit sold as a participation by a financial institution on a nonrecourse basis, provided that the

participation results in a pro rata sharing of credit risk proportionate to the respective interests of the originating and participating lenders.

Sec. 38. 8 V.S.A. § 30101 is amended to read:

§ 30101. DEFINITIONS

As used in this part Except as otherwise specifically provided elsewhere in this title, the following terms have the following meanings for purposes of this Part and Parts 1, 2, and 4 of this title, unless the context clearly indicates otherwise:

* * *

Sec. 39. 8 V.S.A. § 31304 is amended to read:

§ 31304. MEETINGS OF GOVERNING BODY

(a) The governing body of a credit union shall meet as often as is necessary and at least monthly, provided that if the governing body delegates its authority to an executive committee, the executive committee shall meet during the months in which the governing body does not meet. The governing body shall meet at least six times a year, including once each quarter. The governing body and the executive committee, if appointed, shall keep complete minutes of all of their meetings, which minutes shall include the names of all persons present at each meeting to ensure the proper oversight of the credit union but not less than four times per year, at least once each quarter. Minutes If a governing body meets less than monthly, during the months in which the governing body does not meet, the governing body shall appoint an executive committee that meets monthly. The minutes of the executive committee meetings shall be ratified by the governing board body at the governing body's next meeting.

* * *

Sec. 40. 8 V.S.A. § 32204 is amended to read:

§ 32204. JOINT DEPOSITS

(a) The provisions of section 14204 of this title governing joint deposits shall apply to credit unions in the same manner as they apply to financial institutions as defined in subdivision 11101(32) of this title.

(b) Provided a joint deposit is made in the name of at least one member, a credit union shall treat a joint deposit the same regardless of whether the other individuals in whose name it is made are members or nonmembers.

(c) A single joint share account may hold more than one membership share, supporting membership for more than one member of the credit union.

If more than one joint owner seeks credit union membership through the joint account, the joint account must contain a membership share for each member.

Sec. 41. 8 V.S.A. § 32301 is amended to read:

§ 32301. LOAN AUTHORITY

(a) Unless otherwise restricted by applicable law, rule, or regulation, a credit union may lend to its members, including where a coborrower is a nonmember, for such purposes as prescribed by the governing body. ~~The governing body shall establish a written loan policy in accordance with the requirements of this section.~~

(b) Every loan application shall be in writing upon a form approved by the governing body, which application shall state the purpose for which the loan is desired and the security, if any, offered for such loan.

(c) Written loan policy. A credit union's governing body and credit committee shall establish a written loan policy in accordance with this subsection.

(1) The written loan policy shall address, at a minimum, the following:

(A) loan portfolio mix and diversification standards;

(B) prudent underwriting standards, including loan-to-value limits that are clear and measurable;

(C) loan administration procedures, including delegation and individual lending officer authority; and

(D) documentation and approval requirements to monitor compliance with lending policies.

(2) The lending policies adopted pursuant to this section shall be consistent with safe and sound practices and appropriate to the size of the credit union and nature and scope of its operations.

(d) Interest and charges on loans. Credit unions may demand and receive interest and charges on their loans in accordance with 9 V.S.A. chapter 4 (interest) or as otherwise provided by law.

(e) Limitations. The total direct or indirect liabilities of any one member, however incurred, to a credit union shall not exceed, at the time incurred, the greater of \$200.00 or 10 percent of the credit union's total assets.

* * *

(2) The following shall not be counted as indebtedness subject to the limitation of this subsection:

* * *

(H) any portion of any indebtedness that the U.S. government, or an agency or instrumentality of the United States, unconditionally agreed to purchase or has unconditionally guaranteed as to payment of both principal and interest, including loans insured or guaranteed under the National Housing Act, 12 U.S.C. Chapter 13, or the Servicemen's Readjustment Act of 1944, 38 U.S.C. Chapter 37, as may be amended;

* * *

Sec. 42. 8 V.S.A. § 34101 is amended to read:

§ 34101. MERGERS

(a) General. Any two or more credit unions may merge into one Vermont credit union in accordance with the procedures and subject to the conditions and limitations set forth in this chapter.

