House Calendar

Thursday, May 14, 2026

129th DAY OF THE ADJOURNED SESSION

House Convenes at 1:00 PM

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ORDERS OF THE DAY

ACTION CALENDAR

Action Postponed Until Thursday, May 14, 2026

Favorable with Amendment

S. 208

An act relating to standards for law enforcement identification

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

Sec. 1. 20 V.S.A. § 2373 is added to read:

§ 2373. STATEWIDE MODEL POLICY; LAW ENFORCEMENT IDENTIFICATION STANDARDS

(a) As used in this section:

(1) "Facial covering" means any opaque mask, garment, disguise, or other item that conceals or obscures the facial identity of an individual, including a balaclava, gaiter mask, ski mask, and other similar types of facial coverings.

(2) "Law enforcement agency" has the same meaning as in section 2351a of this title.

(3) "Law enforcement officer" has the same meaning as in section 2351a of this title.

(b) On or before July 1, 2027, the Law Enforcement Advisory Board shall establish a model statewide policy governing the standards for law enforcement identification and the wearing of facial coverings applicable to law enforcement officers to ensure consistent statewide application of the standards.

(c) On or before October 1, 2027, every law enforcement agency shall adopt a policy consistent with the model statewide policy developed by the Law Enforcement Advisory Board pursuant to subsection (b) of this section. If a law enforcement agency or law enforcement officer who is not employed by a law enforcement agency fails to adopt a policy pursuant to this section, the agency or officer shall be deemed to have adopted the model statewide policy developed by the Law Enforcement Advisory Board.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-5-0)

S. 212

An act relating to potable water supply and wastewater system connections

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

Sec. 1. 10 V.S.A. § 1971 is amended to read:

§ 1971. PURPOSE

It is the purpose of this chapter to:

(1) establish a comprehensive program to regulate the construction, replacement, modification, and operation of potable water supplies and wastewater systems in the State in order to protect human health and the environment, including potable water supplies, surface water, and groundwater;

* * *

(6) allow ~~delegation of the permitting program created by this chapter to municipalities demonstrating the capacity to administer the chapter~~ review of potable water supply and wastewater system connections pursuant to general permits adopted under this chapter.

Sec. 2. 10 V.S.A. § 1972 is amended to read:

§ 1972. DEFINITIONS

~~For the purposes of~~ As used in this chapter:

* * *

(6) "Potable water supply" means the source, treatment, and conveyance equipment used to provide water used or intended to be used for human consumption, including drinking, washing, bathing, the preparation of food, or laundering. This definition includes a service connection to a public water system of any size. This definition does not include any internal piping or plumbing, except for mechanical systems, such as pump stations and storage tanks or lavatories, that are located inside a building or structure and that are integral to the operation of a potable water system. This definition also does

not include a potable water supply that is subject to regulation under chapter 56 of this title.

* * *

(10) "Wastewater system" means any piping, pumping, treatment, or disposal system used for the conveyance and treatment of sanitary waste or used water, including carriage water, shower and wash water, and process wastewater. This definition does not include any internal piping or plumbing, except for mechanical systems, such as pump stations and storage tanks or toilets, that are located inside a building or structure and that are integral to the operation of a wastewater system. This definition also does not include wastewater systems that are used exclusively for the treatment and disposal of animal manure. In this chapter, "wastewater system" refers to a soil-based disposal system of less than 6,500 gallons per day, or a ~~sewerage~~ sanitary sewer collection system connection of any size.

Sec. 3. 10 V.S.A. § 1973 is amended to read:

§ 1973. PERMITS

(a) Except as provided in this section and sections 1974 and 1978 of this title, a person shall obtain a permit from the Secretary before:

* * *

(7) making a new or modified connection to a new or existing potable water supply or wastewater system; or

* * *

(f)~~(1)~~ The Secretary shall give deference to a certification by a licensed designer with respect to the engineering design or judgment exercised by the designer in order to minimize Agency review of certified designs. Nothing in this section shall limit the responsibility of the licensed designer to comply with all standards and rules, or the authority of the Secretary to review and comment on design aspects of an application or to enforce Agency rules with respect to the design or the design certification.

~~(2) The Secretary shall issue a permit for a new or modified connection to a water main and a sewer main or indirect discharge system from a building or structure in a designated downtown development district upon submission of an application under subsection (b) of this section that consists solely of the certification of a licensed designer, in accordance with subsection (d) of this section, and a letter from the owner of the water main and sewer main or indirect discharge system allocating the capacity needed to accommodate the~~

~~new or modified connection. However, this subdivision (2) shall not apply if the Secretary finds one of the following:~~

~~(A) The Secretary has prohibited the system that submitted the allocation letter from issuing new allocation letters due to a lack of capacity.~~

~~(B) As a result of an audit of the application performed on a random basis or in response to a complaint, the system is not designed in accordance with the rules adopted under this chapter.~~

* * *

(k)(1) The Secretary shall adopt a general permit for both potable water supply and wastewater system connections that require a permit under this chapter. Under the general permit, the Secretary may give deference to applications for connections certified by a licensed designer. The Secretary shall publish a manual providing guidance to licensed designers implementing the general permit for potable water supply or wastewater system connections. The manual shall include guidance for determining or defining the capacity of a public water system or pollution abatement facility for purposes of approving a potable water supply or wastewater system connection.

(2) The Secretary may adopt a general permit under this chapter for the subdivision of land when no building, structure, or campground exists on or is proposed for the property at the time of subdivision.

(3) The Secretary may adopt a general permit under this chapter for boundary line adjustments for improved or unimproved lots.

(4) The Secretary may adopt a general permit for the permitting under this chapter of potable water supply systems with a design flow of less than 1,000 gallons per day when there is no requirement for any variance, hydrogeologic analysis, or yield testing of a potable water source.

(5) The Secretary may adopt a general permit for the permitting under this chapter of wastewater systems that:

(A) have a design flow of less than 1,000 gallons per day; and

(B) do not require a variance, a hydrogeologic analysis, or innovative or alternative technologies unless such technologies are allowed by the Secretary.

Sec. 4. 10 V.S.A. § 1976 is amended to read:

§ 1976. DELEGATION OF CONNECTION PERMITTING AUTHORITY TO MUNICIPALITIES

(a)(1) ~~The Secretary may delegate to a municipality authority to:~~

~~(A) implement all sections of this chapter, except for sections 1975 and 1978 of this title; or~~

~~(B) implement permitting under this chapter for the subdivision of land, a building or structure, or a campground when the subdivision, building or structure, or campground is served by sewerage connections and water service lines, provided that:~~

~~(i) the lot, building or structure, or campground utilizes both a sanitary sewer service line and a water service line; and~~

~~(ii) the water main and sanitary sewer collection line that the water service line and sanitary sewer service line are connected to are owned and controlled by the delegated municipality.~~

~~(2) If a municipality submits a written request for delegation of this chapter, the Secretary shall delegate authority to the municipality to implement and administer provisions of this chapter, the rules adopted under this chapter, and the enforcement provisions of chapter 201 of this title relating to this chapter, provided that the Secretary is satisfied that the municipality:~~

~~(A) has established a process for accepting, reviewing, and processing applications and issuing permits, that shall adhere to the rules established by the Secretary for potable water supplies and wastewater systems, including permits, by rule, for sewerage connections;~~

~~(B) has hired, appointed, or retained on contract, or will hire, appoint, or retain on contract, a licensed designer to perform technical work that must be done by a municipality under this section to grant permits;~~

~~(C) will take timely and appropriate enforcement actions pursuant to the authority of chapter 201 of this title;~~

~~(D) commits to reporting annually to the Secretary on a form and date determined by the Secretary;~~

~~(E) will only issue permits for water service lines and sanitary sewer service lines when there is adequate capacity in the public water supply system source, wastewater treatment facility, or indirect discharge system; and~~

~~(F) will comply with all other requirements of the rules adopted under section 1978 of this title~~ The Secretary may delegate to a municipality authority to conduct technical review of proposed projects that include both municipal potable water supply and municipal wastewater system connections that require a permit under this chapter, provided that the water main and sanitary sewer collection line that the water service line and sanitary sewer

service line are connected to are owned and controlled by the delegated municipality. A municipality that is delegated authority under this section shall incorporate the requirements of the Secretary's general permit for potable water supply and wastewater system connections into a municipal connection approval, including deference to applications for connections certified by a licensed designer.

(2) If a municipality submits a request for delegation of authority under this subsection, the Secretary shall delegate authority to the municipality to implement and administer the provisions of this chapter governing municipal potable water supply and wastewater system connections, provided that the municipality:

(A) is qualified to perform the technical review as determined by the Secretary;

(B) receives authorization from the municipal legislative body to administer a program for review of potable water supply and wastewater system connections;

(C) meets any other requirement for the delegation program as adopted by the Secretary in writing;

(D) shall only issue permits for water service lines and sanitary sewer service lines when there is adequate capacity in the public water system, wastewater treatment facility, or indirect discharge system;

(E) submits required documentation of the permitted project as determined by the Secretary; and

(F) complies with the requirements for connection and all requirements of the Agency's rules adopted under section 1978 of this title.

* * *

(f) The Secretary may review municipal implementation of this section on a random basis, or in response to a complaint, or on ~~his or her~~ the Secretary's own motion. This review may include consideration of the municipal implementation itself, as well as consideration of the practices, testing procedures employed, systems designed, system designs approved, installation procedures used, and any work associated with the performance of these tasks.

Sec. 5. 3 V.S.A. § 2822 is amended to read:

§ 2822. BUDGET AND REPORT; POWERS

* * *

(i) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall pay fees prescribed in subdivisions (j)(2), (10), (11), (12), and (26) of this section, except that a municipality shall also be exempt from those fees for stormwater systems prescribed in subdivisions (j)(2)(A)(iii)(I), (II), or (IV) and (j)(2)(B)(iv)(I), (II), or (V) of this section for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264. Municipalities that conduct a technical review or approval of a potable water supply or wastewater system connection permitted under 10 V.S.A. § 1976 within the municipality may charge a fee for the cost of municipal services, provided that the municipality shall pay an administrative processing fee of $100.00 for submission to the Secretary of Natural Resources of documentation of the municipally permitted project.

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

* * *

(4) For potable water supply and wastewater permits issued under 10 V.S.A. chapter 64. Projects under this subdivision include: a wastewater system, including a sewerage connection; and a potable water supply, including a connection to a public water supply:

(A) Original applications, or major amendments for a project that is not a potable water supply or wastewater system connection with the following proposed design flows. In calculating the fee, the highest proposed design flow whether wastewater or water shall be used:

(i) design flows 560 gpd or less: $306.25 per application;

(ii) design flows greater than 560 and less than or equal to 2,000 gpd: $870.00 per application;

(iii) design flows greater than 2,000 and less than or equal to 6,500 gpd: $3,000.00 per application;

(iv) design flows greater than 6,500 and less than or equal to 10,000 gpd: $7,500.00 per application; or

(v) design flows greater than 10,000 gpd: $13,500.00 per application.

(B) Minor amendments: $150.00.

(C) Minor projects: $270.00.

As used in this subdivision (j)(4)(C), "minor project" means a project that meets the following: there is an increase in design flow but no construction is required; there is no increase in design flow but construction is required, excluding replacement potable water supplies and wastewater systems; or there is no increase in design flow and no construction is required, excluding applications that contain designs that require technical review.

(D) ~~Notwithstanding the other provisions of this subdivision, when a project is located in a Vermont neighborhood, as designated under 24 V.S.A. chapter 76A, the fee shall be no more than $50.00 in situations in which the application has received an allocation for sewer capacity from an approved municipal system. This limitation shall not apply in the case of fees charged as part of a duly delegated municipal program.~~ [Repealed.]

(E) Original applications or major amendments for coverage under a potable water supply and wastewater system connection general permit issued under 10 V.S.A. § 1973(k)(1), the following fee according to the highest proposed design flow of wastewater or water for the connection:

(i) design flows below 2,000 gpd: $250.00 per application;

(ii) design flows of between 2,000 gpd and 6,500 gpd: $2,500.00 per application; or

(iii) design flows greater than 6,500 gpd: $5,000.00 per application.

* * *

Sec. 6. IMPLEMENTATION; REPEAL OF EXEMPTIONS IN RULE

(a) On or before December 1, 2027, the Secretary of Natural Resources shall publish the general permit and manual required under 10 V.S.A. § 1973(k)(1) for potable water supply or wastewater system connections.

(b) Beginning on January 1, 2028, the Secretary of Natural Resources shall begin to accept certifications of the connections of potable water supplies and wastewater systems under the general permit required by 10 V.S.A. § 1973(k)(1).

(c)(1) The following provisions of the Department of Environmental Conservation's Wastewater System and Potable Water Supply Rules shall be repealed on January 1, 2028:

(A) subdivisions 1-304(15) and (16) (modification of design flows of a wastewater system or potable water supply serving an existing building or structure);

(B) subdivision 1-603(2) (related to full delegation of permitting to municipalities); and

(C) subdivisions 1-603(8), (9), and (10) (related to recordkeeping by fully delegated municipalities).

(2) References in chapter 6 of the Department of Environmental Conservation's Wastewater System and Potable Water Supply Rules related to full delegation to municipalities of permitting potable water and wastewater system connections are no longer applicable or enforceable due to the repeal of statutory authority for full delegation.

Sec. 7. 10 V.S.A. § 1263 is amended to read:

§ 1263. DISCHARGE PERMITS

(a) Any person who intends to discharge waste into the waters of the State or who intends to discharge into an injection well or who intends to discharge into any publicly owned treatment works any waste that interferes with, passes through without treatment, or is otherwise incompatible with that works or would have a substantial adverse effect on that works or on water quality, or is required to apply for a CAFO permit, shall make application to the Secretary for a discharge permit. Application shall be made on a form prescribed by the Secretary. An applicant shall pay an application fee in accordance with 3 V.S.A. § 2822.

* * *

(k)(1) The Secretary may enter into an agreement with the owner of a POTW to delegate to the owner of the POTW authority under this title to regulate pretreatment discharges to the POTW. An agreement entered into by the Secretary under this subsection shall authorize the owner of the POTW to regulate and enforce pretreatment discharges to the POTW consistent with the authority set forth in 40 C.F.R. Part 40, including the establishment of applicable civil, criminal, or administrative penalties for the violation of pretreatment standards or requirements. The owner of a POTW that the Secretary enters into an agreement with under this subsection may, as part of the agreement, set application fees and other fees necessary for the regulation of a pretreatment discharge to the POTW. The Environmental Division shall

have the same jurisdiction to review the actions of the owner of the POTW delegated pretreatment authority by an agreement under this subsection and to hear appeals as the Environmental Division's jurisdiction over the Secretary's actions. The jurisdiction of the Environmental Division shall be construed broadly with respect to review of the actions of an owner of a POTW delegated pretreatment authority under this subsection.

(2) As used in this subsection:

(A) "Pretreatment" means the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater prior to or in lieu of discharging or otherwise introducing pollutants into a POTW. Pretreatment includes those processes or technologies authorized under 40 C.F.R. § 403.3(s).

(B) "Pretreatment discharge" means the introduction of pollutants into a POTW from any nondomestic source regulated under 33 U.S.C. § 1317(b), (c), or (d).

(C) "Publicly owned treatment works" or "POTW" has the same meaning as in 40 C.F.R. § 403.3(q).

Sec. 8. CONTINGENT EFFECTIVE DATE

Sec. 7 (municipal pretreatment authority) shall take effect upon the U.S. Environmental Protection Agency notifying the Secretary of Natural Resources that the Agency of Natural Resources is authorized to enter into a memorandum of understanding with a municipality to administer a pretreatment program under the Modification to National Pollutant Discharge Elimination System Memorandum of Agreement Between the State of Vermont and the U.S. Environmental Protection Agency, Region 1, March 16, 1982, or other agreement between the U.S. Environmental Protection Agency and the Agency of Natural Resources. The Secretary of Natural Resources shall notify the Clerk of the House of Representatives and the Secretary of the Senate when the U.S. Environmental Protection Agency authorizes municipal administration of a pretreatment program.

Sec. 9. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 11-0-0)

Rep. Burkhardt of South Burlington, for the Committee on Ways and Means, recommends that the report of the Committee on Environment be amended as follows:

First: In Sec. 8, contingent effective date, in the first sentence, after "to enter into" and before "with a municipality" by striking out "a memorandum of understanding" and inserting in lieu thereof "an agreement"

Second: By striking out Sec. 9, effective date, in its entirety and inserting in lieu thereof a new Sec. 9 to read as follows:

Sec. 9. EFFECTIVE DATES

This act shall take effect on passage, except that 3 V.S.A. § 2822(j)(4)(D) in Sec. 5 (repeal of fee cap for potable water supply and wastewater system permits located in designated areas) shall take effect July 1, 2026.

(Committee Vote: 10-0-1)

Amendment to be offered by Rep. Olson of Starksboro to S. 212

That the report of the Committee on Environment be amended as follows:

First: In Sec. 1, 10 V.S.A. § 1971, by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) establish a comprehensive program to regulate the construction, replacement, modification, and operation of potable water supplies and wastewater systems in the State in order to ~~protect~~ encourage construction of housing and foster economic development while also protecting human health and the environment, including potable water supplies, surface water, and groundwater;

Second: By striking out Sec. 3, 10 V.S.A. § 1973, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. 10 V.S.A. § 1973 is amended to read:

§ 1973. PERMITS

(a) Except as provided in this section and sections 1974 and 1978 of this title, a person shall obtain a permit from the Secretary before:

(1) subdividing land;

(2) creating or modifying a campground in a manner that affects a potable water supply or wastewater system or the requirements for providing potable water and wastewater disposal;

(3) constructing, replacing, or modifying a potable water supply or wastewater system;

(4) using or operating a failed supply or failed system;

(5) constructing a new building or structure;

(6) modifying an existing building or structure in a manner that increases the design flow or modifies other operational requirements of a potable water supply or wastewater system, provided that when the use of an existing, permitted potable water supply used for a public benefit, such as a school, child or elder care, or government use, is altered for use for another public benefit with a similar number of users, the Secretary shall not require redesign of the supply or require additional capacity for the supply;

(7) making a new or modified connection to a new or existing potable water supply or wastewater system; or

(8) changing the use of a building or structure in a manner that increases the design flows or modifies other operational requirements of a potable water supply or wastewater system.

* * *

(f)(1) The Secretary shall give deference to a certification by a licensed designer with respect to the engineering design or judgment exercised by the designer in order to minimize Agency review of certified designs. Nothing in this section shall limit the responsibility of the licensed designer to comply with all standards and rules, or the authority of the Secretary to review and comment on design aspects of an application or to enforce Agency rules with respect to the design or the design certification. This section shall allow the Secretary to issue a permit under this chapter based on the certification by a licensed designer of record drawings or the design of a wastewater system or potable water supply without individual review of each certification by the Secretary.

(2) ~~The Secretary shall issue a permit for a new or modified connection to a water main and a sewer main or indirect discharge system from a building or structure in a designated downtown development district upon submission of an application under subsection (b) of this section that consists solely of the certification of a licensed designer, in accordance with subsection (d) of this section, and a letter from the owner of the water main and sewer main or indirect discharge system allocating the capacity needed to accommodate the new or modified connection. However, this subdivision (2) shall not apply if the Secretary finds one of the following:~~

~~(A) The Secretary has prohibited the system that submitted the allocation letter from issuing new allocation letters due to a lack of capacity.~~

~~(B) As a result of an audit of the application performed on a random basis or in response to a complaint, the system is not designed in accordance with the rules adopted under this chapter~~ When the Secretary issues a permit for a new or modified connection to an existing permitted indirect discharge system, the approval of the connection shall not require reissuance, reevaluation, or modification of the existing permitted indirect discharge system permit.

* * *

(k)(1) The Secretary shall adopt a general permit for both potable water supply and wastewater system connections that require a permit under this chapter. Under the general permit, the Secretary may give deference to applications for connections certified by a licensed designer. The Secretary shall publish a manual providing guidance to licensed designers implementing the general permit for potable water supply or wastewater system connections. The manual shall include guidance for determining or defining the capacity of a public water system or pollution abatement facility for purposes of approving a potable water supply or wastewater system connection.

(2) The Secretary may adopt a general permit under this chapter for the subdivision of land when no building, structure, or campground exists on or is proposed for the property at the time of subdivision.

(3) The Secretary may adopt a general permit under this chapter for boundary line adjustments for improved or unimproved lots.

(4) The Secretary may adopt a general permit for the permitting under this chapter of potable water supply systems with a design flow of less than 1,000 gallons per day when there is no requirement for any variance, hydrogeologic analysis, or yield testing of a potable water source.

(5) The Secretary may adopt a general permit for the permitting under this chapter of wastewater systems that:

(A) have a design flow of less than 1,000 gallons per day; and

(B) do not require a variance, a hydrogeologic analysis, or innovative or alternative technologies unless such technologies are allowed by the Secretary.

(l) When issuing a permit for an indirect discharge system, the Secretary shall require an easement or other permanent legal access only to the indirect discharge system and the disposal area. An easement or other permanent legal access shall not be required prior to issuance of the permit for every potential service connection from a building or structure to the indirect discharge system.

Third: By inserting three new sections to be Secs. 4a–4c to read as follows:

Sec. 4a. 10 V.S.A. § 1978 is amended to read:

§ 1978. RULES

(a) The Secretary shall adopt rules, in accordance with 3 V.S.A. chapter 25, necessary for the administration of this chapter. These rules shall include the following:

(1) Performance standards for wastewater systems, including standards for the maximum application rates for the sizing of a leachfield for a wastewater system based on soil texture and soil structure.

(2) Design flow standards for potable water supplies and wastewater systems, including:

(A) design standards for the construction of wastewater systems underneath land used for parking, car parks, or other similar paved surfaces;

(B) design flows specific to systems serving compact housing, small homes, or community systems serving small homes;

(C) reduced capacity requirements for wastewater systems using water-saving devices based on the number of living units served by the system; and

(D) design flow requirements for community-based wastewater systems that replace on-site wastewater systems that reflect the actual flow for living units served.

(3) Design requirements, including isolation distances, provided that for wastewater systems that include a leachfield in a mound, the rules shall allow any fill material that meets ASTM International specification C-33 or type 2 soil standards.

(4) Monitoring and reporting requirements.

(5) Soils and hydrogeologic requirements.

(6) Operation and maintenance requirements appropriate to the complexity of the system.

* * *

(16) Performance standards, design requirements, and design flow standards for compact wastewater systems that use advanced filtration technologies, such as aerobic treatment units, biofilters, compact leachfields, or drip irrigation. Any standards adopted for compact wastewater systems

shall allow for importation of materials into the State for the design and installation of the compact wastewater system.

(b) The Secretary may, by rule, establish permitting exemptions upon a determination that those exemptions are consistent with the purposes of this chapter, and are necessary for the appropriate implementation of this chapter.

(c) ~~The Secretary shall first adopt rules under this section no later than July 30, 2002.~~ [Repealed.]

(d) The Secretary shall not adopt rules under this chapter that allow wastewater systems that serve lots created after June 13, 2002, to be constructed on ground with a maximum slope in excess of 20 percent. This limitation shall not apply to replacement wastewater systems.

(e)(1) The Secretary shall periodically review and, if necessary, revise the rules adopted under this chapter to ensure that the technical standards remain current with the known and proven technologies regarding potable water supplies and wastewater systems.

(2) The Secretary shall seek advice from a Technical Advisory Committee in carrying out the mandate of this subdivision. The Governor shall appoint the members of the Committee and ensure that there is at least one representative of the following entities on the Committee: professional engineers, site technicians, well drillers, hydrogeologists, town officials with jurisdiction over potable water supplies and wastewater systems, water quality specialists, technical staff of the Agency of Natural Resources, and technical staff of the Department of Health. Administrative support for the Advisory Committee shall be provided by the Secretary of Natural Resources.

(3) The Technical Advisory Committee shall provide annual reports, starting on January 15, 2003, to the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions. The reports shall include information on the following topics: the implementation of this chapter and the rules adopted under this chapter; the number and type of alternative or innovative systems approved for general use, approved for use as a pilot project, and approved for experimental use; the functional status of alternative or innovative systems approved for use as a pilot project or approved for experimental use; the number of permit applications received during the preceding calendar year; the number of permits issued during the preceding calendar year; and the number of permit applications denied during the preceding calendar year, together with a summary of the basis of denial.

* * *

(f) The Secretary may adopt emergency rules as necessary to assure that the implementation of this chapter does not have an undue adverse effect upon the marketability of title to real estate.

Sec. 4b. 10 V.S.A. § 1983 is added to read:

§ 1983. ISOLATION DISTANCES

(a) The minimum horizontal isolation distance between all components of a wastewater system and a potable water supply, including a public water source, shall be 75 feet unless, based on the specific site conditions, the Secretary determines that a greater isolation distance or larger isolation zone is necessary to:

(1) prevent the potential subsurface flow of effluent from impacting a potable water supply;

(2) prevent the potable water supply from impacting the performance of a wastewater system; or

(3) protect human health and the environment from a threat or potential threat of contamination posed by the construction techniques or materials used in the wastewater system or the potable water supply.

(b) The maximum horizontal isolation distance or isolation zone that the Secretary can approve under subsection (a) of this section is 200 feet.

Sec. 4c. TRANSITION; IMPLEMENTATION; EFFECTIVE DATE

(a) The Secretary of Natural Resources shall consult with the Technical Advisory Committee regarding the rulemaking required under 10 V.S.A. § 1978 in Sec. 4a of this act on or before October 1, 2026.

(b) On or before January 1, 2028, the Secretary of Natural Resources shall amend the Department of Environmental Conservation's Wastewater System and Potable Water Supply Rules in order to ensure consistency with the requirements of this act, including the required rulemaking under 10 V.S.A. § 1978.

(c) Potable water supply and wastewater system permits shall be issued under the Department of Environmental Conservation's current Wastewater System and Potable Water Supply Rules until the rules are amended for consistency with the requirements of this act or until July 1, 2027, whichever occurs first.

Fourth: By inserting five new sections to be Secs. 4d–4h to read as follows:

Sec. 4d. 10 V.S.A. § 913 is amended to read:

§ 913. PROHIBITION

(a) Except for allowed uses adopted by the Department by rule, no person shall conduct or allow to be conducted an activity in a significant wetland or buffer zone of a significant wetland except in compliance with a permit, conditional use determination, or order issued by the Secretary.

(b) A permit shall not be required under this section for:

(1) any activity that occurred before the effective date of this section unless the activity occurred within:

(A) an area identified as a wetland on the Vermont significant wetlands inventory maps;

(B) a wetland that was contiguous to an area identified as a wetland on the Vermont significant wetlands inventory maps; or

(C) the buffer zone of a wetland referred to in subdivision (A) or (B) of this subdivision (1); and

(2) any construction within a wetland that is identified on the Vermont significant wetlands inventory maps or within the buffer zone of such a wetland, provided that the construction was completed prior to February 23, 1992, and no action for which a permit is required under the rules of the Department was taken or caused to be taken on or after February 23, 1992.

(c) Notwithstanding the requirement under subsection (b) of this section for a permit to conduct an activity in a wetland or wetland buffer zone, no permit shall be required under this section for the siting of a leachfield in the buffer zone of a Class II wetland when the leachfield is part of a wastewater system permitted by the Secretary of Natural Resources under chapter 64 of this title.

Sec. 4e. 10 V.S.A. § 1263(f) is amended to read:

(f)(1) Existing indirect discharges to the waters of the State from on-site disposal of sewage shall comply with and be subject to the provisions of this chapter, and shall obtain the required permit, ~~no~~ not later than July 1, 1991. Notwithstanding the requirements of subsections 1259(d) and (e) of this title, the Secretary shall grant a permit for an existing indirect discharge to the waters of the State for on-site disposal of sewage unless ~~he or she~~ the Secretary finds that the discharge violates the water quality standards. Existing indirect discharges from on-site sewage disposal systems of less than 6,500 gpd capacity shall not require a permit.

