

# House Calendar

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Tuesday, March 17, 2026

71st DAY OF THE ADJOURNED SESSION

House Convenes at 10:00 A.M.

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**ACTION CALENDAR**

**Action Postponed Until Tuesday, March 17, 2026**

**Favorable with Amendment**

**H. 723**

An act relating to posting of land

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

Sec. 1. 10 V.S.A. § 5201 is amended to read:

§ 5201. NOTICES; POSTING

(a)(1) An owner, or a person having the exclusive right to take game upon land or the waters thereon, who desires to protect ~~his or her~~ the owner's land or private pond or propagation farm over which ~~he or she~~ the owner has exclusive control may maintain notices stating that:

(A) ~~the shooting~~ hunting, trapping, or taking of game or wild animals is prohibited or is by permission only;

(B) fishing or the taking of fish is prohibited or is by permission only; or

(C) fishing, hunting, trapping, or taking of game or wild animals is prohibited or is by permission only.

(2) "Permission only signs" authorized under this section shall contain the owner's name and a method by which to contact the property owner or a person authorized to provide permission to hunt, fish, or trap on the property.

(b) ~~Notices prohibiting the taking of game~~ Notice signs shall be erected upon or near the boundaries of lands to be affected with notices at each corner and not over 400 feet apart along the boundaries thereof. ~~Legible~~ Notice signs ~~must~~ shall be maintained at all times ~~and shall be dated each year~~. These Notice signs shall be of a standard size and design as the Commissioner shall specify.

(c) The owner or person posting the lands shall record this posting annually in the town clerk's office of the town in which the land is located. The posting shall be valid and enforceable for 365 days after the date the posting is recorded. The recording form shall be furnished by the Commissioner and

shall be filled out in triplicate, one copy to be retained by the town clerk, one copy to the Commissioner, and one copy to be retained by the person having the right to post the lands. The forms shall contain the information as to the approximate number of acres posted, location in town, date of posting, and signature of person so posting the lands. The town clerk shall file the record, and it shall be open to public inspection. The town clerk shall retain a fee of \$5.00 for this recording.

(d) Land posted and recorded as provided in ~~subsection (b) of~~ this section shall be enclosed land for the purposes herein. Accidental or unintentional deviations from the requirements of subdivisions (a) and (b) of this section shall still be deemed effective to prohibit or permit by permission only hunting, fishing, trapping, or taking of game or wild animals if the notice signs would lead a reasonable person to believe that hunting, fishing, trapping, or taking of game or wild animals is prohibited on the land. Property owners with actual notice that their notice signs deviate from the requirements of this section shall take reasonable steps to ensure their notice signs comply with this section.

## Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

**(Committee Vote: 10-0-1)**

### **New Business**

### **Third Reading**

### **H. 542**

An act relating to terminating testing of schools in Vermont for polychlorinated biphenyls

### **Amendment to be offered by Rep. Donahue of Northfield to H. 542**

That the bill be amended by striking out Sec. 1 in its entirety and inserting in lieu thereof two new sections to be Secs. 1 and 1a to read as follows:

Sec. 1. 2021 Acts and Resolves No. 74, Sec. E.709.1, as amended by 2022 Acts and Resolves No. 166, Sec. 8 and by 2023 Acts and Resolves No. 78, Sec. C.111 is amended to read:

Sec. E.709.1 ENVIRONMENTAL CONTINGENCY FUND;

POLYCHLORINATED BIPHENYLS (PCBs) TESTING  
IN SCHOOLS

(a) Notwithstanding 10 V.S.A. § 1283, of the funds transferred in Sec. D.101(a) of this act to the Environmental Contingency Fund, the Department of Environmental Conservation, in consultation with the Department of Health and the Agency of Education, shall use up to \$4,500,000 to complete air indoor quality testing for Polychlorinated Biphenyls (PCBs) in public schools and approved and recognized independent schools that were constructed or renovated before 1980. All schools subject to this subsection shall test for PCBs on or before July 1, ~~2027~~ 2029.

Sec. 1a. DEPARTMENT OF HEALTH REPORT ON CONTINUED  
EXPOSURE TO POLYCHLORINATED BIPHENYLS IN  
SCHOOLS

On or before January 15, 2027, the Department of Health, after consultation with the Agency of Natural Resources, shall submit to the House Committees on Health Care and on Education and the Senate Committees on Health and Welfare and on Education a report that assesses the health impacts of discontinuing the testing of indoor air for Polychlorinated Biphenyls (PCBs) in public schools and approved and recognized independent schools under 2021 Acts and Resolves No. 74, Sec. E.709.1, as amended. The report shall include:

(1) a summary of the health effects of exposure to PCBs, including specific health effects of exposure on children and vulnerable populations;

(2) an assessment of the degree of potential health impacts to students and staff of public schools and independent schools in the State if testing for PCBs in those schools that were not yet tested under 2021 Acts and Resolves No 74, as amended, is discontinued;

(3) a risk assessment analysis of the cost to the State to continue testing versus the cost to the State and its residents of allowing continued PCB exposure of students and staff in schools;

(4) a recommendation of whether PCB testing of indoor air in public schools and recognized independent schools should continue; and

(5) a summary of the options that can be implemented to mitigate exposure of students or staff to PCBs in schools that have not been tested and schools that have been tested.

**H. 549**

An act relating to eligibility of detainees to obtain a State-issued nondriver identification card

**H. 588**

An act relating to professions and occupations regulated by the Office of Professional Regulation

**H. 674**

An act relating to the creation of the Vermont Sister State Program

**H. 762**

An act relating to the County and Regional Governance Study Committee

**H. 841**

An act relating to miscellaneous animal welfare procedures

**Committee Bill for Second Reading**

**H. 927**

An act relating to technical corrections for the 2026 legislative session

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

**Amendment to be offered by Rep. James of Manchester to H. 927**

That the bill be amended as follows:

First: In Sec. 1, 2 V.S.A. § 601(a), concerning the Joint Carbon Emissions Reduction Committee, in the second sentence, after the word “Representatives” by inserting “not all from the same political party”

Second: In Sec. 1, 2 V.S.A. § 601(a), concerning the Joint Carbon Emissions Reduction Committee, in the second sentence, after the word “Senate” by inserting “not all from the same political party”

**Favorable with Amendment**

**H. 385**

An act relating to remedies and protections for victims of coerced debt

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

Sec. 1. 9 V.S.A. chapter 63, subchapter 13 is added to read:

Subchapter 13. Coerced Debt

§ 2495a. DEFINITIONS

As used in this subchapter:

(1) “Adequate documentation” means at least one of the following:

(A) a copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the coerced debt was incurred, the filing of which subjects the person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false;

(B) a court order finding that the debt was coerced; or

(C) a sworn certification from a qualified third-party professional regarding the debtor’s claim of coerced debt.

(2) “Coerced debt” means all or a portion of secured or unsecured debt solely or jointly in a debtor’s name that:

(A) was incurred as a result of domestic abuse, human trafficking, or the abuse, neglect, or exploitation of a vulnerable adult and the perpetrator’s:

(i) use of the debtor’s personal information without the debtor’s knowledge, authorization, or consent; or

(ii) use or threat of force, intimidation, undue influence, fraud, deception, coercion, or other similar means against the debtor;

(B) is not a mortgage loan as defined in 8 V.S.A. § 2101(15); and

(C) is not a commercial loan as defined in 8 V.S.A. § 2101(2).

(3) “Creditor” means a person, or the person’s successor, assignee, or agent, claiming to own or have the right to collect a debt owed by the debtor.

(4) “Debtor” means a person who:

(A) owes coerced debt; and

(B) is a survivor of domestic abuse or human trafficking; or

(C) is a vulnerable adult who is a survivor of abuse, neglect, or exploitation as those terms are defined under 33 V.S.A. chapter 69.

(5) “Domestic abuse” has the same meaning as abuse in 15 V.S.A. § 1101(1).

(6) “Future abuse” means abuse as defined in 15 V.S.A. § 1101(1), except that the abuse need not occur between family or household members.

(7) “Good faith” has the same meaning as provided in 9A V.S.A. § 1—201(b)(20).

(8) “Human trafficking” has the same meaning as in 13 V.S.A. § 2652 or 2653.

(9) “Perpetrator of coerced debt” or “perpetrator” means an individual who causes or is alleged to have caused coerced debt to be incurred by another.

(10) “Qualified third-party professional” means any of the following individuals who do not have a conflict of interest:

(A) an officer of the court or law enforcement personnel;

(B) a court-appointed special advocate;

(C) a crisis worker as defined in 12 V.S.A. § 1614(a)(1) employed at a program that assists survivors of domestic violence, sexual assault, stalking, human trafficking, or abuse of children, and who has relevant training or expertise;

(D) a licensed attorney; or

(E) a health care provider as defined in 18 V.S.A. § 9402(7).

(11)(A) “Statement of coerced debt” means a sworn written statement by a debtor provided by mail to a creditor that includes the following information:

(i) identification of the debt, or portion of the debt, alleged to be coerced debt;

(ii) if available, a description of the circumstances under which the coerced debt was allegedly incurred;

(iii) a statement by the debtor disclosing that the debtor did not willingly authorize the use of the debtor’s name or personal information to incur such debt;

(iv) any information known by the debtor, including account information or credit card information and, if applicable, the name of any other individual in whose name such debt was jointly incurred;

(v) the identity of and contact information for the perpetrator, if known, unless the debtor signs a sworn statement that disclosing such information is likely to result in future abuse to the debtor or to a member of the debtor’s immediate family;

(vi) the debtor’s preferred language and contact method and information such as a telephone number, email address, physical address, or safe address for either the debtor or a third party whom the debtor designates

to receive information about the coerced debt, which shall be specified by the debtor; and

(vii) any other documents the debtor deems appropriate to support the statement.

(B) As used in subdivision (A) of this subdivision (11), “mail” means certified mail, certificate of mailing, or any other similar first-class mail tracking method used or approved by the U.S. Postal Service, including Intelligent Mail barcode Tracing (IMb Tracing). The term also includes any electronic or digital transmission that provides a verifiable date, timestamp, or tracking capability.

(C) A statement of coerced debt shall be notarized or shall include the following language inserted above the debtor’s signature and date:

“I declare that the above statement is true and accurate to the best of my knowledge and belief. I understand that if the above statement is false, I will be subject to the penalty of perjury or to other sanctions in the discretion of the court.”

(12) “Sworn certification” means a written statement by a qualified third-party professional in the following form:

CERTIFICATION OF QUALIFIED THIRD-PARTY PROFESSIONAL

I, ..... (name of qualified third-party professional), do hereby certify under penalty of perjury as follows:

1. I am a qualified third-party professional as defined in 9 V.S.A. § 2495a(10) who has had in-person contact or face-to-face contact through an electronic medium with ..... (name of debtor).

2. Based on my professional interactions with the debtor and information presented to me in my professional capacity, I have a reasonable basis to believe ..... (name of debtor) is a survivor of domestic abuse or human trafficking or is a vulnerable adult who is a survivor of abuse, neglect, or exploitation, and has incurred all or a portion of debt that is coerced debt.

3. Based on my professional interactions with the debtor and on information presented to me, I have reason to believe that the circumstances under which the coerced debt was incurred are as follows:

4. The following debts or portions of the debts have been identified to me as coerced:

I attest that the foregoing is true and correct.

(Printed name of qualified third-party professional)

(Signature of qualified third-party professional)

(Business address and business telephone)

(Date)

§ 2495b. COERCED DEBT PROHIBITED

A person shall not cause another person to incur coerced debt. Substantiated coerced debt is not enforceable against the debtor.

§ 2495c. CREDITOR'S CONDUCT PURSUANT TO A DEBTOR'S

STATEMENT OF COERCED DEBT

(a) Within 10 business days following receipt of a debtor's statement of coerced debt and adequate documentation, a creditor shall:

(1) cease all collection activities and refrain from selling, assigning, or otherwise transferring for consideration such debt;

(2) notify the debtor it has ceased all collection activities pending further review of the claim; and

(3) notify any credit reporting agency to which it furnished adverse information about such debt that the debtor disputes the accuracy of the adverse information.

(b) If a debtor notifies a creditor that a particular debt being collected, or a portion thereof, is coerced debt, but does not provide all the information required under subsection (a) of this section or provides such notice orally, and if such creditor does not cease such collection activities, then within 10 business days after receipt of the debtor's notice of the coerced debt, the creditor shall inform the debtor that additional written information is required and shall provide the debtor with Model Form A-1, as described in subsection (g) of this section.

(c)(1) Within 30 days following receipt of a debtor's statement of coerced debt and adequate documentation, the creditor shall complete a reasonable investigation of the disputed information, which shall include a review of all information provided by the debtor and any other relevant information available to the creditor and, upon completion of the investigation, make a determination as to the accuracy of the debtor's claim of coerced debt.

(2) The 30-day period described in subdivision (1) of this subsection may be extended for up to an additional 15 days if the creditor receives

supplementary information from the debtor during that 30-day period that is relevant to the investigation.

(d) Within five business days after making a determination under subsection (c) of this section, the creditor shall notify the debtor of such determination in writing and shall provide a good faith basis for the determination. The notice shall not include personally identifiable information of another person. If the creditor:

(1) determines the disputed debt is coerced debt, the creditor shall notify the debtor that it is ceasing collection activities and contact any consumer reporting agencies to which it furnished adverse information about the debtor's coerced debt and request that such information be deleted from the debtor's file and credit report; or

(2) determines the available information does not establish that the disputed debt is coerced debt, the creditor may recommence collection activities; however, the creditor is prohibited from selling, assigning, or otherwise transferring such debt.

(e) All communications from the creditor to a debtor under this section shall be made using only the debtor's preferred contact method and, in addition, the creditor shall make reasonable efforts to use the debtor's preferred language as identified in the debtor's statement of coerced debt.

(f) In connection with a statement of coerced debt, the creditor:

(1) shall not disclose the contact information the debtor provides in the statement of coerced debt to any other person, including the perpetrator or joint account holders, without the debtor's express written authorization, unless directed or authorized to do so by court order; and

(2) may request that the debtor provide the identity of and contact information for the perpetrator, if known, unless the debtor signs a sworn statement that disclosing such information is likely to result in abuse to the debtor or to a member of the debtor's immediate family.

(g) Model Form A-1 shall be developed by the Commissioner of Financial Regulation, posted in English and Spanish on a publicly accessible website maintained by the Department of Financial Regulation, and substantially in the following form:

**MODEL FORM A-1 FOR CREDITORS TO PROVIDE TO DEBTORS**

[Creditor name:

Address:

Email address:

Telephone number:

Website URL where this form can be filled out online]

[Debtor's name]

[Debtor's preferred contact information: debtor may provide a telephone number, email address, physical address, or the address of a third party]

[Debtor's preferred language]

You have given us information about a debt that may have been taken out because someone used your personal information without your permission or because someone intimidated, threatened, forced, or manipulated you into taking out this debt.

For example, an abusive partner could have taken out a credit card or loan in your name without your knowledge or permission or pressured you into taking out credit to buy a car, television, computer, or other item and threatened you with harm if you refused.

Questions: To temporarily or permanently stop collection of this debt, you need to answer the questions below. If you do not know the answer, you can explain why you do not know the answer.

1. Did you sign for or agree to the debt?

2. If you did sign for or agree to the debt, was it because someone threatened you or used intimidation, force, manipulation, theft, or other forms of control to take out the debt in your name? If yes, please describe how it happened.

3. If you did not sign for or agree to the debt, do you know who used your information to take out the debt? If yes, please describe.

4. What is your preferred contact method and contact information? You can provide a telephone number, email address, physical address, safe address, or the contact information of another trusted person you want to receive information for you because you are concerned about your safety.

Supporting Documentation: Please include at least one of the documents below that show that the debt was taken out by someone who threatened you or used intimidation, force, manipulation, theft, or other forms of control to take out the debt in your name. You only need to send one, but you may provide more than one.

1. A copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the coerced debt was incurred, the filing of which subjects the person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false;

2. A court order finding that the debt was coerced; or

3. A sworn certification from a qualified third-party professional you talked with about this debt. The statement should include who the person is, where the person works, the person's contact information, and information you shared with the person about the debt and how it was taken out. The third party may be:

(a) an officer of the court or law enforcement personnel;

(b) a court-appointed special advocate;

(c) a crisis worker as defined in 12 V.S.A. § 1614(a)(1) employed at a program that assists survivors of domestic violence, sexual assault, stalking, human trafficking, or abuse of children, and who has relevant training or expertise;

(d) a licensed attorney; or

(e) a health care provider as defined in 18 V.S.A. § 9402(7).

In addition to the required documentation, you may include any other document [such as a divorce decree, restraining order, protection from abuse order or another document] that includes information about the debt and how it was taken out.

We need to receive your answers to the above questions and at least one document supporting your claim before we stop collecting on the debt.

Within 30 days after we receive this information, we will do all of the following:

1. Notify you in writing that we are stopping all attempts to collect the debt from you, pending our review of your claim.

2. Review your claim and make a determination as to whether you should be relieved from liability for the coerced debt.

3. Contact the consumer reporting agencies to which we gave information about you and the coerced debt and request that they remove the information from your file and credit report. Alternatively, we also have the right to challenge your claim of coerced debt in court, subject to legal protections for victims of coerced debt.

Your statement of coerced debt must be notarized or certified as true and accurate by you under penalty of perjury.

If you have questions, please contact us at: [creditor's name, mailing address, telephone number, and email address]. If you prefer to communicate with us by email, please confirm with us by telephone our correct email address for submitting information about the debt so we can ensure a timely response.

For more information, see 9 V.S.A. chapter 63, subchapter 13.

(h) With respect to coerced debt secured by tangible personal property, nothing in this subchapter shall affect a creditor's right to enforce a security interest upon default under 9A V.S.A. Article 9 (Uniform Commercial Code - Secured Transactions), including repossession, surrender, or court-ordered seizure of the subject collateral. However, a creditor is prohibited from collecting or seeking to collect any deficiency from the victim of coerced debt.

#### § 2495d. CIVIL LEGAL REMEDIES

(a)(1) A debtor shall not be liable to a creditor for coerced debt.

(2) In any action initiated by a creditor to seek collection of a debt from a debtor, the debtor may establish a prima facie case that the debt is coerced debt by submitting a statement of coerced debt and adequate documentation. If the debtor establishes a prima facie case of coerced debt, the creditor shall bear the burden of proving, by a preponderance of the evidence, that the debt is not coerced debt.

(b) If a court finds a debt is coerced debt:

(1) the court shall vacate any previous default judgment issued against the debtor on the coerced debt;

(2) the creditor shall have a cause of action against the perpetrator; and

(3) the debtor shall have a cause of action against the perpetrator for any payments made or costs incurred by the debtor in connection with the coerced debt.

(c) This section shall not be construed to limit or infringe upon any other rights or remedies available under common law or any other provision of law or rule.

(d) If a debtor signs a sworn statement that disclosing the identity of and contact information for the perpetrator is likely to result in future abuse to the debtor or a member of the debtor's immediate family, the creditor may file a motion requesting a hearing to determine the danger of future abuse to the

debtor or to a member of the debtor's immediate family. The debtor shall bear the burden of proving by a preponderance of the evidence that, if the debtor discloses the identity of and contact information for the perpetrator, the perpetrator poses a danger of future abuse to the debtor or to a member of the debtor's immediate family. If the court finds that the debtor meets this burden, the debtor shall not be required to disclose the information. If the debtor does not meet this burden, the court shall order the debtor to disclose the identity of, and, if known, the contact information of the perpetrator.

(e) In any action involving an alleged coerced debt, upon motion of the debtor, the court may seal court records in accordance with Rule 9 of the Vermont Rules for Public Access to Court Records, redact personally identifiable information, or direct that any deposition or evidentiary hearing be conducted remotely to protect the debtor or a member of the debtor's immediate family from a perpetrator. A debtor seeking a relief from abuse order or an order against stalking or sexual assault shall do so in accordance with 15 V.S.A. chapter 21 or 12 V.S.A. chapter 178, respectively.

(f) The provisions of this subchapter apply in any action brought in a court of this State, notwithstanding a contractual choice-of-law provision.

(g) Nothing in this subchapter shall be construed to preclude a creditor from seeking recourse under applicable law for a claim of coerced debt that is knowingly and materially false.

(h) A perpetrator shall not be a necessary party to an action between a creditor and a debtor under this subchapter. However, no finding in such an action shall be binding on a person who was not a party to the action.

(i) An action by a debtor against a perpetrator shall be commenced within six years after the date the debtor discovered or reasonably should have discovered the coerced debt or within six years after the coercion or abuse giving rise to the debt ceased, whichever is later.

(j) An action by a creditor against a perpetrator shall be commenced within six years after the date the creditor received the debtor's statement of coerced debt and adequate documentation or received notice of the identity of the perpetrator, whichever is later.

#### § 2495e. VIOLATIONS

(a) A person who knowingly and materially violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

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

§ 2495f. CONFIDENTIALITY

(a) Except as otherwise expressly provided in this subchapter or required by law, any financial and personally identifying information related to a claim of coerced debt that is shared by a debtor pursuant to the provisions of this subchapter shall not be disclosed by the recipient without the express consent of the debtor, unless such disclosure is authorized by court order.

(b) Information or material that is subject to privilege protections under federal or state law that is shared by the debtor pursuant to the provisions of this subchapter shall not be disclosed by the recipient, unless the debtor expressly waives the privilege, or the privilege is waived by an express provision of law.

(c) Any record or information produced or acquired by a public body pursuant to the provisions of this subchapter that contains financial or personally identifiable information related to a claim of coerced debt shall be kept confidential and shall be exempt from public inspection or copying under Vermont's Public Records Act. This exemption shall not be subject to 1 V.S.A. § 317(e).

Sec. 2. 9 V.S.A. § 2480d is amended to read:

§ 2480d. PROCEDURE IN CASE OF DISPUTED ACCURACY; COERCED DEBT

(a) If the completeness or accuracy of any item of information contained in the consumer's file is disputed by the consumer and the consumer notifies the credit reporting agency directly of such dispute, the agency shall reinvestigate free of charge and record the current status of the disputed information on or before 30 business days after the date the agency receives notice from the consumer.

(b) On or before five business days after the date a credit reporting agency receives notice of a dispute from a consumer in accordance with subsection (a) of this section, the agency shall provide notice of the dispute to all persons who provided any item of information in dispute.

(c) Notwithstanding subsection (a) of this section, a credit reporting agency may terminate a reinvestigation of information disputed by a consumer under such subsection if the agency reasonably determines that such dispute by the consumer is frivolous or irrelevant. Upon making such a determination, a

credit reporting agency shall promptly notify the consumer of such determination and the reasons therefor, by mail, or, if authorized by the consumer for that purpose, by telephone. The presence of contradictory information in the consumer's file does not in and of itself constitute reasonable grounds for determining the dispute is frivolous or irrelevant.

(d) In conducting a reinvestigation under subsection (a) of this section, the credit reporting agency shall review and consider all relevant information submitted by the consumer with respect to such disputed information.

(e) If, after a reinvestigation under subsection (a) of this section of any information disputed by a consumer, the information is found to be inaccurate or cannot be verified, the credit reporting agency shall promptly delete such information from the consumer's file. For purposes of this section, "information" ~~shall~~ does not include other information in the same item that is not disputed by the consumer.

(f) If any information is deleted after a reinvestigation under subsection (a) of this section, the information may not be reinserted in the consumer's file after deletion unless the person who furnishes the information reinvestigates and states in writing or by electronic record to the agency that the information is complete and accurate. Such furnisher shall not provide such statement unless the furnisher reasonably believes that the information is complete and accurate. Upon such reinvestigation and statement by the furnisher, the credit reporting agency shall promptly notify the consumer of any reinsertion.

(g) A credit reporting agency shall provide written notice of the results of any reinvestigation under this subsection within five business days ~~of~~ following the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by telephone. This notice shall include:

- (1) a statement that the reinvestigation is complete;
- (2) a statement of the determination of the agency on the completeness or accuracy of the disputed information;
- (3) a credit report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;
- (4) a description of the manner in which the information disputed by the consumer has been altered, changed, deleted, or modified in the consumer's credit report;
- (5) a description of the procedure used to determine the accuracy and completeness of the information, including the name, business address, and, if available, the telephone number of any person contacted in connection with such information; and

(6) a notification that the consumer has the right, pursuant to 15 U.S.C. § 1681i, to add a statement to the consumer's file disputing the accuracy or completeness of the information.

(h) If a consumer provides notice to a consumer reporting agency that a debt or any portion of a debt is coerced debt and provides the consumer reporting agency either a court order finding that the debt was coerced or a statement of coerced debt and adequate documentation, as those terms are defined in subchapter 13 of this chapter, the consumer reporting agency shall reinvestigate the debt pursuant to this section. If, after the reinvestigation, the credit reporting agency determines that the debt was coerced, the consumer reporting agency shall remove any reference to the debt, or any portion of the debt determined to be coerced debt, from the consumer's file and credit report.

Sec. 3. 9 V.S.A. § 2480k is amended to read:

§ 2480k. COMPLAINTS TO LAW ENFORCEMENT AGENCIES

A person who has learned or reasonably suspects that ~~his or her~~ the person's personal identifying information has been unlawfully used by another, as described in 13 V.S.A. § ~~2030(a)~~ 2030, may make a complaint about the unlawful use of personal identifying information to the State Police or to the person's local law enforcement agency. The law enforcement agency shall take the complaint and provide the complainant with a copy of the complaint, the name of the law enforcement officer taking the complaint, and an incident number or case number assigned to the complaint by the law enforcement agency. If the suspected crime was committed in a different jurisdiction, the law enforcement agency shall take the complaint and provide the complainant with a copy of the complaint, the name of the law enforcement officer taking the complaint, and an incident number or case number assigned to the complaint by the law enforcement agency and refer the complaint to a law enforcement agency in that different jurisdiction.

Sec. 4. 8 V.S.A. chapter 200, subchapter 8 is added to read:

Subchapter 8. Protection from Financial Exploitation

§ 10801. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) A covered entity has a duty imposed by law and contract to conduct customer-directed transactions in a timely manner and in accordance with a customer's instructions.

(2) Customers are increasingly being induced to authorize transactions that are not in their best interests.

(b) It is the intent of the General Assembly to:

(1) ensure customers have ready access to their funds; and

(2) provide a covered entity with the tools and protections to intervene in a customer-directed transaction when the covered entity reasonably believes the transaction presents potential significant risk of harm to the customer.

(c) It is not the intent of the General Assembly to impose a duty on a covered entity to contravene the valid instructions of a customer, and nothing in this chapter creates such a duty.

#### § 10802. DEFINITIONS

As used in this subchapter:

(1) “Account” means any deposit, share, custodial, trust, or transaction account, whether held individually or jointly, and whether checking, savings, money market, certificate of deposit, prepaid, or similar, that is established, maintained, or administered by a covered entity, through which the covered entity accepts, holds, disburses, or transfers funds of a customer. The term includes accounts held for the benefit of another, including fiduciary, guardianship, conservatorship, power of attorney, and representative payee accounts, to the extent the account is maintained by a covered entity.

(2) “Associated third party” means:

(A) a parent, spouse, adult child, sibling, or other family member of a customer whom a covered entity reasonably believes is closely associated with the customer;

(B) an individual the customer has authorized to be contacted by the customer’s covered entity;

(C) a co-owner, additional authorized signatory, or beneficiary on a customer’s account or an agent for the customer under a power of attorney; or

(D) a licensed attorney, trustee, conservator, guardian, or other fiduciary selected by a court or governmental agency to manage some or all of the financial affairs of the customer.

(3) “Covered entity” means a bank, trust company, or savings institution as defined in subdivision 11101(32) of this title or a credit union as defined in subdivision 30101(5) of this title. The term also includes the subsidiaries and affiliates that provide financial services for such entity, as well as the directors, officers, employees, or agents of such entity.

(4) “Customer” means any person who establishes, maintains, or is a beneficiary of an account with a covered entity, including any person who

owns, controls, or has a present or contingent legal or beneficial interest in funds held in the account, whether acting directly or through an agency, fiduciary, or representative.

(5) “Financial exploitation” means:

(A) the wrongful or unauthorized taking, withholding, appropriation, transfer, expenditure, or use of a customer’s money, assets, or property; or

(B) any act or omission by a person, including by a fiduciary or other representative of the customer, whether acting under a power of attorney, guardianship, conservatorship, trust, or similar authority, that:

(i) obtains or attempts to obtain control over the customer’s money, assets, or property through deception, intimidation, coercion, or undue influence, for the purpose or effect of depriving the customer of the ownership, use, benefit, or possession of the customer’s money, assets, or property; or

(ii) converts or misuses the customer’s money, assets, or property so as to deprive the customer of the ownership, use, benefit, or possession of the customer’s money, assets, or property.

#### § 10803. PROTECTIVE ACCOUNT ACTION

(a) If a covered entity reasonably believes that a customer is or has been the victim of financial exploitation or attempted financial exploitation, and such belief is based on information either individually observed or received from a State, local, or law enforcement agency, the covered entity may take one or more of the following measures to protect a customer’s account:

(1) delay or refuse one or more transactions with or involving the customer;

(2) delay or refuse to permit the withdrawal or disbursement of funds contained in the customer’s account;

(3) prevent a change in ownership of the customer’s account;

(4) prevent a transfer of funds from the customer’s account to an account owned wholly or partially by another person;

(5) refuse to comply with instructions given to the covered entity by an agent or person acting for or with an agent under a power of attorney signed or purported to have been signed by the customer; or

(6) prevent or change the designation of the beneficiaries to receive any property, benefit, or contract rights for the customer.

(b) A covered entity is not required to take protective action under this section with regard to a customer's account but may use its sole discretion to determine whether taking such action is warranted based on the information available to it at the time.

(c)(1) The authority to delay a transaction under this section expires at the earlier of:

(A) 15 business days after the date on which the covered entity initiated the delay;

(B) when the covered entity is satisfied within its sole discretion that the transaction will not likely result in financial exploitation; or

(C) upon a court order directing the release of funds.

(2) Unless otherwise directed by a court order, the covered entity may extend the duration of the delay for up to an additional 15 days based on a reasonable belief that the financial exploitation or attempted financial exploitation of the customer may continue.

(d) Any refusal, delay, or other protective action taken by a covered entity in good faith under this section to prevent the financial exploitation of a customer shall:

(1) not constitute wrongful dishonor under 9A V.S.A. § 4—402;

(2) constitute reasonable grounds under the federal Check Clearing for the 21st Century Act, 12 U.S.C. § 5001 et seq., the Expedited Funds Availability Act, 12 U.S.C. § 4001 et seq., or related regulations, without imposing a duty to review every deposit or check individually; and

(3) not constitute a violation of 9A V.S.A. Article 4A (fund transfers) or related funds transfer laws, and any delayed payment order is deemed received only when the hold is removed and the covered entity submits the order for processing.