* * *

(d) Vote of members. The plan of merger, as approved by the Commissioner, shall be submitted to the members of each participating the merging credit union for their approval at such credit union's annual meeting or at a special meeting called for that purpose in the following manner. Unless a greater percentage is required by the organizational documents of either the merging credit union, the plan of merger or assumption must be approved by a majority vote of the members present at a meeting called for this purpose. The vote constitutes the adoption of the organizational documents of the continuing credit union, including amendments, contained in the merger agreement.

(e) Executed plan; certificate; effective date. The following provisions apply to the executed plan, certificate, and effective date:

(1) Upon approval by the members of each participating the merging credit union, an executive officer and the secretary of each credit union shall submit the executed plan of merger to the Commissioner, together with the certified by these officers, and the executive officer and the secretary of the merging credit union shall also submit the record of the vote of the members approving it, each certified by these officers.

(2) Upon receipt of the items in subdivision (1) of this subsection and evidence that the participating credit unions have complied with all applicable State and federal law, the Commissioner shall issue to the continuing credit union a certificate specifying the name of each participating credit union and the name of the continuing credit union. The continuing credit union shall file a copy of the certificate with the Secretary of State for recording. This

certificate is conclusive evidence of the merger and of the correctness of all proceedings relating to the merger in all courts and places. The certificate may be filed in the appropriate land records offices to evidence the new name in which property of each participating credit union is to be held.

(3) Unless a later date is specified in the certificate, the merger is effective upon filing of the certificate as provided in subdivision (2) of this subsection, and the authority of all but the surviving continuing credit union shall terminate automatically upon filing. The Commissioner may file or order any credit union to file conforming documents with the Secretary of State.

(4) Any plan of merger may contain a provision that, notwithstanding approval of the members or the Commissioner, the plan may be abandoned at any time prior to the effective date of the merger by the governing body of any participating credit union, either at the absolute discretion of the governing body or upon the occurrence of any stated condition.

(f) Federal credit union as participant. If one of the parties to a merger with a Vermont credit union is a federal credit union, the participants shall comply with all requirements imposed by federal law for such merger in addition to the requirements contained in this title and shall provide evidence of such compliance to the Commissioner.

(g) Sections 34103 and 34104 of this title shall apply to mergers and acquisitions made pursuant to this chapter.

(h) Authority for expedited mergers. Notwithstanding any other provision of law to the contrary or any organizational document of any participating credit union, following approval of the plan of merger by a majority vote of the governing body of each participating credit union and receipt by the Commissioner of certified copies of the authorizing resolutions adopted by the governing body of each participating credit union, the Commissioner may waive any requirement of subsection (b) of this section, may waive the requirements of subsection (d) of this section, and may order that the merger become effective immediately if the Commissioner believes that the action is necessary for the protection of the members or the public.

Sec. 43. 9 V.S.A. § 201 is amended to read:

§ 201. DEFINITIONS

As used in this subchapter:

(1) “Disbursement of loan funds” means the delivery of the loan funds by the lender to the settlement agent in one or more of the following forms:

(A) cash;

- (B) wired funds or electronic transfer;
- (C) certified check;
- (D) checks issued by a governmental entity or instrumentality;
- (E) cashier's check, teller's check, or any transfer of funds by check or otherwise that is fully collected and unconditionally available to the settlement agent;
- (F) checks or other drafts issued by a state-chartered or federally chartered financial institution, as defined in 8 V.S.A. § 11101(32); checks or other drafts issued by a state-chartered or federally chartered credit union, as defined in 8 V.S.A. § 30101(5); and
- (G) checks issued by an insurance company licensed in the State of Vermont.

* * *

* * * Insurance * * *

Sec. 44. 8 V.S.A. § 3441 is amended to read:

§ 3441. FORMATION OF A MUTUAL INSURANCE HOLDING
COMPANY

* * *

(e) The mutual insurance holding company may use the word "mutual" in its name. The stock insurance company subsidiary of the mutual insurance holding company may continue to use the word "mutual" in its name if the name also includes the abbreviation "SI" for stock insurer.