(2) Notwithstanding the requirements of chapter 170 of this title, prior to issuing a permit under this chapter for a new indirect discharge, the

Secretary shall provide notice to the public of a draft permit and a comment period of not more than 15 days. After the conclusion of the comment period, the Secretary shall allow any person to request a public hearing on the draft permit for a period of not more than 15 days.

Sec. 4f. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(ee) No permit or permit amendment is required for the construction of improvements for water or wastewater infrastructure serving a village and downtown center.

Sec. 4g. 32 V.S.A. § 3752(5) is amended to read:

(5)(A) "Development" means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road, or other structure, or any mining, excavation, or landfill activity.

(B) "Development" also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, ex-spouse in a divorce settlement, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then "development" shall not apply to any portion of the newly created parcel or parcels that qualify for enrollment and for which, within 30 days following the transfer, each transferee or transferor applies for reenrollment in the Use Value Appraisal Program.

* * *

(G) The term "development" does not include the construction on or development of enrolled land for the purpose of permitting a potable water supply or wastewater system under 10 V.S.A. chapter 64 to be used for residential housing.

Sec. 4h. 32 V.S.A. § 9603 is amended to read:

§ 9603. EXEMPTIONS

The following transfers are exempt from the tax imposed by this chapter:

* * *

(29) Transfers of easements required for the permitting of a potable water supply or wastewater system under 10 V.S.A. chapter 64.

Fifth: By striking out Sec. 9, effective date, and inserting in lieu thereof a new Sec. 9 to read as follows:

Sec. 9. EFFECTIVE DATES

(a) This section and Secs. 1–4 (potable water supply and wastewater systems permits) and Secs. 7 and 8 (pretreatment discharge) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2026.

Amendment to be offered by Rep. Greer of Bennington to S. 212

That the report of the Committee on Environment be amended by inserting a new section to be Sec. 4a to read as follows:

Sec. 4a. TECHNICAL ADVISORY COMMITTEE REPORT ON EXTENSION OF ISOLATION DISTANCES ONTO NEIGHBORING PROPERTY

(a) The Secretary of Natural Resources shall reconvene the Technical Advisory Committee (TAC) created under 10 V.S.A. § 1978(e) to review authority under State statute and rule that allows the isolation distances for potable water supplies and wastewater systems to extend onto neighboring property. The TAC shall:

(1) summarize the purpose of allowing isolation distances for potable water supplies and wastewater systems to extend onto neighboring property and how isolation distances can limit the use of or encumber neighboring property;

(2) evaluate whether State law should continue to allow isolation distances for potable water supplies and wastewater systems to extend onto neighboring property;

(3) if the TAC concludes that State law should continue to allow isolation distances for potable water supplies and wastewater systems to extend onto neighboring property, provide:

(A) the basis for the conclusion;

(B) an explanation of why alternatives that do not encumber the property of others would not be feasible; and

(C) a recommendation on whether owners of potable water supplies or wastewater systems that encumber neighboring property with isolation

distances should be required to compensate the owner of the encumbered property for lost value or for the use of the encumbered property; and

(4) if the TAC concludes that State law should not continue to allow isolation distances for potable water supplies and wastewater systems to extend onto neighboring property, recommend:

(A) how State statute or rules should be amended to eliminate authority for isolation distances to extend onto neighboring property; and

(B) whether and how existing permits that allow extension of isolation distances onto neighboring property can be amended to remove authority for isolation distances to extend onto neighboring property.

(b) On or before January 1, 2027, the TAC shall submit a report of its findings under subsection (a) of this section to the House Committee on Environment and the Senate Committee on Natural Resources and Energy.

Senate Proposal of Amendment

H. 639

An act relating to genetic data privacy

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 1, 9 V.S.A. chapter 61A, in section 2421b, in subsection (d), by striking out subdivisions (2) and (3) in their entireties and inserting in lieu thereof a new subdivision (2) to read as follows:

(2) Genetic data and biological samples of consumers shall:

(A) not be stored within the territorial boundaries of any country currently sanctioned in any way by the U.S. Office of Foreign Assets Control or designated as a foreign adversary under 15 C.F.R. § 7.4(a); and

(B) only be transferred or stored outside the United States with the express consent of the consumer.

Second: In Sec. 1, 9 V.S.A. chapter 61A, in section 2421c, by adding a new subsection to be subsection (c) to read as follows:

(c)(1) A consumer pursuing a civil action pursuant to subsection 2461(b) of this title against a direct-to-consumer genetic testing company or service provider for an alleged violation of this subchapter shall, before initiating the civil action, send a written notice to the company or service provider that includes as many details as possible of the alleged violation.

(2) If the company or service provider does not cure the alleged violation within 60 days after the notice is received by the company or service

provider or if there is a disagreement as to whether the alleged violation has been cured, the consumer shall have the right to initiate a civil action against the company or service provider pursuant to subsection 2461(b) of this title.

H. 648

An act relating to banking, insurance, and securities

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 1, 8 V.S.A. § 2102, in subdivision (b)(9), by striking the first instance of "registration" and inserting in lieu thereof "~~registration~~ license"

Second: By striking out Sec. 22, 8 V.S.A. § 10301, community reinvestment reports, in its entirety and inserting in lieu thereof the following: Sec. 22. [Deleted]

Third: By adding a Sec. 14a to read as follows:

Sec. 14a. 8 V.S.A. § 2577(f) is amended to read:

(f) Moratorium. To protect the public safety and welfare and safeguard the rights of consumers, virtual-currency kiosks shall not be permitted to operate in Vermont prior to July 1, ~~2026~~ 2027. This moratorium shall not apply to a virtual-currency kiosk that was duly licensed and operational in Vermont on or before June 30, 2024.

Fourth: In Sec. 48, 9 V.S.A. § 5202, in subdivision (14)(B), by striking out "section 5302" and inserting in lieu thereof "subsection 5302(c)"

Amendment to be offered by Rep. Olson of Starksboro to H. 648

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

First: By striking out Sec. 11, 8 V.S.A. § 2507, in its entirety and inserting in lieu thereof a new Sec. 11 to read as follows:

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

§ 2507. MONEY TRANSMISSION KIOSK REGISTRATION

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

(b) To apply for registration and approval to activate a money transmission kiosk, a licensee shall submit an application, using a form prescribed by the Commissioner, that includes the ownership and location of the money transmission kiosk, an affidavit of all businesses and services to be offered at the kiosk, the written agreement between the licensee and the owner of the money transmission kiosk if different persons, and the text of each disclosure required pursuant to subsection (c) of this section along with a description of the form, timing, and location for each disclosure.

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

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

(2) on the screen of the money transmission kiosk~~:~~

~~(A) for a transaction that does not involve virtual currency~~, the amount of the fees or charges that will be assessed to the user of the money transmission kiosk for the transaction by the licensee and by the owner of the money transmission kiosk, a clear explanation of who is imposing each fee or charge and that such fees and charges are in addition to any fees or charges that may be imposed by other entities relevant to the particular transaction, and the method by which the user may cancel the transaction to avoid the imposition of fees or charges~~; and~~

~~(B) for a transaction that involves virtual currency, all disclosures required pursuant to subsection 2574(c) of this chapter, a clear explanation of who is imposing each consideration to be charged for the transaction, and that such consideration is in addition to any fees or charges that may be imposed by other entities relevant to the particular transaction, and the method by which the user may cancel the transaction to avoid the imposition of the consideration and other fees or charges~~.

* * *

Second: By striking out Sec. 14a, 8 V.S.A. § 2577(f), in its entirety and inserting in lieu thereof a new Sec. 14a to read as follows:

Sec. 14a. 8 V.S.A. § 2574 is amended to read:

§ 2574. REQUIRED DISCLOSURES

* * *

(c) ~~Disclosures.~~

~~(1)~~ Disclosures prior to each virtual-currency transaction. In connection with ~~any virtual-currency transaction effected through a virtual-currency kiosk in this State, or in~~ any transaction where the licensee or any affiliate thereof is acting in a principal capacity in a sale of virtual currency to, or purchase of virtual currency from, a customer, then immediately prior to effecting such a purchase or sale transaction with or on behalf of a customer, a licensee shall prominently disclose and shall require the customer to acknowledge and confirm the terms and conditions of the virtual-currency transaction, which shall include the following:

~~(A)~~(1) the type, value, date, precise time, and amount of the transaction; and

~~(B)~~(2) the consideration charged for the transaction, including:

~~(i)~~(A) any charge, fee, commission, or other consideration for any trade, exchange, conversion, or transfer involving virtual currency; and

~~(ii)~~(B) any difference between the price paid by the customer for any virtual currency and the prevailing market ~~price~~ value of such virtual currency, if any~~;~~

~~(C) for a customer of a virtual-currency kiosk, a description of the virtual-currency kiosk operator's refund policy, which shall be consistent with the requirements specified in subsections 2577(k) and (l) of this subchapter;~~

~~(D) for a customer of a virtual-currency kiosk, the customer warning described in subdivision (g)(1) of this section; and~~

~~(E) the daily transaction limit, if applicable~~.

~~(2) Disclosures for new kiosk accounts. When opening an account for a new customer, and prior to entering into an initial transaction for, on behalf of, or with such customer, each virtual-currency kiosk operator shall disclose relevant terms and conditions associated with its products, services, and activities and with virtual currency, generally, including disclosures substantially similar to the following:~~

~~(A) the customer's liability for unauthorized virtual-currency transactions;~~

~~(B) under what circumstances the virtual-currency kiosk operator will, absent a court or government order, disclose information concerning the customer's account to third parties;~~

~~(C) the customer's right to receive periodic account statements and valuations from the virtual-currency kiosk operator;~~

~~(D) the customer's right to receive a receipt, trade ticket, or other evidence of a transaction;~~

~~(E) the customer's right to prior notice of a change in the virtual-currency kiosk operator's rules or policies;~~

~~(F) a statement of the material risks associated with virtual-currency transactions, generally, as described in subsection (h) of this section;~~

~~(G) the name and telephone number of the Department of Financial Regulation and a statement disclosing that a customer may contact the Department with questions or complaints about a licensee; and~~

~~(H) such other disclosures as are customarily given in connection with the opening of customer accounts.~~

(d) Licensee receipt requirements. Except as otherwise provided in subsection (e) of this section, at the conclusion of a virtual-currency transaction with or on behalf of a person, a licensee shall provide the person with a receipt that contains:

(1) the name and contact information of the licensee, including information the person may need to ask a question or file a complaint;

(2) the type of virtual currency, ~~value~~ quantity of virtual currency, date, precise time, and amount of the transaction ex2pressed in U.S. currency;

(3) the consideration charged for the transaction, including:

(A) any charge, fee, commission, or other consideration for any trade, exchange, conversion, or transfer involving virtual currency; or

(B) the amount of any difference between the price paid by the customer for any virtual currency and the prevailing market ~~price~~ value of such virtual currency, if any; and

(4) any other information required pursuant to section 2562 of this title.

(e) Licensee daily confirmation. If a licensee discloses that it will provide a daily confirmation in the initial disclosure under subsection (b) of this section, the licensee may elect to provide a single, daily confirmation for all

transactions with or on behalf of a person on that day instead of a per-transaction confirmation.

~~(f) Kiosk transaction receipt. Notwithstanding any other provision of law to the contrary, a virtual-currency kiosk operator shall provide a customer with both a paper and an electronic receipt in a retainable form for each virtual-currency transaction completed at a virtual-currency kiosk. In addition to the information required to be included in a receipt under subsection (d) of this section or under section 2562 of this title, each receipt for a virtual-currency transaction completed at a virtual-currency kiosk shall include:~~

~~(1) the identification of any applicable digital wallet address to which virtual currency is transmitted;~~

~~(2) the full name of the account owner;~~

~~(3) any unique transaction identifiers;~~

~~(4) a prominent statement of the virtual-currency kiosk operator's refund obligations under this section, in a form approved by the Commissioner;~~

~~(5) a statement of the operator's liability for nondelivery or delayed delivery of virtual currency; and~~

~~(6) the name and telephone number of the Department of Financial Regulation and a statement disclosing that a customer may contact the Department with questions or complaints about an operator.~~

~~(g) Customer warning.~~

~~(1) Prior to entering into a virtual-currency transaction with a customer at a virtual-currency kiosk, and as required by subdivision (c)(1)(D) of this section, each virtual-currency kiosk operator shall ensure a warning is disclosed to the customer substantially similar to the following:~~

~~Customer Notice. Please Read Carefully.~~

~~Did you receive a phone call from your bank, software provider, the police, or were you directed to make a payment for Social Security, a utility bill, an investment, warrants, or bail money at this kiosk? STOP~~

~~Is anyone on the phone pressuring you to make a payment of any kind? STOP~~

~~I understand that the purchase and sale of cryptocurrency may be a final, irreversible, and nonrefundable transaction.~~

~~I confirm I am sending funds to a digital wallet I own or directly have control over. I confirm that I am using funds gained from my own initiative to make my transaction.~~

~~(2) A virtual-currency kiosk operator shall ensure a customer has a readily accessible opportunity to end a transaction for any reason prior to its completion.~~

~~(h) Statement of material risks. As used in subdivision (c)(2)(F) of this section, a statement of material risks associated with virtual-currency transactions, generally, shall include disclosures substantially similar to the following:~~

~~(1) Virtual currency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections.~~

~~(2) Legislative and regulatory changes or actions at the State, federal, or international level may adversely affect the use, transfer, exchange, and value of virtual currency.~~

~~(3) Transactions in virtual currency may be irreversible and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.~~

~~(4) Some virtual-currency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the customer initiates the transaction.~~

~~(5) The value of virtual currency may be derived from the continued willingness of market participants to exchange fiat currency for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the market for that virtual currency disappear.~~

~~(6) There is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future.~~

~~(7) The volatility and unpredictability of the price of virtual currency relative to fiat currency may result in significant loss over a short period of time.~~

~~(8) The nature of virtual currency may lead to an increased risk of fraud or cyber attack.~~

~~(9) The nature of virtual currency means that any technological difficulties experienced by the virtual-currency kiosk operator may prevent the access or use of a customer's virtual currency.~~

~~(10) Any bond or trust account maintained by the virtual-currency kiosk operator for the benefit of its customers may not be sufficient to cover all losses incurred by customers.~~

Third: By adding a new section to be Sec. 14b, to read as follows:

Sec. 14b. 8 V.S.A. § 2577 is amended to read:

§ 2577. VIRTUAL-CURRENCY KIOSK ~~OPERATORS~~ PROHIBITION

(a) ~~Daily transaction limit~~ Prohibition of virtual currency kiosks.

(1) ~~A virtual-currency kiosk operator shall not accept or dispense more than $2,000.00 of cash in a day in connection with virtual-currency transactions with a single, new customer in this State via one or more virtual-currency kiosks~~ No person shall locate, operate, or otherwise make available for use, or allow a third party to locate, operate, or otherwise make available for use, a virtual currency kiosk in Vermont.

(2) ~~A virtual-currency kiosk operator shall not accept or dispense more than $5,000.00 of cash in a day in connection with virtual-currency transactions with a single, existing customer in this State via one or more virtual-currency kiosks~~ No person shall offer, facilitate, or engage in, in whole or in part, directly or indirectly, virtual-currency business activity via a money transmission kiosk in Vermont.

(b) ~~Fee cap~~ Registration expiration and refunds. ~~The aggregate fees and charges, directly or indirectly, charged to a customer related to a single transaction or series of related transactions involving virtual currency effected through a money transmission kiosk in this State, including any difference between the price charged to a customer to buy, sell, exchange, swap, or convert virtual currency and the prevailing market value of such virtual currency at the time of such transaction, shall not exceed the greater of the following:~~ With respect to any virtual-currency kiosk in operation in Vermont prior to July 1, 2026:

(1) ~~$5.00; or~~ Expiration and termination. Any registration of a virtual-currency kiosk shall expire and terminate on July 1, 2026.

(2) ~~15 percent of the U.S. dollar equivalent of virtual currency involved in the transaction or transactions.~~

~~(c) Single transaction. The purchase, sale, exchange, swap, or conversion of virtual currency, or the subsequent transfer of virtual currency, in a series of~~

~~transactions shall be deemed to be a single transaction for purposes of subsections (a) and (b) of this section.~~

~~(d) Licensing requirement. A virtual-currency kiosk operator shall comply with the licensing requirements of this subchapter to the extent that the virtual-currency kiosk operator engages in virtual-currency business activity.~~

~~(e) Operator accountability. If a virtual-currency kiosk operator allows or facilitates another person to engage in virtual-currency business activity via a virtual-currency kiosk in this State that is owned, operated, or managed by the virtual-currency kiosk operator, the virtual-currency kiosk operator shall do all of the following:~~

~~(1) ensure that the person engaging in virtual-currency business activity is licensed under subchapter 2 of this chapter to engage in virtual-currency business activity and complies with all other applicable provisions of this chapter;~~

~~(2) ensure that any charges collected from a customer via the virtual-currency kiosk comply with the fee cap established in subsection (b) of this section; and~~

~~(3) comply with all other applicable provisions of this chapter.~~

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

~~(g) Customer identification. For each virtual-currency transaction occurring at a virtual-currency kiosk in this State, the virtual-currency kiosk operator shall verify the identity of the customer prior to accepting payment from the customer. A virtual-currency kiosk operator shall not allow a customer to engage in any transaction at a virtual-currency kiosk under any name, account, or identity other than the customer's own true name and identity. A virtual-currency kiosk operator shall obtain a copy of a government-issued identification card that identifies the customer and shall collect additional customer information, including the customer's name, date of birth, telephone number, address, and email address prior to accepting any payment from a customer at a virtual-currency kiosk in this State. In addition, a virtual-currency kiosk operator shall take a photograph of the customer in a retainable format at the virtual-currency kiosk for each transaction. A virtual-currency kiosk operator shall be strictly liable for any violation of this subsection.~~

~~(h) Customer support. A virtual-currency kiosk operator shall offer live, toll-free, telephone customer support during the hours of operation of a virtual-currency kiosk. The customer support telephone number shall be displayed on the virtual-currency kiosk or on the virtual-currency kiosk screen.~~

~~(i) Mandatory live screening.~~

~~(1) A virtual-currency kiosk operator shall identify and speak by telephone with:~~

~~(A) a new customer over 60 years of age prior to such customer's first virtual-currency transaction with the virtual-currency kiosk operator; or~~

~~(B) a customer attempting to conduct more than $5,000.00 in virtual-currency transactions during any consecutive 10-day period.~~

~~(2) The virtual-currency kiosk operator's approval of a transaction subject to a mandatory live screening under this subsection shall be dependent upon its assessment of its communication with the customer during the screening.~~

~~(3) A virtual-currency kiosk operator shall record and retain a copy of each mandatory live screening.~~

~~(4) During the mandatory live screening, the virtual-currency kiosk operator shall:~~

~~(A) positively identify the customer;~~

~~(B) reconfirm any attestations made by the customer at the virtual-currency kiosk;~~

~~(C) discuss the purpose of the transaction; and~~

~~(D) discuss types of fraudulent schemes relating to virtual currency.~~

~~(j) Blockchain analytics. A virtual-currency kiosk operator shall use blockchain analytics software and retain an established third party that specializes in performing blockchain analytics to assist in the prevention of sending purchased virtual currency from a virtual-currency kiosk operator to a digital wallet known to be affiliated with fraudulent activity at the time of a transaction. The Commissioner may request evidence from any virtual-currency kiosk operator of its current use of blockchain analytics.~~

~~(k)~~ Full refund for new customers. The virtual-currency kiosk operator shall provide a full refund to a customer who was fraudulently induced to engage in a virtual-currency kiosk transaction, provided the fraudulently induced transaction occurred while the customer was a new customer and further provided the customer contacts the virtual-currency kiosk operator and

a law enforcement or government agency to inform the operator and the agency of the fraudulent nature of the transaction within 90 days after the customer's last virtual-currency transaction with the virtual-currency kiosk operator. The refund shall include any fees charged in association with the fraudulently induced transaction.

~~(l)~~(3) Fee refund for existing customers. The virtual-currency kiosk operator shall provide a fee refund to an existing customer who has been fraudulently induced to engage in a virtual-currency kiosk transaction, provided the customer contacts the virtual-currency kiosk operator and a law enforcement or government agency to inform the operator and the agency of the fraudulent nature of the transaction within 90 days after the last fraudulently induced transaction. The refund shall include all fees charged in association with the fraudulently induced transaction.

(4) Records retention. Until at least July 1, 2031, or a later date required by the Commissioner, the virtual-currency kiosk operator shall maintain, and make available to the Commissioner upon request, all records that the virtual-currency kiosk operator was required to maintain prior to July 1, 2026.

(c) Violations. For any virtual-currency kiosk transaction occurring after July 1, 2026, in violation of this section, the virtual-currency kiosk operator shall provide a full refund to the customer upon request of the customer or the Commissioner. The refund shall include any fees charged in association with the transaction.

~~(m) Fraud prevention. A virtual-currency kiosk operator shall take reasonable steps to detect and prevent fraud, including establishing and maintaining a written antifraud policy. The antifraud policy shall, at a minimum, include the following:~~

~~(1) the identification and assessment of fraud-related risk areas;~~

~~(2) procedures and controls to protect against identified risks;~~

~~(3) allocation of responsibility for monitoring risks;~~

~~(4) procedures for the periodic evaluation and revision of the antifraud procedures, controls, and monitoring mechanisms;~~

~~(5) procedures and controls that prevent more than one customer from using the same digital wallet;~~

~~(6) procedures and controls that enable the virtual-currency kiosk operator to prevent a digital wallet from being used at a virtual-currency kiosk~~

~~it operates if the operator knows or reasonably should know the digital wallet is affiliated with fraudulent activities; and~~

~~(7) policies and procedures for using a risk-based method for monitoring customers on a post transaction basis.~~

~~(n) Due diligence policy. A virtual-currency kiosk operator shall maintain, implement, and enforce a written Enhanced Due Diligence Policy. The Policy shall be reviewed and approved by the virtual-currency kiosk operator's board of directors or an equivalent governing body of the virtual-currency kiosk operator. The Policy shall identify, at a minimum, individuals who are at risk of fraud based on age or mental capacity.~~

~~(o) Compliance policies. A virtual-currency kiosk operator shall maintain, implement, and enforce written compliance policies and procedures. Such policies and procedures shall be reviewed and approved by the virtual-currency kiosk operator's board of directors or an equivalent governing body of the virtual-currency kiosk operator.~~

~~(p) Compliance officer.~~

~~(1) A virtual-currency kiosk operator shall designate and employ a compliance officer who meets the following requirements:~~

~~(A) is qualified to coordinate and monitor compliance with this section and all other applicable federal and State laws and regulations;~~

~~(B) is employed full-time by the virtual-currency kiosk operator; and~~

~~(C) is not an individual who owns more than 20 percent of the virtual-currency kiosk operator by whom the individual is employed.~~

~~(2) Compliance responsibilities required under federal and State law and regulation shall be completed by one or more full-time employees of the virtual-currency kiosk operator.~~

~~(q) Consumer protection officer. A virtual-currency kiosk operator shall designate and employ a consumer protection officer who meets the following requirements:~~

~~(1) is qualified to coordinate and monitor compliance with this section and all other applicable federal and State laws and regulations;~~

~~(2) is employed full-time by the virtual-currency kiosk operator; and~~

~~(3) is not an individual who owns more than 20 percent of the virtual-currency kiosk operator by whom the individual is employed.~~

~~(r) The Commissioner may adopt rules the Commissioner deems necessary and proper to carry out the purposes of this section, including with respect to what constitutes fraudulent activity or a fraudulently induced transaction in the context of customer transactions at a virtual-currency kiosk.~~

Fourth: By striking out Sec. 59, effective date, and its corresponding reader assistance heading in their entireties and inserting in lieu thereof the following:

* * * Providers of Merchant Cash Advances; Licensing and Regulation * * *

Sec. 59. 8 V.S.A. § 2115(e) is amended to read:

(e)(1) A loan contract made in knowing and willful violation of subdivision 2201(a)(1) of this title is void, and the lender shall not collect or receive any principal, interest, or charges; provided, however, in the case of a loan made in violation of subdivision 2201(a)(1) of this title, where the Commissioner does not find a knowing and willful violation, the lender shall not collect or receive any interest or charges, but may collect and receive principal.

(2) A commercial financing contract made in knowing and willful violation of subdivisions 2247(b)(1) or (2) of this title is void, and the provider shall not collect or receive any amounts, payments, receivables, or charges; provided, however, in the case of a commercial financing contract made in violation of subdivisions 2247(b)(1) or (2) of this title, where the Commissioner does not find a knowing and willful violation, the provider may only collect and receive an amount up to the disbursement amount paid to the recipient, after any fees deducted or withheld at disbursement, and the provider may not collect or receive any charges or other amounts.

(3) If a person who receives an order that directs the person to cease exercising the duties and powers of a licensee ~~and imposes an administrative penalty under this part~~ continues to perform the duties or exercise the powers of a licensee without ~~satisfying the penalty, or otherwise reaching~~ a satisfactory resolution between the parties that allows the person to exercise such duties and powers, or securing a decision vacating the order by the Commissioner or by a court of competent jurisdiction, a loan contract or commercial financing contract made by the person after receipt of such order is void and the ~~lender~~ person shall not collect or receive any principal, interest, ~~or~~ amounts, payments, receivables, or charges.

Sec. 60. 8 V.S.A. § 2247 is added to read:

§ 2247. COMMERCIAL FINANCING

(a) Definitions. As used in this section:

(1) "Commercial financing" means a sales-based financing or factoring transaction.

(2) "Factoring transaction" means an accounts receivable purchase transaction that includes an agreement to purchase, transfer, assign, or sell a legally enforceable claim for payment held by a recipient for goods the recipient has supplied or services the recipient has rendered that have been ordered but for which payment has not yet been made. A purchase of accounts receivable in connection with the purchase and sale of substantially all of the assets of a business or line of business shall not be deemed to be a factoring transaction.

(3) "Finance charge" means the cost of financing as a dollar amount. It includes any charge payable directly or indirectly by the recipient and imposed directly or indirectly by the provider as an incident to or a condition of the extension of financing. It includes all charges that would be included under 12 C.F.R. part 1026.4 as if the transaction were subject to 12 C.F.R. part 1026.4. In addition, the finance charge shall include any charges as determined by the Commissioner. For the purposes of a factoring transaction, the finance charge includes the discount taken on the face value of the accounts receivable.

(4) "Provider" means a person who provides or will provide commercial financing to a recipient or who extends a specific offer of commercial financing to a person or to the person's authorized representative. A provider also includes a person who solicits prospective recipients of commercial financing or who presents specific offers of commercial financing on behalf of a third party.

(5) "Recipient" means a person that receives or applies for commercial financing or is made a specific offer of commercial financing by a provider. A recipient may also be an authorized representative of such person.

(6) "Sales-based financing" means a transaction that is repaid by the recipient to the provider, over time, as a percentage of sales or revenue, in which the payment amount may increase or decrease according to the volume of sales made or revenue received by the recipient. Sales-based financing also includes a true-up mechanism where the financing is repaid as a fixed payment but provides for a reconciliation process that adjusts the payment to an amount that is a percentage of sales or revenue. Sales-based financing also includes transactions structured as a sale or assignment of future accounts receivable, future revenue, or future sales.

(7) "Solicit prospective recipients of commercial financing" means, for compensation or gain or with the expectation of compensation or gain, to:

(A) solicit prospective recipients for commercial financing;

(B) offer, broker, directly or indirectly arrange, place, or find commercial financing for a prospective recipient;

(C) obtain commercial financing for a prospective recipient or offer to obtain commercial sales-based financing for a recipient from a provider;

(D) initiate prospective recipients' interest or inquiry in commercial financing by online marketing, direct response advertising, telemarketing, or other similar contact;

(E) engage in the business of selling information identifying a prospective recipient of commercial financing;

(F) generate or augment information identifying a prospective recipient of commercial financing for other persons; or

(G) refer prospective Vermont recipients to other persons for commercial financing.