#### § 10804. ASSOCIATED THIRD PARTY; NOTIFICATIONS

(a) A covered entity may notify an associated third party, if any, if it reasonably believes that the financial exploitation or attempted financial exploitation of a customer is occurring or has occurred and such disclosure is in the best interests of the customer.

(b) A covered entity may choose not to notify an associated third party if it reasonably believes that the third party is, was, or may be engaged in the financial exploitation or attempted financial exploitation of the customer.

(c) A covered entity shall limit disclosures to an associated third party to only information necessary to convey its suspicion that the customer was or may be the victim or intended victim of financial exploitation.

(d) Any disclosure by a covered entity pursuant to this section is exempt from the financial privacy protections specified under subchapter 2 of this chapter and, to the extent permitted by federal law, under the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq., as those laws may be amended.

#### § 10805. IMMUNITY

When carrying out protective actions authorized by this subchapter, a covered entity shall be protected from civil, criminal, and administrative liability for any act or omission within the scope of its duties and authorized by this subchapter, provided the act or omission is in good faith and does not amount to gross negligence or willful misconduct.

#### § 10806. CONSTRUCTION

This subchapter shall be liberally construed to encourage covered entities to take reasonable protective actions to prevent the financial exploitation of their customers.

### Sec. 5. SUSPICIOUS TRANSACTION HOLDS; DATA COLLECTION; REPORT

The Commissioner of Financial Regulation shall consult, at least annually, with representatives from the Vermont Bankers Association and the Association of Vermont Credit Unions, and any other relevant party determined by the Commissioner, for the purpose of collecting data about the number and dollar amount of suspicious transaction holds implemented by a covered entity pursuant to Sec. 4 of this act and report such information in aggregated form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance on or before January 15, 2027, and annually thereafter.

### Sec. 6. COERCED DEBT; DATA COLLECTION; REPORT

(a) Beginning on July 1, 2028, the Commissioner of Financial Regulation shall study the utilization of the coerced debt protections and remedies codified in 9 V.S.A. chapter 63, subchapter 13. In conducting such study, the Commissioner shall consult with representatives from the Vermont Network Against Domestic and Sexual Violence, the Vermont Bankers Association, the Association of Vermont Credit Unions, the Office of the Attorney General, Vermont Legal Aid, and any other person deemed appropriate by the

Commissioner. Among other things, the study shall include an assessment of coerced debt claims with regard to:

- (1) their frequency;
- (2) creditor investigations;
- (3) the presence of fraudulent or illegitimate claims;
- (4) any challenges experienced by debtors or creditors in exercising their rights under the applicable subchapter; and
- (5) any other matters deemed relevant and appropriate by the Commissioner.

(b) On or before November 15, 2029, the Commissioner shall report the Commissioner's findings and recommendations in draft form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance.

#### Sec. 7. EFFECTIVE DATES; APPLICATION

(a) This section, Sec. 3 (complaints regarding claims of identity theft), Sec. 4 (suspicious banking transactions), and Sec. 5 (report on suspicious banking transactions) shall take effect on passage.

(b) Sec. 1 (coerced debt, creditor conduct, civil legal remedies), Sec. 2 (duty of credit reporting agency to reinvestigate coerced debt), and Sec. 6 (report on coerced debt) shall take effect on July 1, 2028, and shall apply to all outstanding coerced debt, including coerced debt incurred prior to July 1, 2028.

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

### H. 556

An act relating to exceptions to applicability of State minimum wage

**Rep. Bartley of Fairfax**, for the Committee on General and Housing, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 21 V.S.A. § 383 is amended to read:

#### § 383. DEFINITIONS

As used in this subchapter:

- (1) "Commissioner" means the Commissioner of Labor or designee.
- (2) "Employee" means any individual employed or permitted to work by an employer except:

\* \* \*

(H) outside salespersons; ~~and~~

(I) students working during all or any part of the school year or regular vacation periods; and

(J) elected and appointed municipal officers.

\* \* \*

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

**(Committee Vote: 9-0-2)**

**H. 559**

An act relating to the Parole Board

**Rep. Greer of Bennington**, for the Committee on Corrections and Institutions, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 28 V.S.A. § 403 is amended to read:

§ 403. POWERS AND RESPONSIBILITIES OF THE COMMISSIONER  
REGARDING PAROLE

The Commissioner is charged with the following powers and responsibilities regarding the administration of parole:

\* \* \*

(6) To provide regular training for the Parole Board, at least annually, in collaboration with the Parole Board Director and the Chair of the Parole Board, on topics related to criminogenic behavior, mental health disorders, substance use treatment, trauma-informed work with victims of crime, and serious crime rehabilitation.

Sec. 2. 28 V.S.A. § 451 is amended to read:

§ 451. CREATION OF BOARD

(a)(1) A Parole Board of ~~five~~ seven members is created. The Governor, with the advice and consent of the Senate, shall appoint ~~five regular~~ members and ~~two alternates~~ for terms of three years in such a manner that not more than three terms shall expire annually. Initial terms may be less than three years. Each member ~~and alternate~~ shall hold office until a successor is appointed and qualified. The Governor shall designate the Board's chair.

(2) Upon notification of a vacancy, the Governor shall consult with the Parole Board Director and the Chair of the Parole Board. As far as practicable, the Governor shall appoint as members persons who have knowledge of and experience in ~~correctional treatment, crime prevention, or human relations~~ criminogenic behavior, mental health treatment, substance use disorder, or serious crime rehabilitation, and shall give consideration, as far as practicable, to geographic representation of the State and a balance of different knowledge and experience.

(3) The Board shall select one of its members to serve as Vice Chair of the Board. If the Chair resigns or is otherwise permanently unable to serve on the Board, the Vice Chair shall serve as interim chair until the Governor designates a new chair pursuant to this section. ~~The Chair or the executive director may assign alternates to serve on the Board in the absence of a regular member and such alternates shall have all the powers and authority of a regular member when so assigned.~~

(b) Three members of the Board shall constitute a quorum for the conduct of a meeting. Notwithstanding 1 V.S.A. § 172, the concurrence of a majority of members present at a Parole Board meeting shall be necessary and sufficient for Board action.

(c) The Chair of the Parole Board shall be entitled to compensation in the amount of \$20,500.00 annually, effective on the first pay period in fiscal year 2006, which shall be in lieu of any per diem otherwise authorized by law. If the Vice Chair assumes the duties of the Chair for a period in excess of 30 consecutive days, the compensation otherwise payable to the Chair during ~~his or her~~ the Chair's absence shall be paid to the Vice Chair.

(d) At least annually, each member of the Parole Board shall attend trainings designated by the Parole Board Director in collaboration with the Chair of the Parole Board.

Sec. 3. 28 V.S.A. § 455 is amended to read:

§ 455. DIRECTOR

(a) The position of Parole Board Director is created. The Director shall be appointed by the Governor after consultation with the Board.

(b) The Director shall serve for a term of four years commencing on March 1 and continuing until ~~his or her~~ a successor is appointed.

(c) The Director shall be exempt from classified State service.

(d) The Secretary of Human Services, in consultation with the Parole Board and the Department of Human Resources, shall establish the minimum and preferred qualifications, duties, and compensation of the Director.

(e) The Director shall be responsible for the overall function of the Parole Board, ensuring legal compliance, developing and implementing all policies and procedures of the Board, and developing and providing training to the Board, in collaboration with the Commissioner and the Chair of the Parole Board.

#### Sec. 4. PAROLE BOARD LEGAL COUNSEL PILOT PROJECT

(a) There is created the Parole Board Legal Counsel Pilot Project to provide external legal support for:

(1) annual training to the Board, including on topics related to due process and parole violations; and

(2) legal advice to the Board as needed related to Board hearings.

(b) The Office of the Attorney General shall coordinate with the Board and the Agency of Human Services to identify and contract with external legal support.

(c) As part of the fiscal year 2028 budget development process, the Agency of Human Services and the Department of Corrections shall coordinate with the Parole Board Director to evaluate the pilot project and determine resources needed for Board external legal support for fiscal year 2028.

(d) On or before November 15, 2026, the Parole Board Director shall submit a written report to the House Committee on Corrections and Institutions detailing the operation of the pilot project. The report shall include a recommendation regarding legal support for the Board going forward and the resources needed.

#### Sec. 5. DEPARTMENT OF CORRECTIONS FISCAL YEAR 2026

##### CARRYFORWARD

The \$25,000.00 General Fund appropriated to the Department of Corrections for third-party legal services in 2025 Acts and Resolves No. 27, Sec. B.336 shall carry forward into fiscal year 2027 for the purpose of hiring external legal counsel pursuant to Sec. 4 of this act.

#### Sec. 6. APPROPRIATION

The sum of \$50,000.00 is appropriated from the General Fund to the Department of Corrections in fiscal year 2027 for the purpose of hiring external legal counsel pursuant to Sec. 4 of this act.

Sec. 7. PAROLE BOARD BUDGET SUBMISSION IN FISCAL YEAR  
2028 AND FISCAL YEAR 2029

(a) As part of the fiscal year 2028 and fiscal year 2029 budget development processes, the Parole Board Director shall submit a proposed budget to the Commissioner of the Department of Corrections and Secretary of the Agency of Human Services.

(b) On or before December 15, 2027, the Parole Board Director shall submit a written report to the House Committee on Corrections and Institutions detailing the budget development process. The report shall include a recommendation regarding the Parole Board submitting an annual budget to the Commissioner of the Department of Corrections.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

**(Committee Vote: 10-0-1)**

**Rep. Squirrell of Underhill**, for the Committee on Appropriations, recommends that the bill ought to pass when amended as recommended by the Committee on Corrections and Institutions.

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

**H. 757**

An act relating to manufactured homes and limited equity cooperatives

**Rep. Pezzo of Colchester**, for the Committee on General and Housing, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Manufactured Homes \* \* \*

Sec. 1. 9 V.S.A. chapter 72 is amended to read:

CHAPTER 72. MOBILE HOMES

§ 2601. DEFINITIONS

(a) As used in this chapter, unless the context requires otherwise, “mobile home” means:

- (1) A mobile home as defined in 10 V.S.A. § 6201.

(2) An unmotorized vehicle, other than a travel or recreational trailer, designed to be towed and designed or equipped for use as sleeping, eating, or living quarters.

(b) A mobile home remains a mobile home for purposes of this chapter even though it may be used for advertising, sales, display, or promotion of merchandise or services, or for any other commercial purposes except the transportation of property.

(c) A mobile home that was financed as residential real estate shall be defined as residential real estate.

(d) "Permanently sited" means the mobile home has become affixed to the land. Factors that tend to show a mobile home is permanently sited include one or more of the following:

(1) The mobile home has been set up on blocks or otherwise stabilized so that the wheels do not form a major part of the structural support.

(2) The mobile home has been connected to utilities such as electricity, sewage, water, gas, or oil.

(3) Skirting has been installed around the base of the mobile home.

(4) The wheels or axles have been removed.

(5) The mobile home has been situated in a place that makes removal unlikely.

\* \* \*

#### § 2604. REAL ESTATE DEEDS FOR MOBILE HOMES

(a) Any mobile home purchased from a mobile home dealer on or after July 1, 2008, that is financed as residential real estate pursuant to subsection 2603(b) of this title shall be conveyed by a warranty deed ~~drafted in substantially the form provided in subsection (c) of this section.~~

(b) An owner of a mobile home ~~shall that is permanently sited may~~, upon financing or refinancing a mobile home as residential real estate or selling a mobile home that has been financed as residential real estate or will be so financed by the grantee, issue to the grantee either a warranty deed or a quitclaim deed ~~that is drafted in substantially the form provided in subsection (c) or (d) of this section.~~

(c) A warranty deed ~~that is substantially in the form provided in this subsection~~ shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use, with covenants on the part of the grantor, for the grantor, the

grantor's heirs, executors, and administrators that, at the time of the delivery of the deed, the grantor was lawfully seized in fee simple of the mobile home; that the mobile home was free from all encumbrances, except as stated; that the grantor had good right to sell and convey the same to the grantee, the grantee's heirs, successors, and assigns; and that the grantor and the grantor's heirs, executors, and administrators shall warrant and defend the same to the grantee and the grantee's heirs, successors, and assigns, against the lawful claims and demands of all persons except as stated. ~~No owner of land on which a mobile home is sited shall unreasonably withhold the consent required by this statutory form~~ A warranty deed described in this subsection may take the following form.

Form for Mobile Home Warranty Deed

\_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_, ("Grantor"), for consideration paid, grants to \_\_\_\_\_ of Street, Town (City) of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_ ("Grantee"), with warranty covenants, the \_\_\_\_\_ (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at \_\_\_\_\_ (state name of park, if any, and street address), Town (City) of \_\_\_\_\_, \_\_\_\_\_ County, State of Vermont. The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by \_\_\_\_\_ by deed dated and recorded at Book \_\_\_\_\_, Page \_\_\_\_\_ in the land records of the Town (City) of \_\_\_\_\_.

\_\_\_\_\_ (wife) (husband) of said Grantor, releases to said Grantee all rights and other interests therein.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Here add acknowledgment)

\_\_\_\_\_, owner of the tract or parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Here add acknowledgment)

[ ] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a Relocation Statement in the form provided in section 2606 of this title.

(d) ~~A quitclaim deed that is substantially in the form provided in this subsection shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use subject to encumbrances of record. No owner of land on which the mobile home is sited shall unreasonably withhold consent required by this statutory form~~ A warranty deed described in this subsection may take the following form.

#### Form for Mobile Home Quitclaim Deed

\_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_ (“Grantor”), for consideration paid, grants to \_\_\_\_\_ of \_\_\_\_\_ Street, Town (City) of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_ (“Grantee”), with quitclaim covenants, the (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at \_\_\_\_\_ (state name of park, if any, and street address), Town (City) of \_\_\_\_\_ County, State of Vermont.

The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by \_\_\_\_\_ by deed dated \_\_\_\_\_ and recorded at Book \_\_\_\_\_, Page \_\_\_\_\_, in the land records of the Town (City) of \_\_\_\_\_.

\_\_\_\_\_ (wife) (husband) of said Grantor releases to said Grantee all rights and other interest therein.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Here add acknowledgment)

\_\_\_\_\_, owner of the parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Here add acknowledgment)

[ ] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a relocation statement in the form provided in section 2606 of this title.

(e) Nothing in this section shall prevent a mobile home owner from conveying a mobile home by a bill of sale pursuant to section 2602 of this title or financing or refinancing a mobile home pursuant to section 2603 of this title, notwithstanding whether the mobile home was previously conveyed, financed, or refinanced as residential real estate.

§ 2605. ~~MOBILE HOME BILL OF SALE CONVERSION PROCESS~~

~~The owner of any mobile home that was initially financed pursuant to a motor vehicle loan, motor vehicle retail installment contract, or another form of chattel mortgage shall, if the mobile home is subsequently financed as residential real estate pursuant to subsection 2603(b) of this title, file a request for purging of the security interest with the clerk of the municipality where the chattel mortgage for the mobile home was last recorded.~~

~~(1) A request to purge the security interest of a mobile home shall include the most recent Vermont uniform bill of sale or certificate of origin, the terminated UCC financing statement or statements, and an executed warranty or quitclaim deed, which shall be drafted substantially in the form provided in section 2604 of this title.~~

~~(2) Upon the filing of a request to purge the security interest of a mobile home with the clerk of the municipality where the chattel mortgage for the mobile home was last recorded, and upon the owner's procuring the consent of the holders of any security interest in the mobile home shown to be unreleased, the mobile home shall become residential real estate.~~

~~(3) Upon receiving a request to purge the security interest of a mobile home, the municipal clerk shall mark or stamp the originally filed Vermont uniform bill of sale or certificate of origin with the word "converted."~~

~~(4) A mobile home that has been converted to residential real estate shall not be converted or redefined as personal property. [Repealed.]~~

\* \* \*

\* \* \* Limited Equity Cooperatives \* \* \*

Sec. 2. 11 V.S.A. § 1583 is amended to read:

§ 1583. DEFINITIONS

The definitions contained in Title 11A shall apply to this chapter. As used in this chapter, the following terms shall have the meanings indicated, unless the context otherwise requires:

\* \* \*

(16) "Mobile home park" has the same meaning as in 10 V.S.A. § 6201.

Sec. 3. 11 V.S.A. § 1598 is amended to read:

§ 1598. LIMITED EQUITY COOPERATIVES

(a) A cooperative housing corporation may organize as a limited equity cooperative in order to fulfill the public purpose of providing and preserving

housing for persons and households of low and moderate income at the time that they purchase their memberships. In addition to safeguarding the foregoing public purpose, a limited equity cooperative shall meet the following requirements:

(1) The articles of incorporation shall require that cooperative interests be sold at not more than a transfer value determined by a limited equity formula contained in the articles. That value shall be consistent with the object of maintaining long-term affordability of cooperative interests for persons or households of low and moderate income.

(2) A limited equity formula, once established by a cooperative housing corporation in its articles of incorporation, may be amended only if that amendment does not make the cooperative membership unaffordable for the class of low- or moderate-income households for which the cooperative housing corporation was originally incorporated, as determined and certified by the Commissioner of Housing and Community Affairs Development. A cooperative housing corporation once organized under this section may not reorganize as other than a limited equity cooperative without first dissolving.

(3) A limited equity cooperative shall not sell all or substantially all of its assets if such sale is intended to circumvent the public purposes of this section.

(4) The articles of incorporation shall require that the cooperative housing corporation shall have the first right to repurchase a member's cooperative interest.

(5) The articles of incorporation shall require that the total distribution out of capital to a member shall not exceed that transfer value.

(6) The articles of incorporation shall require that upon dissolution of the cooperative housing corporation, any assets remaining after retirement of corporate debts and distribution to members shall be distributed to a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a public agency, or another limited equity cooperative whose formula for determining transfer value shall be not less restrictive than that of the cooperative housing corporation being dissolved.

(7) The articles of incorporation shall require that no sublease of a unit shall provide for monthly payments by the sublessee in excess of 110 percent of monthly payments for the unit provided for in the proprietary lease.

(8) Notwithstanding subdivision (7) of this subsection (a), for a mobile home park organized as a limited equity cooperative, the articles of incorporation shall:

(A) prohibit the subleasing of a unit, unless:

(i) a member demonstrates a hardship, in which case the board of directors may by an affirmative vote of the majority grant an exemption from the prohibition; and

(ii) the unit is subleased to an individual of low or moderate income; and

(B) require that a unit owner shall not sublease a unit under this subdivision (8) for a higher amount than necessary to cover the costs of the unit to the member, including the costs of the monthly payment for the unit provided for in the proprietary lease, the costs of any mortgage for the unit owner, and any costs of utilities passed on to the sublessee.

(b) A mobile home park organized as a limited equity cooperative shall be treated for the purposes of State funding and grants as if it were incorporated as a State nonprofit corporation for a public purpose and public benefit under the laws of this State. Nothing in this section shall be deemed to alter or change specific funding or grant requirements, including the definition of low or moderate income, as outlined in any program, funding, or grant source.

\* \* \* Municipal Zoning \* \* \*

Sec. 4. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:

(1) Equal treatment of housing and required provisions for affordable housing.

\* \* \*

(B) Except as provided in subdivisions 4414(1)(E) and (F) of this title, no bylaw shall have the effect of excluding mobile homes, modular housing, or prefabricated housing from any district that allows year-round residential development in the municipality, except upon the same terms and conditions as conventional housing is excluded. A municipality may establish specific site standards in the bylaws to regulate individual sites within preexisting mobile home parks with regard to distances between structures and other standards as necessary to ensure public health, safety, and welfare, provided the standards do not have the effect of prohibiting the replacement of mobile homes on existing lots.

\* \* \*

\* \* \* Sales and Use Tax Exemption \* \* \*

Sec. 5. 32 V.S.A. § 9706(s) is amended to read:

(s) The statutory purpose of the exemption for sales of mobile homes and modular housing in subdivision 9741(32)(A) of this title is to create equity between mobile and modular housing and traditional residential construction by providing an exemption for the estimated portion of the cost attributable to labor (versus materials). The statutory purpose of the exemption for sales of mobile homes in subdivision 9741(32)(B) of this title is to ensure that all sales of mobile homes, as defined in 10 V.S.A. § 6201, are treated similarly for purposes of the property transfer tax imposed under chapter 231 of this title.

Sec. 6. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title:

\* \* \*

(32)(A) Forty percent of the receipts from sales of mobile homes, as defined in 9 V.S.A. § 2601(a)(2), and modular housing, when they are sold as tangible personal property.

(B) Sales of mobile homes, as defined in 10 V.S.A. § 6201, when sold as tangible personal property.

\* \* \*

\* \* \* Property Transfer Tax \* \* \*

Sec. 7. 32 V.S.A. § 9601 is amended to read:

§ 9601. DEFINITIONS

As used in this chapter unless the context requires otherwise:

\* \* \*

(5) “Transfer” includes a grant, assignment, conveyance, will, trust, decree of court, transfer or acquisition of a direct or indirect controlling interest in any person with title to property, or any other means of transferring title to property or vesting title to property in any person. In the case of a mobile home sold as tangible personal property, “transfer” includes a sale.

(6)(A) "Value" means:

(i) in the case of any transfer of title to property that is not a gift and that is not made for a nominal or no consideration, the amount of the full actual consideration for such transfer, paid or to be paid, including the amount of any liens or encumbrances on the property existing before the transfer and not removed thereby;

(ii) in the case of a gift, or a transfer for nominal or no consideration, the fair market value of the property transferred; ~~and~~

(iii) in the case of a controlling interest in any person that has title to property, the fair market value of the property, apportioned based on the percentage of the ownership interest transferred or acquired in the person; and

(iv) in the case of a mobile home sold as tangible personal property, the amount of the full actual consideration for such sale, paid or to be paid, including the amount of any liens or encumbrances on the tangible personal property existing before the sale and not removed thereby.

\* \* \*

(10) "Property" means real property and, in the case of a mobile home sold as tangible personal property, tangible personal property. The term does not include personal property transferred with real property other than a mobile home.

\* \* \*

(13) "Mobile home" has the same meaning as in 10 V.S.A. § 6201.

Sec. 8. 32 V.S.A. § 9602 is amended to read:

#### § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

A tax is hereby imposed upon the transfer by deed of title to property located in this State, ~~or~~ a transfer or acquisition of a controlling interest in any person with title to property in this State, or the sale of a mobile home as tangible personal property in this State. The amount of the tax equals 1.25 percent of the value of the property transferred, or \$1.00, whichever is greater, except as follows:

\* \* \*

Sec. 9. 32 V.S.A. § 9605 is amended to read:

#### § 9605. PAYMENT OF TAX

(a) The tax imposed by this chapter shall be paid to the Commissioner within 30 days after transfer of title to property subject to the tax ~~or~~; in the

case of a transfer or acquisition of a controlling interest in a person with title to property for which a deed is not given, within 30 days after transfer or acquisition; or, in the case of a sale of a mobile home as tangible personal property, within 30 days after sale.

\* \* \*

Sec. 10. 32 V.S.A. § 9606 is amended to read:

§ 9606. PROPERTY TRANSFER RETURN

(a)(1) In the case of property transfer by deed, a property transfer return complying with this section shall be delivered to a town clerk at the time a deed evidencing a transfer of title to property is delivered to the clerk for recording.

(2) In the case of transfer or acquisition of a controlling interest in a person with title to property for which a deed is not given, a property transfer return complying with this section shall be delivered to the Commissioner within 30 days after the transfer or acquisition.

(3) In the case of sale of a mobile home as tangible personal property, a property transfer return complying with this section shall be delivered to a town clerk at the time an executed mobile home uniform bill of sale is filed with the clerk.

\* \* \*

(e)(1) In the case of property transferred by deed, the Commissioner of Taxes is authorized to disclose to any person any information appearing on a property transfer tax return, including statistical information derived therefrom, and such information derived from research into information appearing on property transfer tax returns as is necessary to determine if the property being transferred is subject to 10 V.S.A. chapter 151, except the Commissioner shall not disclose the Social Security number, federal identification number, ~~e-mail~~ email address, or telephone number of any person pursuant to this subsection.

(2) In the case of transfer or acquisition of a controlling interest in a person with title to property for which a deed is not given or the sale of a mobile home as tangible personal property, the return submitted to the Commissioner shall be treated as a tax return and tax return information under section 3102 of this title.

Sec. 11. 32 V.S.A. § 9607 is amended to read:

§ 9607. ACKNOWLEDGMENT OF RETURN AND TAX PAYMENT

Upon the receipt by a town clerk of a property transfer return and certificate and the fee required under subdivision 1671(a)(6) of this title, the clerk shall forthwith mail or otherwise deliver to the transferee of title to property or purchaser of a mobile home as tangible personal property with respect to which such return was filed a signed and written acknowledgment of the receipt of that return and certificate. A copy of that acknowledgment, or any other form of acknowledgment approved by the Commissioner, shall be affixed to the deed evidencing the transfer of property, ~~or~~ the document evidencing the transfer or acquisition of a direct or indirect controlling interest in any person with title to property, or the mobile home uniform bill of sale with respect to which the return and certificate was filed. The acknowledgment so affixed to a deed, ~~or~~ document, or bill of sale, however, shall not disclose the amount of tax paid with respect to any return or transfer.

\* \* \* MHLEC Appraisals \* \* \*

Sec. 12. MOBILE HOME LIMITED EQUITY COOPERATIVES;  
APPRAISED VALUE; REPORT

On or before November 15, 2026, the Department of Taxes shall submit a written report to the House Committees on General and Housing and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance with an inventory and analysis of the current appraised value of each mobile home park registered as a limited equity cooperative under 11 V.S.A. chapter 14. The report shall include:

- (1) a description of the different appraisal methods used across the State;
- (2) an examination of any justifications for differences in approach; and
- (3) recommendations for ensuring consistent and appropriate appraisal, taking into consideration the limitations under 11 V.S.A. § 1598.

\* \* \* Secretary of State Business Registration \* \* \*

Sec. 13. SECRETARY OF STATE BUSINESS REGISTRATION

The Secretary of State may, upon request from a limited equity cooperative organized in accordance with 11 V.S.A. § 1598, update the limited equity cooperative's registration to ensure proper reflection of the limited equity cooperative's corporate business organization structure within the Secretary of State's systems.

\* \* \* Conforming Revisions \* \* \*

Sec. 14. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall replace “mobile home” with “manufactured home” throughout the statutes as needed for consistency with this act, provided the revisions have no other effect on the meaning of the affected statutes.

\* \* \* Effective Date \* \* \*

Sec. 15. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

**(Committee Vote: 8-0-3)**

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

\* \* \* Manufactured Homes \* \* \*

Sec. 1. 9 V.S.A. chapter 72 is amended to read:

CHAPTER 72. MOBILE HOMES

§ 2601. DEFINITIONS

(a) As used in this chapter, unless the context requires otherwise, “mobile home” means:

(1) A mobile home as defined in 10 V.S.A. § 6201.

(2) An unmotorized vehicle, other than a travel or recreational trailer, designed to be towed and designed or equipped for use as sleeping, eating, or living quarters.

(b) A mobile home remains a mobile home for purposes of this chapter even though it may be used for advertising, sales, display, or promotion of merchandise or services, or for any other commercial purposes except the transportation of property.

(c) A mobile home that was financed as residential real estate shall be defined as residential real estate.

(d) “Permanently sited” means the mobile home has become affixed to the land. Factors that tend to show a mobile home is permanently sited include one or more of the following:

(1) The mobile home has been set up on blocks or otherwise stabilized so that the wheels do not form a major part of the structural support.

(2) The mobile home has been connected to utilities such as electricity, sewage, water, gas, or oil.

(3) Skirting has been installed around the base of the mobile home.

(4) The wheels or axles have been removed.

(5) The mobile home has been situated in a place that makes removal unlikely.

\* \* \*

§ 2604. REAL ESTATE DEEDS FOR MOBILE HOMES

(a) Any mobile home purchased from a mobile home dealer on or after July 1, 2008, that is financed as residential real estate pursuant to subsection 2603(b) of this title shall be conveyed by a warranty deed drafted in substantially the form provided in subsection (c) of this section.

(b) An owner of a mobile home shall, upon financing or refinancing a mobile home as residential real estate or selling a mobile home that has been financed as residential real estate or will be so financed by the grantee, issue to the grantee either a warranty deed or a quitclaim deed that is drafted in substantially the form provided in subsection (c) or (d) of this section.

(c) A warranty deed that is substantially in the form provided in this subsection shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use, with covenants on the part of the grantor, for the grantor, the grantor's heirs, executors, and administrators that, at the time of the delivery of the deed, the grantor was lawfully seized in fee simple of the mobile home; that the mobile home was free from all encumbrances, except as stated; that the grantor had good right to sell and convey the same to the grantee, the grantee's heirs, successors, and assigns; and that the grantor and the grantor's heirs, executors, and administrators shall warrant and defend the same to the grantee and the grantee's heirs, successors, and assigns, against the lawful claims and demands of all persons except as stated. ~~No owner of land on which a mobile home is sited shall unreasonably withhold the consent required by this statutory form.~~

Form for Mobile Home Warranty Deed

\_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_, ("Grantor"), for consideration paid, grants to \_\_\_\_\_ of Street, Town (City) of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_ ("Grantee"),

with warranty covenants, the \_\_\_\_\_ (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at \_\_\_\_\_ (state name of park, if any, and street address), Town (City) of \_\_\_\_\_, \_\_\_\_\_ County, State of Vermont. The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by \_\_\_\_\_ by deed dated and recorded at Book \_\_\_\_\_, Page \_\_\_\_\_ in the land records of the Town (City) of \_\_\_\_\_.

\_\_\_\_\_ (wife) ~~(husband spouse)~~ of said Grantor, releases to said Grantee all rights and other interests therein.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Here add acknowledgment)

\_\_\_\_\_, owner of the tract or parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Here add acknowledgment)

[ ] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a Relocation Statement in the form provided in section 2606 of this title.

(d) A quitclaim deed that is substantially in the form provided in this subsection shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use subject to encumbrances of record. ~~No owner of land on which the mobile home is sited shall unreasonably withhold consent required by this statutory form.~~

#### Form for Mobile Home Quitclaim Deed

\_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_ (“Grantor”), for consideration paid, grants to \_\_\_\_\_ of \_\_\_\_\_ Street, Town (City) of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_ (“Grantee”), with quitclaim covenants, the (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at \_\_\_\_\_ (state name of park, if any, and street address), Town (City) of \_\_\_\_\_ County, State of Vermont.