Sec. 45. 8 V.S.A. § 3561 is amended to read:

§ 3561. ANNUAL STATEMENT AND QUARTERLY STATEMENTS

(a) Each domestic, foreign, and alien insurance company doing business in this state shall annually submit to the Commissioner a statement of its financial condition, verified by oath of two of its executive officers, on or before March 1 of each year, file a copy of its annual statement convention blank, along with any additional filings as prescribed by the Commissioner for the preceding year. The statement shall be prepared in accordance with the National Association of Insurance Commissioners' NAIC's Instructions Handbook and Accounting Practices and Procedures Manual and, shall include the signed jurat page verified by oath or affirmation of two of its executive officers and the actuarial certification, and shall be in such general form and context, as approved by, and shall contain any other information required by,

the ~~National Association of Insurance Commissioners~~ NAIC with any useful or necessary modifications or adaptations thereof required or approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner. The statement of an alien insurer shall relate only to the insurer's transactions and affairs in the United States unless the Commissioner requires otherwise. A foreign or alien company, upon withdrawing from the State of Vermont shall pay to the Commissioner \$25.00 for the filing of its final financial statement.

(b) Each year, in a form and manner prescribed by the Commissioner, each domestic, foreign, and alien insurer doing business in this State shall file with the NAIC a copy of the quarterly statements exhibiting its condition and affairs for the period beginning on January 1 of the current calendar year through and including the last day of the quarter for which the report is being made. The first quarterly statement shall be filed on or before May 15. The second quarterly statement shall be filed on or before August 15. The third quarterly statement shall be filed on or before November 15. If any of the dates specified in this subsection falls on a day other than a business day, then the quarterly statement is due on or before the first business day preceding such date. The information filed with the NAIC shall include a jurat page. A copy of any amendments and addenda to the quarterly statement filings subsequently filed with the Department shall also be filed with the NAIC.

(c) A foreign insurer domiciled in a state that has a law substantially similar to subsection (a) of this section shall be deemed in compliance with this section.

(d)(1) At the direction of the Commissioner, each domestic, foreign, and alien insurance company doing business in this State shall annually submit to the Commissioner, in a manner and on forms approved by the Commissioner, a statement of its market conduct performance for the purpose of permitting the participation of this State in the Market Conduct Annual Statement program of the ~~National Association of Insurance Commissioners~~ NAIC. The statement shall be prepared in accordance with the Market Conduct Annual Statement instructions published by the ~~National Association of Insurance Commissioners~~ NAIC, with any useful or necessary modifications or adaptations thereof required or approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner.

(2) Subject to section 22 of this title, all market conduct annual statements and other information filed pursuant to subdivision (1) of this subsection, all records, and other information of investigations conducted by

the Department under this title, whether such statements, records, or information are in the possession of another regulatory or law enforcement agency, the ~~National Association of Insurance Commissioners~~ NAIC, or any person, shall be confidential and privileged, shall not be made public, shall not be subject to subpoena, and shall not be subject to discovery or introduction into evidence in any private civil action.

~~(e)~~(e) The Commissioner shall adopt by rule the Medical Professional Liability Closed Claim Reporting Model Law of the ~~National Association of Insurance Commissioners~~ NAIC, as may be amended from time to time, or in the Commissioner's discretion a substantially similar rule. Subject to section 22 of this title, information that identifies, directly or indirectly, the closed claims of a health care facility or a health care provider shall be confidential and privileged, shall not be made public, shall not be subject to subpoena, and shall not be subject to discovery or introduction into evidence in any private civil action.

Sec. 46. 8 V.S.A. § 3811 is amended to read:

§ 3811. DEPENDENTS' COVERAGE

Any group life policy issued under section 3803 (employee groups) or 3804 (labor union groups) or 3807 (public employee groups) or 3808 (trustee groups) or 3809 (employer association groups) or 3810a (associations and discretionary groups) of this title may be extended to insure the employees or members against loss due to the death of their spouses and children, or any class or classes thereof, subject to the following requirements:

(1) The premium for the insurance shall be paid by the policyholder, either from the employer's, union's, or association's funds or funds contributed by them or from funds contributed by the insured employees or members, or from both. If any part of the premium is to be derived from funds contributed by the insured employees or members, the insurance with respect to spouses and children may be placed in force only if at least 75 percent of the ~~then~~ eligible employees or members ~~who then have eligible dependents, excluding any as to whose family members evidence of insurability is not satisfactory to the insurer,~~ elected to make the required contribution. If no part of the premium is to be derived from funds contributed by the employees or members, all eligible employees or members, excluding any as to whose family members evidence of insurability is not satisfactory to the insurer, must be insured with respect to their spouses and children.