(8) "Specific offer" means the specific terms of commercial financing, including price or amount, that is quoted to a recipient, based on information obtained from, or about, the recipient, which, if accepted by a recipient, shall be binding on the provider, as applicable, subject to any specific requirements stated in such terms.

(b) License requirement.

(1) A provider shall not provide commercial financing to a person in this State, extend a specific offer of commercial financing to a person in this State, or solicit prospective recipients of commercial financing extended by such provider, unless the provider is licensed as a lender under this chapter.

(2) A provider shall not solicit prospective recipients of commercial financing on behalf of a third party or present or extend specific offers of commercial financing on behalf of a third party unless the provider holds a loan solicitation license under this chapter and such third party is licensed as a lender under this chapter or exempt from the licensing requirements under this section pursuant to subdivisions (3) or (4) of this subsection.

(3) A lender license, commercial lender license, or loan solicitation license shall not be required under this section of any for the following:

(A) a state agency, political subdivision, or other public instrumentality of a state;

(B) a federal agency or other public instrumentality of the United States;

(C) a depository institution or a financial institution as defined in subdivision 11101(32) of this title; or

(D) a seller of goods or services that finances the sale of such goods or services to a recipient.

(4) This section shall not apply to commercial financing transactions of $1,000,000.00 or more that are not primarily for personal, family, or household use.

(5) For purposes of this section, 8 V.S.A. § 2201(d) shall not apply.

(c) Personal, family, or household use. A commercial financing offered, extended, or otherwise provided primarily for personal, family, or household use, for the purpose of regulation under this chapter, shall also be deemed to be a loan for purposes of this chapter. Any commercial financing deemed to be a loan under this subsection shall be governed by and subject to applicable provisions of this title, including this section, and 9 V.S.A. chapters 4, 59, and 61.

(d) Certain automatic debts prohibited. A provider shall not establish a mechanism for automatically debiting a recipient's deposit account unless the provider holds a validly perfected security interest in the recipient's account under Title 9A, with a first priority against the claims of all other persons.

(e) Confessions of judgment. A commercial financing contract that contains a confession of judgment provision or any similar provision is void and unenforceable.

(f) Choice of law, jurisdiction, and venue; arbitration. Where a provider enters into a contract or agreement with a recipient to provide commercial financing, such contract or agreement shall be governed exclusively by Vermont law, and any cause of action arising under such contract or agreement shall be brought in a court in this State. Any provision in the contract or agreement providing that the law of any other jurisdiction shall govern or mandating that any such action be brought outside this State shall be unenforceable by any party other than the recipient. Where a contract between a provider and recipient contains an arbitration provision, such contract shall not require face-to-face arbitration proceedings outside this State. If the contract requires face-to-face arbitration proceedings outside this State, such provision is unenforceable by any party other than the recipient. The enforceability of the remaining provisions of the arbitration agreement and the method of selecting a forum for the conduct of the arbitration proceedings are as provided in the Vermont Arbitration Act, 12 V.S.A. chapter 192, the Federal Arbitration Act, 9 U.S.C. §§ 1–16, and any applicable rules of arbitration. The

provider shall pay any arbitrators' expenses or fees, or any other expenses or administrative fees incurred in the conduct of any such arbitration proceedings.

(g) Sales-based financing disclosure requirements.

(1) A provider shall provide the following disclosures to a recipient at the time of extending a specific offer of sales-based financing:

(A) The total amount of the commercial financing, and the disbursement amount, if different from the financing amount, after any fees deducted or withheld at disbursement.

(B) The finance charge.

(C) The estimated annual percentage rate, using the words "annual percentage rate" or the abbreviation "APR," expressed as a yearly rate, inclusive of any fees and finance charges, and determined in accordance with the federal Truth in Lending Act, Regulation Z, 12 C.F.R. § 1026.22, as may be amended, based on the estimated term of repayment and the projected periodic payment amounts, regardless of whether such act or such regulation would require such a calculation. The estimated term of repayment and the projected periodic payment amounts shall be calculated based on a projection of the volume of the recipient's sales or revenue. The projected volume of sales or revenue may be calculated using the historical method, as described in subdivision (i) of this subdivision (g)(1)(C), or the opt-in method, as described in subdivision (ii) of this subdivision (g)(1)(C).

(i) A provider using the historical method shall use an average historical volume of sales or revenue on which the financing's payment amounts are based and by which the estimated annual percentage rate is determined. The provider shall fix the historical time period to be used to calculate the average historical volume of sales or revenue and use such period for all disclosure purposes for all sales-based financing products offered by the provider. The fixed historical time period shall either be the time period immediately preceding the specific offer or, alternatively, a time period consisting of the same number of months with the highest sales or revenue volume within the past twelve months. The fixed historical time period shall be at least one month and shall not exceed 12 months.

(ii) A provider using the opt-in method shall determine the estimated annual percentage rate, the estimated term, and the projected payments using a projected sales or revenue volume that the provider elects for each disclosure. Upon a finding by the Commissioner that the use of projected sales or revenue volume by the provider has resulted in an unacceptable deviation between the estimated and actual annual percentage rates, the

Commissioner shall require the provider to use the historical method. The Commissioner may consider unusual and extraordinary circumstances impacting the provider's deviation between estimated and actual annual percentage rates in making such finding.

(D) The total repayment amount, which is the disbursement amount plus the finance charge.

(E) The estimated term is the period of time required for the periodic payments, based on the projected sales volume, to equal the total amount required to be repaid.

(F) The payment amounts, based on the projected sales volume:

(i) for payment amounts that are fixed, the payment amounts and frequency (for example, daily, weekly, or monthly) and, if the payment frequency is other than monthly, the amount of the average projected payments per month; or

(ii) for payment amounts that are variable, a payment schedule or a description of the method used to calculate the amounts and frequency of payments, and the amount of the average projected payments per month.

(G) A description of all other potential fees and charges not included in the finance charge, including draw fees, late payment fees, and returned payment fees.

(H) Were the recipient to elect to pay off or refinance the commercial financing prior to full repayment, the provider shall disclose:

(i) whether the recipient would be required to pay:

(I) any finance charges other than interest accrued since the last payment; if so, disclosure of the percentage of any unpaid portion of the finance charge and maximum dollar amount the recipient could be required to pay; and

(II) any additional fees not already included in the finance charge; and

(ii) a description of collateral requirements or security interests, if any.

(2) The provider shall obtain the recipient's signature on the disclosures required by this subsection before finalizing the application for the sales-based financing.

(3) A provider shall not provide sales-based financing to a recipient without first providing the disclosures required by this subsection and obtaining the recipient's signature on such disclosures.

(4) The Commissioner may prescribe the format for the disclosures required by this subsection.

(h) Factoring transaction disclosure requirements.

(1) A provider shall provide the following disclosures to a recipient at the time of extending a specific offer for a factoring transaction:

(A) The amount of the receivables purchase price paid to the recipient and, if different from the purchase price, the amount disbursed to the recipient after any fees deducted or withheld at disbursement.

(B) The finance charge.

(C) The estimated annual percentage rate, using the words "annual percentage rate" or the abbreviation "APR," calculated according to the federal Truth in Lending Act, Regulation Z, 12 C.F.R. § 1026 Appendix J, as a "single advance, single payment transaction," regardless of whether such act or such regulation would require such a calculation. To calculate the estimated annual percentage rate, the purchase amount is considered the financing amount, the purchase amount minus the finance charge is considered the payment amount, and the term is established by the payment due date of the receivables. As an alternate method of establishing the term, the provider may estimate the term for a factoring transaction as the average payment period, based on its historical data over a period not to exceed the previous 12 months, concerning payment invoices paid by the party owing the accounts receivable in question.

(D) The total payment amount, which is the purchase amount plus the finance charge.

(E) A description of all other potential fees and charges that can be avoided by the recipient.

(F) A description of the receivables purchased and any additional collateral requirements or security interests.

(2) The provider shall obtain the recipient's signature on the disclosures required by this subsection before finalizing the application for the factoring transaction.

(3) A provider shall not provide commercial financing to a recipient in a factoring transaction without first providing the disclosures required by this subsection and obtaining the recipient's signature on such disclosures.

(4) The Commissioner may prescribe the format for the disclosures required by this subsection.

(i) Disclosures required if recipient required to pay off existing commercial financing as condition. If as a condition of obtaining commercial financing the provider requires the recipient to pay off the balance of existing commercial financing from the same provider, the provider shall disclose to the recipient:

(1) The amount of the new commercial financing used to pay off the portion of the existing commercial financing that consists of prepayment charges required to be paid and any unpaid interest expense that was not forgiven at the time of renewal. For financing for which the total repayment amount is calculated as a fixed amount, the prepayment charge is equal to the original finance charge multiplied by the amount of the renewal used to pay off existing financing as a percentage of the total repayment amount, minus any portion of the total repayment amount forgiven by the provider at the time of prepayment.

(2) If the disbursement amount will be reduced to pay down any unpaid portion of the outstanding balance, the actual dollar amount by which such disbursement amount will be reduced.

(j) Rulemaking. The Commissioner is authorized to adopt rules the Commissioner determines are consistent with the purposes of this section, or appropriate for the effective administration of this section, including:

(1) Rules in connection with the calculation or determination of any metric required to be disclosed to a recipient.

(2) Rules necessary to develop and prescribe disclosure formatting to be used by providers that allows for recipients to easily compare financing options in a clear and conspicuous manner. Such rules may include the designation and method for disclosing the information required in this section, or approving adequate forms and methods already used by providers.

(3) Rules that define the terms used in this section if the Commissioner determines such rules are necessary and appropriate to interpret and implement the provisions of this section.

(4) Rules necessary for the enforcement of this section.

Sec. 61. COMMERCIAL FINANCING RULEMAKING

The Commissioner may initiate a rulemaking concerning the implementation and enforcement of commercial financing transactions

consistent with the requirements established in Secs. 59 and 60 of this act. However, such rules shall not take effect until on or after July 1, 2027.

* * * Effective Dates; Application * * *

Sec. 62. EFFECTIVE DATES; APPLICATION

This act shall take effect on July 1, 2026, except that Secs. 59 and 60, concerning commercial financing, shall take effect on July 1, 2027, and shall apply to commercial financing contracts entered into or modified, amended, or restructured on or after July 1, 2027.

H. 941

An act relating to municipal regulation of agriculture

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS AND INTENT; MUNICIPAL REGULATION OF AGRICULTURE

(a) For purposes of Sec. 2 of this act, the General Assembly finds that:

(1) Since at least the enactment of 2004 Acts and Resolves No. 115, it has been both the intent of the General Assembly and the controlling law that a municipality shall not regulate farming, including the construction of farm structures.

(2) The Vermont Supreme Court's decision in *In re 8 Taft Street DRB & NOV Appeals*, 2025 VT 27, reversed application of at least the past 20 years of law to hold that municipalities may regulate farming by municipal bylaw.

(3) To avoid the unintended consequences of the decision in *In re 8 Taft Street DRB & NOV Appeals*, 2025 VT 27, it is necessary for the General Assembly to clarify and restate that municipalities under ordinance or bylaw shall not regulate farming or the construction of farm structures as set forth in 24 V.S.A. § 4413(d).

(4) In addition, municipalities shall not regulate by bylaw the growing of plants and the raising of a small backyard poultry flock, excluding roosters, and may reasonably regulate swine waste in designated downtowns or village centers.

(5) Farming livestock requires an adequate land base and that raising livestock on small parcels in densely populated areas may create unique concerns. As a result, municipalities may regulate livestock on farms that do not have at least 1.0 contiguous acre of land. Other farming activities subject

to regulation by the Required Agricultural Practices Rule on farms with less than 1.0 contiguous acre remain exempt from municipal zoning.

(b) For purposes of Sec. 2 of this act, it is the intent of the General Assembly to overturn the holding in *In re 8 Taft Street DRB & NOV Appeals*, 2025 VT 27, and to clarify that municipalities lack authority to regulate farming or the construction of farm structures as set forth in 24 V.S.A. § 4413(d).

Sec. 2. 24 V.S.A. § 4413(d) is amended to read:

(d)(1) A bylaw under this chapter shall not regulate:

(A) ~~required agricultural practices, including the construction of farm structures, as those practices are defined by the Secretary of Agriculture, Food and Markets;~~ Farming that meets the minimum threshold criteria in the Required Agricultural Practices Rule (RAPs Rule) and is therefore required to comply with the RAPs Rule, except:

(i) notwithstanding subdivision (C) of this subdivision (1), that the raising, feeding, or managing of livestock on a farm with less than 1.0 contiguous acre is subject to applicable municipal zoning bylaws, including when a person is engaged in other farming activities that are subject to the RAPs Rule;

(ii) notwithstanding subdivision (C) of this subdivision (1), that the raising, feeding, or managing of livestock on a farm with at least 1.0 contiguous acre and less than 4.0 contiguous acres shall have a sufficient land base for appropriate nutrient and waste management as determined by the Secretary of Agriculture, Food, and Markets to be exempt from regulation by municipal zoning bylaws; and

(iii) for swine waste in downtowns or village centers as follows:

(I) Municipalities shall not prohibit swine or swine waste, or regulate swine waste–related farm structures on a farm subject to the RAPs Rule.

(II) Municipalities may set a performance standard related to swine waste pursuant to section 4414 of this title to reasonably regulate swine waste in downtowns or village centers if the waste is causing a significant adverse impact to the community, and the municipality has determined that the Secretary of Agriculture, Food and Markets is unable to provide redress through application of the RAPs Rule. A performance standard shall not have the effect of prohibiting swine or swine waste in a municipality.

(III) Municipalities shall provide at least 30 days' notice with opportunity to cure to the Secretary and the farm prior to enforcing a performance standard related to swine waste.

(IV) Notwithstanding any other provisions of law to the contrary, for purposes of this section, swine waste includes animal manure and absorbent bedding of the animal.

(B) The cultivation or other use of land for growing plants, including for food, fiber, Christmas trees, maple sap, or horticultural, viticultural, and orchard crops. Cannabis is separately regulated and is excluded from this exception.

(C) The raising, feeding, or managing of a small backyard poultry flock, excluding roosters.

(D) The construction of farm structures, including as defined in the RAPs Rule.

~~(B)~~(E) ~~accepted~~ Accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices that are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation~~; or~~.

~~(C)~~(F) ~~forestry~~ Forestry operations.

(2) As used in this section:

(A) "Downtown" means an area designated pursuant to chapter 76A or chapter 139 of this title.

(B) "Farm structure" means a building, enclosure, or fence for housing livestock, raising horticultural or agronomic plants, or carrying out other practices associated with ~~accepted~~ agricultural or farming practices, including a silo, ~~as "farming" is defined in 10 V.S.A. § 6001(22),~~ but excludes a dwelling for human habitation.

(C) "Farming" has the same meaning as in 10 V.S.A. § 6001(22) or the Required Agricultural Practices Rule.

~~(B)~~(D) "Forestry operations" has the same meaning as in 10 V.S.A. § 2602.

(E) "Poultry" has the same meaning as in 6 V.S.A. § 1459(4).

(F) "Village center" means an area designated pursuant to chapter 76A or chapter 139 of this title.

* * *

Sec. 3. Section 3 of the Agency of Agriculture, Food and Markets, Vermont Required Agricultural Practices Rule for the Agricultural Nonpoint Source Pollution Control Program is amended to read:

Section 3. Required Agricultural Practices Activities and Applicability

3.1

(a) Persons engaged in farming and the agricultural practices as defined in Section 3.2 of this rule and who meet the minimum threshold criteria for applicability of this rule as found in Section 3.1~~(a) (g)~~(c)(1) ~~(8)~~ must meet all applicable Required Agricultural Practices conditions, restrictions, and operating standards.

(b) Persons engaged in farming and agricultural practices subject to this rule are not subject to municipal zoning bylaws except that the raising, feeding, or managing livestock on a farm with:

(1) at least 1.0 acre and less than 4.0 contiguous acres shall meet the requirements of subdivision (c)(5) of this section to be exempt from regulation by municipal zoning bylaws; or

(2) less than 1.0 contiguous acre is subject to applicable municipal zoning bylaws even when a person is engaged in other farming activities that are subject to this rule.

(c) Persons engaged in farming who are in compliance with these conditions, restrictions, and operating standards, as applicable, shall be presumed to not have a discharge of agricultural wastes to waters of the State. ~~Compliance~~ Unless otherwise stated, compliance with the Required Agricultural Practices Rule is required if a person meets one of the following requirements:

~~(a)~~(1) ~~is~~ Is required to be permitted or certified by the Secretary, consistent with the requirements of 6 V.S.A. Chapter 215 and this rule~~; or~~.

~~(b)~~(2) ~~has~~ Has produced an annual gross income from the sale of agricultural products of $2,000.00 or more in an average year~~; or~~.

~~(c)~~(3) ~~is~~ Is preparing, tilling, fertilizing, planting, protecting, irrigating, and harvesting crops for sale or for charitable contributions of farm crops that are allowable under 26 U.S.C. § 170(c) and that are made to an organization that is unrelated to the owner of the land on a farm that is no less than 4.0 contiguous acres in size~~; or~~.

~~(d)~~(4) ~~is~~ Is raising, feeding, or managing at least the following number of adult livestock on a farm that is no less than 4.0 contiguous acres in size:

~~(1)~~(A) four equines;

~~(2)~~(B) five cattle, cows, or American bison;

~~(3)~~(C) 15 swine;

~~(4)~~(D) 15 goats;

~~(5)~~(E) 15 sheep;

~~(6)~~(F) 15 cervids;

~~(7)~~(G) 50 turkeys;

~~(8)~~(H) 50 geese;

~~(9)~~(I) 100 laying hens;

~~(10)~~(J) 250 broilers, pheasant, Chukar partridge, or Coturnix quail;

~~(11)~~(K) three camelids;

~~(12)~~(L) four ratites;

~~(13)~~(M) 30 rabbits;

~~(14)~~(N) 100 ducks;

~~(15)~~(O) 1,000 pounds of cultured trout; or

~~(16)~~(P) other livestock types, combinations, or numbers as designated by the Secretary based upon or resulting from the impacts upon water quality consistent with this rule~~; or~~.

~~(e)~~(5) ~~is~~ Is raising, feeding, or managing ~~other~~ livestock ~~types, combinations, and numbers, or managing crops or engaging in other agricultural practices~~ on a farm that is at least 1.0 contiguous acre and less than 4.0 contiguous acres ~~in size that the Secretary has determined, after the opportunity for a hearing, to be causing adverse water quality impacts and in a municipality where no ordinances are in place to manage the activities causing the water quality impacts; or~~ and has sufficient land base for appropriate nutrient and waste management. The Secretary has the discretion to determine, after consultation with the appropriate municipal authority, if the land base is adequate to properly manage the number and type of livestock while evaluating whether compliance with the Required Agricultural Practices is reasonable or impractical.

~~(f)~~(6) Is raising, feeding, or managing livestock on less than 1.0 contiguous acre or on between 1.0 and 4.0 contiguous acres in a municipality that lacks ordinances or bylaws to regulate livestock, and the Secretary determines, after an opportunity for a hearing, that the livestock are causing significant adverse

water quality impacts and the Required Agricultural Practices should apply to protect water quality.

~~(g)~~(7) ~~is~~ Is managed by a farmer filing with the Internal Revenue Service a 1040(F) income tax statement in at least one of the past two years~~; or~~.

~~(g)~~(8) ~~has~~ Has a prospective business or farm management plan, approved by the Secretary, describing how the farm will meet the threshold requirements of this section.

3.2 The agricultural practices on farms ~~meeting~~ that meet the minimum threshold criteria set forth in Section 3.1 that are governed by this rule and are not subject to municipal zoning bylaws include:

(a) the confinement, feeding, fencing, and watering of livestock;

(b) the storage and handling of agricultural wastes principally produced on the farm;

(c) the collection of maple sap principally produced from trees on the farm and/or production of maple syrup from sap principally produced on the farm;

(d) the preparation, tilling, fertilization, planting, protection, irrigation, and harvesting of crops;

(e) the ditching and subsurface drainage of farm fields and the construction of farm ponds;

(f) the stabilization of farm fields adjacent to banks of surface water, and the establishment and maintenance of vegetated buffer zones and riparian buffer zones;

(g) the construction and maintenance of farm structures, farm roads, and associated infrastructure;

(h) the on-site storage, preparation, production, and sale of fuel or power from agricultural products or wastes principally produced on the farm;

(i) the on-site storage, preparation, and sale of agricultural products principally produced on the farm from raw agricultural commodities principally produced on the farm;

(j) the on-site storage of agricultural inputs for use on the farm including, but not limited to, lime, fertilizer, pesticides, compost and other soil amendments, and the equipment necessary for operation of the farm; and

(k) the management of livestock mortalities produced on the farm.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

New Business

Third Reading

S. 243

An act relating to distributing funds to the Vermont Language Justice Project

Favorable with Amendment

S. 198

An act relating to the regulation of tobacco products and tobacco substitutes

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

Sec. 1. 7 V.S.A. chapter 40 is amended to read:

CHAPTER 40. TOBACCO PRODUCTS

§ 1001. DEFINITIONS

As used in this chapter:

* * *

(8)(A) "Tobacco substitute" means ~~products, including~~ any product that meets all of the following conditions:

(i) The product is manufactured from, is derived from, or contains tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs.

(ii) The product is intended for human consumption by smoking, chewing, inhaling, sucking, absorbing, or consuming in any other manner.

(iii) The product is not a tobacco product, as defined in this section.

(B) The term "tobacco substitute" includes electronic cigarettes ~~or~~ and other electronic or battery-powered devices~~,~~ that contain or are designed to deliver nicotine or other substances into the body through the inhalation of vapor and that have not been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes. The term also includes nicotine pouches and any liquids, whether nicotine based or not, and delivery devices sold separately for use with a tobacco substitute.

(C) Cannabis products as defined in section 831 of this title or products that have been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes shall not be considered to be tobacco substitutes.

(9) "Licensed wholesale dealer" means a wholesale dealer licensed under the provisions of this chapter.

(10) "Wholesale dealer" means a person who imports or causes to be imported into the State any cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco product for sale or who sells or furnishes any of these products to other wholesale dealers or retail dealers for the purpose of resale, but not by small quantity or parcel to consumers of these products.

(11) "Wholesale dealer's license" means the license granted under the provisions of this chapter to a wholesale dealer for a wholesale outlet.

(12) "Wholesale outlet" means any premises where cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco products are sold, transferred, displayed, or held for sale by a wholesale dealer.

(13) "Wholesale price" means the price at which a licensed wholesale dealer sells or furnishes cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco products to any retail dealer.

§ 1002. LICENSE REQUIRED FOR RETAIL SALE; APPLICATION; FEE; ISSUANCE

(a)(1) Except as provided in subsection (h) of this section, no person shall engage in the retail sale of tobacco products, tobacco substitutes, or tobacco paraphernalia in the person's place of business without a tobacco license obtained from the Division of Liquor Control.

(2) No person shall engage in the retail sale of tobacco substitutes without also obtaining a tobacco substitute endorsement from the Division of Liquor Control.

(3) Tobacco licenses and tobacco substitute endorsements shall ~~expire at midnight, April 30, of each year~~ be valid for one year from the date of issue.

(b)(1) The Board shall prepare and issue tobacco license and tobacco substitute endorsement forms and applications. ~~These shall be incorporated into the liquor license forms and applications prepared and issued under this title.~~

(2) The licenses issued under this section shall be entitled ~~"LIQUOR LICENSE," "LIQUOR-TOBACCO LICENSE," or~~ "TOBACCO LICENSE," ~~as applicable. The~~ and the endorsements issued under this section shall be entitled "TOBACCO SUBSTITUTE ENDORSEMENT."

(3) The Board shall also provide simple instructions for licensees, designed to assist them in complying with the provisions of this chapter.

(c) Each tobacco license and tobacco substitute endorsement shall be prominently displayed on the premises identified in the license.

(d)(1) For a license or endorsement required under this section, a person shall apply to the legislative body of the municipality and shall pay the following fees~~:~~

~~(A)~~ to the Division of Liquor Control~~, the applicable liquor license fee provided in section 204 of this title for a liquor license and a tobacco license;~~

~~(B) to the legislative body of the municipality, a fee of $110.00~~:

(A) $150.00 for a tobacco license or renewal; and

~~(C) to the legislative body of the municipality, a fee of $50.00~~

(B) $75.00 for a tobacco substitute endorsement as provided in subdivision (a)(2) of this section.

(2) The municipal clerk shall forward the application to the Division, and the Division shall issue the tobacco license and the tobacco substitute endorsement, as applicable~~, and shall forward all fees to the Commissioner for deposit~~. Fees collected pursuant to this subsection shall be deposited in the Liquor Control Enterprise Fund.

(e) A person who sells tobacco products, tobacco substitutes, or tobacco paraphernalia without obtaining a tobacco license and a tobacco substitute endorsement, as applicable, in violation of this section shall be ~~guilty of a misdemeanor and fined~~ subject to a civil penalty of not more than ~~$200.00~~ $2,000.00 for the first offense and not more than ~~$500.00~~ $5,000.00 for each subsequent offense.

(f) No individual under 16 years of age may sell tobacco products, tobacco substitutes, or tobacco paraphernalia.

(g) No person shall engage in the importation, distribution, wholesale sale, or retail sale, or a combination of these, of tobacco products, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia in the State unless the person is a

licensed wholesale dealer ~~as defined in 32 V.S.A. § 7702~~ or has purchased the tobacco products, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia from a licensed wholesale dealer.

(h) This section shall not apply to a cannabis establishment licensed pursuant to chapter 33 of this title to engage in the retail sale of cannabis products as defined in section 831 of this title but not engaged in the sale of tobacco products or tobacco substitutes.

* * *

§ 1002b. WHOLESALE DEALERS; LICENSE REQUIRED

(a) License required. Each wholesale dealer shall secure a license from the Division of Liquor Control before engaging in the business of selling tobacco products or tobacco substitutes in this State. Licensed wholesale dealers shall sell these products only to other Vermont licensed wholesale dealers or to retailers licensed pursuant to section 1002 of this chapter.

(b) Application for and issuance of license.

(1) A separate application and license shall be required for each wholesale outlet when a wholesale dealer owns or controls more than one such outlet. The license fee shall be $1,245.00 annually for each outlet.

(2) A wholesale license shall be issued by the Division upon application on forms prescribed by the Division, stating the name and address of the applicant, the address of the place of business at which the applicant proposes to engage in the wholesale business, the type of business, and such other information as the Division may require for the proper administration of this chapter. Each license issued pursuant to this section shall be prominently displayed on the premises covered by the license.

(c) Penalties for sales without license. Any wholesale dealer who sells, offers for sale, or possesses with intent to sell tobacco products or tobacco substitutes without having first obtained a license as provided in this section shall be subject to a civil penalty of not more than $2,000.00 for the first offense and not more than $5,000.00 for each subsequent offense.

(d) Term of license. Each license issued under the provisions of this section shall be valid for one year from the date of issue. If the business with respect to which the license was issued is sold or transferred or if the licensee ceases to do business at the place named, the license shall immediately be returned to the Division for cancellation.

(e) Revocation or suspension of license. The Division may revoke or suspend the license of any licensed wholesale dealer for failure to comply with any provision of this chapter, 11 V.S.A. chapter 15, 32 V.S.A. chapter 205, or 33 V.S.A. chapter 19, subchapter 1B.