The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by \_\_\_\_\_ by deed dated \_\_\_\_\_ and recorded at Book \_\_\_\_\_, Page \_\_\_\_\_, in the land records of the Town (City) of \_\_\_\_\_.

\_\_\_\_\_ (~~wife~~) (~~husband~~ spouse) of said Grantor releases to said Grantee all rights and other interest therein.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Here add acknowledgment)

\_\_\_\_\_, owner of the parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Here add acknowledgment)

[ ] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a relocation statement in the form provided in section 2606 of this title.

\* \* \*

\* \* \* Limited Equity Cooperatives \* \* \*

Sec. 2. 11 V.S.A. § 1583 is amended to read:

§ 1583. DEFINITIONS

The definitions contained in Title 11A shall apply to this chapter. As used in this chapter, the following terms shall have the meanings indicated, unless the context otherwise requires:

\* \* \*

(16) “Mobile home park” has the same meaning as in 10 V.S.A. § 6201.

Sec. 3. 11 V.S.A. § 1598 is amended to read:

§ 1598. LIMITED EQUITY COOPERATIVES

(a) A cooperative housing corporation may organize as a limited equity cooperative in order to fulfill the public purpose of providing and preserving housing for persons and households of low and moderate income at the time that they purchase their memberships. In addition to safeguarding the foregoing public purpose, a limited equity cooperative shall meet the following requirements:

\* \* \*

(6) The articles of incorporation shall require that upon dissolution of the cooperative housing corporation, any assets remaining after retirement of corporate debts and distribution to members shall be distributed to a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a public agency, or another limited equity cooperative whose formula for determining transfer value shall be not less restrictive than that of the cooperative housing corporation being dissolved.

(7) The articles of incorporation shall require that no sublease of a unit shall provide for monthly payments by the sublessee in excess of 110 percent of monthly payments for the unit provided for in the proprietary lease.

(8) Notwithstanding subdivision (7) of this subsection, for a mobile home park organized as a limited equity cooperative, the articles of incorporation shall:

(A) prohibit the subleasing of a unit, unless:

(i) a member demonstrates a hardship, in which case the board of directors may by an affirmative vote of the majority grant an exemption from the prohibition; and

(ii) the unit is subleased to an individual of low or moderate income; and

(B) require that a unit owner shall not sublease a unit under this subdivision (8) for a higher amount than necessary to cover the costs of the unit to the member, including the costs of the monthly payment for the unit provided for in the proprietary lease, the costs of any mortgage for the unit owner, and any costs of utilities passed on to the sublessee.

(b)(1) A mobile home park organized as a limited equity cooperative shall be treated for the purposes of State funding and grants as if it were incorporated as a State nonprofit corporation for a public purpose and public benefit under the laws of this State. Nothing in this section shall be deemed to alter or change specific funding or grant requirements, including the definition of low or moderate income, as outlined in any program, funding, or grant source.

(2) Nothing in this subsection shall be interpreted to impact or alter the tax treatment of a mobile home park organized as a limited equity cooperative.

\* \* \* Municipal Zoning \* \* \*

Sec. 4. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:

(1) Equal treatment of housing and required provisions for affordable housing.

\* \* \*

(B) Except as provided in subdivisions 4414(1)(E) and (F) of this title, no bylaw shall have the effect of excluding mobile homes, modular housing, or prefabricated housing from any district that allows year-round residential development in the municipality, except upon the same terms and conditions as conventional housing is excluded. A municipality may establish specific site standards in the bylaws to regulate individual sites within preexisting mobile home parks with regard to distances between structures and other standards as necessary to ensure public health, safety, and welfare, provided the standards do not have the effect of prohibiting the replacement of mobile homes on existing lots.

\* \* \*

\* \* \* Sales and Use Tax Exemption \* \* \*

Sec. 5. 32 V.S.A. § 9706 is amended to read:

§ 9706. STATUTORY PURPOSE

\* \* \*

(s) The statutory purpose of the exemption for sales of mobile homes and modular housing in subdivision 9741(32) of this title is to create equity between mobile and modular housing and traditional residential construction ~~by providing an exemption for the estimated portion of the cost attributable to labor (versus materials).~~

\* \* \*

(pp) The statutory purpose of the exemption for new energy-efficient mobile homes in subdivision 9741(57) of this title is to create parity with the tax treatment of new energy-efficient mobile homes treated as real property.

Sec. 6. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title:

\* \* \*

(32) Forty Ninety percent of the receipts from sales of mobile homes, as defined in 9 V.S.A. § 2601, and modular housing, when they are sold as tangible personal property.

\* \* \*

(57) New mobile homes, as defined in 10 V.S.A. § 6201, that:

(A) bear a label evidencing, at a minimum, greater energy efficiency under the ENERGY STAR Program established in 42 U.S.C. § 6294a; or

(B) are certified as a Zero Energy Ready Home by the U.S. Department of Energy.

\* \* \* Secretary of State Business Registration \* \* \*

#### Sec. 7. SECRETARY OF STATE BUSINESS REGISTRATION

The Secretary of State may, upon request from a limited equity cooperative organized in accordance with 11 V.S.A. § 1598, update the limited equity cooperative's registration to ensure proper reflection of the limited equity cooperative's corporate business organization structure within the Secretary of State's systems.

\* \* \* Conforming Revisions \* \* \*

#### Sec. 8. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall replace "mobile home" with "manufactured home" throughout the statutes as needed for consistency with this act, provided the revisions have no other effect on the meaning of the affected statutes.

\* \* \* Effective Dates \* \* \*

#### Sec. 9. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that Secs. 5 and 6 (sales and use tax exemption) shall take effect on January 1, 2027.

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

### H. 814

An act relating to neurological rights and the use of artificial intelligence technology in health and human services

**Rep. Cina of Burlington**, for the Committee on Health Care, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. INTENT

It is the intent of the General Assembly to:

(1) protect human rights, promote equity, increase efficiency, enhance accessibility, create transparency, and guarantee accountability in health care and human services through the ethical and responsible use of artificial intelligence technology;

(2) maximize the benefits and minimize the risks of the use of artificial intelligence in health care and human services;

(3) promote the ethical and responsible use of augmented intelligence in service delivery, coverage determinations, and access to health care and human services;

(4) prevent harm from the use of augmented and other artificial intelligence in health care and human services;

(5) improve the experience of patients, providers, and payers through the use of augmented and other artificial intelligence; and

(6) improve quality of care, drive positive health outcomes, and cultivate population health through the use of augmented and other artificial intelligence.

Sec. 2. 18 V.S.A. chapter 42C is added to read:

CHAPTER 42C. NEUROLOGICAL RIGHTS

§ 1891. PURPOSE; INDIVIDUAL RIGHTS

The State of Vermont recognizes that each individual has the right to:

(1) mental and neural data privacy;

(2) the freedom of thought;

(3) nondiscrimination in the development and application of neurotechnologies;

(4) change an individual's decision regarding neurotechnology and the right to determine by what means to change that decision;

(5) be afforded protection from neurotechnological interventions of the mind and from unauthorized access to or manipulation of an individual's brain activity; and

(6) be afforded protection from unauthorized neurotechnological alterations in mental functions critical to personality.

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

§ 5023. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL

(a) Advisory Council. There is established the Artificial Intelligence Advisory Council to provide advice and counsel to the Director of the Division of Artificial Intelligence with regard to the Division's responsibilities to review all aspects of artificial intelligence systems developed, employed, or procured in State government. The Advisory Council, in consultation with the Director of the Division, shall also engage in public outreach and education on artificial intelligence.

(b) Members.

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

\* \* \*

(F) one member with experience in the field of ethics and human rights, appointed by the ~~Governor~~ National Association of Social Workers, Vermont Chapter;

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

(H) the ~~Commissioner of Health~~ Secretary of Human Services or designee;

(I) one member with experience in health care, appointed by the Vermont Medical Society;

(J) one member with experience in public education, appointed by the Vermont-National Education Association;

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

~~(L)~~ the Attorney General or designee;

(M) the State Treasurer or designee; and

(N) one member with relevant knowledge and expertise, appointed by the Governor.

\* \* \*

(h) Repeal. This section shall be repealed on June 30, ~~2027~~ 2030.

Sec. 4. RESPONSIBLE AND ETHICAL USE OF ARTIFICIAL INTELLIGENCE IN HEALTH CARE, HUMAN SERVICES, AND EDUCATION; REPORT

(a) The Artificial Intelligence Advisory Council, in coordination with the Director of the Division of Artificial Intelligence and in consultation with interested stakeholders, shall:

(1) review guidelines and recommendations from the American Medical Association, National Association of Social Workers, National Education Association, and other relevant professional organizations regarding the use of artificial intelligence in the fields of health care, human services, education, public participation, and public finance;

(2) research existing and potential uses of artificial intelligence in public participation processes and in public finance; and

(3) create opportunities for public education and engagement in the development of artificial intelligence policy.

(b) On or before January 15, 2027, the Artificial Intelligence Advisory Council, in coordination with the Director of the Division of Artificial Intelligence, shall submit a written report to the General Assembly:

(1) recommending any additional statutory changes necessary to further the purposes of this act, including:

(A) protections for neurological rights and in relation to neurotechnologies;

(B) guidance on the use of generative artificial intelligence by regulated professions; and

(C) regulating the use of artificial and augmented intelligence in health insurance utilization review processes;

(2) summarizing any additional ways that government can promote the ethical and responsible use of artificial intelligence technology in health and human services and in education;

(3) proposing pilot projects that improve public engagement in public finance using ethical and responsible artificial intelligence technology; and

(4) identifying any reasons for further delaying or removing the new 2030 sunset of the Artificial Intelligence Advisory Council as set forth in Sec. 4 of this act.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

**(Committee Vote: 9-1-1)**

**Rep. Feltus of Lyndon**, for the Committee on Appropriations, recommends that the bill ought to pass when amended as recommended by the Committee on Health Care.

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

**H. 816**

An act relating to regulating the use of artificial intelligence in the provision of mental health services

**Rep. Critchlow of Colchester**, for the Committee on Health Care, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. PURPOSE

It is the purpose of this act to safeguard individuals seeking mental health services in Vermont by:

(1) ensuring that therapeutic judgment, clinical decision making, and therapeutic communication remain the responsibility of mental health professionals and are not delegated to artificial intelligence systems;

(2) respecting individual choice in selecting mental health services, including community, peer, and faith-based options; and

(3) allowing the responsible use of artificial intelligence for administrative, operational, documentation, and quality-improvement functions that support access, efficiency, and innovation in mental health services.

Sec. 2. 3 V.S.A. § 129a is amended to read:

§ 129a. UNPROFESSIONAL CONDUCT

(a) In addition to any other provision of law, the following conduct by a licensee constitutes unprofessional conduct. When that conduct is by an applicant or person who later becomes an applicant, it may constitute grounds for denial of a license or other disciplinary action. Any one of the following items or any combination of items, whether the conduct at issue was committed within or outside the State, shall constitute unprofessional conduct:

\* \* \*

(30) For any mental health professional, misuse of artificial intelligence pursuant to 26 V.S.A. § 7101.

\* \* \*

Sec. 3. 18 V.S.A. § 7115 is added to read:

§ 7115. PROHIBITED USES OF ARTIFICIAL INTELLIGENCE

(a) As used in this section:

(1) “Artificial intelligence” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments. “Artificial intelligence” includes generative artificial intelligence.

(2) “Generative artificial intelligence” means an artificial intelligence that can generate derived synthetic content, including text, images, video, and audio, that emulates the structure and characteristics of the system’s training data.

(3) “Mental health services” means support, counseling, therapy, or psychotherapy services provided by a mental health professional to diagnose or treat an individual’s mental or behavioral health or provide ongoing recovery support, excluding religious counseling.

(4) “Therapeutic communication” means a written or spoken interaction intended to diagnose or treat any type of mental or behavioral health concern, provide ongoing recovery support, or provide any advice related to diagnosis, treatment, or recovery.

(b) A person, corporation, or other entity shall not offer, provide, or advertise mental health services in the State that represent artificial intelligence as providing therapeutic judgment, diagnosis, treatment, or therapeutic communication. Nothing in this subsection shall prohibit the use or disclosure of the use of artificial intelligence for administrative, documentation, operational, or quality-improvement purposes when a mental health professional retains clinical responsibility as authorized pursuant to 26 V.S.A. § 7101.

(c)(1) A violation of this section shall be deemed a violation of the Consumer Protection Act, 9 V.S.A. chapter 63. The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions, and private parties have the same rights and remedies as provided under 9 V.S.A. chapter 63, subchapter 1.

(2) Nothing in this section shall be construed to preclude or supplant any other statutory or common law remedies.

Sec. 4. 26 V.S.A. chapter 120 is added to read:

CHAPTER 120. ARTIFICIAL INTELLIGENCE IN REGULATED PROFESSIONS

Subchapter 1. General Provisions

§ 7001. DEFINITIONS

As used in this chapter:

(1) “Artificial intelligence” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments. “Artificial intelligence” includes generative artificial intelligence.

(2) “Generative artificial intelligence” means an artificial intelligence that can generate derived synthetic content, including text, images, video, and audio, that emulates the structure and characteristics of the system’s training data.

Subchapter 2. Use of Artificial Intelligence by Mental Health Professionals

§ 7101. PERMITTED AND PROHIBITED USES OF ARTIFICIAL INTELLIGENCE IN THERAPEUTIC SETTINGS

(a) Definitions. As used in this section:

(1) “Administrative support” means a task performed to assist a mental health professional in the professional’s delivery of mental health services, such as scheduling, billing, and general logistics, but excluding therapeutic communication.

(2) “Clinical responsibility” means the duty of a mental health professional to review, approve, and remain legally accountable for any use of artificial intelligence in connection with the provision of mental health services.

(3) “Consent” means an explicit, affirmative act by an individual that communicates in writing voluntary, informed, and revocable agreement. “Consent” does not include acceptance of broad terms-of-use agreements, passive actions, or deceptive practices.

(4) “Mental health professional” means an individual licensed, certified, or rostered, respectively, to provide mental health services as a physician pursuant to chapter 23 or 33 of this title, an advance practice registered nurse specializing in psychiatric mental health pursuant to chapter 28 of this title, a psychologist pursuant to chapter 55 of this title, a peer support provider or peer recovery support specialist pursuant to chapter 60 of this title, a social worker pursuant to chapter 61 of this title, an alcohol and drug abuse counselor pursuant to chapter 62 of this title, a clinical mental health counselor pursuant to chapter 65 of this title, a marriage and family therapist pursuant to chapter 76 of this title, a psychoanalyst pursuant to chapter 77 of this title, or an applied behavior analyst pursuant to chapter 95 of this title, and a nonlicensed or noncertified psychotherapist, noncertified psychoanalyst, or any other professional that provides mental health services except as exempted in subsection (e) of this section.

(5) “Mental health services” means support, counseling, therapy, or psychotherapy services provided by a mental health professional to diagnose or treat an individual’s mental or behavioral health or provide ongoing recovery support, excluding religious counseling or peer support.

(6) “Peer support” means support services provided by an individual with lived experience of a mental health condition or substance use disorder who is not certified under chapter 60 of this title.

(7) “Religious counseling” means counseling provided by clergy, pastoral counselors, or other religious leaders acting within the scope of the individual’s duties if explicitly faith-based and not represented as clinical services.

(8) “Supplementary support” means a task performed to assist a mental health professional in the professional’s delivery of mental health services, excluding therapeutic communication and administrative support.

(9) “Therapeutic communication” means a written or spoken interaction intended to diagnose or treat any type of mental or behavioral health concern, provide ongoing recovery support, or provide any advice related to diagnosis, treatment, or recovery.

(10) “Therapeutic decision” means the final clinical determination regarding diagnosis or selection, modification, or termination of treatment or care. “Therapeutic decision” does not include algorithmic risk scoring, data analytics, or other clinical decision support tools when used under the supervision and authority of a licensed mental health professional.

(b) Permitted uses. A mental health professional may use artificial intelligence systems for administrative support, supplementary support, and operational or quality-improvement functions, provided the professional retains sole responsibility for therapeutic decisions. Permitted uses include scheduling, billing, coding, and claims processing; transcription and documentation support; preparation and maintenance of clinical records; deidentified data analysis for quality improvement; and workforce and capacity planning where the mental health professional reviews, modifies where necessary, and approves the final product.

(c) Confidentiality and consent.

(1) Any administrative support or supplementary support tasks conducted using artificial intelligence, including transcription and recording, shall be subject to the disclosure prohibitions in 18 V.S.A. §§ 1881 and 7103.

(2) Consent by a patient or client is required when artificial intelligence is used to record identifiable therapeutic communications.

(d) Prohibited uses.

(1) A mental health professional shall not use artificial intelligence in a manner that allows the artificial intelligence to independently make therapeutic decisions, independently diagnose, independently determine treatment, or independently generate treatment plans.

(2) Nothing in this subsection shall prohibit a mental health professional from disclosing or describing the mental health professional's use of artificial intelligence for administrative support or supplementary support purposes to a prospective, current, or former patient or client.

(e) Exceptions. Nothing in this section shall apply to:

(1) religious counseling;

(2) peer support provided by an individual who is not certified pursuant to chapter 60 of this title; and

(3) generalized educational and self-help resources that do not purport to offer mental health services.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

**(Committee Vote: 10-0-1)**

**H. 887**

An act relating to crime victim status under the Fair Employment Practices Act

**Rep. Krasnow of South Burlington**, for the Committee on General and Housing, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 21 V.S.A. § 495d is amended to read:

§ 495d. DEFINITIONS

As used in this subchapter:

\* \* \*

(15) "Crime victim" means any of the following:

(A) a person who has obtained a relief from abuse order issued under 15 V.S.A. § 1103;

(B) a person who has obtained an order against stalking or sexual assault issued under 12 V.S.A. chapter 178;

(C) a person who has obtained an order against abuse of a vulnerable adult issued under 33 V.S.A. chapter 69; ~~or~~

(D)(i) a victim as defined in 13 V.S.A. § 5301, provided that the victim is identified as a crime victim in an affidavit filed by a law enforcement official with a prosecuting attorney of competent state or federal jurisdiction; and

(ii) shall include the victim's child, foster child, parent, spouse, stepchild or ward of the victim who lives with the victim, or a parent of the victim's spouse, provided that the individual is not identified in the affidavit as the defendant; or

(E) a person who is a survivor of domestic violence, sexual assault, or stalking and who has supporting documentation from any one of the following sources:

(i) a court or law enforcement or other government agency;

(ii) a domestic violence, sexual assault, or stalking assistance program;

(iii) a legal, clerical, medical, or other professional from whom the person has received counseling or other assistance concerning domestic violence, sexual assault, or stalking; or

(iv) a self-attestation by the person describing the circumstances supporting the person's status as a survivor of domestic violence, sexual assault, and stalking for which no further corroboration shall be required unless otherwise mandated by law.

\* \* \*

(18) "Domestic violence" has the same meaning as in 15 V.S.A. § 1151 and includes the definition of "abuse" in 15 V.S.A. § 1101.

(19) "Sexual assault" has the same meaning as in 12 V.S.A. § 5131.

(20) "Stalking" has the same meaning as in 12 V.S.A. § 5131.

## Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

**(Committee Vote: 8-1-2)**

**Favorable**

**H. 917**

An act relating to military affairs

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

**Rep. Page of Newport City**, for the Committee on Ways and Means, recommends that the bill ought to pass.

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

## NOTICE CALENDAR

### Committee Bill for Second Reading

**H. 930**

An act relating to addressing and preventing chronic absenteeism

**(Rep. Hunter of Manchester** will speak for the Committee on Education.)

**Favorable with Amendment**

**H. 171**

An act relating to Attorney General investigations into a law enforcement officer's use of a firearm

**Rep. Burditt of West Rutland**, for the Committee on Judiciary, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. OFFICER-INVOLVED SHOOTING PROTOCOL

(a) The General Assembly finds it is in the best interests of victims and law enforcement officers to efficiently and thoroughly conduct independent investigations of any officer-involved shooting (OIS) in Vermont. It is the intent of the General Assembly to facilitate cooperation amongst the entities responsible for investigating an OIS so there is a well-understood protocol for addressing an OIS that instills public trust in such investigations and resolves investigations in a timely manner to provide certainty to all parties involved.

(b) The Attorney General’s Office (AGO), the Department of State’s Attorneys and Sheriffs (DSAS), the Department of Public Safety, and the Vermont Association of Chiefs of Police shall work collaboratively to identify a protocol and best practices for independent investigations of an OIS.

(c) A protocol for interagency cooperation in an OIS investigation shall:

(1) define “officer-involved shooting” and what types of incidents trigger an investigation;

(2) define “conflict of interest” and identify the appropriate steps to manage any conflicts for law enforcement and prosecutors;

(3) delineate the process for informing the AGO and DSAS of an OIS;

(4) identify the general steps for law enforcement investigations into an OIS;

(5) describe the process for prosecutorial assessment of the investigative materials, including dual independent assessments;

(6) evaluate the process of investigation and prosecutorial review of an OIS to ensure timely criminal charging determinations, and identify and address existing barriers to timely criminal charging determinations; and

(7) outline the final outcome of an investigation and assessment of an OIS, such as clearing a law enforcement officer or filing criminal charges.

(d) To inform their efforts to develop a protocol, the entities shall examine other jurisdictions’ protocols for an OIS investigation to determine best practices.

(e) On or before December 1, 2026, the entities shall submit one written report to the House and Senate Committees on Judiciary detailing their work,

an agreed-upon protocol for an OIS investigation, and any legislative changes necessary, including appropriations, to effectuate the protocol.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: “An act relating to criminal justice agency protocols for an officer-involved shooting”

**(Committee Vote: 10-0-1)**

**H. 211**

An act relating to data brokers and personal information

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

Sec. 1. 9 V.S.A. chapter 62 is amended to read:

CHAPTER 62. PROTECTION OF PERSONAL INFORMATION

Subchapter 1. General Provisions

§ 2430. DEFINITIONS

As used in this chapter:

(1) “Authorized agent” means:

(A) a person designated by a consumer to act on the consumer’s behalf;

(B) a parent or legal guardian that acts on behalf of the parent’s child or on behalf of a child for whom the guardian has legal responsibility; or

(C) a guardian or conservator that acts on behalf of a consumer that is subject to a guardianship, conservatorship, or other protective arrangement.

(2)(A) “Biometric data” means that data generated from the technological processing of an individual’s unique biological, physical, or physiological characteristics can be used to identify an individual, including:

(i) iris or retina scans;

(ii) fingerprints;

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

(iv) vein patterns;

(v) voice prints; and

(vi) gait or personally identifying physical movement or patterns.

(B) “Biometric data” does not include:

(i) a digital or physical photograph;

(ii) an audio or video recording; or

(iii) any data generated from a digital or physical photograph, or an audio or video recording, unless such data is generated to identify a specific individual.

~~(3)(A) “Brokered personal information” means one or more of the following computerized data elements about a consumer, if categorized or organized for dissemination to third parties:~~

~~(i) name;~~

~~(ii) address;~~

~~(iii) date of birth;~~

~~(iv) place of birth;~~

~~(v) mother’s maiden name;~~

~~(vi) unique biometric data generated from measurements or technical analysis of human body characteristics used by the owner or licensee of the data to identify or authenticate the consumer, such as a fingerprint, retina or iris image, or other unique physical representation or digital representation of biometric data;~~

~~(vii) name or address of a member of the consumer’s immediate family or household;~~

~~(viii) Social Security number or other government-issued identification number; or~~

~~(ix) other information that, alone or in combination with the other information sold or licensed, would allow a reasonable person to identify the consumer with reasonable certainty any information, including derived data and unique identifiers, that is linked or reasonably linkable, alone or in combination with other information, to an identified or identifiable individual or to a device that identifies, is linked to, or is reasonably linkable to one or more identified or identifiable individuals in a household.~~

(B) “Brokered personal information” does not include publicly available information to the extent that it is related to a consumer’s business or profession.

~~(2)~~(4) “Business” means a commercial entity, including a sole proprietorship, partnership, corporation, association, limited liability company, or other group, however organized and whether or not organized to operate at a profit, including a financial institution organized, chartered, or holding a license or authorization certificate under the laws of this State, any other state, the United States, or any other country, or the parent, affiliate, or subsidiary of a financial institution, but does not include the State, a State agency, any political subdivision of the State, or a vendor acting solely on behalf of, and at the direction of, the State.

~~(3)~~(5) “Consumer” means an individual residing in this State.

~~(4)~~(6)(A) “Data broker” means a business, or unit or units of a business, separately or together, that knowingly collects and sells or licenses to third parties the brokered personal information of a consumer with whom the business does not have a direct relationship.

~~(B) Examples of a direct relationship with a business include if the consumer is a past or present:~~

~~(i) customer, client, subscriber, user, or registered user of the business’s goods or services;~~

~~(ii) employee, contractor, or agent of the business;~~

~~(iii) investor in the business; or~~

~~(iv) donor to the business~~ As used in this subdivision (6), “direct relationship” means that a consumer has intentionally interacted with a business for the purpose of accessing, purchasing, using, requesting, or obtaining information about the business’s products or services. A consumer does not have a direct relationship with a business if the purpose of the consumer’s engagement is to exercise a consumer right or for the business to verify the consumer’s identity. A business does not have a direct relationship with a consumer simply because the business collects brokered personal information directly from the consumer; the consumer must intend to interact with the business. A business is still a data broker and does not have a direct relationship with a consumer as to the brokered personal information the business sells about the consumer that it collected outside of a first-party interaction with the consumer.

~~(C) The following activities conducted by a business, and the collection and sale or licensing of brokered personal information incidental to conducting these activities, do not qualify the business as a data broker:~~

~~(i) developing or maintaining third-party e-commerce or application platforms;~~

~~(ii) providing 411 directory assistance or directory information services, including name, address, and telephone number, on behalf of or as a function of a telecommunications carrier;~~

~~(iii) providing publicly available information related to a consumer's business or profession; or~~

~~(iv) providing publicly available information via real-time or near-real-time alert services for health or safety purposes.~~

~~(D)(C)~~ The phrase "sells or licenses" does not include:

~~(i) a one-time or occasional sale of assets of a business as part of a transfer of control of those assets that is not part of the ordinary conduct of the business; or~~

~~(ii) a sale or license of data that is merely incidental to the business.~~

~~(5)(A) "Data broker security breach" means an unauthorized acquisition or a reasonable belief of an unauthorized acquisition of more than one element of brokered personal information maintained by a data broker when the brokered personal information is not encrypted, redacted, or protected by another method that renders the information unreadable or unusable by an unauthorized person.~~

~~(B) "Data broker security breach" does not include good faith but unauthorized acquisition of brokered personal information by an employee or agent of the data broker for a legitimate purpose of the data broker, provided that the brokered personal information is not used for a purpose unrelated to the data broker's business or subject to further unauthorized disclosure.~~

~~(C) In determining whether brokered personal information has been acquired or is reasonably believed to have been acquired by a person without valid authorization, a data broker may consider the following factors, among others:~~

~~(i) indications that the brokered personal information is in the physical possession and control of a person without valid authorization, such as a lost or stolen computer or other device containing brokered personal information;~~

~~(ii) indications that the brokered personal information has been downloaded or copied;~~

~~(iii) indications that the brokered personal information was used by an unauthorized person, such as fraudulent accounts opened or instances of identity theft reported; or~~

~~(iv) that the brokered personal information has been made public.~~

~~(6)~~(7) “Data collector” means a person who, for any purpose, whether by automated collection or otherwise, handles, collects, disseminates, or otherwise deals with personally identifiable information, and includes the State, State agencies, political subdivisions of the State, public and private universities, privately and publicly held corporations, limited liability companies, financial institutions, and retail operators.

~~(7)~~(8) “Encryption” means use of an algorithmic process to transform data into a form in which the data is rendered unreadable or unusable without use of a confidential process or key.

(9)(A) “GenAI system” means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio, that emulates the structure and characteristics of the system’s training data.

(B) As used in subdivision (A) of this subdivision (9), “artificial intelligence system” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

(10) “Identified or identifiable individual” means an individual who can be readily identified, directly or indirectly.

~~(8)~~(11) “License” means a grant of access to, or distribution of, data by one person to another in exchange for consideration. A use of data for the sole benefit of the data provider, where the data provider maintains control over the use of the data, is not a license.

~~(9)~~(12) “Login credentials” means a consumer’s user name or ~~e-mail~~ email address, in combination with a password or an answer to a security question, that together permit access to an online account.

~~(10)~~(13)(A) “Personally identifiable information” means a consumer’s first name or first initial and last name in combination with one or more of the following digital data elements, when the data elements are not encrypted, redacted, or protected by another method that renders them unreadable or unusable by unauthorized persons, subject to the exception in subdivision (C) of this subdivision (13):

(i) a Social Security number;

(ii) a driver license or nondriver State identification card number, individual taxpayer identification number, passport number, military identification card number, or other identification number that originates from

a government identification document that is commonly used to verify identity for a commercial transaction;

(iii) a financial account number or credit or debit card number, if the number could be used without additional identifying information, access codes, or passwords;

(iv) a password, personal identification number, or other access code for a financial account;

~~(v) unique biometric data generated from measurements or technical analysis of human body characteristics used by the owner or licensee of the data to identify or authenticate the consumer, such as a fingerprint, retina or iris image, or other unique physical representation or digital representation of biometric data;~~

(vi) genetic information; and

(vii)(I) health records or records of a wellness program or similar program of health promotion or disease prevention;

(II) a health care professional's medical diagnosis or treatment of the consumer; or

(III) a health insurance policy number.

(B) "Personally identifiable information" does not ~~mean~~ include publicly available information ~~that is lawfully made available to the general public from federal, State, or local government records.~~

(C) "Personally identifiable information" does not require a consumer's first name or first initial and last name if any of the data elements contained in subdivisions (A)(i)-(vii) of this subdivision (13) is sufficient to perform or attempt to perform identity theft against the consumer.

(14) "Precise geolocation" means information derived from technology that can precisely and accurately identify the specific location of a consumer within a radius of 1,850 feet.

(15) "Processor" means a person who performs any operation or set of operations, whether by manual or automated means, on brokered personal information or on sets of brokered personal information, such as the collection, use, storage, disclosure, analysis, deletion, or modification of brokered personal information on behalf of a business.

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

(i) is made available:

(I) through federal, state, or local government records; or  
(II) to the general public from widely distributed media; or  
(ii) a data broker has a reasonable basis to believe that the consumer has lawfully made available to the general public.