* * *

Sec. 47. 8 V.S.A. § 4724 is amended to read:

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

The following are hereby defined as unfair methods of competition or unfair or deceptive acts or practices in the business of insurance:

* * *

(7) Unfair discrimination; arbitrary underwriting action.

(A) Making or permitting any unfair discrimination between insureds of the same class and equal risk in the rates charged for any contract of insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contracts.

(B) Making or permitting unfair discrimination against an applicant or an insured, on the basis of the sex, sexual orientation, gender identity, race, religion, national origin, or marital status of the applicant or insured, with regard to:

(i) underwriting standards and practices or eligibility requirements; or

(ii) rates; however, nothing in this subdivision shall prevent any person who contracts to insure another from setting rates for such insurance in accordance with reasonable classifications based on relevant actuarial data or actual cost experience in accordance with section 4686 of this title.

* * *

* * * Securities * * *

Sec. 48. 9 V.S.A. § 5202 is amended to read:

§ 5202. EXEMPT TRANSACTIONS

The following transactions are exempt from the requirements of sections ~~5301 through 5306~~ 5301–5306 and 5504 of this chapter:

* * *

(14) A sale or an offer to sell securities by or on behalf of an issuer, if the transaction is part of a single issue in which:

(A) not more than ~~25~~ 10 purchasers are present in this State during any 12 consecutive months, other than those designated in subdivision (13) of this section;

(B) a general solicitation or general advertising is not made in connection with the offer to sell or the sale of the securities;

(C) a commission or other remuneration is not paid or given, directly or indirectly, to a person other than a broker-dealer registered under this chapter or an agent registered under this chapter for soliciting a prospective purchaser in this State; and

(D) the issuer reasonably believes that all the purchasers in this State, other than those designated in subdivision (13) of this section, are purchasing for investment; and

(E) the issuer is not offering to sell securities pursuant to the exemptions provided by Rule 506 of Regulation D, 17 C.F.R. § 230.506, as may be amended under the Securities Act of 1933, 15 U.S.C. § 77a et seq.

* * *

Sec. 49. 9 V.S.A. § 5302 is amended to read:

§ 5302. NOTICE FILING

* * *

(f) Investment companies subject to 15 U.S.C. § 80a-1 et seq. shall pay to the Commissioner an initial notice filing fee of \$2,275.00 and an annual renewal fee of \$2,025.00 for each ~~portfolio or share~~ class of investment company securities for which a notice filing is submitted. These fees are nonrefundable.

* * *

Sec. 50. 9 V.S.A. § 5305 is amended to read:

§ 5305. SECURITIES REGISTRATION FILINGS

(a) A registration statement may be filed by the issuer, a person on whose behalf the offering is to be made, or a broker-dealer registered under this chapter.

(b) A person filing a registration statement shall pay a filing fee of \$600.00. A person filing a registration statement in connection with the New England Crowdfunding Initiative shall be exempt from the filing fee requirement. ~~Open-end investment companies shall pay a registration fee and an annual renewal fee for each portfolio as long as the registration of those securities remains in effect.~~ The fee is nonrefundable.

* * *

(k) At the time of filing a request for exemption from registration, the applicant shall pay a fee of \$200.00. The fee is nonrefundable.

Sec. 51. 9 V.S.A. § 5602 is amended to read:

§ 5602. INVESTIGATIONS AND SUBPOENAS

* * *

(f) Unless presented by an emergency or exigent circumstances, the Commissioner shall give notice to the Attorney General and U.S. Attorney not less than five business days before applying to the ~~Washington County Superior Court of Washington County~~ to compel the testimony, the filing of the statement, the production of the record, or the giving of other evidence under subsection (e) of this section. In the case of an emergency or exigent circumstances, the Commissioner shall notify the Attorney General and U.S. Attorney as soon as possible before applying to the ~~Washington County Superior Court of Washington County~~.