* * *

§ 1005. ~~PERSONS~~ INDIVIDUALS UNDER 21 YEARS OF AGE; ~~POSSESSION OF TOBACCO PRODUCTS;~~ MISREPRESENTING AGE ~~OR PURCHASING~~ TO PURCHASE TOBACCO PRODUCTS; PENALTY

~~(a)(1) A person under 21 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia unless:~~

~~(A) the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, or tobacco paraphernalia to effect a sale in the course of employment; or~~

~~(B) the person is in possession of tobacco products or tobacco paraphernalia in connection with Indigenous cultural tobacco practices.~~

~~(2) A person under 21 years of age shall not misrepresent his or her age to purchase or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia.~~

~~(b) A person who possesses tobacco products, tobacco substitutes, or tobacco paraphernalia in violation of subsection (a) of this section shall be subject to having the tobacco products, tobacco substitutes, or tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of $25.00. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.~~

~~(c) A person~~ An individual under 21 years of age who misrepresents the ~~person's~~ individual's age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia shall be subject to a civil penalty of not more than ~~$50.00~~ $100.00 or provide up to 10 hours of community service, or both. An action under this section shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

* * *

§ 1007. FURNISHING TOBACCO TO ~~PERSONS~~ INDIVIDUALS UNDER 21 YEARS OF AGE; PENALTIES; REPORT

(a)(1) ~~A person that~~ An individual who sells or furnishes tobacco products, tobacco substitutes, or tobacco paraphernalia to ~~a person~~ an individual under 21 years of age shall be subject to a civil penalty of not more than ~~$100.00~~ $150.00 for the first offense and not more than $500.00 for any subsequent offense. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours ~~of~~ following the occurrence of the alleged violation.

(2) In addition to the civil penalty imposed against an individual for a violation pursuant to subdivision (1) of this subsection, for any subsequent violation, the licensee may be subject to an administrative penalty and license suspension or revocation as set forth in subdivision (b)(2) of this section.

(b)(1) The Division of Liquor Control shall conduct or contract for compliance tests of tobacco licensees as frequently and as comprehensively as necessary to ensure consistent statewide compliance with the prohibition on sales to ~~persons~~ individuals under 21 years of age of at least 90 percent for buyers who are between 17 and 20 years of age. An individual under 21 years of age participating in a compliance test shall not be in violation of section 1005 of this title.

(2) Any violation by a tobacco licensee of subsection 1003(a) of this title ~~and~~ or this section after a sale violation or during a compliance test ~~conducted within six months of~~ after a previous violation shall be considered a multiple violation and shall result in the following administrative penalties and minimum license ~~suspension~~ suspensions or license revocation, in addition to any other penalties available under this title~~. Minimum license suspensions for multiple violations shall be assessed as follows~~:

(A) ~~two violations~~ second violation: suspension for two consecutive weekdays and an administrative penalty of not less than $1,000.00;

(B) ~~three violations 15-day~~ third violation: suspension for 15 consecutive days and an administrative penalty of not less than $2,000.00;

(C) ~~four violations 90-day~~ fourth violation: suspension for 90 consecutive days and an administrative penalty of not less than $3,500.00; and

(D) ~~five violations one-year suspension~~ fifth violation: revocation of license and an administrative penalty of not less than $5,000.00.

* * *

§ 1009. CONTRABAND AND SEIZURE

(a) Any cigarettes or other tobacco products or tobacco substitutes that have been sold, offered for sale, or possessed for sale in violation of section 1003, 1010, or 1013 of this title~~,~~; 20 V.S.A. § 2757~~,~~; 32 V.S.A. § 7786~~,~~; or 33 V.S.A. § 1919, and any commercial cigarette rolling machines possessed or utilized in violation of section 1011 of this title, shall be deemed contraband and shall be subject to seizure by the Commissioner, the Commissioner's agents or employees, the Commissioner of Taxes, or any agent or employee of the Commissioner of Taxes, or by any law enforcement officer of this State when directed to do so by ~~the~~ either Commissioner or by the Department of Liquor and Lottery. All ~~cigarettes or other tobacco products~~ items seized under this subsection shall be destroyed at the expense of the violator, and disposition shall be in compliance with the Agency of Natural Resources, Hazardous Waste Management Regulations (CVR 12-032-001).

(b)(1) Any person in possession of property considered contraband under this section shall be fined not more than $1,000.00 nor less than $500.00 per item.

(2) Any vehicle, aircraft or watercraft, or other conveyance in which property considered contraband under this section is found may be seized and subject to forfeiture and condemnation pursuant to sections 570 and 572–574 of this title.

§ 1010. INTERNET SALES

* * *

(b)(1) ~~No~~ Except as provided in subdivision (2) of this subsection, no person shall cause cigarettes, roll-your-own tobacco, little cigars, snuff, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia, ordered or purchased by mail or through a computer network, telephonic network, or other electronic network, to be shipped to anyone other than a licensed wholesale dealer ~~or retail dealer~~ in this State.

(2) The prohibition set forth in subdivision (1) of this subsection shall not apply to a licensed wholesale dealer shipping directly to a licensed retail dealer in this State.

(c) No person shall, with knowledge or reason to know of the violation, provide substantial assistance to a person in violation of this section.

(d) A violation of this section is punishable as follows:

(1) A knowing or intentional violation of this section shall be punishable by imprisonment for not more than five years or a fine of not more than $5,000.00, or both.

(2) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed $5,000.00 for each violation. For purposes of this subsection, each shipment or transport of cigarettes, roll-your-own tobacco, little cigars, ~~or~~ snuff, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia shall constitute a separate violation.

* * *

§ 1013. DECEPTIVE TOBACCO PRODUCTS AND TOBACCO SUBSTITUTES PROHIBITED

(a) No person shall market, promote, label, brand, advertise, distribute, possess for sale, offer for sale, or sell a tobacco product or tobacco substitute by:

(1) imitating a product that is not a tobacco product or tobacco substitute, including:

(A) a food or brand of food commonly marketed to minors, including candy, desserts, cereal, and beverages;

(B) school supplies commonly used by minors, including erasers, highlighters, pens, and pencils;

(C) portable devices, including smartphones, smartwatches, video games or video game consoles, and inhalers; and

(D) a product based on or depicting a character, personality, or symbol known to appeal to minors, including a celebrity; a character in a comic book, movie, television show, or video game; or a mythical creature;

(2) concealing the nature of the tobacco product or tobacco substitute; or

(3) using terms for, describing, or depicting a product described in subdivision (1) of this subsection.

(b)(1) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed $5,000.00 for each violation. For purposes of this subsection, each instance of

marketing, promoting, labeling, branding, advertising, distributing, possessing for sale, offering for sale, or selling a deceptive tobacco product or tobacco substitute shall constitute a separate violation.

(2) In any action brought pursuant to this section, the State shall be entitled to recover the costs of investigation, of expert witness fees, and of the action, and reasonable attorney's fees.

(3) A person who violates this section commits an unfair and deceptive trade practice in commerce in violation of 9 V.S.A. § 2453.

(4) In addition to the penalties and remedies described in subdivisions (1)–(3) of this subsection, the Attorney General has the same authority as provided under 9 V.S.A. chapter 63, subchapter 1.

Sec. 2. 4 V.S.A. § 1102(b) is amended to read:

(b) The Judicial Bureau shall have jurisdiction of the following matters:

* * *

(4) Violations of 7 V.S.A. § 1005, relating to ~~possession and procurement of tobacco products~~ misrepresentation of age by a person under 21 years of age to purchase tobacco products.

* * *

Sec. 3. 7 V.S.A. § 210 is amended to read:

§ 210. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT; ADMINISTRATIVE PENALTY

(a)(1) The control commissioners, as applicable, or the Board of Liquor and Lottery shall have power to suspend or revoke any permit or license granted pursuant to this title in the event the person holding the permit or license shall at any time during the term of the permit or license conduct its business in violation of this title, the conditions pursuant to which the permit or license was granted, or any rule prescribed by the Board of Liquor and Lottery.

(2) No revocation shall be made until the permittee or licensee has been notified and given a hearing before the Board of Liquor and Lottery, unless the permittee or licensee has been convicted by a court of competent jurisdiction of violating the provisions of this title.

(3) In the case of a suspension, the permittee or licensee shall be notified and given a hearing before the Board of Liquor and Lottery or the local control commissioners, whichever applies.

(4) Any decision to suspend or revoke a license shall be issued in writing and set forth the reasons for the suspension or revocation and, if applicable, the duration of the suspension.

(5) ~~A tobacco license may not be suspended or revoked for a first-time violation.~~ Suspension or revocation of a tobacco license shall not affect any liquor license held by the licensee.

(b)(1) In addition to the authority to suspend or revoke any permit or license, the Board of Liquor and Lottery may impose an administrative penalty of up to $7,500.00 per violation against a holder of a wholesale dealer's license ~~or~~; a holder of a first-, second-, or third-class license; or a holder of any tobacco license for a violation of the conditions of the license or of this title or of any rule adopted by the Board.

(2) The administrative penalty may be imposed after a hearing before the Board or after the licensee has been convicted by a court of competent jurisdiction of violating the provisions of this title.

(3) ~~The Board may also impose an administrative penalty under this subsection against a holder of a tobacco license of up to $250.00 for a first violation and up to $2,500.00 for subsequent violations.~~ [Repealed.]

(4) ~~For the first violation during a tobacco or alcohol compliance check during any three-year period, a licensee or permittee shall receive a warning and be required to attend a Division server training class.~~ [Repealed.]

* * *

Sec. 4. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

* * *

(e) The Commissioner may, in the Commissioner's discretion and subject to such conditions and requirements as the Commissioner may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(25) To the Department of Liquor and Lottery, if such return or information is for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40.

* * *

Sec. 5. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

As used in this chapter unless the context otherwise requires:

(1) "Cigarette" means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains:

(A) any roll of tobacco wrapped in paper or in any substance not containing tobacco; ~~and~~

(B) tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or

(C) any roll of tobacco wrapped in substance containing tobacco that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subdivision (A) of this subdivision (1).

* * *

(5) "Licensed wholesale dealer" ~~shall mean~~ means a wholesale dealer licensed under the provisions of ~~this chapter~~ 7 V.S.A. § 1002b.

* * *

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

(16) "Wholesale dealer" means a person who imports or causes to be imported into the State any cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco product for sale or who sells or furnishes any of these products to other wholesale dealers or retail dealers for the purpose of resale, but not by small quantity or parcel to consumers ~~thereof~~ of these products.

(17) "Wholesale dealer's license" ~~shall mean~~ means the license granted under the provisions of ~~this chapter~~ 7 V.S.A. § 1002b to a wholesale dealer for a wholesale outlet.

* * *

Sec. 6. 32 V.S.A. § 7776 is amended to read:

§ 7776. COLLECTION OF CIGARETTE TAX THROUGH NONRESIDENT LICENSED WHOLESALE DEALERS

* * *

(d) Any person complying with the provisions of this section shall thereupon become a licensed wholesale dealer within the meaning of 7 V.S.A. chapter 40 and this chapter and shall be subject to all provisions of ~~the chapter~~ both chapters applicable to wholesale dealers, including the furnishing of a bond specified in ~~subchapter 2~~ section 7703 of this chapter.

Sec. 7. 32 V.S.A. § 7821 is amended to read:

§ 7821. CRIMINAL PENALTIES

Any person who shall fail, neglect, or refuse to comply with or shall violate the provisions of this chapter relating to the tax on tobacco products or the rules adopted by the Commissioner under this chapter relating to such tax shall be guilty of a misdemeanor and upon conviction for a first offense shall be sentenced to pay a fine of not more than $250.00 or to be imprisoned for not more than 60 days, or both, such fine and imprisonment in the discretion of the court, and for a second or subsequent offense shall be sentenced to pay a fine of not less than $250.00 nor more than $500.00 or be imprisoned for not more than six months, or both, such fine and imprisonment in the discretion of the court. This section shall not apply to violations of ~~sections 7731–7734 and~~ section 7776 of this title.

Sec. 8. REDESIGNATION

32 V.S.A. § 7737 (licensed wholesale dealers; bonding) is redesignated as 32 V.S.A. § 7703.

Sec. 9. REPEALS

32 V.S.A. §§ 7731–7736 (licensure of wholesale dealers) are repealed.

Sec. 10. [Deleted.]

Sec. 11. TAXATION OF TOBACCO SUBSTITUTES; TAX STAMPS; REPORT

(a) The Department of Taxes, in collaboration with the Department of Liquor and Lottery and the Office of the Attorney General and in consultation with wholesale dealers and other interested stakeholders, shall:

(1) identify efficient and effective processes by which to impose taxes on tobacco substitutes, as defined in 7 V.S.A. § 1001, based on the concentration of nicotine they contain; and

(2) evaluate the continued use of tax stamps as evidence of payment of the excise tax on cigarettes, little cigars, and roll-your-own tobacco in this State and consider the advantages and disadvantages of alternative approaches of certifying tax compliance.

(b) On or before January 15, 2027, the Department of Taxes shall provide its findings and recommendations for taxing tobacco substitutes based on nicotine concentration and regarding the continued use of tax stamps, including proposed next steps and legislative needs, to the House Committees on Human Services and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs; on Finance; and on Health and Welfare.

Sec. 12. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that:

(1) in Sec. 1 (7 V.S.A. chapter 40), section 1002b (wholesale dealers; license required) shall take effect on July 1, 2027;

(2) in Sec. 5 (32 V.S.A. § 7702), the amendments to subdivisions (5) (definition of "licensed wholesale dealer") and (17) (definition of "wholesale dealer's license") shall take effect on July 1, 2027; and

(3) Secs. 6 (32 V.S.A. § 7776), 7 (32 V.S.A. § 7821), 8 (redesignation), and 9 (repeals) shall take effect on July 1, 2027.

(Committee vote: 11-0-0)

Rep. Noyes of Wolcott, for the Committee on Human Services, recommends that the report of the Committee on Commerce and Economic Development be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 7 V.S.A. chapter 40 is amended to read:

CHAPTER 40. TOBACCO PRODUCTS

§ 1001. DEFINITIONS

As used in this chapter:

* * *

(8)(A) "Tobacco substitute" means ~~products, including~~ any product that meets all of the following conditions:

(i) The product is manufactured from, is derived from, or contains tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs.

(ii) The product is intended for human consumption by smoking, chewing, inhaling, sucking, absorbing, or consuming in any other manner.

(iii) The product is not a tobacco product, as defined in this section.

(B) The term "tobacco substitute" includes electronic cigarettes ~~or~~ and other electronic or battery-powered devices~~,~~ that contain or are designed to deliver nicotine or other substances into the body through the inhalation of vapor and that have not been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes. The term also includes nicotine pouches and any liquids, whether nicotine based or not, and delivery devices sold separately for use with a tobacco substitute.

(C) Cannabis products as defined in section 831 of this title or products that have been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes shall not be considered to be tobacco substitutes.

(9) "Licensed wholesale dealer" means a wholesale dealer licensed under the provisions of this chapter.

(10) "Wholesale dealer" means a person who imports or causes to be imported into the State any tobacco products or tobacco substitutes for sale or who sells or furnishes any of these products to other wholesale dealers or retail dealers for the purpose of resale, but not by small quantity or parcel to consumers of these products.

(11) "Wholesale dealer's license" means the license granted under the provisions of this chapter to a wholesale dealer for a wholesale outlet.

(12) "Wholesale outlet" means any premises where tobacco products or tobacco substitutes are sold, transferred, displayed, or held for sale by a wholesale dealer.

(13) "Wholesale price" means the price at which a licensed wholesale dealer sells or furnishes tobacco products or tobacco substitutes to any retail dealer.

§ 1002. LICENSE REQUIRED FOR RETAIL SALE; APPLICATION; FEE; ISSUANCE

(a)(1) Except as provided in subsection (h) of this section, no person shall engage in the retail sale of tobacco products, tobacco substitutes, or tobacco paraphernalia in the person's place of business without a tobacco license obtained from the Division of Liquor Control.

(2) No person shall engage in the retail sale of tobacco substitutes without also obtaining a tobacco substitute endorsement from the Division of Liquor Control.

(3) Tobacco licenses and tobacco substitute endorsements shall ~~expire at midnight, April 30, of each year~~ be valid for one year from the date of issue.

(b)(1) The Board shall prepare and issue tobacco license and tobacco substitute endorsement forms and applications. ~~These shall be incorporated into the liquor license forms and applications prepared and issued under this title.~~

(2) The licenses issued under this section shall be entitled ~~"LIQUOR LICENSE," "LIQUOR-TOBACCO LICENSE," or~~ "TOBACCO LICENSE," ~~as applicable. The~~ and the endorsements issued under this section shall be entitled "TOBACCO SUBSTITUTE ENDORSEMENT."

(3) The Board shall also provide simple instructions for licensees, designed to assist them in complying with the provisions of this chapter.

(c) Each tobacco license and tobacco substitute endorsement shall be prominently displayed on the premises identified in the license.

(d)(1) For a license or endorsement required under this section, a person shall apply to the legislative body of the municipality using the application provided by the Board in accordance with subdivision (b)(1) of this section and shall pay the following fees~~:~~

~~(A)~~ to the Division of Liquor Control~~, the applicable liquor license fee provided in section 204 of this title for a liquor license and a tobacco license;~~

~~(B) to the legislative body of the municipality, a fee of $110.00~~:

(A) $150.00 for a tobacco license or renewal; and

~~(C) to the legislative body of the municipality, a fee of $50.00~~

(B) $75.00 for a tobacco substitute endorsement as provided in subdivision (a)(2) of this section.

(2) The municipal clerk shall forward the application to the Division~~,~~ and, if the municipality's local control commissioners have approved the application for a tobacco license and, if applicable, a tobacco substitute endorsement, the Division shall issue the tobacco license and the tobacco substitute endorsement, as applicable~~, and shall forward all fees to the Commissioner for deposit~~. Fees collected pursuant to this subsection shall be deposited in the Liquor Control Enterprise Fund.

(e) A person who sells tobacco products, tobacco substitutes, or tobacco paraphernalia without obtaining a tobacco license and a tobacco substitute endorsement, as applicable, in violation of this section shall be ~~guilty of a misdemeanor and fined~~ subject to a civil penalty of not more than ~~$200.00~~ $2,000.00 for the first offense and not more than ~~$500.00~~ $5,000.00 for each subsequent offense.

(f) No individual under 16 years of age may sell tobacco products, tobacco substitutes, or tobacco paraphernalia.

(g) No person shall engage in the importation, distribution, wholesale sale, or retail sale, or a combination of these, of tobacco products, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia in the State unless the person is a licensed wholesale dealer ~~as defined in 32 V.S.A. § 7702~~ or has purchased the tobacco products, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia from a licensed wholesale dealer.

(h) This section shall not apply to a cannabis establishment licensed pursuant to chapter 33 of this title to engage in the retail sale of cannabis products as defined in section 831 of this title but not engaged in the sale of tobacco products or tobacco substitutes.

* * *

§ 1002b. WHOLESALE DEALERS; LICENSE REQUIRED

(a) License required. Each wholesale dealer shall secure a license from the Division of Liquor Control before engaging in the business of selling tobacco products or tobacco substitutes in this State. Licensed wholesale dealers shall sell these products only to other Vermont licensed wholesale dealers or to retailers licensed pursuant to section 1002 of this chapter.

(b) Application for and issuance of license.

(1) A separate application and license shall be required for each wholesale outlet when a wholesale dealer owns or controls more than one such outlet. The license fee shall be $1,245.00 annually for each outlet.

(2) A wholesale license may be issued by the Division upon application on forms prescribed by the Division, stating the name and address of the applicant, the address of the place of business at which the applicant proposes to engage in the wholesale business, the type of business, and such other information as the Division may require for the proper administration of this chapter. Each license issued pursuant to this section shall be prominently displayed on the premises covered by the license.

(c) Penalties for sales without license. Any wholesale dealer who sells, offers for sale, or possesses with intent to sell tobacco products or tobacco substitutes without having first obtained a license as provided in this section shall be subject to a civil penalty of not more than $2,000.00 for the first offense and not more than $5,000.00 for each subsequent offense.

(d) Term of license. Each license issued under the provisions of this section shall be valid for one year from the date of issue. If the business with respect to which the license was issued is sold or transferred or if the licensee ceases to do business at the place named, the license shall immediately be returned to the Division for cancellation.

(e) Revocation or suspension of license. The Division may revoke or suspend the license of any licensed wholesale dealer for failure to comply with any provision of this chapter, 11 V.S.A. chapter 15, 32 V.S.A. chapter 205, or 33 V.S.A. chapter 19, subchapter 1B.

* * *

§ 1005. ~~PERSONS~~ INDIVIDUALS UNDER 21 YEARS OF AGE; POSSESSION OR PURCHASE OF TOBACCO PRODUCTS PROHIBITED; PENALTY FOR MISREPRESENTING AGE ~~OR PURCHASING TOBACCO PRODUCTS; PENALTY~~

(a)(1) ~~A person~~ An individual under 21 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia unless:

(A) the ~~person~~ individual is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, or tobacco paraphernalia to effect a sale in the course of employment; or

(B) the ~~person~~ individual is in possession of tobacco products or tobacco paraphernalia in connection with Indigenous cultural tobacco practices.

(2) ~~A person~~ An individual under 21 years of age shall not misrepresent ~~his or her~~ the individual's age to purchase or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia.

(b) ~~A person~~ An individual who possesses tobacco products, tobacco substitutes, or tobacco paraphernalia in violation of subsection (a) of this section shall be subject to having the tobacco products, tobacco substitutes, or tobacco paraphernalia immediately confiscated ~~and shall be further subject to a civil penalty of $25.00. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.~~

(c) ~~A person~~ An individual under 21 years of age who misrepresents the ~~person's~~ individual's age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia shall be ~~subject to a civil penalty of not more than $50.00 or provide~~ offered the choice of providing up to 10 hours of community service~~,~~ or ~~both~~ participating in a nationally recognized youth tobacco cessation program to be determined by the Department of Health. An action under this section shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

* * *

§ 1007. FURNISHING TOBACCO TO ~~PERSONS~~ INDIVIDUALS UNDER 21 YEARS OF AGE; PENALTIES; REPORT

(a)(1) ~~A person that~~ An individual who sells or furnishes tobacco products, tobacco substitutes, or tobacco paraphernalia to ~~a person~~ an individual under 21 years of age shall be subject to a civil penalty of not more than ~~$100.00~~ $150.00 for the first offense and not more than $500.00 for any subsequent offense. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours ~~of~~ following the occurrence of the alleged violation.

(2) In addition to the civil penalty imposed against an individual for a violation pursuant to subdivision (1) of this subsection, for any subsequent violation, the licensee may be subject to an administrative penalty and license suspension or revocation as set forth in subdivision (b)(2) of this section.

(b)(1) The Division of Liquor Control shall conduct or contract for compliance tests of tobacco licensees as frequently and as comprehensively as necessary to ensure consistent statewide compliance with the prohibition on sales to ~~persons~~ individuals under 21 years of age of at least 90 percent for

buyers who are between 17 and 20 years of age. An individual under 21 years of age participating in a compliance test shall not be in violation of section 1005 of this title.

(2) Any violation by a tobacco licensee of subsection 1003(a) of this title ~~and~~ or this section after a sale violation or during a compliance test ~~conducted within six months of~~ after a previous violation shall be considered a multiple violation and shall result in the following administrative penalties and minimum license ~~suspension~~ suspensions or license revocation, in addition to any other penalties available under this title~~. Minimum license suspensions for multiple violations shall be assessed as follows~~:

(A) ~~two violations~~ second violation: suspension for two consecutive weekdays and an administrative penalty of not less than $1,000.00;

(B) ~~three violations 15-day~~ third violation: suspension for 15 consecutive days and an administrative penalty of not less than $2,000.00;

(C) ~~four violations 90-day~~ fourth violation: suspension for 90 consecutive days and an administrative penalty of not less than $3,500.00; and

(D) ~~five violations one-year suspension~~ fifth violation: revocation of license and an administrative penalty of not less than $5,000.00.

* * *

§ 1009. CONTRABAND AND SEIZURE

(a) Any cigarettes or other tobacco products or tobacco substitutes that have been sold, offered for sale, or possessed for sale in violation of section 1003, 1010, or 1013 of this title~~,~~; 20 V.S.A. § 2757~~,~~; 32 V.S.A. § 7786~~,~~; or 33 V.S.A. § 1919, and any commercial cigarette rolling machines possessed or utilized in violation of section 1011 of this title, shall be deemed contraband and shall be subject to seizure by the Commissioner, the Commissioner's agents or employees, the Commissioner of Taxes, or any agent or employee of the Commissioner of Taxes, or by any law enforcement officer of this State when directed to do so by ~~the~~ either Commissioner or by the Department of Liquor and Lottery. All ~~cigarettes or other tobacco products~~ items seized under this subsection shall be destroyed at the expense of the violator, and disposition shall be in compliance with the Agency of Natural Resources, Hazardous Waste Management Regulations (CVR 12-032-001).

(b)(1) Any person in possession of property considered contraband under this section shall be fined not more than $1,000.00 nor less than $500.00 per item.

(2) Any vehicle, aircraft or watercraft, or other conveyance in which property considered contraband under this section is found may be seized and subject to forfeiture and condemnation pursuant to sections 570 and 572–574 of this title.

§ 1010. INTERNET SALES

* * *

(b)(1) ~~No~~ Except as provided in subdivision (2) of this subsection, no person shall cause cigarettes, roll-your-own tobacco, little cigars, snuff, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia, ordered or purchased by mail or through a computer network, telephonic network, or other electronic network, to be shipped to anyone other than a licensed wholesale dealer ~~or retail dealer~~ in this State.

(2) The prohibition set forth in subdivision (1) of this subsection shall not apply to a licensed wholesale dealer shipping directly to a licensed retail dealer in this State.

(c) No person shall, with knowledge or reason to know of the violation, provide substantial assistance to a person in violation of this section.

(d) A violation of this section is punishable as follows:

(1) A knowing or intentional violation of this section shall be punishable by imprisonment for not more than five years or a fine of not more than $5,000.00, or both.

(2) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed $5,000.00 for each violation. For purposes of this subsection, each shipment or transport of cigarettes, roll-your-own tobacco, little cigars, ~~or~~ snuff, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia shall constitute a separate violation.

(e)(1) On or before January 15 of each year, the Department of Liquor and Lottery and the Office of the Attorney General shall each report to the House Committees on Commerce and Economic Development and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare regarding enforcement of Vermont laws relating to online sales of tobacco products, tobacco substitutes, and tobacco paraphernalia as set forth in this subsection.

(2) The Department of Liquor and Lottery shall report at least the following information for the previous 12-month period:

(A) the number of online compliance checks that the Department conducted;

(B) the number of cases relating to online sales activity that the Department referred to the Office of the Attorney General for further action; and

(C) the number of reports of unlawful online sales activity that the Department received from the public and the outcomes of those reports.

(3) The Office of the Attorney General shall report at least the following information for the previous 12-month period:

(A) the outcomes of cases related to online sales activity that were referred by the Department of Liquor and Lottery or any other governmental source;

(B) the number of reports of unlawful online sales activity that the Office received from the public and the outcomes of those reports; and

(C) the number and amounts of any monetary penalties imposed and other legal remedies executed by the Office related to online sales activity.

* * *

§ 1013. DECEPTIVE TOBACCO PRODUCTS AND TOBACCO SUBSTITUTES PROHIBITED

(a) No person shall market, promote, label, brand, advertise, distribute, possess for sale, offer for sale, or sell a tobacco product or tobacco substitute by:

(1) imitating a product that is not a tobacco product or tobacco substitute, including:

(A) a food or brand of food commonly marketed to minors, including candy, desserts, cereal, and beverages;

(B) school supplies commonly used by minors, including erasers, highlighters, pens, and pencils;

(C) portable devices, including smartphones, smartwatches, video games or video game consoles, and inhalers; and

(D) a product based on or depicting a character, personality, or symbol known to appeal to minors, including a celebrity; a character in a comic book, movie, television show, or video game; or a mythical creature;

(2) concealing the nature of the tobacco product or tobacco substitute; or

(3) using terms for, describing, or depicting a product described in subdivision (1) of this subsection.