(B) “Publicly available information” does not include:

(i) biometric data collected by a business about a consumer without the consumer’s knowledge;

(ii) information that is collated and combined to create a consumer profile that is made available to a user of a publicly available website either in exchange for payment or free of charge;

(iii) information that is made available for sale;

(iv) an inference about a consumer that is generated from the information described in subdivision (ii) or (iii) of this subdivision (16)(B);

(v) any obscene visual depiction, as defined in 18 U.S.C. § 1460;

(vi) brokered personal information that is created through the combination of brokered personal information with publicly available information;

(vii) genetic data, unless otherwise made publicly available by the consumer to whom the information pertains;

(viii) information provided by a consumer on a website or online service made available to all members of the public, for free or for a fee, where the consumer has maintained a reasonable expectation of privacy in the information, such as by restricting the information to a specific audience; or

(ix) intimate images, authentic or computer-generated, known to be nonconsensual.

~~(11)~~(17) “Record” means any material on which written, drawn, spoken, visual, or electromagnetic information is recorded or preserved, regardless of physical form or characteristics.

~~(12)~~(18) “Redaction” means the rendering of data so that the data are unreadable or are truncated so that no not more than the last four digits of the identification number are accessible as part of the data.

(19)(A) “Sale” means the exchange of a consumer’s brokered personal information by the data broker to a third party for monetary or other valuable consideration.

(B) “Sale” does not include:

(i) the disclosure of brokered personal information to a processor that processes the brokered personal information on behalf of the data broker;

(ii) the disclosure of brokered personal information to a third party for purposes of providing a product or service requested by the consumer;

(iii) the disclosure or transfer of brokered personal information to an affiliate of the data broker;

(iv) the disclosure, with the consumer's consent, of brokered personal information where the consumer directs the data broker to disclose the brokered personal information or intentionally uses the data broker to interact with a third party;

(v) the disclosure of publicly available information; or

(vi) the disclosure or transfer of brokered personal information to a third party as an asset that is part of a merger, acquisition, bankruptcy, or other transaction, or a proposed merger, acquisition, bankruptcy, or other transaction, in which the third party assumes control of all or part of the data broker's assets.

(C) As used in subdivision (B) of this subdivision (19), "affiliate" means a legal entity that shares common branding with another legal entity or controls, is controlled by, or is under common control with another legal entity.

(D) As used in subdivision (C) of this subdivision (19), "control" or "controlled" means:

(i) ownership of, or the power to vote, more than 50 percent of the outstanding shares of any class of voting security of a company;

(ii) control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or

(iii) the power to exercise controlling influence over the management of a company.

(13)(20)(A) "Security breach" means unauthorized acquisition of electronic data, or a reasonable belief of an unauthorized acquisition of electronic data, that compromises the security, confidentiality, or integrity of a consumer's personally identifiable information or login credentials maintained by a data collector.

(B) "Security breach" does not include good faith but unauthorized acquisition of personally identifiable information or login credentials by an

employee or agent of the data collector for a legitimate purpose of the data collector, provided that the personally identifiable information or login credentials are not used for a purpose unrelated to the data collector's business or subject to further unauthorized disclosure.

(C) In determining whether personally identifiable information or login credentials have been acquired or is are reasonably believed to have been acquired by a person without valid authorization, a data collector may consider the following factors, among others:

(i) indications that the information is in the physical possession and control of a person without valid authorization, such as a lost or stolen computer or other device containing information;

(ii) indications that the information has been downloaded or copied;

(iii) indications that the information was used by an unauthorized person, such as fraudulent accounts opened or instances of identity theft reported; or

(iv) that the information has been made public.

#### § 2431. ACQUISITION AND DISCLOSURE OF BROKERED PERSONAL INFORMATION; PROHIBITIONS

(a) Prohibited acquisition and use.

(1) A person shall not acquire brokered personal information through fraudulent means.

(2) A person shall not acquire or use brokered personal information for the purpose of:

(A) stalking or harassing another person;

(B) committing a fraud, including identity theft, financial fraud, or ~~e-mail~~ email fraud; or

(C) engaging in unlawful discrimination, including employment discrimination and housing discrimination.

(b) Disclosure. A data broker shall:

(1) maintain procedures that require prospective users of the data broker's brokered personal information to identify themselves, state the purposes for which the information is sought, and certify that the information shall be used for no other purpose;

(2) prior to disclosing brokered personal information to a prospective user and pursuant to subdivision (1) of this subsection:

(A) make a reasonable effort to verify the identity of the prospective user of the information; and

(B) review the user's stated purposes for which the information is sought; and

(3) not disclose brokered personal information to a prospective user if the data broker has reasonable grounds for believing that the information will be used to violate State or federal law or will not be used for the purposes stated by the user pursuant to this subsection.

(c) Enforcement.

(1) A person who violates a provision of this section commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(2) The Attorney General has the same authority to adopt rules to implement the provisions of this section and to conduct civil investigations, enter into assurances of discontinuance, bring civil actions, and take other enforcement actions as provided under chapter 63, subchapter 1 of this title.

#### Subchapter 2. Security ~~Breach Notice Act~~ Breaches

#### § 2435. NOTICE OF SECURITY BREACHES

\* \* \*

(b) Notice of breach.

\* \* \*

(6) A data collector may provide notice of a security breach involving personally identifiable information to a consumer by one or more of the following methods:

(A) Direct notice, which may be by one of the following methods:

(i) written notice mailed to the consumer's residence;

(ii) electronic notice, for those consumers for whom the data collector has a valid ~~e-mail~~ email address, if:

(I) the data collector's primary method of communication with the consumer is by electronic means, the electronic notice does not request or contain a hypertext link to a request that the consumer provide personal information, and the electronic notice conspicuously warns consumers not to provide personal information in response to electronic communications regarding security breaches; or

(II) the notice is consistent with the provisions regarding electronic records and signatures for notices in 15 U.S.C. § 7001; or

(iii) telephonic notice, for those consumers for whom the data collector has a valid phone number, provided that the telephonic contact is made directly with each affected consumer and not through a prerecorded message and further provided that the data collector makes not less than five attempts to contact the consumer for a live conversation before the data collector may leave a voicemail providing information about the breach.

\* \* \*

(c) Notice to consumer reporting agencies. In the event a data collector provides notice to more than 1,000 consumers at one time pursuant to this section, the data collector shall notify, without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined in 15 U.S.C. § 1681a(p), of the timing, distribution, and content of the notice. This subsection shall not apply to a person who is licensed or registered under Title 8 by the Department of Financial Regulation.

(d) Exception to notice requirement.

(1) Notice of a security breach pursuant to subsection (b) of this section is not required if the data collector establishes that misuse of personally identifiable information or login credentials is not reasonably possible and the data collector provides notice of the determination that the misuse of the personally identifiable information or login credentials is not reasonably possible pursuant to the requirements of this subsection. If the data collector establishes that misuse of the personally identifiable information or login credentials is not reasonably possible, the data collector shall provide notice of its determination that misuse of the personally identifiable information or login credentials is not reasonably possible and a detailed explanation for said determination to the Vermont Attorney General or to the Department of Financial Regulation in the event that the data collector is a person or entity licensed or registered with the Department under Title 8 or this title. The data collector may designate its notice and detailed explanation to the Vermont Attorney General or the Department of Financial Regulation as “trade secret” if the notice and detailed explanation meet the definition of trade secret contained in 1 V.S.A. § 317(c)(9).

\* \* \*

(e) HIPAA compliance. A data collector that is subject to the privacy, security, and breach notification rules adopted in 45 C.F.R. Part 164 pursuant

to the federal Health Insurance Portability and Accountability Act, P.L. 104-191 (1996) is deemed to be in compliance with this subchapter if the data collector:

(1) ~~the data collector~~ experiences a security breach that is limited to personally identifiable information specified in subdivision 2430(10)(A)(vii) of this chapter; and

(2) ~~the data collector~~ provides notice to affected consumers pursuant to the requirements of the breach notification rule in 45 C.F.R. Part 164, Subpart D; and

(3) provides notice to the Attorney General or to the Department of Financial Regulation pursuant to subdivision (b)(3)(B) of this section along with a written certification of compliance with 45 C.F.R. Part 164, Subpart D.

(f) Waiver. Any waiver of the provisions of this subchapter is contrary to public policy and is void and unenforceable.

(g) Financial institutions. Except as provided in subdivision (3) of this subsection, a financial institution that is subject to the following guidances, and any revisions, additions, or substitutions relating to an interagency guidance, shall be exempt from this section:

\* \* \*

(h) Enforcement.

\* \* \*

(2) With respect to a data collector that is a person or entity ~~licensed or registered with~~ regulated by the Department of Financial Regulation under Title 8 or this title, the Department of Financial Regulation shall have the full authority to investigate potential violations of this subchapter and to prosecute, obtain, and impose remedies for a violation of this subchapter or any rules or regulations adopted pursuant to this subchapter, as the Department has under Title 8 or this title or any other applicable law or regulation.

\* \* \*

## § 2436. NOTICE OF DATA BROKER SECURITY BREACHES

(a) Short title and definitions.

(1) This section shall be known as the “Data Broker Security Breach Notice Act.”

(2)(A) As used in this section, “data broker security breach” means an unauthorized acquisition or a reasonable belief of an unauthorized acquisition

of more than one instance of brokered personal information maintained by a data broker when the brokered personal information is not encrypted, redacted, or protected by another method that renders the information unreadable or unusable by an unauthorized person.

(B) “Data broker security breach” does not include good faith but unauthorized acquisition of brokered personal information by an employee or agent of the data broker for a legitimate purpose of the data broker, provided that the brokered personal information is not used for a purpose unrelated to the data broker’s business or subject to further unauthorized disclosure.

(C) In determining whether brokered personal information has been acquired or is reasonably believed to have been acquired by a person without valid authorization, a data broker may consider the following factors, among others:

(i) indications that the brokered personal information is in the physical possession and control of a person without valid authorization, such as a lost or stolen computer or other device containing brokered personal information;

(ii) indications that the brokered personal information has been downloaded or copied;

(iii) indications that the brokered personal information was used by an unauthorized person, such as fraudulent accounts opened or instances of identity theft reported; or

(iv) that the brokered personal information has been made public.

(b) Notice of breach.

(1) Except as otherwise provided in subsection (c) of this section, a data broker shall, following discovery or notification to the data broker of a security breach affecting a consumer, notify the consumer that there has been a data broker security breach. Notice of the security breach shall be made in the most expedient time possible and without unreasonable delay, but not later than 45 days after the discovery or notification, consistent with the legitimate needs of the law enforcement agency, as provided in subdivisions (3) and (4) of this subsection, or with any measures necessary to determine the scope of the security breach and restore the reasonable integrity, security, and confidentiality of the data system.

(2) A data broker shall provide notice of a breach to the Attorney General as follows:

(A)(i) The data broker shall notify the Attorney General of the date of the security breach and the date of discovery of the breach and shall provide a preliminary description of the breach within 14 business days, consistent with the legitimate needs of the law enforcement agency, as provided in subdivisions (3) and (4) of this subsection (b), after the data broker's discovery of the security breach.

(ii) If the date of the breach is unknown at the time notice is sent to the Attorney General, the data broker shall send the Attorney General the date of the breach as soon as it is known.

(iii) Unless otherwise ordered by a court of this State for good cause shown, a notice provided under this subdivision (2)(A) shall not be disclosed, without the consent of the data broker, to any person other than the authorized agent or representative of the Attorney General, a State's Attorney, or another law enforcement officer engaged in legitimate law enforcement activities.

(B)(i) When the data broker provides notice of the breach pursuant to subdivision (1) of this subsection (b), the data broker shall notify the Attorney General of the number of Vermont consumers affected, if known to the data broker, and shall provide a copy of the notice provided to consumers under subdivision (1) of this subsection (b).

(ii) The data broker may send to the Attorney General a second copy of the consumer notice, from which is redacted the type of brokered personal information that was subject to the breach, that the Attorney General shall use for any public disclosure of the breach.

(3) The notice to the Attorney General and a consumer required by this subsection shall be delayed upon request of a law enforcement agency. A law enforcement agency may request the delay if it believes that notification may impede a law enforcement investigation or a national or Homeland Security investigation or jeopardize public safety or national or Homeland Security interests. In the event law enforcement makes the request for a delay in a manner other than in writing, the data broker shall document the request contemporaneously in writing and include the name of the law enforcement officer making the request and the officer's law enforcement agency engaged in the investigation. A law enforcement agency shall promptly notify the data broker in writing when the law enforcement agency no longer believes that notification may impede a law enforcement investigation or a national or Homeland Security investigation or jeopardize public safety or national or Homeland Security interests. The data broker shall provide notice required by this subsection without unreasonable delay upon receipt of a written

communication, which includes facsimile or electronic communication, from the law enforcement agency withdrawing its request for delay.

(4) The notice to a consumer required in subdivision (1) of this subsection shall be clear and conspicuous. A notice to a consumer of a security breach involving brokered personal information shall include a description of each of the following, if known to the data broker:

(A) the incident in general terms;

(B) the categories of brokered personal information that was subject to the security breach;

(C) the general acts of the data broker to protect the brokered personal information from further security breach;

(D) a telephone number, toll-free if available, that the consumer may call for further information and assistance;

(E) advice that directs the consumer to remain vigilant by reviewing account statements and monitoring free credit reports; and

(F) the approximate date of the data broker security breach.

(5) A data broker may provide notice of a security breach involving brokered personal information to a consumer by two or more of the following methods:

(A) written notice mailed to the consumer's residence;

(B) electronic notice, for those consumers for whom the data broker has a valid email address, if:

(i) the data broker's primary method of communication with the consumer is by electronic means, the electronic notice does not request or contain a hypertext link to a request that the consumer provide personal information, and the electronic notice conspicuously warns consumers not to provide personal information in response to electronic communications regarding security breaches; or

(ii) the notice is consistent with the provisions regarding electronic records and signatures for notices in 15 U.S.C. § 7001;

(C) telephonic notice, for those consumers for whom the data broker has a valid phone number, provided that the telephonic contact is made directly with each affected consumer and not through a prerecorded message and further provided that the data broker makes not less than five attempts to contact the consumer for a live conversation before the data broker may leave a voicemail providing information about the breach; or

(D) notice by publication in a newspaper of statewide circulation in the event the data broker cannot effectuate notice by any other means.

(c) Exception to notice requirement.

(1) Notice of a security breach pursuant to subsection (b) of this section is not required if the data broker establishes that misuse of brokered personal information is not reasonably possible and the data broker provides notice of the determination that the misuse of the brokered personal information is not reasonably possible pursuant to the requirements of this subsection. If the data broker establishes that misuse of the brokered personal information is not reasonably possible, the data broker shall provide notice of its determination that misuse of the brokered personal information is not reasonably possible and a detailed explanation for said determination to the Attorney General. The data broker may designate its notice and detailed explanation to the Attorney General as a trade secret if the notice and detailed explanation meet the definition of trade secret contained in 1 V.S.A. § 317(c)(9). Upon review of the data broker's notice and detailed explanation, the Attorney General may request additional information from the data broker and may accept or reject the data broker's determination. If the Attorney General rejects the data broker's determination, the data broker shall provide notice of the security breach pursuant to subsection (b) of this section.

(2) If a data broker established that misuse of brokered personal information was not reasonably possible under subdivision (1) of this subsection and subsequently obtains facts indicating that misuse of the brokered personal information has occurred or is occurring, the data broker shall provide notice of the security breach pursuant to subsection (b) of this section.

(d) Waiver. Any waiver of the provisions of this subchapter is contrary to public policy and is void and unenforceable.

(e) Enforcement.

(1) A person who violates a provision of this section commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(2) The Attorney General has the same authority to adopt rules to implement the provisions of this section and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

\* \* \*

Subchapter 3A. Student Privacy

\* \* \*

§ 2443f. ENFORCEMENT

(a) A person who violates a provision of this ~~chapter~~ subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to adopt rules to implement the provisions of this subchapter and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

\* \* \*

Subchapter 5. Data Brokers

§ 2446. DATA BROKERS; ANNUAL REGISTRATION

(a) ~~Annually, on or before January 31 following a year in which a Registration. A person meets, not more than 30 days after meeting the definition of a data broker as provided in section 2430 of this title, a data broker and then once annually thereafter on or before July 1 of each year,~~ shall:

(1) register with the Secretary of State as a data broker;

(2) pay a registration fee of ~~\$100.00~~ \$900.00;

(3) maintain a bond in the amount of \$20,000.00 that shall run to the State for any liability arising under this subchapter, provided that the action on the bond is brought within two years after accrual of the cause of action; and

(4) provide the following information about the data broker to the Secretary of State:

(A) the name and primary physical, ~~e-mail~~ email, phone number, and ~~Internet~~ internet addresses of the data broker;

(B) ~~if the data broker permits a consumer to opt out of the data broker's collection of brokered personal information, opt out of its databases, or opt out of certain sales of data:~~

(i) ~~the method for requesting an opt-out;~~

(ii) ~~if the opt-out applies to only certain activities or sales, which ones; and~~

~~(iii) whether the data broker permits a consumer to authorize a third party to perform the opt-out on the consumer's behalf;~~

~~(C) a statement specifying the data collection, databases, or sales activities from which a consumer may not opt out;~~

~~(D) a statement whether the data broker implements a purchaser credentialing process;~~

~~(E)(C) pursuant to section 2436 of this chapter, the number of data broker security breaches that the data broker has experienced during the prior year, and if known, the total number of consumers affected by the breaches;~~

~~(F)(D) where the data broker has actual knowledge that it possesses the brokered personal information of minors, a separate statement detailing the data collection practices, databases, sales activities, and opt-out policies that are applicable to the brokered personal information of minors; and~~

~~(G)(E) whether the data broker:~~

~~(i) collects the:~~

~~(I) precise geolocation of consumers;~~

~~(II) reproductive health care data of consumers;~~

~~(III) biometric data of consumers;~~

~~(IV) immigration status of consumers;~~

~~(V) sexual orientation of consumers;~~

~~(VI) union membership status of consumers;~~

~~(VII) name, date of birth, zip code, email address, or phone number of consumers;~~

~~(VIII) account login or account number of consumers in combination with any required security code, access code, or password that would permit access to a consumer's account with a third party;~~

~~(IX) driver's license number, State identification card number, Social Security number, passport number, military identification number, or other unique identification number of consumers issued on a government document commonly used to verify the identity of a specific individual; or~~

~~(X) mobile advertising identification number, connected television identification number, or vehicle identification number of consumers; and~~

- (ii) in the past year, has shared or sold consumers' data to:
  - (I) a foreign actor;
  - (II) the federal government;
  - (III) to other state or local governments;
  - (IV) to law enforcement, unless the data was shared pursuant to a subpoena or other court order; or
  - (V) to a developer of a GenAI system or model;
- (F) the three most common types of personal information that the data broker collects, if the data broker does not collect the information set forth in subdivisions (E)(i)(VII) and (E)(i)(IX) of this subdivision (4);
- (G) an electronic copy of the data broker's:
  - (i) bond, pursuant to subdivision (3) of this subsection (a); and
  - (ii) current privacy policy;
- (H) any additional information or explanation the data broker chooses to provide concerning its data collection practices;
- (I) the URL of a page on the data broker's website that:
  - (i) pursuant to subsection (c) of this section, allows a consumer to request that a data broker delete the brokered personal information of the consumer; and
  - (ii) informs consumers about the rights of consumers to opt out of the collection of the consumer's brokered personal information, including:
    - (I) whether the data broker permits a consumer to opt out of its databases, or opt out of certain sales of data;
    - (II) the procedure for requesting an opt-out;
    - (III) if the opt-out applies to only certain activities or sales, which activities or sales it applies to;
    - (IV) whether the data broker permits a consumer to authorize an authorized agent to perform the opt out on the consumer's behalf; and
    - (V) the data collection, databases, or sales activities from which a consumer may not opt out; and
- (J) whether and to what extent the data broker or any of its subsidiaries is regulated by the Fair Credit Reporting Act; and

(5) amend an existing registration the data broker has with the Secretary of State if required by this section or by the State upon the payment of an administrative fee of \$100.00.

~~(b) A data broker that fails to register pursuant to subsection (a) of this section is liable to the State for: Penalties.~~

~~(1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it fails to register pursuant to this section;~~

~~(2) an amount equal to the fees due under this section during the period it failed to register pursuant to this section; and~~

~~(3) other penalties imposed by law.~~

(1) A data broker that fails to register as required by subsection (a) of this section is liable to the State for:

(A) an administrative fine of \$200.00 for each day the data broker fails to register;

(B) an amount equal to the fees that were due during the period the data broker failed to register; and

(C) any reasonable costs incurred by the State in the investigation and administration of the action as the court deems appropriate.

(2) A data broker that fails to provide all registration information required in subdivision (a)(4) of this section shall file an amendment pursuant to subdivision (a)(5) of this section that includes any omitted information not later than 30 days after discovering or receiving notification of the omission and is liable to the State for a civil penalty of \$1,000.00 per day for each day thereafter that the data broker does not file an amendment providing the omitted information.

(3) A data broker that files materially incorrect information in its registration shall:

(A) be liable to the State for a civil penalty of \$25,000.00; and

(B) correct the materially incorrect information by filing an amendment pursuant to subdivision (a)(5) of this section not later than 30 days after discovering or receiving notification of the incorrect information, and, if it fails to correct the information, the data broker shall be liable for an additional civil penalty of \$1,000.00 per day for each day the data broker fails to correct the information.

~~(c) The Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed in this section and to seek appropriate injunctive relief. Deleting brokered personal information.~~

(1) A data broker shall:

(A) maintain a conspicuous page on its website where a consumer or an authorized agent of a consumer has the ability to request that the data broker delete the consumer's brokered personal information free of charge;

(B) delete the consumer's brokered personal information not later than 30 days after the consumer makes a deletion request pursuant to subdivision (A) of this subdivision (1), unless the data broker denies the request pursuant to subdivision (3) of this subsection (c); and

(C) notify the consumer that the consumer's brokered personal information has been deleted not later than five days after the information has been deleted.

(2) The web page maintained by a data broker pursuant to subdivision (1) of this subsection shall:

(A) describe how a consumer may exercise the consumer's right to delete the consumer's brokered personal information, including the process for the consumer to appeal the denial of a deletion request pursuant to subdivision (5) of this subsection (c);

(B) adhere to the accessibility and usability guidelines recommended pursuant to 42 U.S.C. chapter 126 (the Americans with Disabilities Act) and 29 U.S.C. § 794d (section 508 of the Rehabilitation Act of 1973); and

(C) employ design practices that facilitate easy comprehension and navigation for all users and that are free of any dark patterns.

(3) A data broker may deny a consumer's request to delete the consumer's brokered personal information pursuant to subdivision (1) of this subsection to the extent that:

(A) the retention of the consumer's brokered personal information is required by law or is required to comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by a federal, state, municipal, or other governmental authority; or

(B) the brokered personal information is:

(i) used by a consumer reporting agency to furnish a consumer report pursuant to the Fair Credit Reporting Act;

(ii) necessary to investigate, establish, exercise, prepare for, or defend a legal claim;

(iii) strictly necessary to fulfill a specific legal requirement on behalf of a business to which the data broker is bound by a written contract to fulfill that legal requirement;

(iv) used to prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, or to preserve the technical integrity or physical security of systems or investigate, report, or prosecute those responsible for any such action;

(v) data that is collected or used for purposes of the National Precursor Log Exchange, or its equivalent, pursuant to State or federal law;

(vi) processed solely in the data broker's capacity as a processor to a business with which the consumer has a direct relationship, as that term is defined in subdivision 2430(a)(6)(B) of this chapter; or

(vii) used in connection with underwriting, issuing title insurance, or completing an appraisal.

(4) Brokered personal information retained pursuant to subdivision (3) of this subsection shall be:

(A) separated or segregated from data used for any other purpose;

(B) deleted immediately upon the expiration of the legal or contractual requirement; and

(C) not used, sold, shared, or processed for any other purpose.

(5) A data broker shall provide the consumer with the ability to appeal an instance where the data broker denies the consumer's request to delete the consumer's brokered personal information pursuant to subdivision (3) of this subsection (c) with a process that:

(A) gives the consumer 45 days after the consumer receives notice that the data broker has denied the deletion request to initiate the appeal;

(B) is conspicuously available to the consumer;

(C) is similar to the manner in which a consumer submits a deletion request pursuant to subdivision (1) of this subsection (c);

(D) requires the data broker to approve or deny the appeal within 45 days after the date on which the data broker received the appeal and to notify the consumer in writing of the data broker's decision and the reasons for the decision; and

(E) requires a data broker that denies a consumer’s appeal to provide information that enables the consumer to contact the Attorney General to submit a complaint.

(6)(A) If a data broker is unable to authenticate a deletion request made pursuant to subdivision (1) of this subsection (c), the data broker shall not be required to comply with the request and shall provide notice to the consumer or the consumer’s agent that the data broker is unable to authenticate the request. The data broker shall provide the consumer with the additional information the data broker requires in order to authenticate the consumer.

(B) As used in this subdivision (6), “authenticate” means the use of reasonable measures to determine whether a deletion request is being made by, or on behalf of, the consumer who is entitled to exercise that request with respect to the brokered personal information at issue.

(d) Consumer rights web page. The Secretary of State shall create and maintain a publicly accessible page on its website that provides consumers with the following:

(1) a downloadable spreadsheet of data brokers that have registered with the State along with the information a data broker provides during registration pursuant to subsection (a) of this section;

(2) the URL of a page on each registered data broker’s website that allows a consumer to delete the consumer’s brokered personal information, pursuant to subdivision (c)(1) of this section; and

(3) any additional information about the rights consumers have pursuant to this subchapter.

(e) Enforcement.

(1) A person who violates a provision of this section commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(2) The Attorney General has the same authority to adopt rules to implement the provisions of this section and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

§ 2447. DATA BROKER DUTY TO PROTECT INFORMATION;

STANDARDS; TECHNICAL REQUIREMENTS

\* \* \*

(d) Enforcement.

(1) A person who violates a provision of this section commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(2) The Attorney General has the same authority to adopt rules to implement the provisions of this ~~chapter~~ section and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

Sec. 2. STUDY OF ACCESSIBLE DELETION MECHANISM; REPORT;

APPROPRIATION

(a) The Secretary of State shall study the feasibility of:

(1) establishing an accessible deletion mechanism that:

(A) implements and maintains reasonable security procedures and practices, including administrative, physical, and technical safeguards appropriate to the nature of the information and the purposes for which brokered personal information will be used and to protect a consumer's brokered personal information from unauthorized use, disclosure, access, destruction, or modification;

(B) allows a consumer, through a single verifiable consumer request, to request that every data broker that maintains any brokered personal information about the consumer delete the brokered personal information;

(C) allows a consumer to selectively exclude specific data brokers from a request made under subdivision (B) of this subdivision (1);

(D) allows a consumer to alter a previous request made pursuant to subdivision (B) of this subdivision (1) after at least 45 days have passed since the consumer last made a request;

(E) allows a consumer to request the deletion of all brokered personal information related to that consumer all at once through a single deletion request;

(F) permits a consumer to securely submit information in one or more privacy-protecting ways to aid in the deletion request;

(G) allows a data broker registered with the Secretary of State to determine whether a consumer has submitted a verifiable request to delete the brokered personal information related to that consumer as described in subdivision (B) of this subdivision (1);

(H) does not allow the disclosure of any additional brokered personal information of a consumer when the data broker accesses the accessible deletion mechanism, unless otherwise specified in this subchapter;

(I) allows a consumer to make a request described in subdivision (B) of this subdivision (1) using a website operated by the Secretary of State;

(J) does not charge a consumer to make a request described in subdivision (B) of this subdivision (1);

(K) is readily accessible and usable by consumers with disabilities;

(L) supports the ability of a consumer's authorized agents to aid in the deletion request;

(M) allows the consumer or their authorized agent to verify the status of the consumer's deletion request; and

(N) provides a description of the following:

(i) the deletion permitted by this section;

(ii) the process for submitting a deletion request pursuant to this section; and

(iii) examples of the types of information that may be deleted; and

(2) utilizing a data broker's registry fund to hold monies received for transactions pursuant to 9 V.S.A. § 2446 and to disburse for the purpose of supporting and offsetting the costs of the accessible deletion mechanism set forth in subdivision (1) of this subsection.

(b) Reporting. The Secretary of State shall, based on the study set forth in subsection (a) of this section, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs an interim report on or before December 1, 2027, and a final report on or before December 1, 2028, including its findings and any proposed legislation for the General Assembly's consideration. The interim report shall provide the General Assembly with any recommended actions to pursue in the 2028 legislative session.

(c) Appropriation. In fiscal year 2027, \$50,000.00 is appropriated from the General Fund to the Secretary of State for the purpose of hiring a consultant that will provide support to the Secretary in the study pursuant to subsection (a) of this section.

Sec. 3. EFFECTIVE DATE

This act shall take effect on January 1, 2027.

**(Committee Vote: 9-2-0)**

**H. 410**

An act relating to the calculation of recidivism and other related criminology measures

**Rep. Dolan of Essex Junction**, for the Committee on Judiciary, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. chapter 233 is added to read:

CHAPTER 233. CRIMINOLOGY MEASURES

§ 8121. DEFINITION

As used in this chapter, “recidivism” means a relapse into criminal activity as evidenced by an individual who is convicted of a criminal offense after receiving a criminal conviction for a previous crime. The date of the recidivism event is the date of arraignment for the subsequent offense. The arraignment date is used as a proxy for when the subsequent offense was committed. The clock for calculating recidivism shall begin on the date an individual is released from incarceration or the date when an individual is sentenced to a non-custodial sentence.

§ 8122. VERMONT STATISTICAL ANALYSIS CENTER ANNUAL REPORTS

(a) Annual reports. Annually, on or before April 1, the Vermont Statistical Analysis Center (SAC) shall submit the following reports to the House and Senate Committees on Judiciary, the House Committee on Corrections and Institutions, and the Senate Committee on Institutions:

(1) Bail rates. An annualized report on bail rates, including hold without bail, monetary amounts, and bail posting information aggregated by county. The report shall include data on pretrial detainees held in Vermont correctional facilities, including the crime type and jurisdiction for which they are held.

(2) Recidivism. A report on the annual recidivism rate that measures individuals who are convicted of a criminal offense after receiving a criminal conviction for a previous crime. The recidivism rate shall be calculated using a three-year and five-year period.

(3) Arrests and clearance rates. An annualized report on arrests and clearance rates. Arrests shall be organized by crime according to data from the National Incident-Based Reporting System.

(4) Most convicted crimes.

(A) A report detailing aggregated information on the number, type, and length of sentences, including fines, for the 20 crimes with the highest number of convictions.

(B) A report detailing the total combined years of probation and incarceration sentenced by the court in the prior year. The report shall include an analysis of which crimes and counties contributed most significantly to the sentences imposed.