* * *

Sec. 52. 9 V.S.A. § 5603(b)(2)(C) is amended to read:

(C) imposing a civil penalty up to \$15,000.00 for each violation; an order of rescission, restitution, or disgorgement directed to a person that has engaged in an act, practice, or course of business constituting a violation of this chapter or the predecessor act or a rule adopted or an order issued under this chapter or the predecessor act. The court may increase a civil penalty amount by not more than \$5,000.00 per violation for violations involving a person who is a vulnerable adult as defined in 33 V.S.A. § 6902(14)(34). The limitations on civil penalties contained in this subdivision shall not apply to settlement agreements; and

Sec. 53. 9 V.S.A. § 5604(e) is amended to read:

(e) For purposes of determining any sanction to be imposed under subsections ~~(a) through (d)~~ ~~(a)-(d)~~ of this section, the Commissioner shall consider among other factors, ~~the frequency and persistence of the conduct constituting a violation of this chapter or a rule or order of the Commissioner under this chapter and the number of persons adversely affected by the conduct, and the resources of the person committing the violation;~~

(1) the extent that the violation harmed or might have harmed investors, access to capital markets, or public confidence in the securities industry and the integrity of capital markets;

(2) whether the respondent knew or had reason to know that the violation existed and whether the violation was intentional;

(3) the economic benefit, if any, that could have been anticipated from an intentional or knowing violation;

- (4) the length of time the violation existed;
- (5) the deterrent effect of the penalty;
- (6) the economic resources of the respondent;
- (7) the respondent's record of compliance; and
- (8) any other aggravating or mitigating circumstances.

Sec. 54. 9 V.S.A. § 5616 is amended to read:

§ 5616. VERMONT FINANCIAL SERVICES EDUCATION AND VICTIM

RESTITUTION SPECIAL FUND

(a) Purpose. The purpose of this section is to provide:

- (1) funds for the purposes specified in subsection 5601(d) of this title;
- (2) restitution assistance to victims of securities violations who:

(A) were awarded restitution in a final order issued by the Commissioner or were awarded restitution in the final order in a legal action initiated by the Commissioner;

(B) have not received the full amount of restitution ordered before the application for restitution assistance is due; and

(C) demonstrate to the Commissioner's satisfaction that there is no reasonable likelihood that they will receive the full amount of restitution in the future; and

(3) funds for the purposes specified in section 5617 of this title.

(b) Definitions. As used in this section:

(1) "Claimant" means a person who files an application for restitution assistance under this section ~~on behalf of a victim. The claimant and the victim may be the same but do not have to be the same.~~ The term includes the named party in a restitution award in a final order, the executor of a named party in a restitution award in a final order, and the heirs and assigns of a named party in a restitution award in a final order.

(2) "Dependent child" means a person who falls within the definition of "qualifying child" as defined in 26 U.S.C. § 152, as may be amended, with respect to the victim or the victim's surviving spouse as of the date the final order is issued.

(3) "Final order" means a final ~~an~~ order issued by the Commissioner that disposes of a securities violation claim or claims or a final ~~an~~ order in a legal action initiated by the Commissioner in the Superior Court of Washington County that disposes of a securities violation claim or claims.

(3)(4) "Fund" means the Vermont Financial Services Education and Victim Restitution Special Fund created by this section.

(4)(5) "Securities violation" means a violation of this chapter and any related administrative rules.

(5)(6) "Victim" means a person who was awarded restitution in a final order.

(6)(7) "Vulnerable person adult" means:

(A) a person who meets the definition of vulnerable person adult under 33 V.S.A. § 6902(14)(34); or

(B) a person who is at least 60 years of age.

(c) Eligibility.

(1) A natural person who was a resident of Vermont at the time of the alleged fraud is eligible for restitution assistance. The claimant shall be limited to the victim or, in the case of a deceased victim, the deceased victim's surviving spouse or dependent child.

(2) The Commissioner shall not award securities restitution assistance under this section:

(A) unless the victim is a natural person who was a resident of Vermont at the time of the securities violation addressed in the final order;

(B) to more than one claimant per victim;

(B)(C) unless the person ordered to pay restitution has not paid the full amount of restitution owed to the victim before the application for restitution assistance from the fund is due;

(C)(D) if there was no award of restitution in the final order; or

(D)(E) to a claimant who has not exhausted his or her appeal rights.

(d) Denial of assistance. The Commissioner shall not award restitution assistance if the victim:

(1)(i) sustained the monetary injury as a result of:

(A)(I) participating or assisting in the securities violation; or

(B)(II) attempting to commit or committing the securities violation; or

(2)(ii) profited or would have profited from the securities violation.