(b)(1) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed $5,000.00 for each violation. For purposes of this subsection, each instance of marketing, promoting, labeling, branding, advertising, distributing, possessing for sale, offering for sale, or selling a deceptive tobacco product or tobacco substitute shall constitute a separate violation.

(2) In any action brought pursuant to this section, the State shall be entitled to recover the costs of investigation, of expert witness fees, and of the action, and reasonable attorney's fees.

(3) A person who violates this section commits an unfair and deceptive trade practice in commerce in violation of 9 V.S.A. § 2453.

(4) In addition to the penalties and remedies described in subdivisions (1)–(3) of this subsection, the Attorney General has the same authority as provided under 9 V.S.A. chapter 63, subchapter 1.

Sec. 2. 4 V.S.A. § 1102(b) is amended to read:

(b) The Judicial Bureau shall have jurisdiction of the following matters:

* * *

(4) Violations of 7 V.S.A. § 1005, relating to ~~possession and procurement of tobacco products~~ misrepresentation of age by a person under 21 years of age to purchase tobacco products.

* * *

Sec. 3. 7 V.S.A. § 210 is amended to read:

§ 210. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT; ADMINISTRATIVE PENALTY

(a)(1) The control commissioners, as applicable, or the Board of Liquor and Lottery shall have power to suspend or revoke any permit or license granted pursuant to this title in the event the person holding the permit or license shall at any time during the term of the permit or license conduct its business in violation of this title, the conditions pursuant to which the permit

or license was granted, or any rule prescribed by the Board of Liquor and Lottery.

(2) No revocation shall be made until the permittee or licensee has been notified and given a hearing before the Board of Liquor and Lottery, unless the permittee or licensee has been convicted by a court of competent jurisdiction of violating the provisions of this title.

(3) In the case of a suspension, the permittee or licensee shall be notified and given a hearing before the Board of Liquor and Lottery or the local control commissioners, whichever applies.

(4) Any decision to suspend or revoke a license shall be issued in writing and set forth the reasons for the suspension or revocation and, if applicable, the duration of the suspension.

(5) ~~A tobacco license may not be suspended or revoked for a first-time violation.~~ Suspension or revocation of a tobacco license shall not affect any liquor license held by the licensee.

(b)(1) In addition to the authority to suspend or revoke any permit or license, the Board of Liquor and Lottery may impose an administrative penalty of up to $7,500.00 per violation against a holder of a wholesale dealer's license ~~or~~; a holder of a first-, second-, or third-class license; or a holder of any tobacco license for a violation of the conditions of the license or of this title or of any rule adopted by the Board.

(2) The administrative penalty may be imposed after a hearing before the Board or after the licensee has been convicted by a court of competent jurisdiction of violating the provisions of this title.

(3) ~~The Board may also impose an administrative penalty under this subsection against a holder of a tobacco license of up to $250.00 for a first violation and up to $2,500.00 for subsequent violations.~~ [Repealed.]

(4) ~~For the first violation during a tobacco or alcohol compliance check during any three-year period, a licensee or permittee shall receive a warning and be required to attend a Division server training class.~~ [Repealed.]

* * *

Sec. 4. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

* * *

(e) The Commissioner may, in the Commissioner's discretion and subject to such conditions and requirements as the Commissioner may provide,

including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(25) To the Department of Liquor and Lottery, if such return or information is for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40.

* * *

Sec. 5. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

As used in this chapter unless the context otherwise requires:

(1) "Cigarette" means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains:

(A) any roll of tobacco wrapped in paper or in any substance not containing tobacco; ~~and~~

(B) tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or

(C) any roll of tobacco wrapped in substance containing tobacco that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subdivision (A) of this subdivision (1).

* * *

(5) "Licensed wholesale dealer" ~~shall mean~~ means a wholesale dealer licensed under the provisions of ~~this chapter~~ 7 V.S.A. § 1002b.

* * *

(15)(A) "Other tobacco products" means any product manufactured from, derived from, or containing tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs, that is intended for human consumption by smoking, chewing, or in any other manner, ~~including~~ except as otherwise specified in subdivision (B) of this subdivision (15).

(B)(i) The term includes products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), ~~and~~ including any liquids, whether nicotine

based or not, ~~or~~ and delivery devices sold separately for use with a tobacco substitute, but ~~shall~~ not including nicotine pouches.

(ii) The term does not include cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco as defined in this section, or cannabis products as defined in 7 V.S.A. § 831.

(16) "Wholesale dealer" means a person who imports or causes to be imported into the State any cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco product for sale or who sells or furnishes any of these products to other wholesale dealers or retail dealers for the purpose of resale, but not by small quantity or parcel to consumers ~~thereof~~ of these products.

(17) "Wholesale dealer's license" ~~shall mean~~ means the license granted under the provisions of ~~this chapter~~ 7 V.S.A. § 1002b to a wholesale dealer for a wholesale outlet.

* * *

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

* * *

Sec. 6. 32 V.S.A. § 7776 is amended to read:

§ 7776. COLLECTION OF CIGARETTE TAX THROUGH NONRESIDENT LICENSED WHOLESALE DEALERS

* * *

(d) Any person complying with the provisions of this section shall thereupon become a licensed wholesale dealer within the meaning of 7 V.S.A. chapter 40 and this chapter and shall be subject to all provisions of ~~the chapter~~ both chapters applicable to wholesale dealers, including the furnishing of a bond specified in ~~subchapter 2~~ section 7703 of this chapter.

Sec. 7. 32 V.S.A. § 7821 is amended to read:

§ 7821. CRIMINAL PENALTIES

Any person who shall fail, neglect, or refuse to comply with or shall violate the provisions of this chapter relating to the tax on tobacco products or the

rules adopted by the Commissioner under this chapter relating to such tax shall be guilty of a misdemeanor and upon conviction for a first offense shall be sentenced to pay a fine of not more than $250.00 or to be imprisoned for not more than 60 days, or both, such fine and imprisonment in the discretion of the court, and for a second or subsequent offense shall be sentenced to pay a fine of not less than $250.00 nor more than $500.00 or be imprisoned for not more than six months, or both, such fine and imprisonment in the discretion of the court. This section shall not apply to violations of ~~sections 7731–7734 and~~ section 7776 of this title.

Sec. 8. REDESIGNATION

32 V.S.A. § 7737 (licensed wholesale dealers; bonding) is redesignated as 32 V.S.A. § 7703.

Sec. 9. REPEALS

32 V.S.A. §§ 7731–7736 (licensure of wholesale dealers) are repealed.

Sec. 10. TOBACCO ENFORCEMENT CAPACITY; REPORT

(a) The General Assembly finds that the regulation of tobacco products, tobacco substitutes, and the deceptive devices prohibited by 7 V.S.A. § 1013, as added by this act, is a significant public health priority, especially with respect to protecting individuals under 21 years of age from being targeted or supplied with these products.

(b) On or before January 15, 2027, the Department of Liquor and Lottery, in consultation with the Office of the Attorney General, shall evaluate and report to the House Committees on Human Services and on Commerce and Economic Development and the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs regarding the following:

(1) the number of compliance checks that the Department conducted in fiscal years 2025 and 2026 with respect to tobacco products and tobacco substitutes;

(2) whether the Department's current enforcement staffing levels are sufficient to meet the compliance targets established in 7 V.S.A. § 1007(b)(1) and to adequately enforce 7 V.S.A. chapter 40 as amended by this act, including the prohibition on deceptive devices in 7 V.S.A. § 1013, the restrictions on internet sales in 7 V.S.A. § 1010, and the expanded wholesale licensure requirements;

(3) any unmet enforcement needs identified as a result of the expanded scope of regulation under this act; and

(4) whether additional staffing resources at the Department of Liquor and Lottery or the Office of the Attorney General, or both, would materially improve compliance with and enforcement of Vermont's tobacco laws.

Sec. 11. TAXATION OF TOBACCO SUBSTITUTES; TAX STAMPS; REPORT

(a) The Department of Taxes, in collaboration with the Department of Liquor and Lottery and the Office of the Attorney General and in consultation with wholesale dealers and other interested stakeholders, shall:

(1) identify efficient and effective processes by which to impose taxes on tobacco substitutes, as defined in 7 V.S.A. § 1001, based on the concentration of nicotine they contain; and

(2) evaluate the continued use of tax stamps as evidence of payment of the excise tax on cigarettes, little cigars, and roll-your-own tobacco in this State and consider the advantages and disadvantages of alternative approaches of certifying tax compliance.

(b) On or before January 15, 2027, the Department of Taxes shall provide its findings and recommendations for taxing tobacco substitutes based on nicotine concentration and regarding the continued use of tax stamps, including proposed next steps and legislative needs, to the House Committees on Human Services and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs; on Finance; and on Health and Welfare.

Sec. 12. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that:

(1) in Sec. 1 (7 V.S.A. chapter 40), section 1002b (wholesale dealers; license required) shall take effect on July 1, 2027;

(2) in Sec. 5 (32 V.S.A. § 7702), the amendments to subdivisions (5) (definition of "licensed wholesale dealer") and (17) (definition of "wholesale dealer's license") shall take effect on July 1, 2027; and

(3) Secs. 6 (32 V.S.A. § 7776), 7 (32 V.S.A. § 7821), 8 (redesignation), and 9 (repeals) shall take effect on July 1, 2027.

(Committee Vote: 9-0-2)

Rep. Burkhardt of South Burlington, for the Committee on Ways and Means, recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Commerce and Economic Development, when further amended as recommended by the Committee on Human Services.

(Committee Vote: 10-0-1)

Senate Proposal of Amendment

H. 816

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

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. PURPOSE

It is the purpose of this act to safeguard individuals seeking mental health services in Vermont from psychological harm, including death by suicide, by ensuring that these services are delivered by mental health professionals and not independently by artificial intelligence systems.

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, engaging in the prohibited use of artificial intelligence pursuant to 18 V.S.A. § 7115.

* * *

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.

(2) "Mental health professional" means an individual licensed, certified, or rostered, respectively, to provide mental health services as a physician pursuant to 26 V.S.A. chapter 23 or 33; an advanced practice registered nurse specializing in psychiatric mental health pursuant to 26 V.S.A. chapter 28; a psychologist pursuant to 26 V.S.A. chapter 55; a peer support provider or peer recovery support specialist pursuant to 26 V.S.A. chapter 60; a social worker pursuant to 26 V.S.A. chapter 61; an alcohol and drug abuse counselor pursuant to 26 V.S.A. chapter 62; a clinical mental health counselor pursuant to 26 V.S.A. chapter 65; a marriage and family therapist pursuant to 26 V.S.A chapter 76; a psychoanalyst pursuant to 26 V.S.A. chapter 77; an applied behavior analyst pursuant to 26 V.S.A. chapter 95; a nonlicensed or noncertified psychotherapist or a noncertified psychoanalyst; or any other professional who provides mental health services.

(3) "Mental health services" means counseling, therapy, or psychotherapy services used to diagnose or treat an individual's mental or behavioral health or provide ongoing recovery support, including providing therapeutic decisions, issuing direct therapeutic communications, generating treatment plans or recommendations, or detecting or interpreting emotion or mental states.

(4) "Therapeutic communication" means a written, verbal, or nonverbal 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, such as:

(A) engaging in direct interactions with clients or patients for the purpose of understanding or reflecting the client's or patient's thoughts;

(B) providing guidance, therapeutic strategies, or interventions designed to achieve mental health outcomes;

(C) offering emotional support, reassurance, or empathy in response to emotional or psychological distress;

(D) collaborating with a patient or client to develop or modify treatment plans or therapeutic goals; and

(E) delivering feedback intended to promote growth or address mental health outcomes.

(5) "Therapeutic decision" means the final clinical determination regarding diagnosis or the selection, modification, or termination of treatment or care.

(b) A corporation or entity shall not provide, advertise, or otherwise offer mental health services, including through the use of artificial intelligence, to the public unless the mental health services are provided by a mental health professional.

(c)(1) A violation of this section by a corporation or entity shall be deemed a violation of the Consumer Protection Act, 9 V.S.A. chapter 63. The Attorney General has the same authority, and private parties have the same rights and remedies, as provided under 9 V.S.A. chapter 63, subchapter 1. Each violation of this section shall carry a civil penalty of $10,000.00 as set forth in 9 V.S.A. § 2461.

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

(d) Nothing in this section shall preclude a mental health professional who is operating within the professional's scope of practice from utilizing artificial intelligence tools that are compliant with the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, provided that the mental health professional reviews and approves any mental health services.

Sec. 4. 26 V.S.A. § 1354 is amended to read:

§ 1354. UNPROFESSIONAL CONDUCT

(a) Prohibited conduct. The Board shall find that any one of the following, or any combination of the following, whether the conduct at issue was committed within or outside the State, constitutes unprofessional conduct:

* * *

(3) engaging in the prohibited use of artificial intelligence pursuant to 18 V.S.A. § 7115;

* * *

Sec. 5. REPORT; USE OF ARTIFICIAL INTELLIGENCE IN REGULATED PROFESSIONS

On or before January 15, 2027, the Office of Professional Regulation and the Board of Medical Practice shall jointly submit a written report to the House Committees on Government Operations and Military Affairs, on Health Care, and on Human Services and the Senate Committees on Government Operations and on Health and Welfare containing recommendations for the regulation of the use of artificial intelligence by regulated professionals, including recommendations for legislative action.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.

H. 921

An act relating to alcoholic beverages

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 2, 7 V.S.A. § 224, in subdivision (c)(1), following "not more than" by striking out "10" and inserting in lieu thereof the word "five"

Second: In Sec. 6, 7 V.S.A. § 271, after the period at the end of subsection (g), by inserting "A licensed manufacturer of malt beverages shall retain copies of records of distribution and sales made pursuant to this subsection. Annually, on or before January 15, a licensed manufacturer shall report to the Division in a manner and form required by the Commissioner the total amount of malt beverages distributed pursuant to this subsection during the preceding 12 months."

Third: By striking out Sec. 7, 7 V.S.A. § 271 in its entirety and inserting in lieu thereof a new Sec. 7 to read as follows:

Sec. 7. [Deleted.]

Fourth: By adding two new sections to be Secs. 11 and 12 and a reader assistance heading to read as follows:

* * * Caterer's License * * *

Sec. 11. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

As used in this title:

* * *

(5) "Caterer's license" means a license issued by the Board of Liquor and Lottery authorizing the holder of a first-class license or first- and third-class licenses to serve alcoholic beverages at a function ~~located on premises other than those occupied by a first-, first- and third-, or second-class licensee to sell alcoholic beverages~~ pursuant to section 241 of this title.

* * *

Sec. 12. 7 V.S.A. § 241 is amended to read:

§ 241. CATERER'S LICENSE; COMMERCIAL CATERING LICENSE

(a) The Board of Liquor and Lottery may issue a caterer's license or a commercial catering license to a person who holds a first-class license or first- and third-class licenses. The holder of a caterer's license is authorized to serve alcoholic beverages at a function located on premises other than those occupied by another first-, first- and third-, or second-class licensee to sell alcoholic beverages. The holder of a caterer's license may host not more than five functions per calendar year located on the license holder's own first-, first- and third-, or second-class licensed premises.

* * *

Fifth: By renumbering Sec. 11, effective dates, to be Sec. 13 and in subsection (b) of the new Sec. 13 by striking out the sentence "Sec. 7 shall take effect on July 1, 2028." and inserting in lieu thereof "[Deleted.]"

Sixth: In Sec. 13, effective dates, in subsection (a), following "This section and Secs. 9" by striking out "and 10 (deleting 2026 sunset of special venue serving permits for retail establishments)" and inserting in lieu thereof "through 12"

H. 930

An act relating to addressing and preventing chronic absenteeism

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Chronic absenteeism is primarily an issue that should be addressed through preventative, restorative, and assistance-based measures designed to identify barriers to attendance and reconnect students with school. Schools should respond to chronic absenteeism through written attendance support plans, outreach to families, and appropriate academic, behavioral, and community-based supports.

(2) Truancy is distinct from chronic absenteeism and constitutes a student's failure to comply with compulsory attendance requirements under Vermont law. Truancy should serve as a legal enforcement mechanism only after reasonable school-based interventions have been attempted and have not resulted in improved attendance. Truancy proceedings should be reserved for circumstances in which school-based interventions have not been successful and formal legal enforcement is necessary to ensure compliance with compulsory attendance laws.

Sec. 2. LEGISLATIVE INTENT

It is the intent of the General Assembly that student attendance policies in Vermont schools prioritize early identification, supportive intervention, and meaningful family engagement in order to produce consistent school attendance and student success.

Sec. 3. 16 V.S.A. chapter 25, subchapter 3 is amended to read:

Subchapter 3. Compulsory Attendance

§ 1120. DEFINITIONS

As used in this chapter:

(1) "Absence" means a student who is, for at least half the school day when school is open, not physically on school grounds or who is not receiving or attending educational, cocurricular, or athletic services or programming elsewhere pursuant to a program or plan approved by:

(A) the district, if the student is enrolled in a public school; or

(B) an approved independent school, if the student is enrolled in an approved independent school.

(2) "Chronic absenteeism" means a student who is absent for any reason for 10 percent or more of a district's or approved independent school's student attendance days within one school year, regardless of whether the absences are considered excused or unexcused.

(3) "Excused absence" means an absence that is approved by the superintendent or designee, or the head of school or designee for an approved independent school, pursuant to section 1123 of this chapter, either before or after the date or dates of the student's absence. Excused absences shall include days of in- or out-of-school suspension.

(4) "Parent or guardian" shall have its ordinary meaning; provided, however, that it shall also mean a student in the following situations:

(A) the student has reached the age of majority;

(B) the student is an independent student as that term is defined under subsection 1075(h) of this chapter; or

(C) the student qualifies as an unaccompanied youth under the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11431–11435.

(5) "Truancy" means a student who accumulates 20 or more unexcused absences either within the same school year or within a district's or approved

independent school's last 175 consecutive student attendance days, regardless of whether the absences were within the same school year.

(6) "Unexcused absence" means any student absence that does not fit one of the categories of excused absences. Failure of the parent or guardian to provide justification for the absence if requested by the superintendent or the head of school for an approved independent school shall also constitute an unexcused absence.

§ 1121. ATTENDANCE BY CHILDREN OF SCHOOL AGE REQUIRED

~~A person having the control~~ The parent or guardian of a child between ~~the ages of~~ six and 16 years of age shall cause the child to attend a public school, an approved or recognized independent school, an approved education program, or a home study program for the full number of days for which that school is held, unless the child:

(1) per medical recommendation, is mentally or physically unable ~~so~~ to attend; ~~or~~

(2) has completed the ~~tenth~~ 10th grade; ~~or~~

(3) is excused by the superintendent or ~~a majority of the school directors~~ designee or the head of school for an approved independent school or designee as provided in this chapter; or

(4) is enrolled in and attending a postsecondary school, as defined in subdivision 176(b)(1) of this title, which is approved or accredited in Vermont or another state.

§ 1122. STUDENTS UNDER SIX AND OVER 16 YEARS OF AGE

~~A person having the control~~ The parent or guardian of a child who is under six years of age or over 16 years of age who ~~allows the child to become enrolled~~ enrolls the child in kindergarten through grade 12 in a public school or approved independent school shall ~~cause~~ ensure that the child ~~to attend~~ attends the school continually for the full number of ~~the~~ school days of the term in which ~~he or she~~ the child is enrolled~~, unless the child is mentally or physically unable to continue or is excused in writing by the superintendent or a majority of the school directors~~. In case of such enrollment, the ~~person and the teacher, child,~~ parent or guardian and the superintendent~~, and school directors~~ or designee or the head of school for an approved independent school or designee shall be under the laws and subject to the penalties relating to the attendance of children between ~~the ages of~~ six and 16 years of age.

§ 1123. ~~ATTENDANCE~~ SCHOOL ABSENCE MAY BE EXCUSED

(a) ~~The~~ In accordance with the chronic absenteeism and truancy policy required pursuant to section 1124 of this chapter, the superintendent of a public school or designee or the head of school of an approved independent school or designee may excuse~~, in writing, any student from attending the school for a definite time, but for not more than ten consecutive school days and only for emergencies or for absence from town~~ a student's absence for all or part of the school day and may request justification for an absence.

(b) ~~The superintendent of an elementary school held for more than 175 school days in a school year may excuse, in writing, a student of the school from attending more than 175 days.~~ [Repealed.]

* * *

§ 1124. RESPONSE TO CHRONIC ABSENTEEISM

(a) The Agency of Education, in consultation with the Vermont School Boards Association; the Vermont Superintendents Association; the Vermont Principals' Association; the Vermont Independent Schools Association; the Vermont School Counselor Association; the National Association of Social Workers, Vermont Chapter; the Department of State's Attorneys and Sheriffs; and the Department for Children and Families, Family Services Division, shall develop, and review at least every three years, a model policy on the prevention of chronic absenteeism and truancy.

(1) The model policy shall:

(A) provide guidance for the reasons a superintendent or designee or head of school of an approved independent school or designee may excuse a student's absence for all or part of the school day;

(B) provide guidance for when a superintendent or designee or head of school of an approved independent school or designee may request justification for an absence;

(C) provide guidance for how to address the absence of a child with a disability, as that term is defined in subdivision 2942(1) of this title, in accordance with applicable State and federal law; and

(D) consider the impact incidents of hazing, harassment, and bullying may have on student attendance, including the importance of tailored responses to all students struggling with safety and emotional issues that provide such students with the emotional, academic, and social support to facilitate a successful reintegration for returning students.

(2) The Agency shall also develop model procedures to accompany the model policy, which shall include a template for documentation of actions taken according to the policy to address an absence, which shall constitute the truancy reporting protocol. The model procedures shall also include a template for standard documentation to be provided to parents or guardians pursuant to section 1127 of this chapter.

(b) To minimize each student's loss of educational and developmental opportunities, and to ensure equity in the treatment of absenteeism and truancy for all students and families, each school district and each approved independent school shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title a policy that is designed to prevent and respond to chronic absenteeism and truancy that shall be at least as stringent as the model policy developed by the Agency. Each superintendent and head of school of an approved independent school shall develop and implement procedures to carry out such policies. The policy shall be consistent with definitions in this chapter. A superintendent or a head of school for an approved independent school shall also ensure that data on student absences is collected and recorded in accordance with Agency of Education requirements. Any school board or approved independent school that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Agency.

* * *

§ 1126. FAILURE TO ATTEND; NOTICE

When a student between ~~the ages of~~ six and 16 years of age, who is not ~~excused or~~ exempted from school attendance by one of the authorized individuals in accordance with section 1121 of this chapter, fails to enter school at the beginning of the academic year or, being enrolled, ~~fails to attend the school~~ accumulates 20 or more unexcused absences within either the same school year or within the last 175 consecutive student attendance days, and when a student who is under six years of age or at least 16 years of age becomes enrolled in a public school in kindergarten through grade 12 and ~~fails to attend~~ accumulates 20 or more unexcused absences either within the same school year or within the last 175 consecutive student attendance days, the ~~teacher or~~ principal shall notify ~~the truant officer and either~~ the superintendent ~~or the school board, unless the teacher or principal is satisfied that the student is absent on account of illness~~. For Vermont resident students, the head of school of an approved independent school or designee shall notify the superintendent of the student's district of residence. Upon review of the truancy reporting protocol, the superintendent shall notify the truant officer

and Centralized Intake and Emergency Services of the Department for Children and Families' Family Services Division.

§ 1127. NOTICE AND COMPLAINT BY TRUANT OFFICER; PENALTY

(a) The truant officer, upon receiving the notice and truancy reporting protocol provided in section 1126 of this title, shall inquire into the cause of the nonattendance of the child. If ~~he or she~~ the truant officer finds that the ~~child is absent without cause~~ child's absences are not excusable under section 1123 of this chapter, the truant officer shall give written notice to the ~~person having the control of the child that the child is absent from school without cause and shall also notify that person to cause the child to attend school regularly thereafter~~ parent or guardian that the parent or guardian must comply with the obligations of section 1122 of this chapter.

(b) ~~When, after receiving notice, a person fails, without legal excuse, to cause a child to attend school as required by this chapter, he or she shall be fined not more than $1,000.00 pursuant to subsection (c) of this section~~ If the parent or guardian continues to fail, without legal excuse, to cause a child to attend school as required by this chapter after having received the written notice required pursuant to subsection (a) of this section, the truant officer shall enter a complaint to the State's Attorney of the county and shall provide a statement of the evidence and truancy reporting protocol upon which the complaint is based.

(c) ~~The truant officer shall enter a complaint to the State's Attorney of the county and shall provide a statement of the evidence upon which the complaint is based.~~ The State's Attorney ~~shall~~ may prosecute the person or may file a child in need of supervision petition in accordance with 33 V.S.A. § 5309. If a criminal information is filed under this section, a person shall not be fined more than $1,000.00 if, after receiving notice, a person fails, without legal excuse, to cause a child to attend school as required by this chapter. In ~~the~~ a prosecution, the complaint, information, or indictment shall be deemed sufficient if it states that the ~~respondent (naming the respondent) having the control of a child of school age~~ parent or guardian (specifying if the applicable person is a parent or guardian and naming the person) of the child (naming the child) neglects to send that child to a public school or an approved or recognized independent school or a home study program as required by law.

§ 1128. ~~LEGAL PUPIL TAKEN TO SCHOOL; NONRESIDENT CHILD LIVING IN DISTRICT~~

~~(a) A superintendent may and the truant officer shall stop a child between the ages of six and 16 years or a child 16 years of age or over and enrolled in public school, wherever found during school hours, and shall, unless such~~

~~child is excused or exempted from school attendance, take the child to the school that she or he should attend.~~

~~(b) A child of legal school age who is not exempt from school attendance and who has not finished the elementary school course and is living in a district other than the place of legal residence shall, with the school board's approval, be admitted immediately to a school in the district where he or she is found. If the child is not admitted to school, then immediate action shall be taken by the truant officer to cause the return of the child to the district of his or her residence.~~ [Repealed.]

§ 1129. JURISDICTION OF NONRESIDENTS

The superintendent of a school in which a nonresident pupil is enrolled and a truant officer having jurisdiction of the pupils in such school shall have the same authority and jurisdiction over such nonresident pupil and the ~~person having the control of such pupil~~ parent or guardian as they have over resident pupils and the ~~persons having control~~ parent or guardian of such pupils.

* * *

Sec. 4. 16 V.S.A. § 1162 is amended to read:

§ 1162. SUSPENSION OR EXPULSION OF STUDENTS

* * *

(e) A public school or an approved independent school may provide access to alternative education, such as tutoring, instructional materials, and assignments to a student during any period of suspension of three or more days. A public school or an approved independent school may provide access to alternative education, such as tutoring, instructional materials, and assignments to a student who has been expelled, except that the school shall provide educational access to the extent otherwise required by law.

Sec. 5. PREVENTION OF CHRONIC ABSENTEEISM; AGENCY OF EDUCATION POLICY; IMPLEMENTATION

(a) On or before March 15, 2027, the Agency of Education shall submit a written update on the efforts made to develop the model policy required pursuant to 16 V.S.A. § 1124. The Agency shall include the most recent draft model policy and most recent draft templates required to be developed as part of the model policy.

(b) The Agency of Education shall adopt and publish the model policy required pursuant to 16 V.S.A. § 1124 on or before July 1, 2027.

(c) School boards and the governing bodies of approved independent schools shall adopt and implement a chronic absenteeism policy as required by 16 V.S.A. § 1124 on or before July 1, 2028.

Sec. 6. REPEAL

16 V.S.A. § 1076 (penalties) is repealed.

Sec. 7. HOME STUDY PROGRAM; AGENCY OF EDUCATION RECOMMENDATIONS; REPORT

On or before December 1, 2026, the Agency of Education shall submit a written report to the House and Senate Committees on Education with recommendations for updates to Vermont's home study program law.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

NOTICE CALENDAR

Senate Proposal of Amendment

H. 944

An act relating to the fiscal year 2027 Transportation Program and miscellaneous changes to laws related to transportation

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Legislative Findings * * *

Sec. 1. LEGISLATIVE FINDINGS

The General Assembly finds that:

(1) State fiscal year 2025 Transportation Fund revenues came in nearly $7,400,000.00 below the revenue forecast.