(b) Demographic variables. The information required pursuant to subsection (a) of this section shall include race, gender, age, and other demographic variables whenever possible.

(c) Data sharing. Notwithstanding any provision of law to the contrary, all State and local agencies and departments that possess the data necessary to compile the reports required pursuant to this section shall, upon request, provide the SAC with any data that it determines is relevant to the report. The obligation to disclose shall supersede any other legal obligation with respect to the data required pursuant to this section, and a department, agency, or other entity shall not decline to disclose data required based on any other purported legal obligation. Prior to submission of the reports required by this section, the SAC shall provide copies of drafts of the reports to State and local agencies and departments that provided the SAC with data to compile the reports and allow a reasonable time period for comment from such State and local agencies.

Sec. 2. 28 V.S.A. § 4 is amended to read:

#### § 4. STANDARD MEASURE OF RECIDIVISM

~~The Department shall calculate the rate of recidivism based upon offenders who are sentenced to more than one year of incarceration who, after release from incarceration, return to prison within three years for a conviction for a new offense or a violation of supervision resulting, and the new incarceration sentence or time served on the violation is at least 90 days. [Repealed.]~~

Sec. 3. 28 V.S.A. § 125 is amended to read:

#### § 125. CRIMINAL JUSTICE INVESTMENTS AND TRENDS; REPORT

\* \* \*

(b) Definitions. As used in this section:

\* \* \*

(5) ~~“Recidivism” has the same meaning as in section 4 of this title.~~  
[Repealed.]

\* \* \*

(c) Report.

\* \* \*

(2) The report required pursuant to subdivision (1) of this subsection shall include data showing:

(A) ~~recidivism rates;~~ [Repealed.]

\* \* \*

#### Sec. 4. VERMONT STATISTICAL ANALYSIS CENTER;

##### APPROPRIATIONS

In fiscal year 2027, the following monies are appropriated from the General Fund to the Vermont Statistical Analysis Center:

(1) \$10,000.00 for the annual bail rates report required by 13 V.S.A. § 8122(a)(1).

(2) \$10,000.00 for the annual recidivism report required by 13 V.S.A. § 8122(a)(2).

(3) \$1,000.00 for the annual arrests and clearance rates report required by 13 V.S.A. § 8122(a)(3).

(4) \$4,000.00 for the annual sentencing reports required by 13 V.S.A. § 8122(a)(4).

#### Sec. 5. EFFECTIVE DATE

This act shall take effect July 1, 2026.

**(Committee Vote: 10-0-1)**

### H. 519

An act relating to authorizing officers of the Town of Randolph Police Department to enroll in Group C of the Vermont State Employees' Retirement System

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

Sec. 1. 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) As used in this subchapter:

\* \* \*

(11) “Member” means any employee included in the membership of the Retirement System under section 457 of this title.

\* \* \*

(F) “Group G member” means:

(i) the following employees who are first employed in the positions listed in this subdivision (F)(i) on or after July 1, 2023, or who are members of the System as of June 30, 2022, and make an irrevocable election to prospectively join Group G on or before June 30, 2023, pursuant to the terms set by the Board: facility employees of the Department of Corrections, as Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, employees of a facility for justice-involved youth, and employees of the Vermont Psychiatric Care Hospital or its successor in interest, who provide direct patient care; and

(ii) the following employees who are first employed in the positions listed in this subdivision (F)(ii) or first included in the membership of the System on or after January 1, 2025, or who are members of the System as of December 31, 2024, and make an irrevocable election to join Group G on or before December 31, 2024, pursuant to the terms set by the Board:

(I) all sheriffs; and

(II) deputy sheriffs who:

(aa) are employed by county sheriff’s departments that participate in the Vermont Employees’ Retirement System;

(bb) have attained Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council;

(cc) are required to perform law enforcement duties as the primary function of their employment; and

(dd) are not full-time deputy sheriffs compensated by the State of Vermont whose primary function is transports as defined in 24 V.S.A. § 290(b) and eligible for Group C pursuant to subdivision (9)(B) of this subsection (a); and

(iii) the following employees who are first employed in the positions listed in this subdivision (F)(iii) or first included in the membership of the System on or after January 1, 2027, or who are members of the System as of December 31, 2026, and make an irrevocable election to join Group G on or before December 31, 2026, pursuant to the terms set by the Board and who:

(I) are employed by a municipal employer that participates in the Vermont Employees' Retirement System;

(II) have attained Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council; and

(III) are required to perform law enforcement duties as the primary function of their employment.

\* \* \*

(13) "Normal retirement date" means:

\* \* \*

(E) with respect to a Group G member:

\* \* \*

(v) for all sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who were first included in the membership of the System on or after July 1, 2008, who were employed as of December 31, 2024, and who made an irrevocable election to prospectively join Group G on or before January 1, 2025, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 65 years of age and following completion of five years of creditable service;

(II) attainment of 87 points reflecting a combination of the age of the member and number of years of service; or

(III) 55 years of age and following completion of 20 years of creditable service; or

(vi) for all sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who

first become a Group G member after January 1, 2025, the first day of the calendar month next following the earlier of:

(I) attainment of 55 years of age and following completion of 20 years of creditable service; or

(II) 65 years of age and following completion of five years of creditable service;

(vii) for all municipal law enforcement officers who meet the requirements pursuant to subdivision (11)(F)(iii) of this subsection (a), who were first included in the membership of the System on or before June 30, 2008, who were employed as of December 31, 2026, and who made an irrevocable election to prospectively join Group G on or before January 1, 2027, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 62 years of age and following completion of five years of creditable service;

(II) completion of 30 years of creditable service; or

(III) 55 years of age and following completion of 20 years of creditable service;

(viii) for all municipal law enforcement officers who meet the requirements pursuant to subdivision (11)(F)(iii) of this subsection (a), who were first included in the membership of the System on or after July 1, 2008, who were employed as of December 31, 2026, and who made an irrevocable election to prospectively join Group G on or before January 1, 2027, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 65 years of age and following completion of five years of creditable service;

(II) attainment of 87 points reflecting a combination of the age of the member and number of years of service; or

(III) 55 years of age and following completion of 20 years of creditable service; or

(ix) for all municipal law enforcement officers who meet the requirements pursuant to subdivision (11)(F)(iii) of this subdivision (a) who first become a Group G member after January 1, 2027, the first day of the calendar month next following the earlier of:

(I) attainment of 55 years of age and following completion of 20 years of creditable service; or

(II) 65 years of age and following completion of five years of creditable service.

\* \* \*

Sec. 2. 3 V.S.A. § 459 is amended to read:

§ 459. NORMAL AND EARLY RETIREMENT

\* \* \*

(b) Normal retirement allowance.

\* \* \*

(6)(A) Upon normal retirement pursuant to subdivisions 455(a)(13)(E)(i), (iii), (iv), ~~and (vi)~~, (vii), and (ix) of this chapter, a Group G member shall receive a normal retirement allowance equal to two and one-half of a percent of the member's average final compensation times years of membership service in Group G. The maximum retirement allowance shall be 50 percent of average final compensation.

(B) Upon normal retirement pursuant to subdivisions 455(a)(13)(E)(ii) ~~and (v)~~, and (viii) of this chapter, a Group G member shall receive a normal retirement allowance equal to two and one-half of a percent of the member's average final compensation times years of membership service in Group G. The maximum retirement allowance shall be 60 percent of average final compensation.

\* \* \*

Sec. 3. 3 V.S.A. § 489 is amended to read:

§ 489. BENEFITS

Persons who become members of the Vermont State Retirement System under this subchapter and on behalf of whom contributions are paid as provided in this subchapter shall be entitled to benefits under the Vermont State Retirement System as though they were employees of the State of Vermont. These employees shall be considered "Group F members" as defined in subdivision 455(a)(11)(E) of this title, except that:

(1) elected municipal employees shall not be subject to mandatory retirement requirements; ~~and~~

(2) sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision 455(a)(11)(F)(ii) of this chapter shall be considered members of Group G; and

(3) municipal law enforcement officers who meet the requirements pursuant to subdivision 455(a)(11)(F)(iii) of this chapter shall be considered members of Group G.

#### Sec. 4. ONE-TIME IRREVOCABLE ELECTION FOR MUNICIPAL LAW ENFORCEMENT OFFICERS

(a) Subject to the restrictions set forth in subdivision (b)(1) of this section, on or before September 1, 2026, the Office of the State Treasurer, in consultation with participating eligible municipalities, shall establish a list of positions newly eligible for Group G of the Vermont Employees' Retirement System, which shall be limited to municipal law enforcement officers who:

(1) are employed by a municipal employer that participates in the Vermont Employees' Retirement System;

(2) have a Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council; and

(3) are required to perform law enforcement duties as the primary function of their employment.

(b)(1) A municipal law enforcement officer who qualifies for Group G Membership pursuant to this act and that has a current Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council shall have a one-time option to transfer to Group G on or before December 1, 2026. Municipal law enforcement officers without a current Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council shall not be eligible to transfer to Group G membership. For a municipal law enforcement officer who qualifies for Group G membership who is first employed on or after December 1, 2026, but before January 1, 2027, election to join Group G under this section shall be made as soon as possible but shall be within 30 days following the employee's date of hire.

(2) Election to join the Group G plan under this section shall be irrevocable.

(c) The effective date of participation in a new group plan for those employees covered under this section and who elect to transfer to Group G shall be January 1, 2027. All past service accrued through the date of transfer shall be calculated based upon the plan in which it was accrued, with all provisions and penalties, if applicable, applied.

(d) A municipal employer employing a law enforcement officer participating in the Vermont Employees' Retirement System shall notify the Office of the State Treasurer of changes in a law enforcement officer's eligibility for Group G within 30 days after the change in eligibility pursuant to subdivision 455(11)(F)(iii) of this title.

(e) Nothing in this section shall be read to extend postretirement health or other insurance benefits to Group G municipal law enforcement officers who work for a municipal employer that participates in the Vermont Employees' Retirement System.

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

**(Committee Vote: 9-0-2)**

**Rep. Canfield of Fair Haven**, for the Committee on Ways and Means, recommends that the bill ought to pass when amended as recommended by the Committee on Government Operations and Military Affairs.

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

**Rep. Dickinson of St. Albans Town**, for the Committee on Appropriations, recommends that the bill ought to pass when amended as recommended by the Committee on Government Operations and Military Affairs.

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

**H. 536**

An act relating to toxic heavy metals in baby food products

**Rep. Nelson of Derby**, for the Committee on Agriculture, Food Resiliency, and Forestry, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. chapter 82 is amended to read:

CHAPTER 82. LABELING OF FOODS, DRUGS, COSMETICS, AND  
HAZARDOUS SUBSTANCES

Subchapter 1. ~~Labeling for Marketing and Sale~~ General Provisions

\* \* \*

Subchapter 3. Testing and Labeling of Certain Products

§ 4091. BABY FOOD PRODUCTS

(a) As used in this section:

(1) “Baby food product” means any food manufactured, packaged, and labeled in a jar, pouch, tub, or box sold specifically for babies and children younger than two years of age. “Baby food product” does not include infant formula.

(2) “Final baby food product” means the finished baby food product and not the constituent ingredients.

(3) “Infant formula” means a commercially available milk-based or soy-based powder, concentrated liquid, or ready-to-feed substitute for human breast milk that is intended for infant consumption.

(4) “Production aggregate” means a quantity of product that is intended to have a uniform composition, character, and quality and is produced according to a master manufacturing order.

(5) “Proficient laboratory” means a laboratory that:

(A) is accredited under the standards of the International Organization for Standardization or the International Electrotechnical Commission pursuant to standard ISO/IEC 17025:2017;

(B) uses an analytical method as sensitive as the analytical method described in the U.S. FDA’s *Elemental Analysis Manual for Food and Related Products*; and

(C) demonstrates proficiency in quantifying each toxic element to at least six micrograms of the toxic element to kilogram of food through an independent proficiency test by achieving a z-score that is less than or equal to plus or minus two.

(6) “QR code” means a two-dimension matrix barcode consisting of blocks arranged in a grid that can be read by an imaging device.

(7) “Representative sample” means a sample that consists of a number of units that are drawn based on rational criteria, including random sampling, and intended to ensure that the sample accurately portrays the material being sampled.

(8) “Toxic heavy metal” means arsenic, cadmium, lead, and mercury.

(9) “URL” means a uniform resource locator.

(10) “U.S. FDA” means the U.S. Food and Drug Administration.

(b) A person shall not sell, distribute, or offer for sale any baby food product in the State that contains a toxic heavy metal that exceeds the limits established by the U.S. FDA. The provisions of this subsection shall not restrict the continued sale of inventory in stock before January 1, 2027.

(c) A manufacturer of a baby food sold or distributed in the State shall test a representative sample of each production aggregate of the manufacturer's final baby food product for toxic heavy metals. Testing of a baby food product shall be conducted by a proficient laboratory at least once a month. A manufacturer of baby food may test the final baby food product before packaging individual units for sale or distribution. Upon request of the Commissioner of Health, a manufacturer shall provide the results of the test conducted pursuant to this subsection.

(d)(1) Without requiring the provision of a universal product code or proof of purchase, a manufacturer of baby food sold or distributed in the State shall make publicly available on its website for the duration of the product shelf life of a final baby food product, plus one month, for each baby food product sold, manufactured, delivered, held, or offered for sale in the State:

(A) the name and level of each toxic heavy metal in the final baby food product as determined by the testing conducted pursuant to subsection (c) of this section;

(B) sufficient information, including the product name, universal product code, or lot or batch number, to enable consumers to identify the final baby food product; and

(C) a link to the U.S. FDA's website that provides the most recent U.S. FDA guidance and information about the health effects of toxic heavy metals on children.

(2) A baby food product that is sold online to a consumer in Vermont by either a retailer or directly from the manufacturer shall contain on the product's web page a clearly labeled link to an information page containing the information required pursuant to subdivision (1) of this subsection.

(e) If a baby food product sold or distributed in the State is tested for a toxic heavy metal subject to an action level, regulatory limit, or tolerance established by the U.S. FDA under 21 C.F.R. § 109, the manufacturer shall display on the baby food product:

(1) a label stating in a clear, legible, and conspicuous manner that more information about toxic element testing on the product is available by scanning the QR code; and

(2) a QR code or other machine-readable code that directs the consumers to the manufacturer's website or the baby food product information page providing:

(A) the test results for the toxic heavy metal; and

(B) a URL to the web page on the U.S. FDA's website that includes the most recent guidance and information about the health effects of toxic heavy metals in children.

(f) If a consumer reasonably believes, based on the information provided on the baby food product, that the baby food product is being sold in the State in violation of this section, the consumer may report the baby food product to the Department of Health.

(g) A violation of this section shall be deemed a violation of the Consumer Protection Act, 9 V.S.A. chapter 63. The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions, and private parties have the same rights and remedies, as provided under 9 V.S.A. chapter 63, subchapter 1.

## Sec. 2. EFFECTIVE DATE

This act shall take effect on January 1, 2027.

**(Committee Vote: 7-0-1)**

## H. 537

An act relating to the right to grow vegetable gardens

**Rep. Bos-Lun of Westminster**, for the Committee on Agriculture, Food Resiliency, and Forestry, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 27A V.S.A. § 1-204 is amended to read:

### § 1-204. PREEXISTING COMMON INTEREST COMMUNITIES

(a)(1) Unless excepted under section 1-203 of this title, the following sections and subdivisions of this title apply to a common interest community created in this State before January 1, 1999: sections 1-103, 1-105, 1-106, 1-107, 2-103, 2-104, and 2-121; subdivisions 3-102(a)(1) through (6) and (11) through (16); and sections 3-111, 3-116, 3-118, 4-109, and 4-117 to the extent necessary to construe the applicable sections. The sections and subdivisions described in this subdivision apply only to events and circumstances occurring after December 31, 1998, and do not invalidate existing provisions of the declarations, bylaws, plats, or plans of those common interest communities.

\* \* \*

(3) Unless excepted under section 1-203 of this title, section 3-125 of this title shall apply to all common interest communities that contain 12 or more units that may be used for residential purposes created in this State on or before January 1, 2011. Section 3-125 applies only to events and

circumstances occurring after June 30, 2026, and does not invalidate existing provisions of the declarations, bylaws, plats, or plans of those common interest communities.

\* \* \*

Sec. 2. 27A V.S.A. § 3-125 is added to read:

§ 3-125. VEGETABLE GARDENS

(a) As used in this section, “vegetable garden” means a plot of land where a person cultivates plants for personal consumption or donation and the land and activities on it are not subject to the required agricultural practices. A “vegetable garden” does not include cultivation of cannabis or any unlawful crops or substances.

(b)(1) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest community, and any provision of a governing document associated with a common interest community, such as a declaration, bylaw, or rule, that either effectively prohibits or unreasonably restricts the installation or use of a vegetable garden in areas designated for exclusive use of the unit owner or is in conflict with this section is void and unenforceable.

(2) If approval is required for the installation of a vegetable garden, the application for approval shall be processed and approved by the association in the same manner as an application for approval of an architectural modification to the common interest community and shall not be intentionally avoided or delayed. The approval or denial of an application shall be in writing. If an application is not denied in writing within 90 days from the date of receipt of the application, the application shall be deemed approved, unless that delay is the result of a reasonable request for additional information.

(3) The unit owner and each successive owner shall be responsible for all of the following:

(A) costs for the installation, maintenance, repair, removal, or replacement of the vegetable garden;

(B) costs for damage to any common element or limited common element resulting from installation, maintenance, repair, removal, or replacement;

(C) costs for water or electricity associated with the use of the vegetable garden; and

(D) disclosing to prospective buyers of the unit the existence of any vegetable garden and the related responsibilities of the unit owner under this section.

(c) This section shall not prohibit an association from enacting bylaws or rules that reasonably restrict the installation or use of a vegetable garden in an area of the common interest community designated for exclusive use of the unit owner, including:

(1) regulating the erection and installation of permanent structures;

(2) requiring that a vegetable garden be maintained in good condition if visible from the street faced by the lot or from an adjoining lot;

(3) requiring that dead plant materials and weeds are regularly cleared from the vegetable garden, with the exception of straw, mulch, compost, and other organic material intended to encourage vegetation and retention of moisture in the soil;

(4) restricting the use of property owned in common and not for the exclusive use of a unit owner; and

(5) prohibiting the use of pesticides, as that term is defined in 6 V.S.A. § 1101, or any other synthetic chemical product commonly used in the growing of plant crops.

(d)(1) An association may provide written notice to a unit owner of a violation of the bylaws or rules adopted pursuant to this section and provide the unit owner not less than 10 days to correct the violation.

(2) An association may take steps to correct a violation that remains uncorrected after the 10-day period provided to the unit owner in subdivision (1) of this subsection.

(3) Any costs to the association necessary for correcting a violation may be charged back to the unit owner.

Sec. 3. 9 V.S.A. § 4456c is added to read:

§ 4456c. VEGETABLE GARDENS

(a) As used in this section, “vegetable garden” means the outdoor cultivation of plants for personal consumption or donation and the land and activities on it are not subject to the required agricultural practices. A “vegetable garden” does not include cultivation of cannabis or any unlawful crops or substances.

(b)(1) A landlord shall permit a tenant to grow a vegetable garden in portable containers approved by the landlord in the tenant’s rented space.

(2) A landlord may authorize a tenant to install a vegetable garden, other than that which is contained in portable containers, on the rental property.

(c) A landlord may place reasonable restrictions on the installation and use of vegetable gardens, including:

(1) requiring that a vegetable garden be maintained in good condition;

(2) requiring that dead plant materials and weeds are regularly cleared from the vegetable garden, with the exception of straw, mulch, compost, and other organic material intended to encourage vegetation and retention of moisture in the soil;

(3) requiring that the vegetable garden does not interfere with the maintenance of the rental property;

(4) requiring that the placement of the vegetable garden does not interfere with a tenant parking space or create a health or safety hazard, block doorways, or interfere with walkways or utility services or equipment; and

(5) prohibiting the use of pesticides, as that term is defined in 6 V.S.A. § 1101, or any other synthetic chemical product commonly used in the growing of plant crops.

(d) A landlord may require a tenant to pay for any excess water, electricity, and waste collection bills arising from the tenant's personal vegetable garden.

(e)(1) A landlord may charge a security deposit for the installation of a vegetable garden under subdivision (b)(2) of this section for the purpose of securing against damages or removal of the vegetable garden upon the termination of the rental agreement.

(2) The provisions in section 4461 of this title shall apply to a security deposit received under this subsection.

#### Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

**(Committee Vote: 8-0-0)**

### H. 550

An act relating to gender equity within Vermont's correctional facilities

**Rep. Galfetti of Barre Town**, for the Committee on Corrections and Institutions, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. INTENT

(a) It is the intent of the General Assembly to recognize that gender transition is a deeply personal experience that may involve some combination of social transition, legal transition, medical transition, or none of these. Some transgender, nonbinary, or intersex persons experience gender dysphoria that requires medical treatment, while others do not experience gender dysphoria.

(b) It is the further intent of the General Assembly to recognize that due to safety concerns, inconsistent medical and mental health care, and insufficient education and resources, among other factors, incarceration often serves as a barrier to gender transition or recognition and that, regardless of the ways in which a person chooses or is able to express the person's gender or to take medical, social, or legal transition steps, the person deserves respect, agency, and dignity.

(c) It is the further intent of the General Assembly to recognize that, although the Department of Corrections system was built within a traditional gender framework that solely recognized the male and female genders, gender-diverse, intersex, and transgender incarcerated individuals are at a higher risk for abuse, harassment, and sexual violence.

Sec. 2. 28 V.S.A. § 3 is amended to read:

§ 3. GENERAL DEFINITIONS

As used in this title:

\* \* \*

(5) "Gender-diverse" describes an individual with a gender identity or gender expression that is different from social and cultural expectations attributed to the person's sex at birth. This includes an individual who identifies as nonbinary, gender expansive, gender nonconforming, or other culturally diverse identities.

(6) "Gender identity" has the same meaning as in 1 V.S.A. § 144.

(7) "Gender pronoun" means a third-person singular personal pronoun, such as "he," "she," or "they."

(8) "Honorific" means a form of respectful address typically combined with an individual's surname.

(9) "Inmate" means any person, not a child, committed to the custody of the Commissioner pursuant to the law of the State and subsequently committed to a correctional facility and any person confined at a correctional facility during the pendency of a prosecution against ~~him or her~~ the person.

(10) “Intersex” describes an individual with a medical condition in which the individual’s sexual or reproductive anatomy or chromosomal patterns fall outside traditional markers of female and male.

~~(6)~~(11) “Law” includes the laws and ordinances of the State, its political subdivisions, and municipalities.

~~(7)~~(12) “Law enforcement officer” means a State Police officer, a sheriff, a deputy sheriff, a municipal police officer, a constable, the Commissioner, or a member of the Department of Corrections when appointed in writing by the Commissioner and when ~~his or her~~ the member’s appointment is filed in the Office of the Secretary of State. The Commissioner or such member shall have the same powers as a sheriff.

~~(8)~~(13) “Offender” means any person convicted of a crime or offense under the laws of this State, and, for purposes of work crew, a person found in civil contempt under 15 V.S.A. § 603.

~~(9)~~(14) “Supervising officer” means the highest administrative officer in charge of any correctional facility.

~~(10)~~(15) “Correctional officer” means any person who is an employee of the Department of Corrections whose official duties or job classification includes the supervision or monitoring of a person on parole, on probation, or serving any sentence of incarceration whether inside or outside a correctional facility, and who has received training, as approved by the Commissioner of Corrections, as provided in section 551a of this title.

~~(11)~~(16) “Restorative justice program” means a program developed and implemented by the Commissioner, consistent with State policy and legislative intent as provided by section 2a of this title.

~~(12)~~(17) Despite other names this concept has been given in the past or may be given in the future, “segregation” means a form of separation from the general population that may or may not include placement in a single-occupancy cell and that is used for disciplinary, administrative, or other reasons, but shall not mean confinement to an infirmary or a residential treatment setting for purposes of evaluation, treatment, or provision of services.

(18) “Transgender” describes an individual whose gender identity or gender expression is not what is typically expected for the individual’s sex at birth.

Sec. 3. 28 V.S.A. § 129 is added to read:

§ 129. GENDER IDENTIFICATION AND NONDISCRIMINATION

(a) Gender identification and address. The Department shall ensure that all individuals are addressed in a manner consistent with their gender identity.

(1) During the initial intake process, and in as private a setting as possible, the Department shall ask each individual to specify the following:

(A) the individual's gender identity of female, male, transgender, gender-diverse, or intersex;

(B) the individual's gender pronoun and honorific; and

(C) for transgender, gender-diverse, or intersex individuals, the individual's request as to the gender of staff who may perform a lawful search.

(2) An individual shall not be disciplined for refusing to answer, or for not disclosing complete information in response to, the questions pursuant to subdivision (1) of this subsection.

(3) At any time after intake, an individual may inform designated facility staff of the individual's gender identity, and designated facility staff shall promptly repeat the process described in subdivision (1) of this subsection.

(4) The Department shall ensure Department staff and contractors receive gender-responsive training proportional to their level of interaction with inmates.

(b) Nondiscrimination. The Department's decision not to accommodate a transgender, gender-diverse, or intersex individual's search, classification or housing placement request shall not be based solely on the individual's:

(1) anatomy, including the genitalia;

(2) other physical characteristics; or

(3) diverse gender expression.

Sec. 4. 28 V.S.A. § 130 is added to read:

§ 130. SEARCHES

(a) The Department shall conduct any lawful searches in accordance with this section, including clothed searches, unclothed searches, urinalysis, and body scans.

(b) The Department shall not search or physically examine, or request that contractors search or physically examine, any individual for the sole purpose of determining the individual's genital status.

(c) The Department shall consider on an individualized basis whether a transgender, gender-diverse, or intersex individual's request as to the gender of staff who may perform a lawful search would best support the individual's health and safety and whether accommodating the inmate's request would pose risks to safety or security.

Sec. 5. 28 V.S.A. § 701c is added to read:

§ 701c. CLASSIFICATION AND HOUSING PLACEMENT  
DETERMINATIONS

(a) The Department shall make classification and housing placement determinations for transgender, gender-diverse, and intersex inmates consistent with this section.

(b) During the initial intake process, and in as private a setting as possible, the Department shall ask each transgender, gender-diverse, or intersex inmate to specify the inmate's request as to housing placement.

(c) The Department shall make classification and housing placement determinations for transgender, gender-diverse, or intersex inmates based on review by the Department's multidisciplinary review panels. The multidisciplinary review panels shall consult with medical personnel, mental health professionals with experience in gender dysphoria or gender-affirming care, and personnel who have received training aligned with nationally recognized standards for gender-affirming care.

(d) The Department shall consider on an individualized basis whether a classification or housing placement would best support a transgender, gender-diverse, or intersex inmate's health and safety and whether the placement would pose risks to safety or security. The Department may determine that a classification or housing placement would not best protect health or safety at that time, but may recommend discussing reassessment with the inmate at a later time.

(1) The Department shall give serious consideration to the inmate's classification or housing placement request. If the Department finds that accommodating the inmate's request would pose an unreasonable risk to institutional safety or security, the inmate's health or safety, or the safety or security of other inmates or staff, the Department may decide that it cannot accommodate the request.

(2) The Department shall make its classification and housing placement determinations on an objective basis.

(e) If the Department does not accommodate an inmate's classification or housing placement request, the Department shall, upon determining that it will

not accommodate the request, document in writing a specific reason the Department is unable to accommodate the inmate's classification or housing placement request.

(f) The Department shall consider on an individualized basis whether placement at a facility outside the State would best support a transgender, gender-diverse, or intersex inmate's health and safety and whether the placement would pose risks to safety or security. The Department shall coordinate with any facility outside the State to assess and reassess placement determinations.

(g) The Department shall reassess an inmate's housing placement at any time if:

(1) the inmate requests a reassessment or raises concerns about the inmate's health or safety; or

(2) the inmate engages in misconduct, including conduct that poses a safety risk to the inmate or to other inmates.

(h) The Department shall give a transgender, gender-diverse, or intersex inmate's perception of health and safety serious consideration in making bed assignment and housing placement decisions, including:

(1) selecting the inmate with whom the inmate is housed to best support safety and security; and

(2) if there is an articulable risk to the inmate, removing the risk, where possible, or otherwise alleviating the risk.

Sec. 6. 28 V.S.A. § 820 is added to read:

§ 820. PRISON RAPE ELIMINATION STANDARDS

(a) The Department of Corrections shall adopt and comply with the Prison Rape Elimination Act national standards, 28 C.F.R. Part 115, in effect as of January 1, 2024, for the prevention, detection, and monitoring of, and response to, sexual abuse in correctional facilities, including:

(1) zero tolerance of sexual abuse;

(2) contracting with other entities for the confinement of inmates;

(3) inmate or detainee supervision;

(4) heightened protection for vulnerable detained individuals;

(5) limits to different-gender viewing and searches;

(6) accommodating inmates with special needs;

- (7) hiring and promotion decisions;
- (8) assessment and use of monitoring technology;
- (9) evidence protocol and forensic medical examinations;
- (10) agreements with outside public entities and community service providers;
- (11) agreements with outside law enforcement agencies;
- (12) agreements with the prosecuting authority;
- (13) employee training;
- (14) volunteer and contractor training;
- (15) inmate education;
- (16) attorney and contractor notification of agency zero-tolerance policy;
- (17) specialized training related to investigations;
- (18) specialized training related to medical care, including mental health care;
- (19) screening for risk of victimization and abusiveness;
- (20) use of screening information;
- (21) inmate reporting;
- (22) exhaustion of administrative remedies;
- (23) inmate access to outside confidential support services or legal representation;
- (24) third-party reporting;
- (25) staff and facility or agency head reporting duties;
- (26) reporting to other confinement facilities;
- (27) staff first responder duties;
- (28) coordinated response;
- (29) agency protection against retaliation;
- (30) duty to investigate;
- (31) criminal and administrative agency investigations;
- (32) evidence standard for administrative investigations;

- (33) disciplinary sanctions for staff;
- (34) disciplinary sanctions for inmates;
- (35) referrals for prosecution for inmate-on-inmate sexual abuse;
- (36) medical screenings, including mental health screenings, related to history of sexual abuse;
- (37) access to emergency medical services, including mental health services;
- (38) ongoing medical care, including mental health care, for sexual abuse victims and abusers;
- (39) immediate and ongoing access to sexual assault crisis services;
- (40) sexual abuse incident reviews;
- (41) data collection;
- (42) data review for corrective action;
- (43) data storage, publication, and destruction; and
- (44) audits of standards.

(b) Starting in 2027, the Commissioner of Corrections shall annually submit a report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions that provides the data required under 28 C.F.R. § 115.87.