(e)(d) Application for restitution assistance and maximum amount of restitution assistance award.

(1) The Commissioner may adopt procedures and forms for application for restitution assistance under this section.

(2) An application must be received by the Commissioner within two years after the deadline for payment of restitution established in the final order.

(3) Except as provided in subdivision (4) of this subsection, the maximum award from the Fund for each claimant shall be the lesser of \$25,000.00 or 25 percent of the amount of unpaid restitution awarded in a final order.

(4) If the claimant is victim was a vulnerable person adult at the time of the securities violation addressed in the final order, the maximum award from the Fund shall be the lesser of \$50,000.00 or 50 percent of the amount of unpaid restitution awarded in the final order.

(5) The following information provided in or with an application for restitution assistance is confidential:

(A) the claimant's and victim's name, date of birth, physical address, mailing address, email address, and phone number;

(B) each of the items listed in subdivisions 2430(10)(A)(i)–(vii) of this title pertaining to the claimant or victim; and

(C) any other information provided in or with an application for restitution assistance that alone, or in combination with the other information provided in or with the application, would allow a person to identify the claimant or victim with reasonable certainty.

(f)(e) Vermont Financial Services Education and Victim Restitution Special Fund. The Vermont Financial Services Education and Victim Restitution Special Fund, pursuant to 32 V.S.A. chapter 7, subchapter 5, is created to provide funds for the purposes specified in this section, in subsection 5601(d) of this title, and in section 5617 of this title. All monies received by the State for use in financial services education initiatives pursuant to subsection 5601(d) of this title, in providing uncompensated victims restitution pursuant to this section, or in providing whistleblower awards pursuant to section 5617 of this title shall be deposited into the Fund. The Commissioner may direct a party to deposit a sum not to exceed 15 percent of the total settlement amount

into the Fund in conjunction with settling an enforcement matter within the Department's jurisdiction, as described in 8 V.S.A. § 11(a). Interest earned on the Fund shall be retained in the Fund.

~~(g)(f)~~ Award not subject to execution, attachment, or garnishment. An award made by the Commissioner under this section is not subject to execution, attachment, garnishment, or other process.

~~(h)(g)~~ State's liability for award. The Commissioner shall have the discretion to suspend applications and awards determine award amounts based on the solvency of the Fund and the designation of monies in the Fund to the other purposes established for the Fund. The State shall not be liable for any determination made under this section.

~~(i)(h)~~ Subrogation of rights of State.

(1) The State is subrogated to the rights of the person awarded restitution under this chapter to the extent of the award.

(2) The subrogation rights are against the person ~~who committed the securities violation or a person liable for the pecuniary loss ordered to pay restitution to the victim for the securities violation addressed in the final order.~~

(i) Forfeiture of restitution award.

(1) A person shall not engage in dishonesty, forgery, fraud, or deceit in connection with an application for restitution assistance.

(2) A person found by the Commissioner or a court to have engaged in dishonesty, forgery, fraud, or deceit in connection with an application for restitution assistance shall forfeit to the Department any amount paid in a restitution assistance award and may be subject to penalties and other remedies available pursuant to section 5508, 5603, or 5604 of this title or other law.

(j) Rulemaking authority. The Commissioner may adopt rules to implement this section.

* * * Miscellaneous Housekeeping * * *

Sec. 55. 8 V.S.A. § 19 is amended to read:

**§ 19. FINANCIAL INSTITUTION SUPERVISION FUND; FEES AND
DEPARTMENTAL EXPENSES**

(a) The Commissioner shall charge each financial institution or financial institution applicant for Department services rendered. Charges for Department services shall be billed as follows:

* * *

(f) There is hereby created a fund to be known as the Financial Institution Supervision Fund for the purpose of providing the financial means for the Commissioner of Financial Regulation to administer Parts 2, 4, and 5 of this title, 9 V.S.A. Parts 1 and 3, and Title 9A. All fees and assessments received by the Department pursuant to such administration shall be deposited in into this Fund.

(g) All payments from the Banking Financial Institution Supervision Fund for the maintenance of staff and associated expenses, including contractual services as necessary, shall be disbursed from the State Treasury only upon warrants issued by the Commissioner of Finance and Management after receipt of proper documentation regarding services rendered and expenses incurred.