(2) In July 2025, the revenue forecast for the Transportation Fund was downgraded for State fiscal years 2026–2030 because of reductions in the projected revenues from the purchase and use tax and Department of Motor Vehicles fees.

(3) Revenues from the taxes on gasoline and diesel fuel are projected to gradually decrease in State fiscal years 2026–2030. That trend is expected to continue because of improving vehicle fuel efficiency among all vehicles and increasing adoption of electric vehicles.

(4) The July 2025 consensus revenue forecast estimates a 1.33 percent compound annual growth rate in Transportation Fund revenues between 2026 and 2030, which is far below recent inflation levels.

(5) In contrast with the slow growth in Transportation Fund revenues, the National Highway Construction Cost Index increased by approximately 62 percent between 2020 and 2025.

(6) In addition to rising construction costs, salaries and benefits have also increased significantly in recent years, creating significant ongoing cost pressure on the Transportation Fund.

(7) To address budget shortfalls in the past year, the Agency has been forced to eliminate 62 permanent positions.

(8) Continuing deficits in the Transportation Fund threaten the State's ability to provide the required match for federal funds, which make up more than half of the State's annual transportation budget.

(9) Municipalities face the same cost pressures as the State. However, State aid for town highways has only increased by 2.7 percent, which places increasing pressure on chronically underfunded town highway programs and puts pressure on the property tax.

(10) If Vermont is unable to keep up with the maintenance and capital needs of its transportation system, the infrastructure will continue to deteriorate, and restoring the system to a state of good repair will cost significantly more.

(11) Prompt legislative action is necessary to ensure the future health and stability of the Transportation Fund and to enable the Agency of Transportation to keep Vermont's transportation system in a state of good repair.

* * * Transportation Program Adopted as Amended; Definitions * * *

Sec. 2. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

(a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program appended to the Agency of Transportation's proposed fiscal year 2027 budget, as amended by this act, is adopted to the extent federal, State, and local funds are available.

(b) Definitions. As used in this act, unless otherwise indicated:

(1) "Agency" means the Agency of Transportation.

(2) "Candidate project" means a project approved by the General Assembly that is not anticipated to have significant preliminary engineering

expenditures or right-of-way expenditures, or both, during the budget year and for which construction funding is not anticipated within a predictable time frame.

(3) "Development and evaluation (D&E) project" means a project approved by the General Assembly that is anticipated to have preliminary engineering expenditures or right-of-way expenditures, or both, during the budget year and that the Agency is committed to delivering to construction on a timeline driven by priority and available funding.

(4) "Electric vehicle supply equipment (EVSE)" and "electric vehicle supply equipment available to the public" have the same meanings as in 30 V.S.A. § 201.

(5) "Front-of-book project" means a project approved by the General Assembly that is anticipated to have construction expenditures during the budget year or the following three years, or both, with expected expenditures shown over four years.

(6) "Plug-in electric vehicle (PEV)," "plug-in hybrid electric vehicle (PHEV)," and "battery electric vehicle (BEV)" have the same meanings as in 23 V.S.A. § 4(85).

(7) "Secretary" means the Secretary of Transportation.

(8) "TIB funds" means monies deposited in the Transportation Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.

(9) The table heading "As Proposed" means the Proposed Transportation Program referenced in subsection (a) of this section; the table heading "As Amended" means the amendments as made by this act; the table heading "Change" means the difference obtained by subtracting the "As Proposed" figure from the "As Amended" figure; the term "change" or "changes" in the text refer to the project- and program-specific amendments, the aggregate sum of which equals the net "Change" in the applicable table heading; and "State" in any tables amending authorizations indicates that the source of funds is State monies in the Transportation Fund, unless otherwise specified.

* * * Summary of Transportation Investments * * *

Sec. 3. FISCAL YEAR 2027 TRANSPORTATION INVESTMENTS INTENDED TO REDUCE TRANSPORTATION-RELATED GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL USE, AND SAVE VERMONT HOUSEHOLDS MONEY

This act includes the State's fiscal year 2027 transportation investments intended to reduce transportation-related greenhouse gas emissions, reduce fossil fuel use, and save Vermont households money in furtherance of the policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive Energy Plan and the Vermont Climate Action Plan and to satisfy the Executive and Legislative Branches' commitments to the Paris Agreement climate goals. In fiscal year 2027, these efforts will include the following:

(1) Park and Ride Program. This act provides for a fiscal year expenditure of $1,976,211.00, which will fund three park and ride projects.

(2) Bike and Pedestrian Facilities Program. This act provides for a fiscal year expenditure, including local match, of $24,576,873.00, which will fund 34 bike and pedestrian construction projects; 18 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in future fiscal years; and eight scoping studies. The construction projects include the creation, improvement, and rehabilitation of walkways, sidewalks, shared-use paths, bike paths, and cycling lanes. Projects are funded in Arlington, Bennington, Bethel, Brattleboro, Burke, Burlington, Castleton, Chester, Danville, Essex Town, Fairfax, Greensboro, Guilford, Hartford, Huntington, Hyde Park, Irasburg, Jamaica, Johnson, Lunenburg, Middlebury, Montpelier, Moretown, Morristown, Newfane, Newport City, Northfield, Pownal, Royalton, Rutland City, Rutland Town, Sheldon, South Burlington, Springfield, St. Albans City, Swanton, Wallingford, Warren, Waterbury, West Rutland, Williston, Wilmington, and Wolcott. This act also provides funding for:

(A) some of Local Motion's operation costs to run the bike ferry on the Colchester Causeway, which is part of the Island Line Trail;

(B) grant awards for State-aid construction projects;

(C) projects funded through the Safe Routes to School Program; and

(D) community grants along the Lamoille Valley Rail Trail (LVRT).

(3) Transportation Alternatives Program. This act provides for a fiscal year expenditure of $4,514,362.00, including local funds, which will fund 22 transportation alternatives construction projects; 28 transportation alternatives design, right-of-way, or design and right-of-way projects; and one scoping study. Of these 51 projects, 18 involve environmental mitigation related to clean water or stormwater concerns, or both clean water and stormwater concerns, and 30 involve bicycle and pedestrian facilities. Projects are funded in Athens, Bennington, Bethel, Brandon, Brattleboro, Bristol, Burke, Burlington, Derby, Enosburg Falls, Fairlee, Ferrisburgh, Glover, Guilford,

Hinesburg, Hyde Park, Jericho, Londonderry, Ludlow, Lyndon, Montgomery, Newark, Putney, Rockingham, Rutland City, Shoreham, South Burlington, Springfield, Swanton, Warren, Weathersfield, Williston, Wilmington, and Windham.

(4) Public Transit Program. This act provides for a fiscal year expenditure of $57,855,144.00 for public transit uses throughout the State. Included in the authorization are:

(A) Go! Vermont, with an authorization of $380,000.00. This authorization supports transportation demand management (TDM) strategies, including the State's Trip Planner and commuter services, to promote the use of carpools and vanpools.

(B) Mobility and Transportation Innovations (MTI) Grant Program, with an authorization of $315,000.00 in federal funds. This authorization continues to support projects that improve both mobility and access to services for transit-dependent Vermonters, reduce the use of single-occupancy vehicles, and reduce greenhouse gas emissions.

(5) Rail Program. This act provides for a fiscal year expenditure of $60,289,410.00, including local funds and $34,688,907.00 in federal funds, for intercity passenger rail service, including funding for the Ethan Allen Express and Vermonter Amtrak services, and rail infrastructure that supports freight rail as well. Moving freight by rail instead of trucks lowers greenhouse gas emissions by up to 75 percent, on average.

* * * Paving * * *

Sec. 4. PAVING; STATEWIDE DISTRICT LEVELING

(a) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, authorized spending is amended as follows:

FY27	As Proposed	As Amended	Change
Other	1,150,000	1,150,000	0
PE	2,183,194	2,183,194	0
Const.	144,812,226	146,512,226	1,700,000
Total	148,145,420	149,845,420	1,700,000
Sources of funds			
State	24,400,007	25,100,007	1,700,000
Federal	123,732,179	123,732,179	0

Local	13,235	13,235	0
Total	148,145,420	149,845,420	1,700,000

(b) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, authorized spending for STATEWIDE District Leveling TBD is amended as follows:

FY27	As Proposed	As Amended	Change
Const.	7,000,000	8,700,000	1,700,000
Total	7,000,000	8,700,000	1,700,000
Sources of funds			
State	7,000,000	8,700,000	1,700,000
Total	7,000,000	8,700,000	1,700,000

(c) It is the intent of the General Assembly to direct the maximum amount of funding to the State highway system. Consistent with this intent, within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, any unobligated amounts or carryforward resulting from project delays or cost overruns or underruns shall be directed to State highway paving projects.

* * * State Highway Bridges * * *

Sec. 5. STATE HIGHWAY BRIDGES

(a) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending is amended as follows:

FY27	As Proposed	As Amended	Change
PE	4,143,897	4,143,897	0
ROW	414,000	414,000	0
Const.	78,935,408	78,935,408	0
Other	1,400,000	1,400,000	0
Total	84,893,305	84,893,305	0
Sources of funds			
State	2,873,295	1,123,295	-1,750,000
TIB	6,180,851	7,930,851	1,750,000
Federal	67,312,444	67,312,444	0

Local/Other	1,247,049	1,247,049	0
Inter Unit	7,279,666	7,279,666	0
Total	84,893,305	84,893,305	0

(b) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SHAFTSBURY STP 014-1(6) is amended as follows:

FY27	As Proposed	As Amended	Change
PE	14,678	14,678	0
Const.	2,600,000	2,600,000	0
Total	2,614,678	2,614,678	0
Sources of funds			
State	521,000	0	-521,000
TIB	1,936	522,936	521,000
Federal	2,091,742	2,091,742	0
Total	2,614,678	2,614,678	0

(c) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SUNDERLAND BM20102 is amended as follows:

FY27	As Proposed	As Amended	Change
PE	85,287	85,287	0
Const.	2,000,000	2,000,000	0
Total	2,085,287	2,085,287	0
Sources of funds			
State	415,057	0	-415,057
TIB	2,000	417,057	415,057
Federal	1,668,230	1,668,230	0
Total	2,085,287	2,085,287	0

(d) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SUNDERLAND NH CULV 122 is amended as follows:

FY27	As Proposed	As Amended	Change
PE	53,182	53,182	0
Const.	2,000,000	2,000,000	0
Total	2,053,182	2,053,182	0
Sources of funds			
State	408,636	141,686	-266,950
TIB	2,000	268,950	266,950
Federal	1,642,546	1,642,546	0
Total	2,053,182	2,053,182	0

(e) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for TOPSHAM BF 031-1(13) is amended as follows:

FY27	As Proposed	As Amended	Change
PE	10,000	10,000	0
ROW	1,000	1,000	0
Const.	2,733,967	2,733,967	0
Total	2,744,967	2,744,967	0
Sources of funds			
State	546,993	0	-546,993
TIB	2,000	548,993	546,993
Federal	2,195,974	2,195,974	0
Total	2,744,967	2,744,967	0

Sec. 6. [Deleted.]

Sec. 7. [Deleted.]

Sec. 8. [Deleted.]

Sec. 9. [Deleted.]

Sec. 10. [Deleted.]

Sec. 11. [Deleted.]

Sec. 12. [Deleted.]

* * * Authority to Issue Transportation Infrastructure Bonds * * *

Sec. 13. AUTHORITY TO ISSUE TRANSPORTATION INFRASTRUCTURE BONDS; FISCAL YEARS 2028–2032

(a) The State Treasurer is authorized to issue transportation infrastructure bonds pursuant to 32 V.S.A. § 972 for State fiscal years 2028–2032 in an amount approved by the General Assembly.

(b) For State fiscal years 2028–2032, the Capital Debt Affordability Advisory Committee (CDAAC) shall annually report to the House and Senate Committees on Transportation on or before September 30 of the preceding fiscal year an estimate of the maximum amount of transportation infrastructure bonds that prudently may be authorized for the next fiscal year.

(c) The Treasurer, in consultation with the CDAAC, shall review annually any requested issuance of transportation infrastructure bonds pursuant to 32 V.S.A. § 1001 as part of its net State tax-supported debt analysis provided to the Governor and the General Assembly.

Sec. 14. 2028 PROPOSED TRANSPORTATION PROGRAM; TRANSPORTATION INFRASTRUCTURE BOND PROPOSAL; REPORT

(a) The Agency of Transportation shall, when preparing the 2028 Transportation Program, prepare both:

(1) a Transportation Program proposal that includes the use of transportation infrastructure bond proceeds to fund eligible projects pursuant to 32 V.S.A. § 972(d); and

(2) a Transportation Program proposal that does not include the use of transportation infrastructure bond proceeds.

(b)(1) The Agency of Transportation shall, in consultation with the State Treasurer and at the same time as the Agency submits the proposed State fiscal year 2028 Transportation Program to the General Assembly, submit a written report to the House and Senate Committees on Transportation that identifies projects proposed for the State fiscal year 2028 Transportation Program that are eligible to be funded with the proceeds from the issuance of transportation infrastructure bonds pursuant to the provisions of 32 V.S.A. § 972(d).

(2) The report shall include:

(A) an analysis comparing the present value of the estimated cost to pay for the identified projects using transportation infrastructure bond proceeds to the cost to pay for the projects on a pay-as-you-go basis; and

(B) a comparison of the projects' schedules if funded with transportation infrastructure bonds to the projects' schedules if funded on a pay-as-you-go basis.

* * * Mileage-Based User Fee * * *

Sec. 15. FINDINGS AND INTENT

(a) Findings. The General Assembly finds that:

(1) Vermont adopted its first tax on gasoline in 1923.

(2) In 1923, the most common motor vehicle in the Unites States was the Ford Model T, whose annual production peaked at more than 2,000,000 new vehicles that year.

(3) Because of the limited variety of mass-produced vehicles available when it was adopted, the gasoline tax, and the later-adopted diesel fuel tax, served as use fees that required drivers of light-duty motor vehicles to contribute to the State's Transportation Fund in an amount that reflected the amount of miles that each vehicle was driven on Vermont's surface transportation system.

(4) Since 1923, the variety of mass-produced light-duty motor vehicles available to consumers has expanded greatly, resulting in a wide variety of internal combustion engine and vehicle types and designs with significant differences in vehicle fuel efficiency.

(5) Improvements in fuel efficiency among light-duty motor vehicles and the increasing adoption of hybrid, plug-in hybrid, and battery electric vehicles (BEVs) is leading to reduced fuel consumption among newer vehicles.

(6) BEVs do not require gasoline and diesel fuel, and the $89.00 annual infrastructure fee paid by owners and lessees of BEVs registered in Vermont is less than the average amount of fuel taxes collected in relation to a light-duty motor vehicle with an internal combustion engine.

(7) As a result of differences in fuel consumption between different types and ages of light-duty motor vehicles, the current system for funding Vermont's surface transportation system through fuel taxes has become inequitable when the impacts of each vehicle on the transportation system are considered.

(8) In contrast to the current system, a mileage-based user fee imposes a per-mile fee for usage of the State's highways and ensures that owners and lessees of motor vehicles contribute to the Transportation Fund in an equitable manner.

(9) Vermont's taxes on gasoline and on diesel fuel were last increased in 2014, and the federal taxes on gasoline and on diesel fuel were last increased in 1993.

(10) Reduced fuel consumption and unchanged gasoline and diesel tax rates have resulted in stagnant fuel tax revenues that have not kept pace with inflation or the needs of Vermont's transportation system.

(11) In addition to Vermont's stagnant fuel tax revenues, Vermont's demographic constraints and changes in vehicle ownership and usage have limited the growth of fee revenues to the Transportation Fund.

(12) The July 2025 consensus revenue forecast estimates a 1.33 percent compound annual growth rate in Transportation Fund revenues between 2026 and 2030.

(13) In comparison, highway construction costs, as measured by the National Highway Construction Cost Index, have increased by 62 percent, nationally, since 2020.

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

(1) implement a mileage-based user fee for BEVs, which will replace the existing infrastructure fee beginning on January 1, 2027, to ensure that owners and lessees of BEVs contribute to the Transportation Fund in an amount that reflects the annual miles traveled by each vehicle;

(2) ensure that owners and lessees of all light-duty motor vehicles contribute to the Transportation Fund in an amount that reflects the annual miles traveled by each vehicle by expanding the mileage-based user fee to fuel-efficient light-duty motor vehicles, such as plug-in hybrids, hybrids, and vehicles with efficient internal combustion engines on or before January 1, 2029, and to all light-duty motor vehicles on or before January 1, 2031; and

(3) develop and implement the mileage-based user fee in a manner that does not discourage ownership and use of BEVs and fuel-efficient vehicles, consistent with the intent of the Global Warming Solutions Act and the State's Climate Action Plan.

Sec. 16. 23 V.S.A. chapter 43 is added to read:

CHAPTER 43. MILEAGE-BASED USER FEE

§ 4301. DEFINITIONS

As used in this chapter:

(1) "Account manager" means a person that the Agency of Transportation or Department of Motor Vehicles contracts with to administer and manage the mileage-based user fee.

(2) "Annual vehicle miles traveled" means the total number of miles that a covered vehicle is driven during a mileage reporting period.

(3) "Covered vehicle" means a battery electric vehicle pleasure car.

(4) "Mileage-based user fee" or "MBUF" means the fee charged for the annual vehicle miles traveled by a covered vehicle pursuant to section 4302 of this chapter.

(5) "Mileage-based user fee rate" means the per-mile usage fee charged to the owner or lessee of a covered vehicle pursuant to section 4302 of this chapter.

(6) "Mileage reporting period" means:

(A) the time period between required annual inspections;

(B) the time period between an initial odometer reading related to the purchase of a covered vehicle or beginning of a lease of a covered vehicle and an annual inspection; or

(C) the time period between the most recent annual inspection and a terminating event.

(7) "Terminating event" means any of the following:

(A) the registration of a covered vehicle that had been registered in Vermont in a different state;

(B) a change in ownership or lesseeship of a covered vehicle; or

(C) the termination of a covered vehicle's registration in Vermont.

§ 4302. MILEAGE-BASED USER FEE; ASSESSMENT; CALCULATION; PAYMENT; EXEMPTIONS

(a) Assessment and payment of mileage-based user fee (MBUF).

(1) Options for payment of MBUF. The owner or lessee of a covered vehicle may elect to pay the MBUF according to one of the following options:

(A) annual payment of the MBUF as a lump sum following the conclusion of each mileage reporting period as set forth in subdivision (2) of this subsection (a);

(B) pay-as-you-go installment payments of the MBUF during a mileage reporting period as set forth in subdivision (3) of this subsection (a),

provided that the Commissioner, in the Commissioner's sole discretion, elects to make a pay-as-you-go option available;

(C) estimated payments of the MBUF in annual, quarterly, or monthly installments as set forth in subdivision (4) of this subsection (a); or

(D) a flat rate of $178.00.

(2) Annual mileage-based user fee payment option.

(A) For an owner or lessee who opts to pay the MBUF as a lump sum at the end of each mileage reporting period, the Commissioner shall, within 14 days after the conclusion of the covered vehicle's mileage reporting period, calculate the amount of the MBUF pursuant to subsection (d) of this section and mail an assessment of the amount to the owner or lessee.

(B) The owner or lessee shall remit the amount due to the Commissioner on or before the sooner of:

(i) the next required registration renewal for the covered vehicle;

(ii) the termination of the covered vehicle's Vermont registration; or

(iii) the sale of the covered vehicle or termination of the lease of the covered vehicle, as appropriate.

(3) Pay-as-you-go option.

(A) Owners and lessees who opt into the pay-as-you-go mileage-based user fee option shall report the mileage shown on the odometer of the owner's or lessee's covered vehicle at times and in a manner required by the Commissioner.

(B) As soon as practicable after receiving each report, the Commissioner shall calculate pursuant to subsection (d) of this section the applicable MBUF due for the covered vehicle and mail to the owner or lessee a statement of the amount of the mileage-based user fee assessed.

(C) The owner or lessee of the covered vehicle shall remit the full amount due to the Commissioner within not more than 30 days after the assessment is mailed.

(D) At the end of each mileage reporting period, the amount paid by the owner or lessee shall be reconciled against the actual mileage driven as set forth in subdivision (5) of this subsection.

(4) Estimated payment option.

(A) An owner or lessee who elects to make estimated payments shall be assessed upon registration of the covered vehicle, or registration renewal, an estimated mileage-based user fee equal to the rate established pursuant to subsection (e) of this section multiplied by the average annual vehicle miles traveled by pleasure cars registered in Vermont.

(B) The owner or lessee shall either:

(i) pay the estimated MBUF as a lump sum not more than 45 days after the date of registration or registration renewal; or

(ii) enter into an agreement with the Commissioner to pay the estimated amount in monthly or quarterly installments.

(C) At the end of each mileage reporting period, the amount paid by the owner or lessee shall be reconciled against the actual mileage driven as set forth in subdivision (5) of this subsection.

(5) Reconciliation of mileage for pay-as-you-go and estimated payment options.

(A) At the conclusion of each mileage reporting period for a covered vehicle whose owner or lessee has elected either the pay-as-you-go or the estimated payment option, the Commissioner shall determine if the amount of the MBUF for the actual miles traveled by the covered vehicle during the mileage reporting period is greater than or less than the amount of the payments made by the owner or lessee during that period.

(B) If the actual MBUF is less than the amount paid, the owner or lessee of the covered vehicle shall receive a credit equal to the difference between the amount paid and the actual amount, which shall be applied to reduce the amount of future fees due from the owner or lessee for the covered vehicle pursuant to this subsection (a).

(C) If the actual MBUF is more than the amount paid, the owner or lessee of the covered vehicle shall be assessed an amount equal to the difference between the actual MBUF and the amount paid, which shall be added to the next amount due from the owner or lessee pursuant to this subsection (a).

(6) Flat-rate option.

(A) The Commissioner shall send an owner or lessee who elects the flat-rate option an assessment for the flat fee due at the conclusion of each mileage reporting period. The owner or lessee shall remit the amount due to the Commissioner on or before the sooner of:

(i) the next required registration renewal for the covered vehicle;

(ii) the termination of the covered vehicle's Vermont registration; or

(iii) the sale of the covered vehicle or termination of the lease of the covered vehicle, as appropriate.

(B) An owner or lessee enrolled in the flat-rate option shall not be required to report vehicle mileage to the Commissioner pursuant to the provisions of this chapter. Nothing in this subdivision (6)(B) shall be construed to exempt an owner or lessee enrolled in the flat-rate option from any other requirements in State law related to vehicle inspections or odometer disclosures.

(b) Newly registered vehicles. The owner or lessee of a newly registered covered vehicle shall pay the MBUF during the initial year of registration pursuant to:

(1) the pay-as-you-go option set forth in subdivision (a)(3) of this section;

(2) the estimated payment option set forth in subdivision (a)(4) of this section; or

(3) the flat-rate option set forth in subdivision (a)(6) of this section.

(c) Election of different payment option. An owner or lessee of a covered vehicle may select a different option for payment of the MBUF pursuant to subsection (a) of this section by providing notice to the Commissioner in the time and manner prescribed by the Commissioner.

(d) Calculation of the mileage-based user fee.

(1) The Commissioner shall calculate the mileage-based user fee of each covered vehicle by multiplying the miles traveled by the covered vehicle during the applicable period by the rate established pursuant to subsection (e) of this section. The number of miles traveled shall be equal to:

(A) for a mileage reporting period, the difference between the mileage shown on the covered vehicle's odometer at the end of the mileage reporting period and the mileage shown on the covered vehicle's odometer at the beginning of the mileage reporting period; and

(B) for a report filed by an owner or lessee as part of the pay-as-you-go mileage-based user fee program pursuant to subdivision (a)(3) of this section, the difference between the mileage reported by the owner or lessee and the most recent prior mileage reported for the covered vehicle.

(2) Notwithstanding any provision of subdivision (1) of this subsection to the contrary, the mileage-based user fee assessed for a mileage reporting period shall not exceed $178.00.

(e) Mileage-based user fee rate. The mileage-based user fee rate shall be $0.014 per mile traveled by a covered vehicle during its mileage reporting period.

(f) Exemptions. The mileage-based user fee assessed pursuant to this section shall not apply to:

(1) covered vehicles owned or operated by the government of the United States;

(2) covered vehicles owned or operated by the State of Vermont; or

(3) covered vehicles that are used for short-term rentals.

(g) Fee in addition to other fees and taxes. A mileage-based user fee assessed pursuant to this section shall be in addition to any other fees and taxes imposed by this title.

(h) Review of amount assessed. A person may, within 45 days after an assessment is mailed pursuant to subsection (a) of this section, appeal the amount of the assessment to the Commissioner. The Commissioner shall establish procedures for filing and hearing appeals pursuant to this subsection that are consistent with the provisions of sections 105–107 of this title. The procedures shall include a process by which an appellant can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(i) Refunds. Notwithstanding subdivision (a)(5)(B) of this section, upon occurrence of a terminating event, the Commissioner shall issue a refund to the owner or lessee of a covered vehicle for any amounts paid by the owner or lessee that are in excess of the amount due pursuant to this chapter.

§ 4303. REPORTS

(a) Upon completion of an inspection of a covered vehicle pursuant to section 1222 of this title, an inspection mechanic shall report the mileage shown on the covered vehicle's odometer to the Department in the manner required by the Commissioner.

(b) Upon the occurrence of a terminating event, the owner or lessee of a covered vehicle shall report the mileage shown on the covered vehicle's odometer at the time of the terminating event to the Department in the time and manner required by the Commissioner.

§ 4304. FAILURE TO FILE REPORT OR OBTAIN INSPECTION; DEFAULT RATE

(a) The Commissioner shall charge the owner or lessee of a covered vehicle a default rate of $178.00 if the Commissioner is unable to determine the annual vehicle miles traveled for the owner's or lessee's covered vehicle because the owner or lessee:

(1) failed to file a report required by section 4303 of this chapter within a reasonable period of time after the report is due;

(2) failed to have the covered vehicle inspected as required pursuant to section 1222 of this title within a reasonable period of time after the inspection is due at either the commencement or conclusion of a mileage reporting period; or

(3) failed to have the covered vehicle inspected at any time during or within a reasonable time after the conclusion of a mileage reporting period.

(b)(1) The default amount required pursuant to subsection (a) of this section shall be assessed when the owner or lessee of the covered vehicle next renews the vehicle's registration following the mileage reporting period.

(2) After being assessed the default amount pursuant to this subsection, the owner or lessee of the covered vehicle may obtain an inspection within 90 days after the date on which the vehicle's registration is renewed. If the covered vehicle's mileage is such that the mileage-based user fee would have been less than the default amount, the owner or lessee shall receive a credit for the difference that is applied to reduce the amount of the next mileage-based user fee due for the covered vehicle.

§ 4305. REGISTRATION; SUSPENSION OR REFUSAL

(a) Suspension of registration. The Commissioner may suspend or refuse to renew the registration of a covered vehicle if the Commissioner determines, following notice and an opportunity for a hearing as provided pursuant to subsection (b) of this section, that the owner or lessee of the covered vehicle:

(1) failed to file a report required pursuant to section 4303 of this chapter;

(2) filed a report containing an intentional misrepresentation, misstatement, or omission of material information required by this chapter; or

(3) is delinquent at the time of renewal in the payment of any amount due pursuant to the provisions of this chapter.

(b) Notice and opportunity for hearing. The Commissioner shall provide the owner or lessee of a covered vehicle with not less than 15 days' notice of the intent to suspend or not to renew the registration of the covered vehicle pursuant to the provisions of this section. The owner or lessee shall be provided with the opportunity for a hearing and shall be permitted to be represented by counsel at the hearing.

§ 4306. POWERS OF THE COMMISSIONER

(a) General authority. The Commissioner shall have the authority to administer and enforce the provisions of this chapter.