(c) On or before January 15, 2027, the Commissioner of Corrections shall adopt policies to implement the provisions of subsection (a) of this section.

Sec. 7. 28 V.S.A. § 551a is amended to read:

§ 551a. LAW ENFORCEMENT POWERS OF CORRECTIONAL OFFICERS; TRAINING REQUIREMENTS

\* \* \*

(b) The Commissioner may also authorize and designate any correctional officer as defined in subdivision 3~~(10)~~(15) of this title to become certified by the Vermont Criminal Justice Council as a law enforcement officer pursuant to the provisions of 20 V.S.A. chapter 151. The Commissioner and the Executive Director of the Vermont Criminal Justice Council shall develop curriculum subject to the approval of the Council. The Commissioner by Department policy may prescribe the use of those law enforcement powers consistent with the official duties and job descriptions of the correctional officer, and may

direct that the correctional officer not carry any weapon while on duty. Any person hereby certified shall be sworn by the Commissioner.

Sec. 8. 28 V.S.A. § 127 is amended to read:

§ 127. DEPARTMENT OF CORRECTIONS; PEER SUPPORT PROGRAM;  
CONFIDENTIALITY

(a) As used in this section:

\* \* \*

(7) “Staff member” means a supervising officer as defined in subdivision 3(9)(14) of this title, a correctional officer as defined in subdivision 3(10)(15) of this title, and any other employee of the Department.

\* \* \*

Sec. 9. 28 V.S.A. § 701a is amended to read:

§ 701a. SEGREGATION OF INMATES WITH A SERIOUS FUNCTIONAL  
IMPAIRMENT

\* \* \*

(b) As used in this section, “segregation” shall have has the same meaning as in subdivision 3(12)(17) of this title.

\* \* \*

Sec. 10. SEARCH POLICY REVIEW

(a) On or before August 1, 2026, the Department of Corrections shall submit a revised search policy to the Joint Legislative Justice Oversight Committee.

(b) The Joint Legislative Justice Oversight Committee shall review the policy and recommend whether updates to the policy are warranted and what, if any, statutory changes might be warranted.

Sec. 11. PRISON RAPE ELIMINATION STANDARDS AND REPORTING

On or before December 15, 2027, the Department of Corrections shall submit a report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions. The report shall identify any changes to the standards or reporting requirements under the Prison Rape Elimination Act, 34 U.S.C. §§ 30301–30309, as may be amended.

Sec. 12. GENDER-AFFIRMING CARE

On or before October 15, 2026, the Joint Legislative Justice Oversight Committee shall review current practices related to gender-affirming care in correctional settings and submit a report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions. The report shall include recommended statutory language.

Sec. 13. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

**(Committee Vote: 9-2-0)**

**H. 583**

An act relating to health care financial transactions and clinical decision making

**Rep. Black of Essex**, for the Committee on Health Care, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. chapter 233 is added to read:

CHAPTER 233. CLINICAL DECISION MAKING

§ 9771. DEFINITIONS

As used in this chapter:

(1) “Health care facility” has the same meaning as in section 9432 of this title.

(2) “Health care provider” has the same meaning as in section 9402 of this title.

(3) “Health care services” has the same meaning as in section 9481 of this title and includes all of the following:

(A) inpatient; outpatient; habilitative; rehabilitative; dental; palliative, including hospice; therapeutic; supportive; nursing home; home health; mental health; and substance use disorder services, provided by a health care facility;

(B) pharmacy services, including drugs, devices, and medical supplies;

(C) performance of functions to refer, arrange, and coordinate care;

(D) durable medical equipment, diagnostic equipment, surgical devices, and infusion equipment; and

(E) technology associated with providing the services and equipment set forth in subdivisions (A)–(D) of this subdivision (3), such as telehealth, electronic health records, software, claims processing, and utilization systems.

(4) “Health care staffing company” means a person engaged in the business of providing or procuring health care personnel for temporary employment or contracting by a health care facility, but does not include an individual who independently provides the individual’s own services on a temporary basis to health care facilities as an employee or contractor.

(5)(A) “Hedge fund” means a pool of funds managed by investors for the purpose of earning a return on those funds, regardless of the strategies used to manage the funds. Hedge funds include a pool of funds managed or controlled by private limited partnerships.

(B) “Hedge fund” does not include:

(i) individuals or entities that contribute, or promise to contribute, funds to a hedge fund but do not participate in the management of the hedge fund or the fund’s assets or in any change of control of the hedge fund or the fund’s assets; or

(ii) entities that solely provide or manage debt financing secured in whole or in part by the assets of a health care facility, including banks, credit unions, commercial real estate lenders, bond underwriters, and trustees.

(6) “Management services organization” means any organization or entity that contracts with a health care provider or provider organization to perform management or administrative services relating to, supporting, or facilitating the provision of health care services.

(7) “Ownership or investment interest” means any of the following:

(A) direct or indirect possession of equity in the capital, stock, or profits totaling more than five percent of an entity;

(B) interest held by an investor or group of investors who engage in the raising or returning of capital and who invest, develop, or dispose of specified assets; or

(C) interest held by a pool of funds by investors, including a pool of funds managed or controlled by private limited partnerships, if those investors or the management of that pool or private limited partnership employs investment strategies of any kind to earn a return on that pool of funds.

(8)(A) “Private equity group” means an investor or group of investors who primarily engage in the raising or returning of capital and who invest, develop, dispose of, or purchase any equity interest in assets, either as a parent

company or through another entity the investor or investors completely or partially own or control.

(B) “Private equity group” does not include individuals or entities that contribute, or promise to contribute, funds to the private equity group but otherwise do not participate in the management of the private equity group or the group’s assets, or in any change in control of the private equity group or the group’s assets.

(9) “Provider organization” means any corporation, partnership, business trust, association, or organized group of persons that is in the business of health care delivery or management, whether incorporated or not, that represents one or more health care providers in contracting with health insurers for payment for health care services. The term includes physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations, management services organizations, and any other organization that contracts with health insurers for payment for health care services.

(10) “Significant equity investor” means:

(A) any private equity group with a direct or indirect ownership or investment interest in a health care facility or management services organization;

(B) an investor, group of investors, or other entity with a direct or indirect possession of equity in the capital, stock, or profits totaling more than 10 percent of a health care provider or provider organization; or

(C) any private equity group, investor, group of investors, or other entity with a direct or indirect controlling interest in a health care facility or management services organization or that operates the business or substantially all the real or personal property, or both, of a health care facility or management services organization under a lease, management, or operating agreement.

#### § 9772. LIMITATIONS ON CONTROL OVER CLINICAL DECISION

##### MAKING BY PRIVATE EQUITY GROUP OR HEDGE FUND

(a) The purpose of this section is to ensure that clinical decision making and treatment decisions are exclusively in the hands of health care providers and to safeguard against nonlicensed individuals or entities, such as private equity groups and hedge funds, exerting influence or control over health care delivery.

(b) A private equity group or hedge fund involved in any manner with a health care facility doing business in this State, including as an investor in a health care facility or as an investor or owner of the assets of a health care facility, shall not do any of the following with respect to the health care facility:

(1) interfere with the judgment of health care providers in making health care decisions, including any of the following:

(A) determining which diagnostic tests are appropriate for a particular condition;

(B) determining the need for referrals to or consultation with another health care provider;

(C) determining the patient's care plan, including the treatment options available to the patient; and

(D) determining how many patients a health care provider shall see in any given period of time or how many hours a health care provider shall work; or

(2) exercise control over, or be delegated the power to do, any of the following:

(A) setting clinical standards or policies, including clinical staffing levels;

(B) controlling or otherwise determining the content of patient medical records;

(C) hiring or firing health care providers, clinical staff, or medical assistants, or any combination of these, based in whole or in part on clinical competency or proficiency;

(D) setting the parameters under which a health care provider or health care facility shall enter into contractual relationships with third-party payers;

(E) setting the prices, rates, or amounts the health care facility charges for a health care provider's services;

(F) setting the clinical competency or proficiency parameters under which a health care provider shall enter into contractual relationships with other health care providers for the delivery of health care services;

(G) making decisions regarding the coding and billing of diagnoses and procedures for patient care services; and

(H) selecting or approving the selection of medical equipment and medical supplies for the health care facility.

(c) A private equity group or hedge fund, or an entity controlled directly in whole or in part by a private equity group or hedge fund, shall not enter into an agreement or arrangement with a health care facility doing business in this State if the agreement or arrangement would enable the person to interfere with the ability of health care providers to make health care decisions, as set forth in subdivision (b)(1) of this section, or to exercise control over or be delegated the powers set forth in subdivision (b)(2) of this section.

(d)(1) The organizational form of a health care facility as a sole proprietorship, partnership, foundation, or corporate entity of any kind shall not affect the applicability of this section.

(2) Nothing in this section shall be construed to prohibit an unlicensed individual or entity from providing nonclinical management, administrative, or business services to; assisting; or consulting with a health care facility doing business in this State with respect to the decisions and activities described in subdivision (b)(2) of this section, provided that a licensed health care provider retains the ultimate responsibility for or approval of those decisions and activities and the services provided do not constitute an exercise of de facto control over the administrative, business, or clinical operations of a health care facility in a manner that affects a health care provider's clinical decision making or the nature or quality of the health care services that the health care facility delivers.

(e) A health care provider who is aggrieved by the actions of a private equity group or hedge fund, or an entity controlled directly in whole or in part by a private equity group or hedge fund, in violation of this section may bring an action in Superior Court for appropriate equitable relief, actual damages, reasonable costs, and attorney's fees.

#### § 9773. REPORTING OF OWNERSHIP AND CONTROL OF CERTAIN

##### HEALTH CARE ENTITIES

(a) On or before July 1, 2026, each health care facility and each management services organization shall provide to the Green Mountain Care Board either:

(1) for a health care facility or management services organization in which one or more private equity groups or hedge funds held an ownership or investment interest as of June 1, 2026, the information required by subsection (b) of this section; or

(2) for a health care facility or management services organization in which no private equity group or hedge fund held an ownership or investment interest as of June 1, 2026, an attestation that the health care facility or management services organization currently has no private equity or hedge fund ownership or investment.

(b) Each health care facility or management services organization in which one or more private equity groups or hedge funds holds an ownership or investment interest as of June 1, 2026, shall report the following information to the Green Mountain Care Board, in a form and manner required by the Board:

(1) the name, business address, and business identification numbers for each person that, with respect to the relevant health care facility or management services organization:

(A) has an ownership or investment interest;

(B) has a controlling interest;

(C) for health care facilities only, is a management services organization; or

(D) is a significant equity investor;

(2) a current organizational chart showing the business structure of the health care facility or management services organization, including:

(A) any entity listed in subdivision (1) of this subsection (b);

(B) affiliates, including entities that control or are under common control as the health care facility or management services organization; and

(C) subsidiaries; and

(3) the health care facility's or management services organization's most recent fiscal year's profit and loss statement and balance sheet.

(c) After July 1, 2026, a health care facility or management services organization shall report the information described in subsection (b) of this section any time that:

(1) a private equity group or hedge fund takes on an ownership or investment interest in the health care facility or management services organization that had not previously been reported to the Green Mountain Care Board in accordance with subsection (b) of this section; or

(2) there is a modification to a private equity group's or hedge fund's existing ownership or investment interest in the health care facility or management services organization.

(d) The following entities are exempt from the reporting requirements set forth in this section:

(1) nursing homes, as defined in 33 V.S.A. § 7102;

(2) health care staffing companies;

(3) federally qualified health centers; and

(4) entities whose health care services delivered in Vermont are provided exclusively through telehealth, including services delivered using telemedicine and store-and-forward means, as those terms are defined in 8 V.S.A. § 4098a, and all forms of remote patient monitoring.

(e) Information provided pursuant to this section shall be public information and shall not be considered confidential, proprietary, or a trade secret, except that:

(1) any individual health care provider's taxpayer ID that is also the individual's Social Security number, and any nonbusiness telephone number, email address, physical address, or mailing address of any individual health care provider, shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential; and

(2) all profit and loss statement statements and balance sheets submitted pursuant to subdivision (b)(3) of this section shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential, except that that the Board shall provide copies of these materials, or the information contained in them, to the Office of the Health Care Advocate, which shall not further disclose this confidential information.

(f)(1) A health care facility or management services organization that knowingly fails to report the information required by this section is liable to the State for a civil penalty of not more than \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, that it fails to report the required information.

(2) A health care facility or management services organization that makes a material misrepresentation in a report required under this section is liable to the State for a civil penalty of not more than \$25,000.00 for each material misrepresentation included in the report.

(3) The Attorney General may maintain an action in Superior Court to collect the penalties imposed in this subsection and to seek appropriate injunctive relief.

§ 9774. SHARING OF OWNERSHIP INFORMATION TO IMPROVE  
TRANSPARENCY

(a) On or before February 1, 2027, and every two years thereafter, the Green Mountain Care Board shall post on its website a report regarding the information provided to the Board pursuant to section 9773 of this chapter during the previous two-year period, including:

(1) the number of health care facilities and management services organizations reporting for such year, disaggregated by the business structure of each specified entity;

(2) the names, addresses, and business structure of any entities with an ownership or controlling interest in each health care facility or management services organization;

(3) any change in ownership or control for each health care facility or management services organization;

(4) any change in the tax identification number of a health care facility or management services organization; and

(5) as applicable, the name, address, tax identification number, and business structure of other affiliates under common control, subsidiaries, and management services entities as the health care facility or management services organization, including the business type and the tax identification number of each.

(b) Information provided pursuant to this section shall be public information and shall not be considered confidential, proprietary, or a trade secret; provided, however, that any individual health care provider's taxpayer ID that is also the individual's Social Security number shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

(c) The Green Mountain Care Board may share information reported under this chapter with the Attorney General, the Secretary of State, other State agencies, and other State officials to reduce or avoid duplication in reporting requirements or to facilitate oversight or enforcement pursuant to Vermont law, or both, and any tax identification numbers that are individual Social Security numbers and other confidential information may be shared with the Attorney General, other State agencies, and other State officials who agree to maintain

the confidentiality of such information. The Board may, in consultation with the relevant State agencies, merge similar reporting requirements where appropriate.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

and that after passage the title of the bill be amended to read: “An act relating to clinical decision making”

**(Committee Vote: 9-2-0)**

**H. 585**

An act relating to health insurance reforms

**Rep. McFaun of Barre Town**, for the Committee on Health Care, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Health Insurer Governance and Executive Compensation \* \* \*

Sec. 1. 8 V.S.A. chapter 123 is amended to read:

CHAPTER 123. NONPROFIT HOSPITAL SERVICE CORPORATIONS

\* \* \*

§ 4512. POWERS

(a) ~~Such~~ A hospital service corporation shall be a nonprofit sharing corporation without capital stock. It shall be maintained and operated solely for the benefit of the its subscribers ~~thereof~~ and shall ensure that benefits and services are balanced with the efficient and economical management of the corporation. A hospital service corporation shall not be authorized to pay money in lieu of hospital service. A person, partnership, association, or corporation shall not contract to furnish hospital service unless authorized ~~so~~ to do so pursuant to the provisions of this chapter. Corporations formed under the provisions of this chapter shall have the privileges and be subject to the provisions of Title 11B as well as the applicable provisions of this chapter. In the event of a conflict between the provisions of Title 11B and the provisions of this chapter, the latter shall control.

\* \* \*

§ 4513. PERMIT TO ENGAGE IN BUSINESS; FOREIGN  
CORPORATIONS

~~(a) At least three-fourths of the board of directors of a corporation organized under this chapter shall be composed of subscribers and members of the public. The remainder may be providers. The subscriber members of the board shall comprise at least a majority of the board. A corporation organized under this chapter shall provide for the election of its board of directors at a publicly announced meeting. As used in this section, “provider” means any person who is a provider of hospital or medical services, or who is an employee, director, trustee, or representative of a provider of such services. [Repealed.]~~

\* \* \*

#### § 4513a. BOARD OF DIRECTORS

(a) Definitions. As used in this section:

(1) “Provider” means any person who is a provider of hospital or medical services, or who is an employee, director, trustee, or representative of a provider of such services.

(2) “Representative of the public” means any member of the board of directors appointed by the Governor. A representative of the public may be a member of the public, a subscriber, or a provider.

(b) Composition. At least three-fourths of the board of directors of a corporation organized under this chapter shall be composed of subscribers and members of the public. The remainder may be providers. The subscriber members of the board shall comprise at least a majority of the board. A corporation organized under this chapter shall provide for the election of its board of directors at a publicly announced meeting.

(c) Representatives of the public.

(1) Two voting members of the board, but in no event less than one-sixth of the board of directors, shall be representatives of the public appointed by the Governor. Unless otherwise specified in this chapter, a representative of the public shall have the same rights and responsibilities as any other member of the board of directors.

(2) The initial term of one representative of the public shall be two years and the initial term of the other representative of the public shall be three years. If there are more than two representatives of the public, their initial terms shall be divided as equally as possible between the two initial term lengths. Thereafter, each representative of the public appointed by the Governor to succeed a representative of the public shall serve a three-year term and shall serve until a successor is appointed.

(3) A representative of the public shall be terminated only by the appointing authority, by conclusion of the appointed term, or by voluntary resignation.

(4) If a vacancy occurs prior to the conclusion of the three-year term, whether by termination, resignation, or otherwise, the Governor shall appoint a new representative of the public to complete the term.

(d) Committees.

(1) The board of directors may create one or more committees and may appoint members of the board, including the representatives of the public, to serve on them.

(2) The board shall create a compensation committee to review and recommend to the full board for approval all compensation packages offered to the corporation's officers and executives.

(A) The compensation committee shall be composed of two or more members, who shall serve at the pleasure of the board of directors.

(B) At least two representatives of the public shall be voting members of the compensation committee.

(e) Guiding principles for representatives of the public. In discharging the duties of a director, including as a member of a committee, each representative of the public:

(1) shall, in determining what the representative of the public reasonably believes to be in the best interests of the hospital service corporation, consider the effects of any action or inaction on:

(A) the subscribers of the hospital service corporation;

(B) the community and societal considerations of the State of Vermont, including the principles for health care reform expressed in 18 V.S.A. § 9371; and

(C) the goal that the hospital service corporation's benefits and services should be provided at minimum cost and under efficient and economical management of the corporation;

(2) may consider any other relevant factors and the interests of any other group that the representative of the public determines are appropriate to consider; and

(3) shall not be required to give priority to the interests of any particular person or group described in subdivision (1) or (2) of this subsection over the interests of any other person or group.

(f) No violation of Title 11B. The consideration of interests and factors in the manner described in subsection (e) of this section shall not constitute a violation of Title 11B.

(g) Limitations on liability.

(1) A representative of the public is not liable for the failure of the hospital service corporation to create general or specific impacts on the community or the health care system.

(2) A representative of the public is not liable to the hospital service corporation for any action or failure to take action in the representative's official capacity if the representative of the public performed the duties of the office in compliance with Title 11B and this section. In the event of a conflict between Title 11B and this chapter, this chapter shall control.

(3) A representative of the public shall have no duty to any person who is a beneficiary of the general or specific public benefit purposes of a hospital service corporation arising solely from the person's status as a beneficiary of the general or specific public benefit.

(h) Bylaws. Any new hospital benefit corporation shall adopt bylaws in accordance with the requirements of this chapter and Title 11B. All bylaws shall be filed with the Commissioner of Financial Regulation for review and approval.

\* \* \*

#### § 4516a. EXECUTIVE COMPENSATION

(a) As used in this section:

(1) "Compensation" means total cash compensation, including base salary and annual incentive compensation.

(2) "Executives" means the president, chief executive officer, chief medical officer, chief administrative officer, chief fiscal officer, vice presidents, and all functionally equivalent roles in a hospital service corporation.

(b)(1) On or before July 1, 2026, and prior to approving any changes to the compensation of any executive after that date, each hospital service corporation shall file with the Commissioner of Financial Regulation a statement sworn to by the chair of the corporation's board of directors and the president of the corporation that includes the following information regarding compensation paid to executives of the corporation:

(A) all compensation benchmarks utilized in connection with establishing or awarding compensation for each of the corporation's executives, including information used by any consultant, vendor, or other third party retained by the corporation;

(B) a detailed compensation survey or peer group data used by the corporation or by any consultant, vendor, or other third party retained by the corporation to establish compensation benchmarks or otherwise to establish or award compensation for each of the corporation's executives; and

(C) if any bonus or variable compensation was awarded or paid for the prior fiscal year, the criteria used to evaluate whether that compensation should be paid or awarded and the specific results that supported the payment.

(2) All information provided pursuant to this subsection shall be sufficiently detailed to allow for a comprehensive examination of the benchmarks and to enable the Commissioner or designee to perform independent computations to evaluate the benchmarks provided.

(c) The Commissioner may require the corporation to modify a group described in subdivision (b)(2) of this section if, in the Commissioner's discretion, the group contains entities that are not sufficiently similar to the corporation in terms of size, business, operations, nonprofit status, or other factors.

(d) The Commissioner may retain at the corporation's expense such outside consultants and other experts as are reasonably necessary to assist the Commissioner in evaluating the materials provided pursuant to this section. Any persons so retained shall be under the direction and control of the Commissioner and shall act in a purely advisory capacity.

(e) Nothing in this section shall be construed to preclude a corporation from segregating and designating any materials provided to the Commissioner under this section as confidential due to content that is proprietary, privileged, or otherwise confidential under Vermont law, and the Commissioner shall maintain the confidentiality of the information as appropriate under the Public Records Act.

\* \* \*

## Sec. 2. HOSPITAL SERVICE CORPORATIONS; IMPLEMENTATION OF AMENDMENTS TO 8 V.S.A. CHAPTER 123

Not later than September 1, 2026, each hospital service corporation operating in this State on July 1, 2026, shall amend its bylaws to comply with the amendments to 8 V.S.A. chapter 123 as set forth in Sec. 1 of this act. The

hospital service corporation shall file its amended bylaws with the Commissioner of Financial Regulation for review and approval.

\* \* \* Expanding Access to Association Health Plans \* \* \*

Sec. 3. 8 V.S.A. § 4041 is amended to read:

§ 4041. GROUP HEALTH INSURANCE POLICIES; DEFINITIONS

(a) As used in this section:

(1) “Employees” includes the officers, managers, and employees of the employer; the partners, if the employer is a partnership; the officers, managers, and employees of subsidiary or affiliated corporations of a corporation employer; and the individual proprietors, partners, and employees of individuals and firms, the business of which is controlled by the insured employer through stock ownership, contract, or otherwise.

(2) “Employer” may be deemed to include any municipal or governmental entity or officer, or the appropriate officer for an unincorporated town or gore or for the Unified Towns and Gores of Essex County, as well as private individuals, partnerships, and corporations.

(b) Group health insurance is a form of health insurance that covers one or more persons, with or without their dependents, that is issued upon the following basis:

(1)(A) Under a policy issued to an employer, who is deemed the policyholder, insuring at least one employee of the employer, for the benefit of persons other than the employer.

(B) In accordance with section 3368 of this title, an employer domiciled in a jurisdiction other than Vermont that has more than 25 certificate-holder employees whose principal worksite and domicile is in Vermont and that is defined as a large group in its own jurisdiction and under the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, § 1304, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, may purchase insurance in the large group health insurance market for its Vermont-domiciled certificate-holder employees.

(2)(A) Under a policy issued:

(i) to an association, a trust, or one or more trustees of a fund established by one or more associations otherwise eligible for the issuance of a policy under this subdivision (2) and maintained, directly or indirectly, by one or more associations for the benefit of its members or a contract or plan issued by such an association or trust; or

(ii) by a “multiple employer welfare arrangement” that constitutes an “employer,” as those terms are defined in the Employee Retirement Income Security Act of 1974, as amended, and accompanying U.S. Department of Labor regulations and guidance.

~~(B)(i) The association or associations shall have:~~

~~(I) a minimum of 100 persons at the time of incorporation or formation;~~

~~(II) been organized and maintained in good faith for purposes other than that of obtaining insurance;~~

~~(III) been in active existence for at least one year; and~~

~~(IV) a constitution and bylaws that provide that:~~

~~(aa) the association or associations hold regular meetings not less than annually to further purposes of the members;~~

~~(bb) except for credit unions, the association or associations collect dues or solicit contributions from members; and~~

~~(cc) the members constitute a majority of the voting power of the association for all purposes and have representation on the governing board and committees.~~

~~(ii)(I) The association or associations shall not be controlled by a health insurer, as evidenced by the operation of the association or associations.~~

~~(II) The following factors may be used as evidence to determine whether an association is a health insurer-operated association; provided, however, that the presence or absence of one or more of these factors shall not serve to limit or be dispositive of such a determination:~~

~~(aa) common board members, officers, executives, or employees;~~

~~(bb) common ownership of the health insurer and the association, or of the association and another eligible group; and~~

~~(cc) common use of office space or equipment used by the health insurer to transact insurance. [Repealed.]~~

~~(C) An association’s members shall have a shared or common purpose that is not primarily a business or customer relationship. [Repealed.]~~

(D)(i) A policy issued by an association shall not insure persons other than the members or employees of the association or associations, or employees of members, or all of any class or classes of employees of the

association, associations, or members, together, in each case, with the employees' or members' dependents, as applicable, for the benefit of persons other than the employee's employer.

(ii) A policy issued by an association shall insure all eligible persons, except those who reject coverage in writing.

(E) An association shall not use the solicitation of insurance as the primary method of obtaining new members.

(F) If a health insurer collects membership fees or dues on behalf of an association, the health insurer shall disclose to the members of the association that the health insurer is billing and collecting membership fees and dues on behalf of the association.

(3)(A) Under a policy issued to a trust, or to one or more trustees of a fund established and maintained, directly or indirectly, by:

(i) two or more employers;

(ii) one or more labor unions or similar employee organizations;

or

(iii) one or more employers and one or more labor unions or similar employee organizations.

(B)(i) A policy under this subdivision (3) must be issued to the trust or trustees for the purpose of insuring all of the employees of the employers or all of the members of the unions or organizations, or all of any class or classes of employees or members, together, in each case, with the employees' or members' dependents, as applicable, for the benefit of persons other than the employers or the unions or organizations.

(ii) A policy issued to a trust shall insure all eligible persons, except those who reject coverage in writing.

(4) Under a policy issued to any other substantially similar group that, in the discretion of the Commissioner, may be subject to the issuance of a group accident and sickness policy or contract.

Sec. 4. 8 V.S.A. § 4043 is amended to read:

#### § 4043. ASSOCIATION HEALTH PLANS

(a)(1) As used in this section, "association health plan" means ~~a policy issued to an association; to a trust; or to one or more trustees of a fund established, created, or maintained for the benefit of the members of one or more associations or a contract or plan issued by an association or trust or by a~~

~~multiple employer welfare arrangement as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.~~

~~(2) No association health plan shall be issued, offered, or renewed in this State to any person other than an association that was formed or could have been formed under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq., and accompanying U.S. Department of Labor regulations and guidance, in each case, as in effect as of January 19, 2017 a group described in subdivision 4041(b)(2), (3), or (4) of this chapter.~~

(b) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 regulating association health plans in order to protect Vermont consumers and promote the stability of Vermont's health insurance markets, to the extent permitted under federal law, including rules regarding licensure, solvency and reserve requirements, and rating requirements.

(c) ~~The~~ Notwithstanding any statute or rule to the contrary, the provisions of sections 3661 and 4042 of this title shall apply to fully insured association health plans.

#### Sec. 5. ASSOCIATION HEALTH PLANS; FEDERAL LANDSCAPE;

##### MARKET IMPACTS; RATE REVIEW; REPORT

On or before January 15, 2027, the Department of Financial Regulation shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance the following information related to expanding access to association health plans beginning on January 1, 2028, as permitted by 8 V.S.A. §§ 4041 and 4043, as amended by Secs. 3 and 4 of this act:

(1) the status of federal law regarding association health plans, including the extent to which federal law would allow for the expanded access to association health plans in Vermont beginning on January 1, 2028;

(2) an analysis of the projected impacts on Vermont's health insurance markets of expanding access to association health plans beginning on January 1, 2028, including the likely effects on enrollment in and premiums for qualified health benefit plans in the individual and small group markets, using scenarios that show potential impacts over consecutive years if various percentages of healthier lives were to leave the individual and the small group markets to enroll in association health plans; and

(3) in consultation with the Green Mountain Care Board, the potential impact of expanding access to association health plans beginning on January 1, 2028, on the Green Mountain Care Board's health insurance rate review responsibilities pursuant to 8 V.S.A. § 4026.

\* \* \* Defining “High-Dollar Claims” for Claims Edit Purposes \* \* \*

Sec. 6. 18 V.S.A. § 9418a is amended to read:

§ 9418a. PROCESSING CLAIMS, DOWNCODING, AND ADHERENCE  
TO CODING RULES

\* \* \*

(e)(1) Except as otherwise provided in subdivision (2) of this subsection, no health plan, contracting entity, covered entity, or payer shall subject any health care provider to prepayment coding validation edit review. As used in this subsection, “prepayment coding validation edit review” means any action by the health plan, contracting entity, covered entity, or payer, or by a contractor, assignee, agent, or other entity acting on its behalf, requiring a health care provider to provide medical record documentation in conjunction with or after submission of a claim for payment for health care services delivered, but before the claim has been adjudicated.

(2) Nothing in this subsection shall be construed to prohibit targeted prepayment coding validation edit review of a specific provider, provider group, or facility under certain circumstances, including evaluating ~~high-dollar~~ claims exceeding \$25,000.00 per episode of care; verifying complex financial arrangements; investigating member questions; conducting post-audit monitoring; addressing a reasonable belief of fraud, waste, or abuse; or other circumstances determined by the Commissioner through a bulletin or guidance.

\* \* \*

\* \* \* Site-Neutral Billing for Certain Services \* \* \*

Sec. 7. 18 V.S.A. § 9423 is added to read:

§ 9423. SITE-NEUTRAL REIMBURSEMENT FOR PHYSICAL  
THERAPY, OCCUPATIONAL THERAPY, AND ATHLETIC  
TRAINING

Each health plan shall establish and pay for all physical therapy, occupational therapy, and athletic training items and services provided to its insureds in reimbursement amounts that are uniform and consistent across all of the health plan’s contracts and fee schedules, except that a plan may reimburse different amounts for items and services that are delivered in an inpatient setting. Health plans shall express each reimbursement amount as a percentage of the Medicare rate for the same item or service.