(h) Any entity, subject to the assessment under subsection (d) of this section, that converts or relinquishes its State charter or closes all of its branches or offices in this State will be responsible for a pro rata share of the assessment made under subsection (d) of this section for the final period it was authorized to conduct business under this title.

Sec. 56. REPEALS

(a) 8 V.S.A. chapter 3 (the Commissioner) is repealed and 8 V.S.A. § 80 (Insurance Regulatory and Supervision Fund) is recodified as 8 V.S.A. § 3317 pursuant to Sec. 57 of this act.

(b) 8 V.S.A. § 3470 (allowing mortgage loans to a husband and wife if one or both is a “minor,” defined as 18 years of age or older) is repealed.

Sec. 57. 8 V.S.A. § 3317 is added to read:

§ 3317. INSURANCE REGULATORY AND SUPERVISION FUND

(a) There is hereby created a fund to be known as the Insurance Regulatory and Supervision Fund for the purpose of providing the financial means for the Commissioner of Financial Regulation to administer Part 3 of this title, and except as provided under subsection 6017(a) of this title. All fees and assessments received by the Department pursuant to such administration shall be credited to this Fund. All fines and administrative penalties, however, shall be deposited directly into the General Fund.

(b) All payments from the Insurance Regulatory and Supervision Fund for the maintenance of staff and associated expenses, including contractual services as necessary, shall be disbursed from the State Treasury only upon warrants issued by the Commissioner of Finance and Management, after receipt of proper documentation regarding services rendered and expenses incurred.

(c) Annually, \$30,000.00 shall be transferred from the Fund to the Division of Fire Safety Special Fund established in 20 V.S.A. § 3157.

(d) At the end of each fiscal year, the balance in the Insurance Regulatory and Supervision Fund shall be transferred to the General Fund.

(e) The Commissioner of Finance and Management may anticipate receipts to the Insurance Regulatory and Supervision Fund and issue warrants based thereon.

Sec. 58. 9 V.S.A. § 5411 is amended to read:

§ 5411. POSTREGISTRATION REQUIREMENTS

(a) Subject to ~~15 U.S.C. § 78o(h)~~ 15 U.S.C. § 78o(i) or ~~15 U.S.C. § 80b-22~~ 15 U.S.C. § 80b-18a, a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) Subject to ~~15 U.S.C. § 78o(h)~~ 15 U.S.C. § 78o(i) or ~~15 U.S.C. § 80b-22~~ 15 U.S.C. § 80b-18a, a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) Subject to ~~15 U.S.C. § 78o(h)~~ 15 U.S.C. § 78o(i) or ~~15 U.S.C. § 80b-22~~ 15 U.S.C. § 80b-18a:

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under subdivision (1) of this subsection may be maintained in any form of data storage acceptable under 15 U.S.C. § 78q(a) if they are readily accessible to the Commissioner; and

(3) investment adviser records required to be maintained under subdivision (1) of this subsection may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be

registered under this chapter are subject to such reasonable periodic, special, or other audits or inspections by a representative of the Commissioner, within or without this State, as the Commissioner considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The Commissioner may copy, and remove for audit or inspection copies of, all records the Commissioner reasonably considers necessary or appropriate to conduct the audit or inspection. The Commissioner may assess a reasonable charge for conducting an audit or inspection under this subsection.

(e) Subject to 15 U.S.C. § 78o(h) 15 U.S.C. § 78o(i) or 15 U.S.C. § 80b-22 15 U.S.C. § 80b-18a, a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount to be established by rule or order. The Commissioner may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in subdivision 5509(j)(2) of this chapter.

(f) Subject to 15 U.S.C. § 80b-18a, an investment advisor registered or required to be registered under this chapter shall maintain adequate insurance for the risk of a cybersecurity breach. The Commissioner may establish requirements for such cybersecurity insurance, including criteria that may be used to determine if the cybersecurity insurance is adequate.

(g) Subject to 15 U.S.C. § 78o(h) 15 U.S.C. § 78o(i) or 15 U.S.C. § 80b-22 15 U.S.C. § 80b-18a, an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer, and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(g)(h) With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter

may require that information or other record be furnished or disseminated to clients or prospective clients in this State as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(h)(i) A rule adopted or order issued under this chapter may require an individual registered under section 5402 or 5404 of this chapter to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization or, in the absence of such a program, a rule adopted or order issued under this chapter may require continuing education for an individual registered under section 5404.