(b) Additional powers. In addition to any powers or authority specifically granted to the Commissioner pursuant to the provisions of this chapter, the Commissioner may do the following:

(1) adopt rules pursuant to 3 V.S.A. chapter 25 as the Commissioner determines necessary to administer and enforce the provisions of this chapter;

(2) prescribe forms appropriate to the purposes of this chapter; and

(3) contract with an account manager to administer and manage the mileage-based user fee.

§ 4307. APPEALS; JUDICIAL REVIEW

(a) Administrative appeal. An aggrieved person may appeal any final decision, order, or finding of the Commissioner under this chapter within not more than 45 days after the decision is issued or the order or finding is made. The Commissioner shall establish procedures for filing and hearing appeals pursuant to this subsection that are consistent with the provisions of sections 105–107 of this title.

(b) Appeal to Superior Court. Following a final decision on an appeal pursuant to subsection (a) of this section or subsection 4302(h) of this chapter, the appellant may appeal the decision pursuant to Rule 74 of the Vermont Rules of Civil Procedure. The appeal shall be to the Washington Superior Court or, in the discretion of the appellant, to the Superior Court in the county where the appellant resides or has a principal place of business.

(c) Exclusivity of remedies. The appeals provided by this section and subsection 4302(h) of this chapter shall be the exclusive remedies available to any person for review of an assessment, decision, or order or finding of the Commissioner under this chapter.

Sec. 17. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

* * *

(c) In addition to the registration fee set forth in subsection (a) of this section, there shall be an annual ~~EV~~ infrastructure fee for a pleasure car that is a plug-in hybrid electric vehicle, as defined in subdivision ~~4(85)(B)~~ (4)(85)(B) of this title, equal to one-half the amount of the annual fee collected in subsection (a) of this section, or a biennial ~~EV~~ infrastructure fee equal to the annual fee collected in subsection (a) of this section.

(d) The annual and biennial ~~EV~~ infrastructure fees collected in subsection (c) of this section shall be ~~allocated to~~ deposited in the Transportation Fund ~~for programs administered by the Agency of Commerce and Community Development to increase Vermonters' access to level 1 and 2 electric vehicle supply equipment (EVSE) charging ports at workplaces or multiunit dwellings, or both~~.

Sec. 18. MILEAGE-BASED USER FEE; INITIAL TRANSITION

(a) Notwithstanding any provision of 23 V.S.A. § 4302 to the contrary, during calendar years 2027 and 2028, the owner or lessee of a covered vehicle shall pay the mileage-based user fee for the covered vehicle's first mileage reporting period as provided pursuant to the provisions of either subsection (b) or (c) of this section.

(b)(1)(A) For a covered vehicle that has a valid Vermont registration on December 31, 2026, the vehicle's initial mileage reporting period shall commence with its first annual inspection occurring on or after January 1, 2027.

(B) For a covered vehicle that is newly registered in Vermont on or after January 1, 2027, the vehicle's initial mileage reporting period shall commence on the date of registration.

(2) For an initial registration or a registration renewal of a covered vehicle that occurs on or after January 1, 2027, and prior to the completion of the initial mileage reporting period, the owner or lessee of the covered vehicle shall pay a one-time road usage charge of $89.00 for a one-year registration or $178.00 for a two-year registration.

(3) At the conclusion of a covered vehicle's initial mileage reporting period, the mileage-based user fee for the vehicle shall be calculated as provided pursuant to the annual mileage-based user fee payment option set forth in 23 V.S.A. § 4302(a)(2).

(4)(A) The amount of the covered vehicle's mileage-based user fee calculated pursuant to subdivision (3) of this subsection shall be reduced by:

(i) the amount of any road usage charge paid pursuant to subdivision (2) of this subsection (b); or

(ii) for a covered vehicle whose owner or lessee did not pay the road usage charge pursuant to subdivision (2) of this subsection (b) but paid the EV infrastructure fee required pursuant to 23 V.S.A. § 361 at the most recent registration or registration renewal of the vehicle prior to January 1, 2027, an amount equal to the amount of the EV infrastructure fee paid at the most recent registration.

(B) Any amounts remaining after the initial mileage-based user fee has been paid shall be carried forward and applied as a credit to reduce the amount of future mileage-based user fees due in relation to the covered vehicle.

(c) As an alternative to paying the mileage-based user fee as set forth in subsection (b) of this section, the owner or lessee of a covered vehicle may elect to pay a flat fee of $178.00 for the initial mileage reporting period. The provisions of 23 V.S.A. § 4302(a)(6) shall apply to an owner or lessee who elects to pay a flat fee pursuant to this subsection.

(d) As used in this section, "covered vehicle" has the same meaning as in 23 V.S.A. § 4301.

Sec. 19. OUTREACH AND EDUCATION; USER EXPERIENCE; REPORT

(a) The Agency of Transportation and the Department of Motor Vehicles shall develop and implement a public outreach, education, and communications strategy regarding the mileage-based user fee program established pursuant to 23 V.S.A. chapter 43 to build public awareness and understanding of the program and to solicit public feedback regarding the program. The strategy shall include the following:

(1) printed materials, web-based materials, mailings, and local media outreach that describes the purpose of the mileage-based user fee, the transportation funding challenges that the mileage-based user fee is intended to help address, and how the mileage-based user fee will be implemented with respect to battery electric vehicles and, later, other light-duty vehicles;

(2) prior to implementation, direct mailing of informational materials to owners and lessees of battery electric vehicles that are currently registered in Vermont that:

(A) outline the goals and design of the mileage-based user fee;

(B) set forth the timeline for implementation of the mileage-based user fee;

(C) provide information regarding compliance with the mileage-based user fee, including the options that will be available to each owner and lessee; and

(D) provide information on how to obtain additional information regarding the mileage-based user fee, including how to obtain informational resources provided by the Agency, the availability of user support resources, and how to determine how the mileage-based user fee may apply to a user's specific circumstances;

(3) prior to initial implementation of the mileage-based user fee in January 2027, Agency engagement with owners and lessees of various types of light-duty motor vehicles registered in Vermont to obtain feedback on the design of the user experience for the mileage-based user fee, with particular attention to universal accessibility and specific needs for translated materials and services;

(4) survey and focus group work prior to and following implementation of the mileage-based user fee with owners and lessees whose vehicles are subject to the mileage-based user fee to aid in evaluating the implementation of the initial phase of the mileage-based user fee and in developing recommended programmatic and statutory changes; and

(5) ongoing engagement and collaboration with relevant stakeholders, including the Vermont Vehicle and Automotive Distributors Association and Drive Electric Vermont, to obtain feedback on the mileage-based user fee program and to educate members of the public about the mileage-based user fee and program design.

(b) The Agency and Department shall, on or before September 15, 2026, submit to the Joint Transportation Oversight Committee a report summarizing the public outreach, education, and communications strategy required pursuant to subsection (a) of this section.

Sec. 20. MILEAGE-BASED USER FEE TRANSITION PLAN; REPORT

(a)(1) The Agency of Transportation and the Department of Motor Vehicles, in consultation with the Agency of Digital Services, shall develop a plan to expand the mileage-based user fee (MBUF) program to all light-duty motor vehicles to ensure that each vehicle contributes an amount that bears a direct relation to the estimated demands and impacts that the vehicle places

upon public infrastructure, as determined on the basis of vehicle miles traveled.

(2) The plan shall provide that:

(A) plug-in hybrid electric, hybrid electric, and fuel-efficient light-duty motor vehicles shall begin participating in the MBUF program on or before January 1, 2029; and

(B) all light-duty motor vehicles shall begin participating in the MBUF program on or before January 1, 2031.

(3) The plan shall provide methods for ensuring that contributions to the Transportation Fund are proportionate to the number of miles traveled in Vermont by each vehicle, including:

(A) additional payment and mileage tracking options for vehicle owners or lessees to select from, including methods for differentiating between miles traveled in Vermont and miles traveled outside Vermont; and

(B) a system of fuel tax credits for vehicles that use gasoline or diesel fuel based on the vehicle's fuel economy as estimated by the U.S. Environmental Protection Agency to ensure that all covered vehicles contribute to Vermont's transportation system in an equitable manner.

(b) In developing the plan, the Agency and the Department shall:

(1) analyze the amounts paid by vehicles of different engine-fuel types and classifications with respect to the diesel fuel tax pursuant to 23 V.S.A. chapter 27, the gasoline tax pursuant to 23 V.S.A. chapter 28, and the infrastructure fee imposed pursuant to 23 V.S.A. § 361(c), as applicable;

(2) develop a proposed schedule for the inclusion of plug-in hybrid electric, hybrid electric, and fuel-efficient light-duty vehicles in the MBUF program on or before January 1, 2029;

(3) identify any other light-duty vehicles that currently contribute less to the Transportation Fund than they would under the mileage-based user fee for inclusion in the MBUF program on or before January 1, 2029;

(4) consider possible methods to account for and differentiate between in-state and out-of-state vehicle miles traveled by vehicles registered in Vermont and vehicles registered in another state;

(5) examine the potential for integrating alternative mileage reporting methods into the mileage-based user fee program and related costs;

(6) evaluate the potential to include medium- and heavy-duty electric vehicles in the mileage-based user fee program and potential rate designs based on vehicle weights; and

(7) examine the relationship between expansion of the mileage-based user fee program and fuel tax rates, Transportation Fund revenue sustainability, and Vermont's carbon reduction targets.

(c) The Agency and Department shall also track the implementation costs and operating expenses of and revenues generated by the mileage-based user fee for State fiscal years 2027–2031. The Agency and Department shall submit an annual report of these amounts to the House Committees on Transportation and on Ways and Means and the Senate Committees on Transportation and on Finance on or before each December 31 beginning on December 31, 2027, and continuing until December 31, 2031.

(d)(1) On or before January 31, 2027, the Agency of Transportation and the Department of Motor Vehicles shall submit to the House Committees on Transportation and on Ways and Means and the Senate Committees on Transportation and on Finance an initial plan and recommendation for legislative action to:

(A) incorporate plug-in hybrid electric, hybrid electric, and fuel-efficient light-duty vehicles into the MBUF program;

(B)(i) provide at least two additional options for determining the number of vehicle miles traveled by a covered vehicle, including:

(I) an option that would utilize vehicle systems or an aftermarket device to track vehicle miles traveled; and

(II) an option that would enable vehicle owners and lessees to track and differentiate between miles traveled in Vermont and miles traveled outside Vermont, with the MBUF only applying to miles traveled in Vermont; and

(ii) identify data privacy protections and best practices that should be implemented to protect data obtained from owners and lessees who elect to utilize the options identified pursuant to this subdivision (B);

(C)(i) recommend whether to retain a flat-rate option for the MBUF and, if so, recommend the appropriate amount of the flat fee; and

(ii) recommend how to apply the flat fee to plug-in hybrid, hybrid, and internal combustion engine vehicles, including whether to provide different flat fees based on vehicle type or to provide credits against the amount of the flat fee based on vehicle fuel efficiency;

(D) provide at least one option to enable vehicle owners and lessees to track and differentiate between miles traveled in Vermont and miles traveled outside Vermont, with the MBUF only applying to miles traveled in Vermont; and

(E) recommend a maximum amount by which the mileage-based user fee rate can increase from year to year after all light-duty vehicles are subject to the mileage-based user fee.

(2) On or before July 30, 2028, the Agency shall submit to the Joint Transportation Oversight Committee and the House and Senate Committees on Transportation a draft copy of the final report required to be submitted to the Federal Highway Administration pursuant to the terms of the Agency's federal Strategic Innovation for Revenue Collection grant.

(3) On or before September 15, 2028, the Agency of Transportation and the Department of Motor Vehicles shall submit to the House Committees on Transportation and on Ways and Means and the Senate Committees on Transportation and on Finance:

(A) a final plan and proposal for legislative action necessary to expand the MBUF program to all light-duty motor vehicles on or before January 1, 2031;

(B) a report of all findings made pursuant to subsection (b) of this section; and

(C) any additional recommendations for legislative action.

(e) As used in this section:

(1) "Fuel-efficient vehicle" means a motor vehicle with an estimated fuel economy of at least 25 miles per gallon according to the U.S. Environmental Protection Agency, a plug-in electric vehicle as defined pursuant to 23 V.S.A. § 4, or a hybrid electric vehicle.

(2) "Light-duty motor vehicle" means any motor vehicle with a gross vehicle weight rating of not more than 10,000 pounds.

* * * Expansion of MBUF to Hybrid Vehicles * * *

Sec. 21. 23 V.S.A. § 4301 is amended to read:

§ 4301. DEFINITIONS

As used in this chapter:

* * *

(3) "Covered vehicle" means a ~~battery electric vehicle~~ PEV or a hybrid electric pleasure car.

(4) "Hybrid electric pleasure car" means a pleasure car that can be powered by an electric motor drawing current from a rechargeable energy storage system but also has an onboard combustion engine.

(5) "Mileage-based user fee" or "MBUF" means the fee charged for the annual vehicle miles traveled by a covered vehicle pursuant to section 4302 of this chapter.

~~(5)~~(6) "Mileage-based user fee rate" means the per-mile usage fee charged to the owner or lessee of a covered vehicle pursuant to section 4302 of this chapter.

~~(6)~~(7) "Mileage reporting period" means:

* * *

(8) "PEV" means a plug-in electric vehicle pleasure car.

~~(7)~~(9) "Terminating event" means any of the following:

* * *

Sec. 22. 23 V.S.A. § 4302 is amended to read:

§ 4302. MILEAGE-BASED USER FEE; ASSESSMENT; CALCULATION; PAYMENT; EXEMPTIONS

* * *

(d) Calculation of the mileage-based user fee.

(1) The mileage-based user fee for a covered vehicle shall equal the amount of the base mileage-based user fee pursuant to subdivision (2) of this subsection less the amount of the applicable fuel tax credit pursuant to subdivision (3) of this subsection, if any.

(2) The Commissioner shall calculate the base mileage-based user fee of each covered vehicle by multiplying the miles traveled by the covered vehicle during the applicable period by the rate established pursuant to ~~subsection (e)~~ subdivision (e)(1) of this section. The number of miles traveled shall be equal to:

(A) for a mileage reporting period, the difference between the mileage shown on the covered vehicle's odometer at the end of the mileage reporting period and the mileage shown on the covered vehicle's odometer at the beginning of the mileage reporting period; and

(B) for a report filed by an owner or lessee as part of the pay-as-you-go mileage-based user fee program pursuant to subdivision (a)(3) of this section, the difference between the mileage reported by the owner or lessee and the most recent prior mileage reported for the covered vehicle.

~~(2)~~(3) ~~Notwithstanding any provision of subdivision (1) of this subsection to the contrary, the mileage-based user fee assessed for a mileage reporting period shall not exceed $178.00~~ For each covered vehicle, the Commissioner shall deduct the amount of the fuel tax credit determined pursuant to subdivision (e)(2) of this section, if any, from the amount of the mileage-based user fee calculated pursuant to subdivision (1) of this subsection to determine the amount due from the owner or lessee of each covered vehicle pursuant to this section. The Commissioner shall ensure that the combined amount of estimated fuel taxes and the mileage-based user fee paid by the owner or lessee of a covered vehicle does not exceed the amount of the base mileage-based user fee calculated pursuant to subdivision (2) of this subsection.

(e) Mileage-based user fee rate and fuel tax credits.

(1) The mileage-based user fee rate shall be $0.014 per mile traveled by a covered vehicle during its mileage reporting period.

(2) At the conclusion of each mileage reporting period, the Commissioner shall calculate for all vehicles, except battery electric vehicles, a fuel tax credit by dividing the miles traveled by the vehicle during the mileage reporting period by the vehicle's estimated average combined fuel economy as determined by the U.S. Environmental Protection Agency and multiplying that amount by the applicable tax per gallon on gasoline or diesel fuel pursuant to chapters 27 and 28 of this title.

* * *

Sec. 23. 23 V.S.A. § 4304 is amended to read:

§ 4304. FAILURE TO FILE REPORT OR OBTAIN INSPECTION; DEFAULT RATE

(a) The Commissioner shall charge the owner or lessee of a covered vehicle a default rate of ~~$178.00~~ $375.00 if the Commissioner is unable to determine the annual vehicle miles traveled for the owner's or lessee's covered vehicle because the owner or lessee:

* * *

* * * Repeal of Municipal Equipment and Vehicle Loan Fund Rules * * *

Sec. 24. RULES REGARDING MUNICIPAL HEAVY EQUIPMENT LOAN FUND; REPEAL

The Rules Regarding Municipal Heavy Equipment Loan Fund (CVR 14-053-002) are repealed. The Municipal Equipment and Vehicle Loan Fund, as the successor to the Municipal Heavy Equipment Loan Fund, shall be administered as provided pursuant to 29 V.S.A. § 1601.

* * * Statement of Policy; Highways and Bridges * * *

Sec. 25. 19 V.S.A. § 10c is amended to read:

§ 10c. STATEMENT OF POLICY; HIGHWAYS AND BRIDGES

* * *

(b) For projects that are not on the National Highway System, the Agency shall ~~develop and implement~~ maintain State standards and guidance for geometric design. ~~Design speeds may be lower than legal speeds.~~ Design speeds lower than legal speeds may be used without the requirement of a formal design exception~~, provided appropriate warnings are posted~~ if appropriate warning signs, signals, and markings are used as provided pursuant to 23 V.S.A. § 1025.

* * *

* * * Agency of Transportation Duties * * *

Sec. 26. 19 V.S.A. § 10 is amended to read:

§ 10. DUTIES

The Agency shall, except where otherwise specifically provided by law:

* * *

(8)(A) Require any contractor or contractors employed in any project of the Agency for construction of a transportation improvement to file in the office of the Secretary a good and sufficient surety bond to the State of Vermont, executed by a surety company authorized to transact business in this State in ~~such~~ the sum ~~as~~ required by the Agency ~~shall direct~~, conditioned for the compliance by the contractor or contractors and their agents and servants, with all matters and things set forth and specified to be by the principal kept, done, and performed at the time and in the manner in the contract between the Agency and the contractor or contractors specified and to pay over, make good, and reimburse the State of Vermont for all loss or losses and damage or damages that the State of Vermont may sustain by reason of failure or default

on the part of the contractor or contractors. The Agency is authorized to require any other condition in the bond that may ~~from time to time~~ be necessary. The Secretary ~~at his or her discretion as to~~ may, if the Secretary determines that it is in the best ~~interest~~ interests of the State, accept other good and sufficient surety in lieu of a bond and, in cases involving contracts for ~~$100,000.00~~ $250,000.00 or less, may waive the requirement of a performance bond.

(B) During an emergency event, the Secretary may, in the Secretary's discretion, waive the bonding requirements of this subdivision (8) for immediate, temporary stabilization work related to public safety or State infrastructure. Permanent work shall be subject to the requirements of subdivision (A) of this subdivision (8).

(9)(A) Require any contractor or contractors employed in any project of the Agency for construction of a transportation improvement to file an additional surety bond to the Secretary and the Secretary's successor in office, for the benefit of labor, materialmen, and others, executed by a surety company authorized to transact business in this State. The surety bond shall be in ~~such~~ the sum ~~as~~ required by the Agency ~~shall direct~~, conditioned for the payment, settlement, liquidation, and discharge of the claims of all creditors for material~~,~~; merchandise~~,~~; labor~~,~~; rent~~,~~; hire of vehicles, power shovels, rollers, concrete mixers, tools, and other appliances~~,~~; professional services~~,~~; premiums~~,~~; and other services used or employed in carrying out the terms of the contract between the contractor and the State ~~and~~. The surety bond shall be further conditioned for the following accruing during the term of performance of the contract: the payment of taxes, both State and municipal, and the payment of unemployment insurance contributions to the Vermont Commissioner of Labor~~; provided, however, in~~.

(B) In order to obtain the benefit of the security, the claimant shall file with the Secretary a sworn statement of the claimant's claim, within 90 days after the final acceptance of the project by the State or within 90 days from the time the taxes or unemployment contributions ~~to the Vermont Commissioner of Labor~~ are due and payable, and, within one year after the filing of the claim, shall bring a petition in the Superior Court in the name of the Secretary, with notice and summons to the principal, surety, and the Secretary, to enforce the claim or intervene in a petition already filed. The Secretary may, if the Secretary determines that it is in the best interests of the State, accept other good and sufficient surety in lieu of a bond and, in cases involving contracts for ~~$100,000.00~~ $250,000.00 or less, may waive the requirement of a surety bond.

(C) During an emergency event, the Secretary may, in the Secretary's discretion, waive the requirements of this subdivision (9) for immediate emergency stabilization work related to public safety or State infrastructure. Permanent work shall be subject to the requirements of subdivision (A) of this subdivision (9).

* * *

* * * Bridge Inspections; Posting; Closure * * *

Sec. 27. 19 V.S.A. § 1514 is added to read:

§ 1514. BRIDGE INSPECTION; POSTING; CLOSURE

(a) Definition. As used in this section, "bridge" means a structure to which the National Bridge Inspection Standards apply pursuant to 23 C.F.R. § 650.303.

(b) Bridge inspections. The Agency shall inspect bridges on State highways and town highways in accordance with the requirements of the National Bridge Inspection Standards.

(c) Municipally maintained bridges.

(1) For a bridge for which a municipality has maintenance responsibility, the Agency shall advise the municipality of its inspection findings and any noted deficiencies.

(2) The Agency shall notify a municipality if a bridge for which the municipality has maintenance responsibility requires posting or closure and, upon receiving notification, the municipality shall post or close the bridge, as appropriate.

(3) If necessary to protect the public from an imminent hazard, the Agency may post or close a bridge for which a municipality has maintenance responsibility.

(4) A municipality shall be responsible for all costs and expenses related to the posting or closure of a bridge for which it has maintenance responsibility, including the costs of any required notifications, procedures, signage or traffic control devices, and barricades.

(d) Agency-maintained bridges.

(1) For any bridge for which the Agency has maintenance responsibility, the Agency shall have the sole responsibility and authority to determine whether the bridge shall be posted or closed, except that a municipality may close an Agency-maintained bridge during an emergency.

(2) If a municipality becomes aware of any deficiencies or structural conditions that could impact the Agency's determination of whether to post or close a bridge, the municipality shall promptly notify the Agency.

(3) The Agency shall be responsible for all costs and expenses associated with posting or closing an Agency-maintained bridge, including any required notifications, procedures, signage or traffic control devices, and barricades.

(e) Enforcement and penalties. In addition to any other penalties provided by law, a person that violates a bridge posting or closure by a municipality or the Agency shall be subject to a civil penalty of not more than $1,000.00.

Sec. 28. 23 V.S.A. § 2302 is amended to read:

§ 2302. TRAFFIC VIOLATION DEFINED

(a) As used in this chapter, "traffic violation" means:

* * *

(11) a violation of subsection 1006b(b) of this title, relating to operation of a prohibited vehicle in Smugglers' Notch; section 1006c of this title, relating to requirements for use of tire chains; or subsections 4120(a) and (b) of this title, relating to violations of an out-of-service order; ~~or~~

(12) a violation of section 4123 of this title, relating to authorizing railroad crossing violations; or

(13) a violation of 19 V.S.A. § 1514, relating to use of a bridge in violation of a posting or closure.

* * *

* * * Public Transit Advisory Council * * *

Sec. 29. 24 V.S.A. § 5084 is amended to read:

§ 5084. PUBLIC TRANSIT ADVISORY COUNCIL

(a) The Public Transit Advisory Council shall be created by the Secretary of Transportation under 19 V.S.A. § 7(f)(5)~~, to~~ and shall consist of the following members:

* * *

(8) a representative of ~~the Community of Vermont Elders~~ AARP Vermont;

(9) ~~a representative of private bus operators and taxi services;~~ [Repealed.]

(10) a representative of Vermont ~~intercity~~ private bus operators;

* * *

* * * Green Mountain Transit Authority * * *

Sec. 30. 24 App. V.S.A. ch. 801, § 7 is amended to read:

§ 7. Annual budget and assessments

(a) On or before February 15 in each year, the Board of Commissioners shall prepare a budget for the Authority for the next fiscal year, which shall include an estimate of the revenue of the Authority from fares and other sources, except membership assessments, and the expenses for the next fiscal year, including debt service, and at such time the Board of Commissioners shall call a meeting of the residents of its members for the purpose of presenting the proposed budget and inviting discussion thereon. The meeting shall be held at a place within the County and shall be warned by a notice published in a newspaper of general circulation in the County at least 15 days prior to the meeting. The notice shall contain a copy of the proposed budget, and members of the legislative body of each member municipality shall be notified of the meeting by certified mail. The proposed budget may include, in addition to revenues from fares and other sources, anticipated voluntary local match contributions, grants, donations, and other nonassessment revenues that may be offered by a member municipality or another public or private source.

* * *

(f)(1) The Authority shall be permitted to seek and accept voluntary local match contributions.

(2) Notwithstanding the formula for apportionment, the Authority may accept voluntary local match contributions from a member municipality or another public or private source for the purposes of:

(A) meeting federal, State, or other grant matching requirements; and

(B) supporting Authority programs, capital projects, and operations.

(3) A voluntary local match contribution accepted pursuant to this subsection shall be in addition to any assessment required pursuant to this section and shall not reduce, offset, or otherwise modify the assessment apportioned to any member municipality pursuant to the formula for apportionment unless the formula is amended in accordance with the provisions of this section.

* * * Public-Private Partnership Sunset Extension * * *

Sec. 31. 2018 Acts and Resolves No. 158, Sec. 21 as amended by 2023 Acts and Resolves No. 62, Sec. 41 is further amended to read:

Sec. 21. REPEAL OF TRANSPORTATION P3 AUTHORITY

19 V.S.A. chapter 26, subchapter 2 shall be repealed on July 1, ~~2026~~ 2029.

* * * Transportation Board * * *

Sec. 32. 19 V.S.A. § 5 is amended to read:

§ 5. TRANSPORTATION BOARD; POWERS AND DUTIES

* * *

(d) Specific duties and responsibilities. The Board shall:

* * *

(7) provide appellate review, when requested in writing by an applicant or permittee, of Agency decisions and rulings regarding private and commercial access to State highway rights-of-way pursuant to the permit process established in section 1111 of this title;

* * *

* * * Transportation Alternatives Grant Program * * *

Sec. 33. 19 V.S.A. § 38 is amended to read:

§ 38. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

(a), (b) [Repealed.]

(c) The Transportation Alternatives Grant Program is created. The Grant Program shall be administered by the Agency and shall be funded in the amount provided for in 23 U.S.C. § 133(h), less the funds set aside for the Recreational Trails Program. Awards shall be made to eligible entities as defined under 23 U.S.C. § 133(h), and awards under the Grant Program shall be limited to the activities authorized under federal law and shall not exceed ~~$300,000.00~~ $600,000.00 per grant allocation.

* * *

(f)(1) In fiscal year ~~2024~~ 2027 and thereafter, ~~50 percent of Grant Program funds, or such lesser sum if all eligible applications amount to less than 50 percent of Grant Program funds, shall be reserved for municipalities for environmental mitigation projects relating to stormwater and highways, including eligible salt and sand shed projects, and the balance of~~ Grant Program funds shall be awarded for any eligible activity, including

environmental mitigation projects relating to stormwater and highways, such as eligible salt and sand shed projects, and infrastructure-related projects and systems that will provide safe routes for nondrivers, and in accordance with the priorities established in subdivision (2) of this subsection.

(2) In evaluating applications for Transportation Alternatives grants, the Agency shall give preferential weighting to sand and salt shed projects and projects involving as a primary feature a bicycle or pedestrian facility. The degree of preferential weighting and the circumstantial factors sufficient to overcome the weighting shall be in the complete discretion of the Agency.