Sec. 8. SITE-NEUTRAL REIMBURSEMENT FOR PHYSICAL THERAPY, OCCUPATIONAL THERAPY, AND ATHLETIC TRAINING; IMPLEMENTATION REPORT

On or before March 1, 2027, each health insurer that is required to make site-neutral reimbursements for physical therapy, occupational therapy, and athletic training items and services pursuant to 18 V.S.A. § 9423, as added by Sec. 7 of this act, shall provide an update to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance regarding its implementation of the site-neutral reimbursements, any trends or other financial impacts it has identified so far as a result of implementation, and any recommendations regarding the enactment of additional site-neutral reimbursement requirements.

\* \* \* Increasing Flexibility in Health Insurance Plan Design \* \* \*

Sec. 9. INCREASING FLEXIBILITY IN HEALTH INSURANCE PLAN DESIGN; REPORT

The Department of Vermont Health Access, in consultation with the Department of Financial Regulation, shall consider the feasibility and potential impacts on premiums and on plan design of allowing health insurers to offer health insurance plans in the large group market and at each metal level in the individual and small group markets that do not include the out-of-pocket limits for prescription drugs established in 8 V.S.A. § 4092, provided the health insurers also offer plans in the same markets that do include the out-of-pocket limits for prescription drugs established in 8 V.S.A. § 4092. On or before January 15, 2027, the Department of Vermont Health Access shall provide its findings and recommendations for increasing flexibility in health insurance plans' out-of-pocket prescription drug limits to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

\* \* \* Annual Reporting on Health Care Sharing Plans and Arrangements \* \* \*

Sec. 10. 8 V.S.A. chapter 115 is added to read:

CHAPTER 115. HEALTH CARE SHARING PLANS

§ 4271. HEALTH CARE SHARING PLAN OR ARRANGEMENT; REPORTING AND CERTIFICATION

(a) A person that is not authorized by the Commissioner under chapter 101, 123, 125, or 139 of this title to offer insurance in this State and that offers or intends to offer a plan or arrangement to facilitate payment or reimbursement

of health care costs or services for residents of this State, regardless of whether the person is domiciled in this State or another state, shall submit to the Commissioner on or after October 1, 2026, and on or after March 1 each year thereafter:

(1) the following information:

(A) the total number of individuals and households that participated in the plan or arrangement in this State in the immediately preceding calendar year;

(B) the total number of employer groups that participated in the plan or arrangement in this State in the immediately preceding calendar year, specifying the total number of participating individuals in each participating employer group;

(C) if the person offers a plan or arrangement in other states, the total number of participants in the plan or arrangement nationally;

(D) any contracts the person has entered into with providers in this State who provide health care services to plan or arrangement participants;

(E) the total amount of fees, dues, or other payments collected by the person in the immediately preceding calendar year from individuals, employer groups, or others that participated in the plan or arrangement, specifying the percentage of fees, dues, or other payments retained by the person for administrative expenses;

(F) the total dollar amount of requests for reimbursement of health care costs or services that were submitted in this State in the immediately preceding calendar year by plan or arrangement participants or providers who provided health care services to plan or arrangement participants;

(G) the total dollar amount of requests for reimbursement of health care costs or services that were submitted in this State and were determined to qualify for reimbursement under the plan or arrangement in the immediately preceding calendar year;

(H) the total dollar amount of payments made to providers in this State in the immediately preceding calendar year for health care services that were provided to or received by plan or arrangement participants;

(I) the total dollar amount of reimbursements made to plan or arrangement participants in this State in the immediately preceding calendar year for health care services provided to or received by a plan or arrangement participant;

(J) the total number of requests for reimbursement of health care costs or services submitted in this State in the immediately preceding calendar year that were denied, expressed as a percentage of total reimbursement requests submitted in that calendar year, and the total number of reimbursement request denials that were appealed;

(K) the total dollar amount of health care expenses submitted in this State by plan or arrangement participants or providers in the immediately preceding calendar year that qualify for reimbursement pursuant to the plan or arrangement criteria but that, as of the end of that calendar year, have not been reimbursed, excluding any amounts that the plan or arrangement participants incurring the health care costs must pay before receiving reimbursement under the plan or arrangement;

(L) the estimated number of plan or arrangement participants the person anticipates in this State in the next calendar year, specifying the number of individuals, households, employer groups, and employees;

(M) a list of other states in which the person offers a plan or arrangement;

(N) a list of any third parties, other than a licensed insurance producer, that are associated with or assist the person in offering or enrolling participants in this State in the plan or arrangement, copies of any training materials provided to a third party, and a detailed accounting of any commissions or other fees or remuneration paid to a third party in the immediately preceding calendar year for:

(i) marketing, promoting, or enrolling participants in a plan or arrangement offered by the person in this State; or

(ii) operating, managing, or administering a plan or arrangement offered by the person in this State;

(O) the total number of licensed insurance producers that are associated with or assist the person in offering or enrolling participants in this State in the plan or arrangement, the total number of participants enrolled in the plan or arrangement through a licensed insurance producer, copies of any training materials provided to a producer, and a detailed accounting of any commissions or other fees or remuneration paid to a producer in the immediately preceding calendar year for marketing, promoting, or enrolling participants in a plan or arrangement offered by the person in this State;

(P) copies of any consumer-facing and marketing materials used in this State in promoting the person's plan or arrangement, including plan or

arrangement descriptions, benefit descriptions, and other materials that explain the plan or arrangement;

(Q) the name, mailing address, email address, and telephone number of an individual serving as a contact for the person in this State;

(R) a list of any parent companies, subsidiaries, and other names that the person has operated under at any time within the immediately preceding five calendar years; and

(S) an organizational chart of the person and a list of the officers and directors of the person; and

(2) a certification by an officer of the person that, to the best of the person's good-faith knowledge and belief, the information submitted is accurate and satisfies the requirements of this subsection.

(b)(1) If a person subject to the requirements of subsection (a) of this section fails to submit the information required by that subsection, the submission is incomplete. The Commissioner shall make a determination of completeness not later than 45 days after the submission is received. If the Commissioner has not informed the person of any deficiencies in the submission within 45 days after receiving the submission, the submission is considered complete.

(2)(A) If the Commissioner determines that a person has failed to comply with the requirements of subsection (a) of this section, the Commissioner shall:

(i) notify the person that the submission is incomplete and enumerate in the notification each deficiency found in the person's submission; and

(ii) allow the person 30 days after notice of the incomplete submission to remedy the deficiency found in the submission.

(B) If the person does not remedy the deficiency within the 30-day period, the Commissioner may impose an administrative penalty not to exceed \$5,000.00 per day.

(C) If the person does not remedy the deficiency or deficiencies within 30 days after the initial administrative penalty is imposed, the Commissioner may issue a cease and desist order pursuant to section 2110 of this title.

(c) On or before April 1, 2027, and on or before each October 1 thereafter, the Commissioner shall:

(1) prepare a written report summarizing the information submitted by persons pursuant to subsection (a) of this section; and

(2) post the report on the Department's website, along with accurate and evidence-based information about the persons that submitted information pursuant to subsection (a) of this section, including how consumers may file complaints.

(d) The Commissioner may adopt rules as necessary to implement this section.

\* \* \* Effective Dates \* \* \*

#### Sec. 11. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that:

(1) Secs. 3 and 4 (association health plans; 8 V.S.A. §§ 4041 and 4043) shall take effect on January 1, 2028; and

(2) Sec. 7 (18 V.S.A. § 9423; site-neutral reimbursements for physical therapy, occupational therapy, and athletic training) shall take effect on October 1, 2026, and shall apply to provider contracts that are entered into, amended, renewed, or otherwise take effect on and after that date.

**(Committee Vote: 8-3-0)**

#### **H. 606**

An act relating to firearms procedures

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

Sec. 1. 13 V.S.A. § 2501 is amended to read:

§ 2501. GRAND LARCENY

(a) A person who steals from the actual or constructive possession of another, other than from his or her person, money, goods, chattels, bank notes, bonds, promissory notes, bills of exchange or other bills, orders, or certificates, or a book of accounts for or concerning money, or goods due or to become due or to be delivered, or a deed or writing containing a conveyance of land, or any other valuable contract in force, or a receipt, release or defeasance, writ, process, or public record, shall be imprisoned not more than 10 years or fined not more than \$5,000.00, or both, if:

(1) the money or other property stolen exceeds \$900.00 in value; or

(2) the property stolen is a firearm of any value.

(b) As used in this section, “firearm” has the same meaning as in section 4017 of this title.

Sec. 2. 13 V.S.A. § 4017 is amended to read:

§ 4017. PERSONS PROHIBITED FROM POSSESSING FIREARMS;  
CONVICTION OF VIOLENT CRIME

(a) A person shall not possess a firearm if the person has been convicted of a violent crime.

(b) A person who violates this section shall:

(1) for a first offense, be imprisoned not more than two years or fined not more than \$1,000.00, or both; or

(2) for a second or subsequent offense, be imprisoned not more than three years or fined not more than \$5,000.00, or both.

(c) This section shall not apply to a person who is exempt from federal firearms restrictions under 18 U.S.C. § 925(c).

(d) As used in this section:

(1)(A) “Firearm” means:

(i) any weapon (including a starter gun) that will or is designed to or may readily be converted to expel a projectile by the action of an explosive;

(ii) the frame or receiver of any such weapon; or

(iii) any firearm muffler or firearm silencer.

(B) “Firearm” ~~shall~~ does not include an antique firearm.

(2) “Antique firearm” means:

(A) Any firearm (including any firearm with a matchlock, flintlock, percussion cap, or similar type of ignition system) manufactured in or before 1898.

(B) Any replica of any firearm described in subdivision (A) of this subdivision (2) if the replica:

(i) is not designed or redesigned for using rimfire or conventional centerfire fixed ammunition; or

(ii) uses rimfire or conventional centerfire fixed ammunition that is no longer manufactured in the United States and that is not readily available in the ordinary channels of commercial trade.

(C) Any muzzle loading rifle, muzzle loading shotgun, or muzzle loading pistol that is designed to use black powder or a black powder substitute and that cannot use fixed ammunition. As used in this subdivision (C), “antique firearm” ~~shall~~ does not include a weapon that incorporates a firearm frame or receiver, a firearm that is converted into a muzzle loading weapon, or any muzzle loading weapon that can be readily converted to fire fixed ammunition by replacing the barrel, bolt, breechblock, or any combination thereof.

(3) “Violent crime” means:

(A)(i) A listed crime as defined in subdivision 5301(7) of this title other than:

(I) lewd or lascivious conduct as defined in section 2601 of this title;

(II) recklessly endangering another person as defined in section 1025 of this title;

(III) operating a vehicle under the influence of alcohol or other substance with either death or serious bodily injury resulting as defined in 23 V.S.A. § 1210(f) and (g);

(IV) careless or negligent operation resulting in serious bodily injury or death as defined in 23 V.S.A. § 1091(b);

(V) leaving the scene of an accident resulting in serious bodily injury or death as defined in 23 V.S.A. § 1128(b) or (c); or

(VI) a misdemeanor violation of chapter 28 of this title, relating to abuse, neglect, and exploitation of vulnerable adults; or

(ii) a comparable offense and sentence in another jurisdiction if the offense prohibits the person from possessing a firearm under 18 U.S.C. § 922(g)(1) or 18 U.S.C. § 921(a)(20).

(B) An offense involving sexual exploitation of children in violation of chapter 64 of this title; or a comparable offense and sentence in another jurisdiction if the offense prohibits the person from possessing a firearm under 18 U.S.C. § 922(g)(1) or 18 U.S.C. § 921(a)(20).

(C) A violation of 18 V.S.A. § 4231(b)(2), (b)(3), or (c) (selling, dispensing, or trafficking cocaine); 4232(b)(2) or (b)(3) (selling or dispensing LSD); 4233(b)(2), (b)(3), or (c) (selling, dispensing, or trafficking heroin); 4234(b)(2) or (b)(3) (selling or dispensing depressants, stimulants, and narcotics); 4234a(b)(2), (b)(3), or (c) (selling, dispensing, or trafficking methamphetamine); 4235(c)(2) or (c)(3) (selling or dispensing hallucinogenic

drugs); 4235a(b)(2) or (b)(3) (selling or dispensing Ecstasy), or a comparable offense and sentence in another jurisdiction if the offense prohibits the person from possessing a firearm under 18 U.S.C. § 922(g)(1) or 18 U.S.C. § 921(a)(20).

(D) A conviction of possession with intent to distribute a controlled substance other than cannabis in another jurisdiction if the offense prohibits the person from possessing a firearm under 18 U.S.C. § 922(g)(1) or 18 U.S.C. § 921(a)(20).

Sec. 3. 13 V.S.A. § 4017a is amended to read:

§ 4017a. FUGITIVES FROM JUSTICE; PERSONS SUBJECT TO FINAL RELIEF FROM ABUSE OR STALKING ORDER; PERSONS CHARGED WITH CERTAIN OFFENSES; PROHIBITION ON POSSESSION OF FIREARMS

(a) A person shall not possess a firearm if the person:

(1) is a fugitive from justice;

(2) is the subject of a final relief from abuse order issued pursuant to 15 V.S.A. § 1103;

(3) is the subject of a final order against stalking issued pursuant to 12 V.S.A. § 5133 if the order prohibits the person from possessing a firearm; ~~or~~

(4) is a person against whom charges are pending for:

(A) carrying a dangerous weapon while committing a felony in violation of section 4005 of this title;

(B) trafficking a regulated drug in violation of 18 V.S.A. chapter 84, subchapter 1; or

(C) human trafficking or aggravated human trafficking in violation of section 2652 or 2653 of this title; or

(5)(A)(i) has been found by the court to be a person in need of treatment pursuant to section 4822 of this title and:

(I) not guilty by reason of insanity of a violent crime as defined in section 4017 of this title; or

(II) incompetent to stand trial for an offense listed in subdivision (4) of this subsection (a);

(ii) is the subject of a commitment order issued by the court pursuant to section 4822 of this title and the offense charged was not a violent crime; or

(iii) is the subject of a hospitalization order issued by the court pursuant to 18 V.S.A. § 7617(b)(1) or (2) or a nonhospitalization order issued by the court pursuant to 18 V.S.A. § 7617(b)(3).

(B) Subdivision (A) of this subdivision (5) shall not apply to a person if the Family Division grants a petition for relief from firearms disability for the person pursuant to section 4825 of this title.

(b) A person who violates this section shall:

(1) for a first offense, be imprisoned not more than two years or fined not more than \$1,000.00, or both; or

(2) for a second or subsequent offense, be imprisoned not more than three years or fined not more than \$5,000.00, or both.

(c) As used in this section:

(1) “Firearm” has the same meaning as in section 4017 of this title.

(2) “Fugitive from justice” means a person who has fled:

(A) to avoid prosecution for a crime Vermont criminal offense or for an offense that would be a crime if committed in Vermont; or

(B) to avoid giving testimony in a criminal proceeding.

Sec. 4. 13 V.S.A. § 4022 is amended to read:

§ 4022. BUMP-FIRE STOCKS; MACHINE GUNS; POSSESSION  
PROHIBITED

(a) As used in this section:

(1) “~~bump-fire stock~~” “Bump-fire stock” means a butt stock designed to be attached to a semiautomatic firearm and intended to increase the rate of fire achievable with the firearm to that of a fully automatic firearm by using the energy from the recoil of the firearm to generate a reciprocating action that facilitates the repeated activation of the trigger.

(2) “Machine gun” means any weapon that shoots, is designed to shoot, or can be readily restored to shoot automatically more than one shot without manual reloading, by a single function of the trigger. The term also includes the frame or receiver of any such weapon; any part designed and intended solely and exclusively, or combination of parts designed and intended, for use in converting a weapon into a machine gun; and any combination of parts from

which a machine gun can be assembled if the parts are in the possession or under the control of a person. The term does not include any weapon or other item that is registered in the National Firearms Registration and Transfer Record maintained by the Bureau of Alcohol, Tobacco, Firearms and Explosives, or that is otherwise not subject to that registration requirement.

(b) A person shall not possess a bump-fire stock or a machine gun. A person who violates this subsection shall be imprisoned not more than one year or fined not more than \$1,000.00, or both.

(c) The Department of Public Safety shall develop, promote, and execute a collection process that permits persons to voluntarily and anonymously relinquish bump-fire stocks prior to ~~the effective date of this section~~ October 1, 2018.

#### Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

**(Committee Vote: 6-5-0)**

### H. 642

An act relating to youthful offender proceedings

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

Sec. 1. 33 V.S.A. § 5285 is amended to read:

#### § 5285. MODIFICATION OR REVOCATION OF DISPOSITION

(a)(1) If it appears that the youth has violated the terms of juvenile probation ordered by the court pursuant to subdivision 5284(c)(1) of this title, a motion for modification or revocation of youthful offender status may be filed in the Family Division of the Superior Court. The court shall set the motion for hearing as soon as practicable. The hearing may be joined with a hearing on a violation of conditions of probation under section 5265 of this title. A supervising juvenile or adult probation officer may detain in an adult facility a youthful offender who has attained 18 years of age for violating conditions of probation.

(2) Notwithstanding subdivision 5103(c)(2)(B) of this title, when a motion for revocation of youthful offender status is pending pursuant to this section, the Family Division's jurisdiction over the youth shall remain in effect until the youth is discharged or until probation is revoked. The Family

Division may extend its jurisdiction over the youth beyond the youth's 22nd birthday to the extent necessary to maintain jurisdiction under this subdivision.

(b) A hearing under this section shall be held in accordance with section 5268 of this title.

(c)(1) If the court finds after the hearing that the youth has violated the terms of ~~his or her~~ the youth's probation, the court may:

(1)(A) maintain the youth's status as a youthful offender, with modified conditions of juvenile probation if the court deems it appropriate;

(2)(B) revoke the youth's status as a youthful offender and transfer the case with a record of the petition, affidavit, adjudication, disposition, and revocation to the Criminal Division for sentencing; or

(3)(C) transfer supervision of the youth to the Department of Corrections with all of the powers and authority of the Department and the Commissioner under Title 28, including graduated sanctions and electronic monitoring.

(2) For purposes of making its determination under subdivision (1) of this subsection, the court shall consider whether:

(A) under the criteria of subdivision 5284(a)(2) of this title, public safety will be protected by continuing to treat the youth as a youthful offender;

(B) the youth continues to be amenable to treatment or rehabilitation as a youthful offender; and

(C) there continues to be sufficient services in the juvenile court system and the Department for Children and Families and the Department of Corrections to meet the youth's treatment and rehabilitation needs.

(d) If the youth fails to appear at a probation revocation hearing under this section, the court may, unless it finds there was good cause for the failure to appear, issue an order pursuant to subsection 5108(c) of this title for an officer to pick up the youth and bring the youth to court.

(e) If a youth's status as a youthful offender is revoked and the case is transferred to the Criminal Division pursuant to subdivision ~~(e)(2)~~ ~~(c)(1)(B)~~ of this section, the court shall enter a conviction of guilty based on the admission to or finding of merits, hold a sentencing hearing, and impose sentence. Unless it serves the ~~interest~~ interests of justice, the case shall not be transferred back to the Family Division pursuant to section 5203 of this title. When determining an appropriate sentence, the court may take into consideration the youth's degree of progress toward or regression from rehabilitation while on

youthful offender status. The Criminal Division shall have access to all Family Division records of the proceeding.

Sec. 2. 33 V.S.A. § 5288 is amended to read:

§ 5288. RIGHTS OF VICTIMS IN YOUTHFUL OFFENDER  
PROCEEDINGS

(a) The victim in a proceeding involving a youthful offender shall have the following rights:

(1) To be notified by the prosecutor in a timely manner:

(A) when a court proceeding is scheduled to take place and when a court proceeding ~~to~~ of which the victim has been notified will not take place as scheduled; and

(B) of any conditions of release or conditions of probation and of any restitution unless otherwise limited by court order.

(2) To be present during all court proceedings subject to the provisions of Rule 615 of the Vermont Rules of Evidence; to attend the hearing on the motion to consider youthful offender status and the disposition hearing to present a victim impact statement and to express reasonably the victim's views concerning the offense ~~and~~, the youth, and the appropriateness of youthful offender status, including testimony in support of the victim's claim for restitution; and to submit oral or written statements to the court at such other times as the court may allow. The court shall consider the victim's statement when ordering disposition.

(3) To be notified by the agency having custody of the youth before the youth is released into the community from a secure or staff-secured residential facility.

(4) To be notified by the prosecutor as to the final disposition of the case.

(5) To be notified by the prosecutor of the victim's rights under this section.

(b) In accordance with court rules, at a hearing on a motion ~~for~~ to consider youthful offender ~~treatment~~ status, the court shall ask if the victim is present and, if so, whether the victim would like to be heard regarding ~~disposition~~ the motion. In ordering youthful offender status or disposition, the court shall consider any views offered at the hearing by the victim. If the victim is not present, the court shall ask whether the victim has expressed, either orally or in writing, views regarding youthful offender status or disposition and shall take

those views into consideration in ordering youthful offender status or disposition.

(c) No youthful offender proceeding shall be delayed or voided by reason of the failure to give the victim the required notice or the failure of the victim to appear.

(d) As used in this section, “victim” ~~shall have~~ has the same meaning as in 13 V.S.A. § 5301(4).

(e) This section shall not prohibit a victim from discussing underlying facts of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim, provided that, unless otherwise provided by law or court order, a victim shall not disclose what occurs during a court proceeding or information learned through a court proceeding that is not an underlying fact of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim.

### Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

**(Committee Vote: 10-0-1)**

## H. 650

An act relating to educational technology products

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

Sec. 1. 9 V.S.A. chapter 62 is amended to read:

### CHAPTER 62. PROTECTION OF PERSONAL INFORMATION

\* \* \*

#### Subchapter 3A. Student Privacy

\* \* \*

### § 2443f. ENFORCEMENT

(a) A person who violates a provision of this ~~chapter~~ subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to adopt rules to implement the provisions of this subchapter and to conduct civil

investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

### Subchapter 3B. Educational Technology

#### § 2444a. REGISTRATION REQUIREMENTS

(a) Definitions. As used in this section:

(1) “Educational technology product” and “product” mean any student-facing software, application, or platform that may collect, process, or transmit student data and that is used for teaching and learning purposes in a school in Vermont.

(2) “Filing” means an initial registration, amendment, periodic report, or other filing with the Secretary of State as the Secretary may require.

(3) “Provider of an educational technology product” and “provider” mean a person that provides an educational technology product that is in use at a school with or without a contract with the school or school district.

(4) “School” means a public school or an independent school approved pursuant to 16 V.S.A. § 166.

(b) Mandatory data reporting. In addition to all other requirements of a person registering with the Secretary of State pursuant to State law, a person doing business in this State as a provider of an educational technology product shall, at the time of a filing, provide the following:

(1) the name and primary physical, email, and internet addresses of the person;

(2) a link to the most recent version of the privacy policy and terms and conditions of each product in use;

(3) the name of each school or school district in which the provider is operating pursuant to a contract;

(4) the name and a brief description of each product of the provider, also indicating which products are offered at no cost to schools;

(5) which products are known by the provider to be in use in any school or school district; and

(6) an attestation that each product meets:

(A) the standards set forth in subchapter 3A of this chapter and subchapter 6 of this chapter (the Vermont Age-Appropriate Design Code Act); and

(B) all federal and State privacy laws, including the federal Children’s Online Privacy Protection Act.

\* \* \*

Sec. 2. EDUCATIONAL TECHNOLOGY REGISTRATION REVIEW;  
CERTIFICATION; AGENCY OF EDUCATION; REPORT

(a) Task. The Agency of Education shall:

(1) in consultation with the Secretary of State, review all educational technology product provider registrations pursuant to 9 V.S.A. § 2444a;

(2) in consultation with schools, create a list of educational technology products in use across the State;

(3) cross-reference the information gathered in subdivisions (1) and (2) of this subsection to determine the names of any unregistered educational technology providers operating in the State and forward the names of such providers to the Office of the Attorney General;

(4) determine where assistive technology may be included in an individualized education plan;

(5) provide a recommendation as to how the State should certify educational technology products for use in schools, including:

(A) which State entities should be involved in the certification process and to what extent;

(B) the criteria to be considered in the certification process, which at the minimum shall include:

(i) the product’s compliance with State curriculum standards;

(ii) advantages of using the product compared with nondigital methods;

(iii) whether the product was explicitly designed for educational use;

(iv) design features of the product, including any:

(I) geolocation tracking;

(II) use of artificial intelligence, which includes chatbots, synthetic content, and automated decision-making tools;

(III) targeted advertising;

(IV) personalized recommendation systems;

- (V) access to adults unknown to a student; and
- (VI) features that would lead to compulsive use;
- (v) whether the product serves as beneficial assistive technology or provides some other form of benefit for special education purposes; and
- (vi) the data privacy practices of the provider of the product;
- (C) the timeline and estimated cost to establish and implement the certification process;
- (D) the estimated cost or cost savings for schools assuming a State certification process is established; and
- (E) whether any third-party services, including Internet Safety Labs, should be utilized to assist in certification; and
- (6) provide the General Assembly with any other information it deems relevant to help ensure that educational technology products are safely and smartly used in Vermont schools.

(b) Report. On or before November 15, 2027, the Agency of Education shall submit a written report to the House Committees on Commerce and Economic Development and on Education and the Senate Committees on Economic Development, Housing and General Affairs and on Education with its findings and information gathered pursuant to subsection (a) of this section along with any recommendations for legislative action concerning the certification of educational technology products.

### Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

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

## H. 727

An act relating to sustainable data center deployment

**Rep. Sibilia of Dover**, for the Committee on Energy and Digital Infrastructure, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 30 V.S.A. chapter 5, subchapter 3 is added to read:

### Subchapter 3. Data Centers

#### § 281. SHORT TITLE

This subchapter shall be known and may be cited as the “Vermont Sustainable Data Centers Act.”

## § 282. PURPOSE

The purpose of this subchapter is to establish a regulatory framework that ensures responsible growth of an emerging industry in a manner that protects existing electric ratepayers from unwarranted costs and promotes sustainable climate, environmental, community, and equity outcomes consistent with State policies.

## § 283. DEFINITIONS

As used in this subchapter:

(1) “Data center” means a facility that uses or is able to use 20 megawatts or more of power and is engaged in providing data processing, hosting, and related services as described under code 518210 of the 2022 North American Industry Classification System.

(2) “Facility” means all buildings, equipment, structures, and other stationary items that are located on a single site or on contiguous or adjacent sites and that are owned or operated by the same person or by any person that controls, is controlled by, or is under common control with such person.

## § 284. LARGE LOAD SERVICE EQUITY CONTRACT; APPROVAL

(a) For the purpose of ensuring just and reasonable rates for all ratepayer classes and mitigating the risk of financial exposure to electric distribution companies and their existing ratepayers, a data center shall be served by an electric company pursuant to a large load service equity contract approved by the Public Utility Commission.

(b) The large load service equity contract shall:

(1) include a method for allocating costs that is equal or proportional to the costs of providing electric service to the data center, including providing for equitable contributions to the embedded costs and the efficiency, reliability, and resiliency of the electricity network;

(2) mitigate the risk of other ratepayer classes paying unwarranted costs, including any electric generation, distribution, and transmission infrastructure costs incurred to meet the load requirements of a data center or the energy capacity, transmission, or resource adequacy costs incurred as a result of the data center’s load;

(3) specify the duration of the contract and the date or the estimated date that the electric company will begin to provide electric service to the data center;

(4) obligate the data center to pay a minimum amount or percentage based on the data center's projected electricity usage for the duration of the contract to ensure compliance with subdivision (1) of this subsection;

(5) include a reasonable charge for demand in excess of the data center's projected electricity demand at the time the contract is entered into;

(6) include a collateral requirement sufficient to mitigate the risk of stranded costs;

(7) include provisions requiring implementation of demand-side management operational measures for the purpose of maintaining grid stability and efficiency, including demand response and flexible load management practices, such as load shifting, peak shaving, and the use of distributed energy resources;

(8) include provisions for the collection of gross receipts taxes, energy efficiency charges, and any other fees or charges that may be applicable to electricity revenues; and

(9) meet any other terms or conditions required by the Commission that are consistent with the purpose of this section and in the public interest.

(c) The Commission shall not approve a large load service equity contract unless the Commission first finds that the same will promote the general good of the State.

(d) Before the Commission approves a large load service equity contract as required under this section, the Commission shall find that the terms of the contract:

(1) will not adversely affect the efficiency, reliability, and resilience of the electric power system;

(2) will result in an economic benefit to the State and its residents;

(3) are consistent with the principles for resource selection expressed in the applicable electric distribution company's approved least-cost integrated plan;

(4) are consistent with the Electrical Energy Plan approved by the Department under section 202 of this title, or that there exists good cause to permit a variance;

(5) will ensure that the data center will be served economically by existing or planned transmission facilities without undue adverse effect on Vermont utilities or other retail ratepayer classes; and

(6) are consistent with environmental justice and equity policy as established pursuant to 3 V.S.A. chapter 72.

(e) A data center shall not be eligible to participate in an energy savings account or a customer credit program pursuant to subdivision 209(d)(3)(C) of this title, or a self-managed energy efficiency program pursuant to subsection 209(j) of this title.

#### § 285. ENERGY EFFICIENCY DESIGN

Early in the design development phase of a data center, the owner or operator of a data center shall consult with the efficiency utility appointed by the Public Utility Commission under subdivision 209(d)(2)(A) of this title to ensure compliance with State energy efficiency requirements and best practices.

#### § 286. QUARTERLY AND ANNUAL REPORTS

(a) Data center. Within three months after a data center becomes operational, and in a form and manner determined by the Commission, the data center shall begin submitting quarterly reports to the Commission and the Department of Public Service. Each quarterly report shall include the data center's water and energy usage, including its peak usage per day, and an itemization of the data center's payments toward shared infrastructure constructed to support the data center.

(b) Department. Annually, beginning on or before January 15, 2028, and provided at least one data center has entered into a large load service equity contract pursuant to this subchapter, the Commissioner of Public Service shall include in the Department's annual report published pursuant to subsection 202b(e) of this title findings and recommendations related to the energy, environmental, and economic impacts of data center construction and operation in Vermont, as well as any impactful developments within the region, including any benefits to all ratepayers from electric infrastructure projects undertaken to provide power to one or more data centers.

#### § 287. RULES

In addition to the rules required by this subchapter, the Commission may adopt any other rules it deems necessary to implement and enforce the provisions of this subchapter consistent with its purpose and in the public interest.

#### Sec. 2. APPLICATION

30 V.S.A. chapter 5, subchapter 3 (established in Sec. 1 of this act) shall apply to any data center not operational on the effective date of this act and to

any smaller, traditional data center operational on the effective date of this act to the extent such data center seeks to expand its capacity and meet the threshold requirements of Sec. 1, 30 V.S.A. § 283(1).