* * * Effective Date * * *

Sec. 59. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee Vote: 10-0-1)

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

(Committee Vote: 11-0-0)

Rep. Nigro of Bennington, for the Committee on Appropriations, recommends that the bill ought to pass when amended as recommended by the Committee on Commerce and Economic Development.

(Committee Vote: 10-0-1)

Action Under Rule 52

H.R. 12

House resolution expressing support for the principles behind the statement of Governor Philip B. Scott regarding the federal surge of U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP) agents in the State of Minnesota

(For text, see House Journal of January 28, 2026)

CONSENT CALENDAR FOR NOTICE

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

The following concurrent resolutions have been introduced for approval by the Senate and House and will be adopted automatically unless a Senator or Representative requests floor consideration in that member's chamber prior to adjournment of the next legislative day. Requests for floor consideration in either chamber should be communicated to the Senate Secretary's Office or the House Clerk's Office, as applicable. For text of resolutions, see Addendum to House Calendar.

H.C.R. 176

House concurrent resolution congratulating the 2025 West Rutland High School Golden Horde's Division IV championship softball team

H.C.R. 177

House concurrent resolution congratulating Twin Valley High School Athletic Director extraordinaire and 500 game-winning boys' soccer coach Buddy Hayford

H.C.R. 178

House concurrent resolution in memory of former Senator William H. Carris of Wells

H.C.R. 179

House concurrent resolution congratulating the Essex High School Hornets girls' volleyball team on winning the school's fifth consecutive divisional championship

H.C.R. 180

House concurrent resolution congratulating the 2025 Essex High School Hornets on winning the State boys' volleyball championship

H.C.R. 181

House concurrent resolution congratulating the winners of the 2025 Spirit of the ADA Award

H.C.R. 182

House concurrent resolution designating February 5, 2026, as Outdoor Recreation Day at the State House

H.C.R. 183

House concurrent resolution recognizing July 2026 as Park and Recreation Month in Vermont and designating July 17, 2026, as Vermont Park and Recreation Professionals Day in Vermont

H.C.R. 184

House concurrent resolution celebrating the restoration of a wild turkey population in Vermont

For Informational Purposes

Crossover Dates

The Joint Rules Committee established the following crossover dates:

- (1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 13, 2026**, 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 13, 2026**.
- (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 20, 2026**, 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 or email 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 communicate with Counselor Chernick at least two weeks prior to the week you want your ceremonial reading to happen.
3. Counselor Chernick will draft your H.C.R., and Resolutions Editor and Coordinator Jill Pralle will edit it. Upon completion of this process, a paper or electronic copy will be released to you. If a paper copy is released to you, a sponsor sign-out sheet will also be included.
4. Please submit a final sponsor list (with all sponsors listed) to Counselor Chernick by paper *or* electronically, but not both.
5. The final list of sponsors needs to be submitted, by email *or* on a paper sign-out sheet, to Counselor Chernick not later than 1:00 p.m. the Wednesday of the week prior to the H.C.R.'s appearance on the Consent Calendar.
6. The Office of Legislative Counsel will then send your H.C.R. to the House Clerk's Office for incorporation into the Consent Calendar and House Calendar Addendum for the following week.
7. The week that your H.C.R. is on the Consent Calendar, any presentation copies that you requested will be mailed or available for pickup on Friday, after the House and Senate adjourn, which is when your H.C.R. is adopted pursuant to Joint Rules.
8. Your H.C.R. can be ceremonially read during a House session once it is adopted, meaning it must have been adopted through the House Consent Calendar not later than the week prior to your requested ceremonial reading date. Contact Second Assistant Clerk Courtney Reckord to confirm your requested ceremonial reading date.
9. **A Note:** If there is a **specific date, week, or month that your resolution must be read** (e.g. to designate a specified period of time or to recognize a group on a certain day), please inform Second Assistant Clerk Courtney Reckord as soon as possible, so she can reserve that date in advance. You do not need to have the resolution drafted by then.

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 #3271: \$218,385.00 to the Vermont Center for Crime Victim Services from the U.S. Department of Justice. Funds will be used to

consolidate data into one case management system. *[Received January 27, 2026]*