* * *

Sec. 34. 2023 Acts and Resolves No. 62, Sec. 11 is amended to read:

Sec. 11. TRANSPORTATION ALTERNATIVES GRANT PROGRAM AWARDS IN STATE FISCAL YEARS 2024 TO 2027

Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant Program awards in State fiscal years 2024 to ~~2027~~ 2026 shall not exceed $600,000.00 per grant allocation. Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant Program awards in State fiscal year 2027 shall not exceed $1,200,000.00 per grant allocation.

* * * Consultation Regarding Municipal Programs * * *

Sec. 35. MUNICIPAL TRANSPORTATION PROGRAMS; ONGOING EVALUATION; IDENTIFICATION OF IMPROVEMENTS

(a) In addition to ongoing work pursuant to 2025 Acts and Resolves No. 43, Sec. 15, the Agency of Transportation, in consultation with the Vermont League of Cities and Towns and the Vermont Association of Planning and Development Agencies, shall:

(1) continue examining the requirements of 19 V.S.A. § 309c, cancellation of locally managed projects, as set forth in 2025 Acts and Resolves No. 43, Sec. 14, to evaluate the obligations, risks, and benefits imposed by the provisions of that section on the State and the local sponsor of a locally managed project and to identify potential changes to the provisions of that section to ensure that State and federal transportation funding resources are appropriately administered;

(2) continue evaluating the State's Town Highway Aid and municipal grant programs administered by the Agency, as set forth in 2025 Acts and Resolves No. 43, Sec. 16, to identify potential efficiencies and improvements related to the administration of Town Highway Aid and municipal grant programs; and

(3)(A) examine the provisions in the Vermont statutes related to the procedures for establishing speed limits; and

(B) identify potential opportunities to simplify and clarify those provisions to assist municipalities in meeting local needs, including safety and context sensitivity.

(b) The Agency shall, on or before January 15, 2027, submit to the House and Senate Committees on Transportation any recommendations for legislative action.

* * * Drive Electric Vermont * * *

Sec. 36. DRIVE ELECTRIC VERMONT; APPROPRIATION

In State fiscal year 2027, the sum of $242,000.00 is appropriated from the Transportation Fund to the Agency of Transportation to support the continuation of the Agency's partnership with Drive Electric Vermont. The monies shall be used for programs and activities that support increased ownership and use of plug-in electric vehicles in the State through:

(1) stakeholder coordination;

(2) consumer education and outreach;

(3) infrastructure development; and

(4) the provision of technical assistance and support to Vermont municipalities and Vermont businesses desiring to electrify their vehicle fleets.

* * * Caledonia County State Airport * * *

Sec. 37. 2023 Acts and Resolves No. 62, Sec. 8 is amended to read:

Sec. 8. SALE OR LEASE OF CALEDONIA COUNTY STATE AIRPORT

(a)(1) The Agency of Transportation is authorized to issue a request for proposals for the purchase or lease of the Caledonia County State Airport, located in the Town of Lyndon, and the Agency shall consult with the Town of Lyndon on any requests for proposals related to the purchase or lease of the Airport prior to the issuance of any requests for proposals related to the purchase or lease of the Airport.

(2) The request for proposal shall include a request for a business plan, which shall, at a minimum, include the prospective purchaser's or lessor's plans for investments in the Airport and the surrounding communities and may include plans for partnerships with secondary and post-secondary institutions in the surrounding communities.

(b) Subject to obtaining any necessary approvals from the U.S. Federal Aviation Administration, the Vermont Secretary of Transportation, as agent for the State, is authorized to convey the Airport property by warranty deed according to the terms of a purchase and sale agreement or through a long-term lease.

(c) Any such conveyance shall:

(1) include assignment of the State's interest in easements, leases, licenses, and other agreements pertaining to the Airport and the acceptance of the State's obligations under such easements, leases, licenses, and other agreements that requires, at a minimum, that any leases and terms of leases that are in effect at the time of the conveyance of the Airport are fully honored for the balance of the lease term;

(2) ensure that there are investments in the Airport to address current deficiencies and necessary repairs;

(3) ensure that the Airport continues to be a public-use airport and that the public continues to have access to the Airport for general aviation uses in perpetuity;

(4) ~~ensure that the Airport continues to be identified as a public-use airport within the National Plan of Integrated Airport Systems until at least 2050, subject to federal determination;~~

~~(5)~~ include, if the Airport is conveyed through a purchase and sale agreement, a six-month right of first refusal, running from the date that the owner of the Airport provides notice to the State of an intent to sell the Airport, for the State to repurchase the Airport at fair market value before the Airport is resold or transferred to a new owner; and

~~(6)~~(5) include, if the Airport is leased, that the lease cannot be either assigned or the lessor cannot sub-lease all or substantially all of the Airport without the written approval of the Vermont Secretary of Transportation.

(d) The Agency shall not proceed with a sale or lease of the Airport unless:

(1) there is a fair market value offer, as required under 19 V.S.A. § 10k(b) or 26a(a), that meets the requirements of subsection (c) of this section; and

(2) the Town of Lyndon is given the opportunity to review and comment on the final purchase and sale agreement or lease as applicable.

(e) This section shall constitute specific prior approval, including of any sale or lease terms, by the General Assembly for purposes of 5 V.S.A. § 204.

Sec. 38. 2023 Acts and Resolves No. 62, Sec. 9 is amended to read:

Sec. 9. REPEAL OF AUTHORITY FOR SALE OR LEASE OF CALEDONIA COUNTY STATE AIRPORT

Sec. 8 of this act shall be repealed on ~~May 1, 2026~~ November 1, 2027.

* * * Medical Transports * * *

Sec. 39. PUBLIC TRANSIT DEMAND RESPONSE MEDICAL TRANSPORTS; VOLUNTEER DRIVERS; MOBILITY MANAGEMENT; GRANTS

The Agency of Transportation is authorized to utilize amounts appropriated for supplemental nonemergency medical transportation funding in fiscal year 2027 for the purpose of providing grants to public transit agencies to support the recruitment and retention of volunteer drivers and mobility management activities related to nonemergency medical transports.

* * * Real-Time Status of Public EVSE * * *

Sec. 40. 19 V.S.A. § 2901 is amended to read:

§ 2901. DEFINITIONS

As used in this chapter:

* * *

(2) "Charging network provider" means a person that operates the digital communication network that remotely manages the EVSE at a charging station.

(3) "Charging station" means the area in the immediate vicinity of one or more EVSE and includes the EVSE, supporting equipment, parking areas adjacent to the EVSE, and lanes for vehicle ingress and egress. A charging station may comprise only a portion of the property on which it is located.

(4) "Charging station operator" means a person that owns or provides the EVSE and the supporting equipment and facilities at one or more charging stations and is responsible for operating and maintaining the EVSE, supporting equipment, and facilities. A charging station operator may delegate to another person or contract with another person for charging station operation and maintenance.

(5) "Connector" means a device that attaches EVSE to a PEV to transfer electricity from the EVSE to the PEV.

(6) "Direct current fast charger" or "DCFC" means EVSE that enables charging through the delivery of direct current electricity to a PEV's battery.

(7) "Electric bicycle" has the same meaning as in 23 V.S.A. § 4(46)(A).

~~(3)~~(8) "Electric cargo bicycle" means a motor-assisted bicycle, as defined in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A. § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting loads, including at least one or more of the following: goods, one or more individuals in addition to the operator, or one or more animals. A motor-assisted bicycle that is not specifically designed and constructed for transporting loads, including a motor-assisted bicycle that is only capable of transporting loads because an accessory rear or front bicycle rack has been installed, is not an electric cargo bicycle.

~~(4)~~(9) "Electric vehicle supply equipment (EVSE)" and "electric vehicle supply equipment available to the public" have the same meanings as in 30 V.S.A. § 201.

(10) "Level 2 EVSE" means EVSE with a single-phase input voltage range from 208 to 277 volts of alternating current (AC) and maximum output current of not more than 80 amperes AC.

(11) "NEVI standards" means the minimum standards and requirements for projects funded under the National Electric Vehicle Infrastructure (NEVI) Formula Program that were published in the Federal Register on February 28, 2023 (88 FR 12752).

~~(5)~~(12) "Plug-in electric vehicle (PEV)," "battery electric vehicle (BEV)," and "plug-in hybrid electric vehicle (PHEV)" have the same meanings as in 23 V.S.A. § 4(85).

(13) "Port" means a system or connecting outlet on EVSE that provides power to charge a PEV, provided that a port may be equipped with more than one connector but shall only use one connector at a time to provide power to a PEV.

(14) "Publicly funded and available charging station" means a charging station that has received, or expects to receive, a grant, loan, or other incentive from a federal or State government source or from funds provided by Vermont retail electricity providers and that is publicly available.

Sec. 41. 19 V.S.A. § 2908 is added to read:

§ 2908. PUBLIC EVSE; REAL-TIME STATUS; AVAILABILITY

(a) Except as provided in subsection (b) of this section, a charging network provider shall, for any networked publicly funded and available charging station in Vermont that is installed or reconditioned on or after September 30,

2026, ensure that the following data fields are made available, free of charge, to third-party software developers via an application programming interface:

(1) a unique charging station name or identifier;

(2) the address of the property where the charging station is located, including street address, city, and ZIP code;

(3) the geographic coordinates in decimal degrees of the exact charging station location;

(4) the charging station operator name;

(5) the charging network provider name;

(6) the charging station status, including whether the station is operational, under construction, planned, or decommissioned;

(7) charging station access information, including:

(A) the charging station access type, such as whether it may be used by the public or is limited to use by commercial vehicles; and

(B) the charging station access days and times, including the hours of operation for the charging station;

(8) charging port information, including:

(A) the number of charging ports;

(B) the unique port identifier for each port;

(C) the connector types available by port;

(D) the charging level by port, such as DCFC or AC Level 2;

(E) the maximum power delivery rating in kilowatts by charging port;

(F) the maximum output voltage by charging port;

(G) accessibility by a vehicle with a trailer by port (yes/no); and

(H) the real-time status by port in terms defined by Open Charge Point Interface 2.2.1; and

(9) pricing and payment information, including:

(A) the pricing structure;

(B) the real-time price to charge at each charging port, in terms defined by Open Charge Point Interface 2.2.1; and

(C) the payment methods accepted at the charging station, including whether credit, debit, or contactless forms of payment are accepted.

(b) The provisions of this section shall apply to a publicly funded and available charging station at all times that a member of the public may use the associated EVSE to charge a PEV.

(c) The provisions of this section may be enforced by:

(1) any State agency or department that provides or administers grants, loans, or other incentives to support the construction or operation of publicly funded and available charging stations; and

(2) the Department of Public Service for publicly funded and available charging stations that have received a grant, loan, or other incentive provided by one or more Vermont retail electricity providers.

(d) A charging network provider may attach reasonable conditions to data use that are designed to protect confidential business information, provided that the conditions do not prevent third-party software developers from accessing the real-time information required pursuant to subsection (a) of this section.

(e)(1) A State agency or department that provides a grant, loan, or other incentive for the construction or operation of a charging station that is installed or reconditioned on or after September 30, 2026, shall require the recipient to notify the relevant charging network provider that the provisions of this section apply to a charging station.

(2) A retail electricity provider, if it provides a grant, loan, or other incentive for the construction or operation of a charging station that is installed or reconditioned on or after September 30, 2026, shall require the recipient to notify the relevant charging network provider that the provisions of this section apply to the charging station.

(f) As used in this section:

(1) "Real-time" means that the applicable data field must be updated within one minute following a change in the charging port's status.

(2) "Retail electricity provider" has the same meaning as in 30 V.S.A. § 8002.

* * * EVSE Installation in Common Interest Communities * * *

Sec. 42. 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)~~ 3-102(a)(1)–(6) and ~~(11) through (16)~~ (11)–(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. 43. 27A V.S.A. § 3-125 is added to read:

§ 3-125. ELECTRIC VEHICLE SUPPLY EQUIPMENT

(a) As used in this section:

(1) "Electric vehicle supply equipment (EVSE)" means a device or system designed and used specifically to transfer electrical energy to a plug-in electric vehicle.

(2) "EVSE owner" means the unit owner who applies to install an EVSE and each successive unit owner associated with the initial application to install the EVSE unless there is a specific change in ownership of the EVSE, in which case the EVSE owner shall be the owner specified in a conveying document memorializing the change in ownership of the EVSE.

(3) "Plug-in electric vehicle" has the same meaning as in 23 V.S.A. § 4(85).

(4) "Reasonable restriction" is a restriction that does not significantly increase the cost of the EVSE or significantly decrease the efficiency or specified performance of the EVSE.

(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 of EVSE within the boundaries of a unit owner's unit or limited common element or the unit owner's exclusively designated parking space or the use of such EVSE for noncommercial purposes by a unit owner or the occupants of the unit owner's unit or is in conflict with this section is void and unenforceable.

(2) This subsection shall not apply to provisions that impose reasonable restrictions on EVSE. However, it is the policy of the State to promote, encourage, and remove obstacles to the use of plug-in electric vehicles, including access to EVSE at home.

(3) Installation of EVSE shall not be deemed a division or reallocation of a common element and shall not alter the allocated interests of any unit owner.

(c) The association may require the unit owner to:

(1) comply with federal, State, and local health and safety laws, including any applicable building codes or safety standards;

(2) comply with reasonable architectural standards adopted by the association that govern the dimensions, placement, or external appearance of the EVSE, provided that such standards shall not prohibit the installation of such EVSE or substantially increase the costs thereof;

(3) engage the services of a licensed electrician to install the EVSE;

(4) if the EVSE is installed in a common element or limited common element, reimburse the association for the actual costs of any increased insurance premium amount attributable to the EVSE with 14 days after receiving the association's insurance premium invoice; and

(5) comply with any other reasonable restrictions the association may impose.

(d) Notwithstanding any provision to the contrary in the association's governing documents, if the executive board of the association determines that the cumulative or additional use of electricity due to the installation and use of EVSE requires infrastructure improvements to provide a sufficient supply of electricity for the EVSE, the association may assess the cost of the required improvements against the unit of each unit owner that has installed, or will install, EVSE.

(e) If approval is required for the installation or use of EVSE, 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 60 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.

(f) The unit owner and each successive owner of the EVSE shall be responsible for all of the following:

(1) costs for damage to the EVSE, common element, or limited common element resulting from the installation, maintenance, repair, removal, or replacement of the EVSE;

(2) costs for the installation, maintenance, repair, and replacement of the EVSE until the EVSE has been removed and for the restoration of the common element or limited common element after removal;

(3) cost of electricity associated with the EVSE; and

(4) unless the successor owner of the unit agrees in writing to undertake and comply with the unit owner's responsibilities with respect to the EVSE, removing the EVSE prior to the sale and restoring any affected common element or limited common element.

Sec. 44. [Deleted.]

Sec. 45. [Deleted.]

* * * Intelligent Speed Assistance * * *

Sec. 46. INTELLIGENT SPEED ASSISTANCE; IMPLEMENTATION AND COST EVALUATION; REPORT

(a) The Department of Motor Vehicles shall examine the potential to implement and administer an intelligent speed assistance program, including the following issues:

(1) intelligent speed assistance programs that have been or will be implemented in other states and the District of Columbia;

(2) costs for the State to implement an intelligent speed assistance program; and

(3) potential costs to drivers who choose to participate in an intelligent speed assistance program.

(b) On or before January 15, 2027, the Department shall submit a written report to the House and Senate Committees on Transportation regarding its findings and any recommendations for legislative action.

* * * Miscellaneous Transportation Jurisdiction Corrections * * *

Sec. 47. 20 V.S.A. § 3065 is amended to read:

§ 3065. PENALTIES

(a) A person who knowingly violates, or causes to be violated, a provision of sections 3062–3064 of this ~~title, or a regulation made by the Public Utility Commission in pursuance thereof,~~ chapter shall be imprisoned not more than 18 months or fined not more than $2,000.00, or both.

(b) When the death or bodily injury of a person is caused by the explosion of any explosive named in sections 3062–3064 and ~~3091-3092~~ 3091 and 3092 of this ~~title~~ chapter, while the ~~same~~ explosive is being placed upon a vessel or vehicle to be transported in violation ~~hereof~~ of this chapter, or while the ~~same~~ explosive is being so transported, or while the ~~same~~ explosive is being removed from ~~such~~ the vessel or vehicle, the person who knowingly places or aids or permits the placement of ~~such~~ the explosives upon ~~such~~ the vessel or vehicle to be so transported shall be imprisoned not more than ~~ten~~ 10 years.

Sec. 48. 24 V.S.A. § 5106 is amended to read:

§ 5106. EXEMPTION FROM REGULATION

The public transportation systems and facilities operating under this authority are exempt from any of the regulatory provisions of Title 30, except that the ~~Public Utility Commission~~ Transportation Board may impose any regulatory provisions of Title 30 that it ~~may determine from time to time~~ determines to be necessary.

Sec. 49. 24 App. V.S.A. ch. 801, § 5 is amended to read:

§ 5. EXEMPTION FROM REGULATION

The public transportation systems and facilities operating under this Authority are generally exempt from any of the regulatory provisions of Title 30 of the Vermont Statutes Annotated. However, the ~~Public Utility Commission~~ Transportation Board may impose those regulatory provisions of Title 30 of the Vermont Statutes Annotated that it ~~may determine from time to time~~ determines to be necessary.

Sec. 50. 25 V.S.A. § 241 is amended to read:

§ 241. APPLICATION OF PROVISIONS

This subchapter shall apply to every person~~, partnership, unincorporated association, or corporation~~ that shall drive or float lumber in any stream. The use of any ~~such~~ stream for ~~such~~ that purpose shall constitute an election on the part of ~~such~~ the person~~, partnership, unincorporated association, or corporation~~ to be subject to and bound by the provisions of this subchapter ~~and to be bound thereby~~. This subchapter shall apply to every owner of the land adjoining any stream ~~so~~ that is used for the purpose of driving or floating lumber, unless, within 60 days after an alleged injury, the owner notifies, in writing, the ~~Public Utility Commission~~ Agency of Natural Resources that the provisions of this subchapter are not intended to apply.

Sec. 51. 25 V.S.A. § 242 is amended to read:

§ 242. PETITION TO ~~PUBLIC UTILITY COMMISSION~~ AGENCY OF NATURAL RESOURCES

When damage is done to ~~such~~ the owner by ~~such~~ the lumber in the driving or floating of the ~~same~~ lumber and ~~such~~ the owner and the owner of the lumber do not agree upon the damages, either party may prefer a petition to the ~~Public Utility Commission~~ Agency of Natural Resources setting forth the injury alleged to be sustained and ~~praying for the~~ seeking redress ~~provided for by~~ pursuant to the provisions of this subchapter.

Sec. 52. 25 V.S.A. § 243 is amended to read:

§ 243. NOTICE AND HEARING; DECISION

Upon due notice to all parties in interest, the ~~Public Utility Commission~~ Agency of Natural Resources shall hear and determine the cause of ~~such~~ the injury to the land or other property adjoining ~~such~~ the stream. When the ~~Commission~~ Agency determines that ~~such~~ the injury was caused by the driving or floating of lumber, it shall fix the compensation to be paid ~~therefor~~, including expense for witnesses and ~~a~~ reasonable ~~attorney fee~~ attorney's fees, and render a decision accordingly, which decision shall be final and a bar to any other action brought for such damages.

Sec. 53. 25 V.S.A. § 244 is amended to read:

§ 244. JUDGMENT ON DECISION

A party in interest may file in the Superior Court for the county in which the inquiry was held a certified copy of the decision of the ~~Commission~~ Agency awarding compensation, whereupon ~~such~~ the court shall render judgment in accordance ~~therewith~~ with the decision and notify the parties

~~thereof~~ of the judgment. ~~Such~~ The judgment shall have the same effect, and all proceedings in relation ~~thereto~~ to the judgment shall ~~thereafter~~ be the same as though ~~such~~ the judgment had been rendered in an action duly heard and determined by ~~such~~ the court, and there shall be no appeal ~~therefrom~~ from the judgment.

Sec. 54. 25 V.S.A. § 245 is amended to read:

§ 245. BOND OF FOREIGN CORPORATION

A foreign corporation, before driving or floating any logs, lumber, or other timber in any stream in this State, shall file in the Office of the Secretary of State for the benefit of the owners of land adjoining any stream used by ~~such~~ the corporation, a good and sufficient bond to be approved by the Secretary and in ~~such~~ a sum ~~as he or she directs~~ the Secretary determines is appropriate. ~~Such~~ The bond shall be given to the Secretary as trustee of the corporation, for each and all of the riparian owners, and shall be conditioned for the payment of all damages and compensation awarded by the ~~Commission~~ Agency and any judgment rendered by any court from which an appeal has not been taken. Upon breach of the condition of ~~such~~ the bond, the Secretary, upon application by a riparian owner whose award by the ~~Commission~~ Agency or judgment remains unpaid for more than 30 days, shall institute proceedings thereon in ~~his or her~~ the Secretary's name as trustee for the benefit of all landowners to whom ~~such~~ the corporation may be indebted~~, as hereinbefore provided,~~ pursuant to the provisions of this section at the time ~~such~~ the proceedings shall be instituted.

Sec. 55. 32 V.S.A. § 8394 is amended to read:

§ 8394. PETITION AND HEARING FOR RELIEF FROM TAXES

Upon the written petition of any railroad corporation operating a railroad located in whole or in part within this State, setting forth that the financial condition of ~~such~~ the corporation is such that the payment of any taxes assessed against it under the provisions of this chapter would imperil the continued operation of ~~such~~ the railroad and would be detrimental to the general good of the State, the ~~Public Utility Commission~~ Commissioner of Taxes shall fix a time and place for a hearing ~~thereon~~ on the petition and give

Sec. 56. VEHICLE HISTORY INFORMATION; REPORT

(a) The Commissioner of Motor Vehicles, in consultation with the Attorney General, the Vermont Vehicle and Automotive Distributors Association, the Alliance for Automotive Innovation, and other interested stakeholders, shall examine the use and reliability of vehicle history reports utilized in relation to

the purchase and sale of used motor vehicles in Vermont. The report shall address:

(1) how information provided in vehicle history reports is gathered and disseminated;

(2) the accuracy of vehicle history information provided in vehicle history reports;

(3) the frequency with which complaints regarding the accuracy of vehicle history reports are submitted to the State;

(4) the frequency and potential causes of inaccurate or incomplete vehicle history information being provided in vehicle history reports;

(5) potential causes for inaccurate or incomplete vehicle history information being included in vehicle history reports; and

(6) potential legislative or regulatory actions that could reduce the occurrence of inaccurate or incomplete vehicle history information appearing in vehicle history reports.

(b) On or before December 15, 2026, the Commissioner shall submit a written report to the House and Senate Committees on Transportation regarding their findings pursuant to subsection (a) of this section and any recommendations for legislative action.

(c) As used in this section:

(1) "Vehicle history information" includes the following related to a motor vehicle:

(A) accident or damage information;

(B) the number of previous owners;

(C) information regarding service or maintenance history, including diagnostic information generated while performing service or maintenance;

(D) odometer readings; and

(E) title information.

(2) "Vehicle history report" means any written or electronic communication of vehicle history information made by a vehicle history report provider that is made available to consumers.

(3) "Vehicle history report provider" means an entity that generates vehicle history reports from a vehicle history database that are provided directly to consumers. "Vehicle history report provider" does not include a dealer that obtains a vehicle history report from a third party that is not an

affiliate of the dealer and that then communicates the vehicle history report without altering the vehicle history information in the report.

* * * Effective Dates * * *

Sec. 57. EFFECTIVE DATES

(a) Sec. 11 (purchase and use tax payments to Education Fund) shall take effect on July 1, 2027.

(b) Sec. 12 (repeal of purchase and use tax payments to Education Fund) shall take effect on July 1, 2031.

(c) Secs. 16 (mileage-based user fee), 17 (infrastructure fee for PHEVs), and 18 (transition to mileage-based user fee) shall take effect on January 1, 2027.

(d) Sec. 21 (expansion of mileage-based user fee to hybrid vehicles), Sec. 22 (addition of fuel tax credit), and Sec. 23 (increase in default mileage-based user fee rate) shall take effect on January 1, 2029.

(e) The remaining sections shall take effect on July 1, 2026.

CONSENT CALENDAR FOR NOTICE

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

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

H.C.R. 294

House concurrent resolution honoring Nicholas Monte, Bennington County's chocolatier extraordinaire

H.C.R. 295

House concurrent resolution honoring Patricia Gibbons for her extraordinary half-century teaching career in the Town of Bennington

H.C.R. 296

House concurrent resolution congratulating Inspirational Bible Book & Gifts of Bennington, Vermont's last remaining Christian bookstore, on its 50th anniversary

H.C.R. 297

House concurrent resolution honoring Vermont Fish and Wildlife Department Director of Fisheries Eric Palmer and extending future best wishes

H.C.R. 298

House concurrent resolution recognizing the importance of the Vermont Department of Fish and Wildlife's fish culture program for the continued success of aquatic-resource sustainability and the availability of abundant recreational fishing opportunities in Vermont

H.C.R. 299

House concurrent resolution in memory of Elana Grace Korey and recognizing August 2, 2026, as 802 Day in Vermont

H.C.R. 300

House concurrent resolution in memory of gay rights advocate, political activist, culinary bibliophile, and chocolatier maven Terje Anderson

H.C.R. 301

House concurrent resolution recognizing May 2026 as National Foster Care Month in Vermont

H.C.R. 302

House concurrent resolution congratulating former Shaftsbury Selectboard Chair Arthur Whitman and his wife Kathy Whitman as the recipients of the 2026 Shaftsbury Ordinary Hero Award

H.C.R. 303

House concurrent resolution extending best wishes for a speedy and complete recovery to the indomitable Representative Anne de la Blanchetai Donahue of Northfield

H.C.R. 304

House concurrent resolution celebrating the State House display of Julian Scott's Civil War masterpiece, The Fourth Vermont Forming Under Fire, and thanking those individuals who facilitated this historic artistic event

H.C.R. 305

House concurrent resolution honoring former Representative Francis Matthew (Topper) McFaun for his exemplary public and community service

S.C.R. 13

Senate concurrent resolution honoring Middlebury College Professor Jessica Holmes for her exemplary public service as a member and interim chair of the Green Mountain Care Board

For Informational Purposes

HOUSE CHAMBER 2027 SEATING REQUESTS

Pursuant to House Rule 5, a current Representative who will return to the House for the 2027-28 Biennium has a right to retain their current seat in the Chamber or to change seats by selecting a seat that will be vacant in 2027. No steps are needed for a Representative to retain their current seat. Here are the steps for Representatives to request a change of seat for the 2027-28 Biennium:

1. Requests for changes in House seating will be accepted by the House Clerk's Office beginning **at 8:00 A.M. on the first Monday after the House adjourns *sine die***.
2. Call or email your request to Nigel Hicks-Tibbles at: nigel.hicks-tibbles@vtleg.gov.
3. Include in your request the seat number you would like to request; or, you may ask Nigel what seats are available and they will be able to provide a list of vacant seats. A request for information will not be treated as a seat-change request for purposes of reserving a seat against other requests.
4. Requests for vacant seats will be accepted in the order received.
5. A vacant seat is one that was held at the end of the 2026 session by a member who has publicly announced they do not plan to run or has not filed to run for reelection to the House, who is not so reelected, or who has changed seats for 2027-28.
6. The list of vacant seats will change over the course of the adjournment and members are welcome to request a change more than once as different seats become available.

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 #3276: Twelve (12) limited-service positions to the Agency of Human Services, various departments, to staff the Rural Health Transformation Initiative. The Rural Health Transformation grant, JFO #3272 was approved at the Joint Fiscal Committee meeting on February 6, 2026. All limited-service positions are expected to be funded through 9/30/2031. *[Received March 31, 2026]*

JFO #3277: $36,000.00 to the Vermont Legislature, Sergeant at Arms office from the National Conference of State Legislatures. The grant will extend up to $500.00 to each member of the General Assembly to secure their homes. Funds would be available once as a reimbursement during the lawmaker's service for expenses incurred after June 1, 2026. *[Received April 14, 2026]*