Sec. 3. 10 V.S.A. § 6001 is to read:

§ 6001. Definitions

As used in this chapter:

\* \* \*

(3)(A) “Development” means each of the following:

\* \* \*

(xiv) The construction of improvements on a tract or tracts of land for a data center as defined in 30 V.S.A. § 283(1).

Sec. 4. 10 V.S.A. § 6086a is added to read:

§ 6086a. WATER USE; COOLING; PERMITTING; QUALITY

(a) As used in this section:

(1) “Closed-loop cooling system” means a sealed cooling process in which the same water or coolant circulates continuously within a data center’s cooling system without withdrawal of water from municipal public water supplies, groundwater, or surface water and without discharge of wastewater to municipal wastewater systems, groundwater, or surface waters, except for de minimis discharges authorized under a discharge permit issued by the Agency of Natural Resources.

(2) “Data center” has the same meaning as in 30 V.S.A. § 283(1).

(3) “Per- and polyfluoroalkyl substances” or “PFAS” means any chemical substance or mixture containing a chemical substance that structurally contains at least one of the following three substructures:

(A) R-(CF<sub>2</sub>)-CF(R’)R”, where both the CF<sub>2</sub> and CF moieties are saturated carbons;

(B) R-CF<sub>2</sub>OCF<sub>2</sub>-R’, where R and R’ can either be F, O, or saturated carbons; or

(C) CF<sub>3</sub>C(CF<sub>3</sub>)R’R”, where R’ and R” can either be F or saturated carbons.

(b)(1) A data center shall identify to the District Commission reviewing the data center’s application for a permit under 10 V.S.A. chapter 151 how the data center will cool the facility.

(2) If water is used to cool a data center, the data center shall use a closed-loop cooling system to minimize impacts to the quality and quantity of surface water and groundwater unless a District Commission, during review of a permit application under 10 V.S.A. chapter 151, determines that the use of a closed-loop cooling system is not feasible at the proposed data center.

(3) If water is used to cool a data center through a closed-loop cooling system or through another type of cooling system, a data center shall identify where the data center will obtain water to cool the facility and where the cooling water will be discharged.

(c) If a data center proposes to use groundwater to cool the data center, the data center shall obtain a groundwater withdrawal permit under 10 V.S.A. § 1418 for any withdrawal of groundwater by the data center notwithstanding the permitting threshold of withdrawal of more than 57,600 gallons of groundwater a day. A closed-loop cooling system is not exempt from the groundwater withdrawal permit under 10 V.S.A. § 1418(b)(6).

(d) If a data center proposes to use surface water to cool the facility, the data center shall obtain a surface water withdrawal permit pursuant to 10 V.S.A. § 1043. The rules adopted by the Secretary to implement 10 V.S.A. § 1043 shall require a data center to cease withdrawals under drought conditions.

(e)(1) A data center shall obtain all applicable water quality and water resource protection permits from the Agency of Natural Resources, including stormwater, shoreland, stream alteration, direct discharge, surface water withdrawal, groundwater withdrawal, wetland, and river corridor development permits.

(2) A data center shall obtain from the Agency of Natural Resources a water quality certificate that meets the same criteria that the Agency requires to be met to obtain a federal Clean Water Act Section 401 water quality certification as those criteria existed under the Act, 33 U.S.C. §§ 1251–1388, and any regulations adopted thereunder on January 1, 2026.

(f) A data center that discharges wastewater into a surface water of the State shall identify PFAS that may be used in the operation and submit a plan to the Agency of Natural Resources establishing a program that monitors the wastewater discharge from the data center, including monitoring for the presence of PFAS. The monitoring plan shall be approved by the Agency upon a determination that it meets the Vermont water quality standards.

(g) The addition of PFAS to water discharged from a data center shall be prohibited in Vermont.

Sec. 5. REPORT ON REGIONAL RENEWABLE ENERGY MARKET  
CONDITIONS; PUBLIC UTILITY COMMISSION

(a) On or before January 15, 2027, the Public Utility Commission shall prepare a written report on projected regional renewable electric generation market conditions. In developing the report, the Commission shall examine the cost and availability of new regional renewable electric generation resources during the years 2027 through 2035.

(b) In preparing the report, the Commission shall provide an opportunity for written input from interested stakeholders, including retail electricity providers, renewable energy developers, regional transmission organizations, consumer advocates, and any other members of the public. In addition, the Commission may consult with the Department of Public Service and other relevant state, regional, or federal entities, as the Commission deems appropriate. Preparation of the report is not subject to the contested case procedures established under 3 V.S.A. chapter 25.

(c) The Commission shall submit the report to the House Committee on Energy and Digital Infrastructure and the Senate Committees on Finance and on Natural Resources and Energy.

Sec. 6. RECOMMENDATION ON DATA CENTER DECOMMISSIONING

(a) The Commissioner of Public Service, in consultation with the Secretary of Natural Resources, the Chair of the Land Use Review Board, and any other interested stakeholders deemed appropriate by the Commissioner, shall recommend a regulatory model for data center decommissioning. As used in this section, “data center” has the same meaning as in Sec. 1, 30 V.S.A. § 283(1), of this act.

(b) The recommended regulatory model developed pursuant to this section shall ensure responsible data center decommissioning in a manner that protects and preserves the environment and the public health and welfare. The model shall include standards and procedures that address:

(1) approval of a decommissioning plan by the appropriate regulatory entity;

(2) regulatory oversight of the decommissioning process, including through site visits and inspections;

(3) a bond requirement or other financial assurance to ensure a data center is solely responsible for the costs associated with implementation of an approved decommissioning plan;

(4) guidelines for data sanitization, the physical destruction of highly sensitive storage devices, and a documented chain of custody for information technology assets;

(5) guidelines for environmental compliance, hazardous material handling, environmental remediation, and site restoration;

(6) a timeline for commencing and completing the decommissioning process after the abandonment, closure, destruction, or permanent cessation of operations of a data center; and

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

(c) On or before December 15, 2026, the Commissioner shall submit recommendations for a data center decommissioning regulatory model in the form of draft legislation to the House Committees on Energy and Digital Infrastructure and on Environment and the Senate Committees on Finance and on Natural Resources and Energy.

#### Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

**(Committee Vote: 9-0-0)**

### H. 733

An act relating to the regulation of franchise agreements

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

Sec. 1. 11 V.S.A. chapter 15, subchapter 3 is amended to read:

Subchapter 3. Administrative Provisions for Business Organizations

\* \* \*

#### § 1654. FRANCHISE DESIGNATION

(a) As used in this section:

(1) “Filing” means an initial registration, amendment, periodic report, or other filing with the Secretary of State as the Secretary may require.

(2) “Franchisee” and “franchisor” have the same meanings as in 16 C.F.R. § 436.1.

(b) In addition to all other requirements of a person registering with the Secretary of State pursuant to State law, a person doing business in this State as a franchisor or franchisee shall, at the time of a filing:

(1) indicate that the person is operating as a franchisor or franchisee;  
and

(2) provide the name of the franchisor, if the person is operating as a franchisee.

\* \* \*

## Sec. 2. EFFECTIVE DATE

This act shall take effect on January 1, 2027.

and that after passage the title of the bill be amended to read: “An act relating to designating a franchise relationship”

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

## H. 739

An act relating to prohibiting the use and sale of the herbicide paraquat

**Rep. O'Brien of Tunbridge**, for the Committee on Agriculture, Food Resiliency, and Forestry, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

### Sec. 1. FINDINGS

The General Assembly finds that:

(1) Paraquat or paraquat dichloride is a synthetic, nonselective contact herbicide that is a member of the bipyridylum chemical family and that defoliates all vegetation that it touches.

(2) Paraquat was first registered in the United States in 1964, and, in 1978, the U.S. Environmental Protection Agency (EPA) classified all paraquat products as restricted use pesticides because of paraquat's high acute toxicity and potential for poisoning.

(3) Paraquat has been widely used throughout the United States since its classification as a restricted use pesticide, and 24 currently registered pesticide products approved for use in the United States contain paraquat.

(4) The Pesticide Action Network's 2024 Consolidated List of Banned Pesticides identifies 72 countries as banning the use of paraquat, including Brazil, China, Malaysia, Peru, Saudi Arabia, South Korea, Turkey, and Vietnam.

(5) The European Union banned paraquat in 2007 after a court determined that the relevant regulatory body had failed to apply proper procedures for evaluation of the herbicide and that the regulatory body was not

properly thorough in its assessments of paraquat's effects on human and animal health.

(6) Multiple studies by the National Institutes of Health have demonstrated that paraquat exposure substantially increases the risk of Parkinson's disease in those exposed to the herbicide.

(7) Studies by the National Institutes of Health and others have linked exposure to paraquat to increased risk of non-Hodgkin lymphoma and childhood leukemia.

(8) In 2021, as part of a product registration review of paraquat required under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the EPA issued an interim decision approving the continued registration of paraquat for use in the United States, despite multiple public comments objecting to approval and significant scientific evidence regarding the potential health effects of paraquat exposure.

(9) Multiple parties subsequently moved to challenge the EPA interim decision authorizing the continued registration and use of paraquat. In particular, the challenging parties contested the EPA's assessment of the increased risk of Parkinson's disease due to exposure to paraquat from volatilization during use.

(10) In January 2025, after a petition from the EPA, a court allowed the EPA to withdraw the interim registration approval for paraquat so that the EPA may reconsider its initial conclusion concerning the potential for paraquat to volatilize and to determine whether paraquat continues to meet FIFRA's registration standard.

(11) In October 2025, the EPA issued a memorandum titled *PARAQUAT: Review of the Volatilization Potential of Paraquat from Field Uses* and determined that there is a greater uncertainty regarding the potential for paraquat to volatilize than previously understood. The EPA concluded that more data is needed to understand the risk paraquat poses to bystanders.

(12) The EPA's reevaluation of the risks of paraquat may take years, and the EPA's withdrawal of the interim registration and further evaluation does not prohibit the continued use of paraquat during that review period.

(13) Instead of waiting for EPA action on whether or how to use paraquat, the State of Vermont should ban the use of paraquat in order to protect Vermonters from the known, significant health effects of exposure to paraquat.

Sec. 2. 6 V.S.A. § 1105d is added to read:

§ 1105d. USE AND SALE OF PARAQUAT; REPORT

(a) Definition. As used in this section, “paraquat” means an herbicide:

(1) known as paraquat, with the chemical name 1,1'-Dimethyl-4,4'-bipyridinium ion and the Chemical Abstracts Service (CAS) registry number 4685-14-7;

(2) known as paraquat dichloride, with the chemical name 1,1'-Dimethyl-4,4'-bipyridinium dichloride and the CAS registry number 1910-42-5;

(3) known as paraquat dimethyl sulfate, with the chemical name 1,1'-Dimethyl-4,4'-bipyridinium dimethyl sulfate and the CAS registry number 2074-50-2; or

(4) known as paraquat, with the chemical name 1,1'-Dimethyl-4,4'-bipyridinium ion and all salts thereof.

(b) Prohibition. No person shall sell, use, or apply paraquat except when authorized by the Secretary of Agriculture, Food and Markets under subsection (c) of this section.

(c) Authorized use. The Secretary may issue a written permit for the sale, use, or application of paraquat within fruit-producing tree orchards only on or before November 1, 2030. The Secretary shall ensure that any authorized certified applicator of paraquat has received all training required by the Environmental Protection Agency and the Agency of Agriculture, Food and Markets not more than one year prior to receiving a permit for authorized use of paraquat. A written exemption order under this subsection shall:

(1) not be valid for more than three years or until November 1, 2030, whichever comes first; and

(2) specify the paraquat, uses, and crops or plants to which the permit applies; the date the permit takes effect; the permit's duration; and the permit's geographic scope, which may include specific farms, fields, or properties.

(d) Reporting. The Secretary shall report annually on all data regarding any use of paraquat in the State. The report shall include the amount of paraquat used and the date and location where the paraquat was used. The Secretary shall submit the report to the House Committee on Agriculture, Food Resiliency, and Forestry and the Senate Committee on Agriculture on or before December 15 of each year.

Sec. 3. ALTERNATIVES TO PARAQUAT; STUDY; REPORT

The Agricultural Innovation Board shall study and report on recommendations for alternatives to the use of paraquat for farmers. The report shall include pesticide alternatives to paraquat, recommendations for practices that reduce the use of and exposure to paraquat, and methods and standards for transitioning farmers to practices that reduce paraquat usage. The report shall also include recommendations for alternative pesticides to paraquat and alternative farming practices to reduce the usage of paraquat in the event paraquat becomes unavailable due to regulatory or commercial action prior to November 1, 2030. On or before January 15, 2027, the Agricultural Innovation Board shall submit the report to the House Committee on Agriculture, Food Resiliency, and Forestry and the Senate Committee on Agriculture.

Sec. 4. EFFECTIVE DATES

(a) This section and Sec. 3 (alternatives to paraquat; study; report) shall take effect on July 1, 2026.

(b) All other sections shall take effect on November 1, 2026.

**(Committee Vote: 8-0-0)**

**H. 775**

An act relating to creating tools for housing production

**Rep. Charlton of Chester**, for the Committee on General and Housing, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Special Assessment Bonds \* \* \*

Sec. 1. 24 V.S.A. § 3257 is added to read:

§ 3257. SPECIAL ASSESSMENT BONDS

(a) Upon approval of the legislative body of the municipality and subject to subsection (c) of this section, a municipality may issue revenue bonds for the purpose of financing a public improvement for the benefit of the limited area of the municipality to be served by the improvement. A revenue bond issued under this section is issued for an essential and governmental purpose.

(b) A revenue bond issued pursuant to this section shall be payable solely and exclusively from the special assessments levied on the properties to be served by the improvement and shall not constitute general indebtedness of the municipality. No holder of a bond issued under this section shall have the

right to compel any exercise of the taxing power of the municipality to pay on the bond.

(c) The municipality may issue a revenue bond pursuant to this section only if one or more of the following conditions are met:

(1) one of the following entities provides a commitment letter for the issuance:

(A) the Vermont Bond Bank;

(B) a bank regulated by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the Federal Reserve Board; or

(C) a credit union regulated by the National Credit Union Administration; or

(2) a nationally recognized statistical rating organization that has an active U.S. public finance practice rates the issuance at a minimum credit rating of BBB or equivalent.

\* \* \* Vermont Housing Special Fund \* \* \*

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

§ 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL INVESTMENTS

(a)(1) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9, the Vermont State Treasurer shall have the authority to establish on terms acceptable to the Treasurer:

(A) a credit facility of up to ~~40~~ 12.5 percent of the State's average cash balance ~~on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b) (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9; and~~

(B) a credit facility of up to one percent of the State's average cash balance, provided that the credit facility established under subdivision (A) of this subdivision (1) shall be reduced by an equal amount to any credit facility amount established under this subdivision (B).

(2) The credit facility established in subdivision (1)(B) of this subsection may be used only to facilitate housing development through the

bulk purchasing of off-site constructed housing and to aid in the purchase of off-site constructed housing units.

(3) Financial losses of the credit facility established in subdivision (1)(B) of this subsection shall be repaid from the Vermont Housing Special Fund established in section 12 of this title.

(b) The Treasurer may use amounts available under subsection (a) of this section to provide financing for infrastructure projects in Vermont mobile home parks and may modify the terms of such financing in the Treasurer's discretion as is necessary to promote the availability of mobile home park housing and to protect the interests of the State.

(c) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, and in addition to the provisions of subsection (a) ~~on~~ of this section, the Vermont State Treasurer shall have the authority to establish a credit facility of up to two and one-half percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b) ~~(e)~~ 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9. The Treasurer may use amounts available under this subsection only to provide financing for climate infrastructure and resilience projects and may modify the terms of such financing in the Treasurer's discretion as is necessary to protect the ~~interest~~ interests of the State.

(d) Annually, on or before November 15, the Treasurer shall submit a report detailing the activities, financing, and accounting of any credit facilities created pursuant to subsection (c) of this section during the preceding calendar year to the Governor; the House Committees on Appropriations, on Commerce and Economic Development, and on Ways and Means; and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Finance.

(e) The Treasurer shall retain any interest paid on loans authorized under this section. Interest funds shall be transferred upon receipt to the Vermont Housing Special Fund established in section 12 of this title.

Sec. 3. 10 V.S.A. § 12 is added to read:

§ 12. VERMONT HOUSING SPECIAL FUND

(a) There is established the Vermont Housing Special Fund to be administered by the State Treasurer in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) The Fund shall consist of the following:

- (1) any monies appropriated to the Fund by the General Assembly;
- (2) any monies transferred to the Fund from the federal government, State agencies, or other governmental sources; and
- (3) any interest paid on loans authorized pursuant to section 10 of this title.

(c)(1) The Treasurer shall use funds under this section to provide capital for housing projects in Vermont that, in the Treasurer's discretion, are necessary to promote the increased availability of housing, including the bulk purchasing of off-site constructed housing as authorized in subdivision 10(a)(2) of this title. This capital may be provided on terms acceptable to the Treasurer, including in the form of grants, interest-free loans, or the investment of equity stakes in housing projects.

(2) The Treasurer may use funds to pay the administrative costs necessary to support the credit facilities created in section 10 of this title.

(d)(1) The Treasurer shall credit to the Fund all interest and income derived from the deposit and investment of monies in the Fund.

(2) Any unexpended and unencumbered monies at the end of a fiscal year shall remain in the Fund.

\* \* \* Off-Site Construction Accelerator Pilot \* \* \*

#### Sec. 4. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

(a) The Agency of Commerce and Community Development in collaboration with the Department of Buildings and General Services shall develop a pilot demonstration project and study that explores the possibilities of reducing housing development costs through modular construction.

(b) The pilot will consider the following elements:

(1) bulk purchasing for a single development or aggregation of multiple developments;

(2) streamlining regulatory processes by creating preapproved modular designs;

(3) creating a loan loss reserve for construction loans;

(4) off-site construction, including panelized or volumetric modular construction;

(5) establishing a statewide procurement consortium for bulk orders of modular units and materials;

(6) aligning State and local permitting; and

(7) the creation and adoption of off-site building codes.

(c)(1) As part of the pilot, the Agency shall work with the Office of the State Treasurer to identify the feasibility of the State providing a guarantee or other device to facilitate bulk purchasing of the off-site construction of homes.

(2) Prior to distributing any funds under this subsection, the Treasurer shall consult with the Department of Housing and Community Development, the Vermont State Housing Authority, the Vermont Housing Finance Agency, and the Vermont Housing and Conservation Board.

(d) The pilot shall occur in one or more municipalities willing to participate in the regulatory reforms necessary to implement the process and accept the constructed homes.

(e) A municipal planning grant shall be made available to the participating municipalities to assist in enacting the necessary regulatory reforms.

(f) On or before November 15, 2028, the Agency shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action based on the success of the pilot. The report shall include information on whether to enact a statewide building code or codes for off-site construction.

\* \* \* VHIP \* \* \*

Sec. 5. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

(1) The Department of Housing and Community Development shall design and implement the Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization and accessibility improvements, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans. The Department may authorize partnership organizations to advance funding at the beginning of a project as part of an award.

\* \* \*

\* \* \* Vermont Economic Development Authority \* \* \*

Sec. 6. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter:

\* \* \*

(6) “Eligible facility” or “eligible project” means any industrial, commercial, or agricultural enterprise or endeavor approved by the Authority used in a trade or business whether or not such business is operated for profit, including land and rights in land, air, or water; buildings; structures; machinery; and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of State, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to housing unless otherwise authorized in this chapter. Such enterprises or endeavors may include:

\* \* \*

(S) After consultation with and deference to the Vermont Housing Finance Agency on applications that are eligible for financing from both the Authority and the Agency, financing for one or more of the following types of long-term care facilities licensed by the State pursuant to 33 V.S.A. chapter 71 and other applicable law, and any independent living facility, as defined in 32 V.S.A. § 9202(18), associated with the licensed facility:

- (i) an assisted living residence;
- (ii) a home for the terminally ill;
- (iii) a nursing home;
- (iv) a residential care home; and
- (v) a therapeutic community residence.

(T) Any capital improvement; purchase of receivables, property, assets, commodities, bonds, or other revenue streams or related assets; working capital program or liability; or other insurance program.

(U) After consultation with, and with deference to, the Vermont Housing Finance Agency on applications that are eligible for financing from both the Authority and the Agency, multiunit housing developments of five or more units when requested by, and jointly financed with, a financing lender,

except that the Authority shall not finance housing developments that utilize funding issued by the Agency.

\* \* \*

\* \* \* Municipal Plans \* \* \*

Sec. 7. 24 V.S.A. § 4388 is added to read:

§ 4388. PLANNING FOR HOUSING TARGETS

(a) A municipality shall:

(1) include within the housing element of a municipal plan an identification and analysis of existing and projected housing needs for the projected population of the jurisdiction, including the housing needs for individuals with a disability, and provide regulations that allow for the rehabilitation, improvement, or development of the number of housing units needed, as identified in the land use plan and future land use map; or

(2) if the municipality cannot meet the regional housing targets developed pursuant to subdivision 4348a(a)(9) of this title, provide to the Department of Housing and Community Development an analysis of regulatory and physical constraints preventing the municipality from developing sufficient housing to meet the regional housing targets, including:

(A) a quantification of the jurisdiction's existing and projected needed housing types, including location, age, condition, and occupancy required to accommodate existing and estimated population projections;

(B) an inventory of sites, including zoned, unzoned, vacant, underutilized, and potential redevelopment sites, available to meet the jurisdiction's needed housing types;

(C) an analysis of any constraints to housing development, such as zoning, development standards, and infrastructure needs and capacity, and the identification of market-based incentives that may affect or encourage the development of needed housing types; and

(D) a detailed description of what actions the jurisdiction may take to accommodate the projected needed housing types identified in subdivision (A) of this subdivision (2), including:

(i) updates to specific zoning or municipal bylaw provisions or maps; and

(ii) updates to specific infrastructure, including municipal water and sewer capacity.

(b) The housing element of the municipal plan may incorporate by reference any information or policies identified in other housing needs assessments adopted by the governing body, identified in the regional plan, or published in the Statewide Housing Needs Assessment published by the Department of Housing and Community Development in accordance with subdivision 4348a(a)(9) of this title.

(c) The amount of detail provided in the analysis beyond the minimum criteria established in this section is at the discretion of the legislative body.

\* \* \* Positions \* \* \*

#### Sec. 8. POSITIONS

Two new permanent, full-time Grants Management Specialist Housing and Community Development classified positions are created within the Department of Housing and Community Development.

\* \* \* Effective Date \* \* \*

#### Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

#### **(Committee Vote: 10-0-1)**

**Rep. Kimbell of Woodstock**, for the Committee on Ways and Means, recommends that report of the Committee on General and Housing be amended as follows:

First: In Sec. 2, 10 V.S.A. § 10, by striking out subdivision (a)(3) in its entirety.

Second: In Sec. 2, 10 V.S.A. § 10, by striking out subsection (e) in its entirety.

Third: By striking out Sec. 3, 10 V.S.A. § 12, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. [Deleted.]

Fourth: In Sec. 7, 24 V.S.A. § 4388, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) A municipality shall:

(1) include within the housing element of a municipal plan an identification and analysis of existing and projected housing needs of the jurisdiction, including the housing needs for individuals with a disability, as identified in the land use plan and future land use map; or

(2) if the municipality cannot meet the regional housing targets developed pursuant to subdivision 4348a(a)(9) of this title, provide to the Department of Housing and Community Development an analysis of regulatory and physical constraints preventing the municipality from developing sufficient housing to meet the regional housing targets, including:

(A) a quantification of the jurisdiction's existing and projected needed housing types;

(B) an analysis of any constraints to housing development, such as zoning, development standards, and infrastructure needs and capacity, and the identification of market-based incentives that may affect or encourage the development of needed housing types; and

(C) a description of what actions the jurisdiction may take to accommodate the projected needed housing types identified in subdivision (A) of this subdivision (2), including:

(i) updates to specific zoning or municipal bylaw provisions or maps; and

(ii) updates to specific infrastructure, including municipal water and sewer capacity.

**(Committee Vote: 9-2-0)**

**Rep. Dickinson of St. Albans Town**, for the Committee on Appropriations, recommends that the bill be amended as recommended by the Committee on General and Housing, when further amended as recommended by the Committee on Ways and Means, and when further amended by striking out Sec. 8, Positions, in its entirety and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. [Deleted.]

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

## **H. 817**

An act relating to mental health support and substance use disorder prevention in schools

**Rep. Berbeco of Winooski**, for the Committee on Health Care, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. § 7209 is added to read:

§ 7209. MENTAL HEALTH LITERACY AND PEER SUPPORT

INITIATIVES

(a) Purpose. This section aims to strengthen protective factors among Vermont's youth, increase mental health literacy within school communities, and expand access to developmentally appropriate peer-to-peer initiatives that promote early identification of mental health challenges.

(b) Mental health literacy training.

(1) To the extent funds are available, a public school may apply to the Department of Mental Health or designee for a grant to provide mental health literacy training to educators and other school personnel. Mental health literacy training shall include topics related to working with youth in an educational setting, such as:

(A) information about mental health conditions and symptoms;

(B) understanding common youth mental health and substance use challenges;

(C) reducing stigma and promoting supportive school environments;

(D) strengthening protective factors and help-seeking behaviors;

(E) recognizing risk factors and warning signs;

(F) responding to students with empathy and appropriate boundaries;

(G) information about mental health treatments; and

(H) accessing mental health resources or services throughout the State.

(2) This section shall not be construed to require the adoption of a specific curriculum or instructional content.

(c) Peer-to-peer mental health support.

(1) A school, afterschool program, or youth mentoring agency may establish a peer-to-peer mental health program that:

(A) provides structured opportunities for student peer connection in a supervised school or afterschool setting;

(B) is overseen by an adult, who is not required to be a licensed, certified, or rostered mental health professional under title 26; and

(C) emphasizes school and community-based resources and how to access professional services when additional support is needed.

(2) The Department of Mental Health shall provide oversight and guidance to any school, afterschool program, or youth mentoring agency seeking to establish or maintain a peer-to-peer mental health program pursuant to this subsection, including qualifications of the adult overseeing the peer-to-peer mental health support program.

(3) A peer-to-peer program established pursuant to this subsection shall be supportive and nonclinical. It shall not replace mental health services provided by a mental health professional licensed, certified, or rostered pursuant to title 26.

(d)(1) Developmentally appropriate guidance. For any mental health literacy or peer-to-peer support programs established pursuant to this section, the Department of Mental Health shall develop age-appropriate guidance:

(A) for elementary school-aged youth, that emphasizes social and emotional development, peer connection, and strengthening protective factors; and

(B) for middle and high school-aged youth, that emphasizes protective factors, reducing stigma, and supporting students in recognizing and appropriately responding to risk factors and warning signs associated with mental health and substance use challenges, including co-occurring challenges.

(2) As used in this subsection, “guidance” means defining and disseminating best practices in a written format.

(e) Reporting. Annually, on or before January 15, the Department of Mental Health shall submit a written report to the House Committee on Health Care and to the Senate Committee on Health and Welfare evaluating the effectiveness of programming established pursuant to this section, including aggregated information on:

(1) the number of schools, afterschool programs, and youth mentoring agencies requesting and receiving the Department’s support;

(2) the number of students, educators, and school personnel participating in programming pursuant to this section; and

(3) findings and recommendations regarding mental health literacy and peer-to-peer programming.

## Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

and that after passage the title of the bill be amended to read: “An act relating to mental health literacy and peer-to-peer supports in schools”

**(Committee Vote: 10-0-1)**

**H. 861**

An act relating to establishing an Americans with Disabilities Act Coordinator

**Rep. Burrows of West Windsor**, for the Committee on General and Housing, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. chapter 45 is amended to read:

CHAPTER 45. ADMINISTRATION

\* \* \*

Subchapter 7. Americans with Disabilities Act Coordinator

§ 2331. AMERICANS WITH DISABILITIES ACT COORDINATOR

(a) There is created the permanent position of the Americans with Disabilities Act Coordinator within the Agency of Administration for the purpose of coordinating, across State government and in collaboration with agency partners, all State programs, services, and activities, accessible to and available for individuals with disabilities.

(b) The Coordinator shall be an individual with the lived experience of a disability and shall have completed a recognized Americans with Disabilities Act coordinator certificate program. The Coordinator shall have comprehensive knowledge of the Americans with Disabilities Act, 42 U.S.C. §§ 12101–12213, section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and any related federal and State disability rights law. The Coordinator shall be familiar with the structure, programs, services, and personnel of State government and with alternative communication formats and assistive technologies.

(c) In hiring for the Coordinator position, the Secretary of Administration shall consider only those candidates nominated by the following entities:

- (1) the Human Rights Commission;
- (2) Disability Rights Vermont;
- (3) the Vermont Coalition for Disability Rights; and
- (4) the Vermont Center for Independent Living.

(d) The Coordinator shall:

(1) work directly with State agencies and departments to advance, coordinate, and monitor statewide compliance efforts;

(2) act as a consultant for State employees, boards, and executive, legislative, and judicial leadership;

(3) ensure communications with individuals with disabilities are as effective as those with individuals without disabilities, giving primary consideration to the individual's preferred method of communication;

(4) educate State employees on their legal obligations, disability access requirements, ableism, and prevention initiatives;

(5) audit programs, facilities, and activities for ongoing compliance;

(6) oversee self-evaluation processes throughout State government to identify and correct violations;

(7) monitor federally required transition plans to ensure timely completion of structural accessibility and improvement;

(8) provide federally required public notice of rights under the Americans with Disabilities Act and provide contact information for a governmental entity's coordinator;

(9) maintain collaborative relationships with disability advocacy organizations and stakeholders; and

(10) facilitate partnerships among governmental departments and disability advocacy organizations to align policies, programs, and implementation strategies that support compliance with the Americans with Disabilities Act and accessible services.

(e) The Coordinator shall have the administrative, legal, and technical support of the Agency of Administration.

## Sec. 2. APPROPRIATION; AMERICANS WITH DISABILITIES ACT

### COORDINATOR

In fiscal year 2027, \$150,000.00 is appropriated from the General Fund to establish the Americans with Disabilities Coordinator position established in 3 V.S.A. § 2331.

## Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

**(Committee Vote: 10-0-1)**

## Favorable

### H. 921

An act relating to alcoholic beverages

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

**Rep. Burkhardt of South Burlington**, for the Committee on Ways and Means, recommends that the bill ought to pass.

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

## 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 #3273:** \$29,303,666.00 to the Public Service Department, Office of Economic Opportunity from the U.S. Department of Energy. The Home Energy Rebate Program funds will be used to weatherize low-

income homes. The first-year distribution is \$14,133.00 with subsequent yearly awards through May 31, 2029, for a total of \$29,303,666.00. *[Received March 9, 2026]*