Senate Calendar

FRIDAY, MARCH 21, 2025

SENATE CONVENES AT: 11:00 A.M.

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CONCURRENT RESOLUTIONS FOR ACTION

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UNFINISHED BUSINESS OF WEDNESDAY, MARCH 19, 2025

Second Reading

Favorable with Recommendation of Amendment

S. 71.

An act relating to consumer data privacy and online surveillance.

Reported favorably with recommendation of amendment by Senator Plunkett for the Committee on Institutions.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 9 V.S.A. chapter 61A is added to read:

CHAPTER 61A. VERMONT DATA PRIVACY ACT

§ 2415. DEFINITIONS

As used in this chapter:

(1) "Abortion" means terminating a pregnancy for any purpose other than producing a live birth.

(2)(A) "Affiliate" means a legal entity that shares common branding with another legal entity or controls, is controlled by, or is under common control with another legal entity.

(B) As used in subdivision (A) of this subdivision (2), "control" or "controlled" means:

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

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

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

(3) "Authenticate" means to use reasonable means to determine that a request to exercise any of the rights afforded under subdivisions 2418(a)(1)–(4) of this title is being made by, or on behalf of, the consumer who is entitled to exercise the consumer rights with respect to the personal data at issue.

(4)(A) "Biometric data" means personal data generated by automatic measurements of an individual's unique biological patterns or characteristics that are used to identify a specific individual.

(B) "Biometric data" does not include:

(i) a digital or physical photograph;

(ii) an audio or video recording; or

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

(5) "Business associate" has the same meaning as in HIPAA.

(6) "Child" has the same meaning as in COPPA.

(7)(A) "Consent" means a clear affirmative act signifying a consumer's freely given, specific, informed, and unambiguous agreement to allow the processing of personal data relating to the consumer.

(B) "Consent" may include a written statement, including by electronic means, or any other unambiguous affirmative action.

(C) "Consent" does not include:

(i) acceptance of a general or broad terms of use or similar document that contains descriptions of personal data processing along with other, unrelated information;

(ii) hovering over, muting, pausing, or closing a given piece of content; or

(iii) agreement obtained through the use of dark patterns.

(8)(A) "Consumer" means an individual who is a resident of the State.

(B) "Consumer" does not include an individual acting in a commercial or employment context or as an employee, owner, director, officer, or contractor of a company, partnership, sole proprietorship, nonprofit, or government agency whose communications or transactions with the controller occur solely within the context of that individual's role with the company, partnership, sole proprietorship, nonprofit, or government agency.

(9) "Consumer health data" means any personal data that a controller uses to identify a consumer's physical or mental health condition or diagnosis, including gender-affirming health data and reproductive or sexual health data.

(10) "Consumer health data controller" means any controller that, alone or jointly with others, determines the purpose and means of processing consumer health data.

(11) "Controller" means a person who, alone or jointly with others, determines the purpose and means of processing personal data.

(12) "COPPA" means the Children's Online Privacy Protection Act of 1998, 15 U.S.C. § 6501–6506, and any regulations, rules, guidance, and exemptions adopted pursuant to the act, as the act and regulations, rules, guidance, and exemptions may be amended.

(13) "Covered entity" has the same meaning as in HIPAA.

(14) "Dark pattern" means a user interface designed or manipulated with the substantial effect of subverting or impairing user autonomy, decision-making, or choice and includes any practice the Federal Trade Commission refers to as a "dark pattern."

(15) "Decisions that produce legal or similarly significant effects concerning the consumer" means decisions made by the controller that result in the provision or denial by the controller of financial or lending services, housing, insurance, education enrollment or opportunity, criminal justice, employment opportunities, health care services, or access to essential goods or services.

(16) "De-identified data" means data that does not identify and cannot reasonably be used to infer information about, or otherwise be linked to, an identified or identifiable individual, or a device linked to the individual, if the controller that possesses the data:

(A) takes reasonable measures to ensure that the data cannot be associated with an individual;

(B) publicly commits to process the data only in a de-identified fashion and not attempt to re-identify the data; and

(C) contractually obligates any recipients of the data to satisfy the criteria set forth in subdivisions (A) and (B) of this subdivision (16).

(17) "Gender-affirming health care services" has the same meaning as in 1 V.S.A. § 150.

(18) "Gender-affirming health data" means any personal data concerning a past, present, or future effort made by a consumer to seek, or a consumer's receipt of, gender-affirming health care services.

(19) "Geofence" means any technology that uses global positioning coordinates, cell tower connectivity, cellular data, radio frequency identification, wireless fidelity technology data, or any other form of location detection, or any combination of such coordinates, connectivity, data, identification, or other form of location detection, to establish a virtual boundary.

(20) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, as may be amended.

(21) "Identified or identifiable individual" means an individual who can be readily identified, directly or indirectly.

(22) "Institution of higher education" means any individual who, or school, board, association, limited liability company or corporation that, is licensed or accredited to offer one or more programs of higher learning leading to one or more degrees.

(23) "Mental health facility" means any health care facility in which at least 70 percent of the health care services provided in the facility are mental health services.

(24) "Nonprofit organization" means any organization that is qualified for tax exempt status under I.R.C. § 501(c)(3), 501(c)(4), 501(c)(6), or 501(c)(12), or any corresponding internal revenue code of the United States, as may be amended,

(25) "Person" means an individual, association, company, limited liability company, corporation, partnership, sole proprietorship, trust, or other legal entity.

(26)(A) "Personal data" means any information that is linked or reasonably linkable to an identified or identifiable individual.

(B) "Personal data" does not include de-identified data or publicly available information.

(27)(A) "Precise geolocation data" means information derived from technology, including global positioning system level latitude and longitude coordinates or other mechanisms, that directly identifies the specific location of an individual with precision and accuracy within a radius of 1,750 feet.

(B) "Precise geolocation data" does not include:

(i) the content of communications;

(ii) data generated by or connected to an advanced utility metering infrastructure system; or

(iii) data generated by equipment used by a utility company.

(28) "Process" or "processing" means any operation or set of operations performed, whether by manual or automated means, on personal data or on sets of personal data, such as the collection, use, storage, disclosure, analysis, deletion, or modification of personal data.

(29) "Processor" means a person who processes personal data on behalf of a controller.

(30) "Profiling" means any form of automated processing performed on personal data to evaluate, analyze, or predict personal aspects related to an identified or identifiable individual's economic situation, health, personal preferences, interests, reliability, behavior, location, or movements.

(31) "Protected health information" has the same meaning as in HIPAA.

(32) "Pseudonymous data" means personal data that cannot be attributed to a specific individual without the use of additional information, provided the additional information is kept separately and is subject to appropriate technical and organizational measures to ensure that the personal data is not attributed to an identified or identifiable individual.

(33) "Publicly available information" means information that:

(A) is lawfully made available through federal, state, or local government records or widely distributed media; or

(B) a controller has a reasonable basis to believe that the consumer has lawfully made available to the general public.

(34) "Reproductive or sexual health care" means any health care-related services or products rendered or provided concerning a consumer's reproductive system or sexual well-being, including any such service or product rendered or provided concerning:

(A) an individual health condition, status, disease, diagnosis, diagnostic test or treatment;

(B) a social, psychological, behavioral, or medical intervention;

(C) a surgery or procedure, including an abortion;

(D) a use or purchase of a medication, including a medication used or purchased for the purposes of an abortion, a bodily function, vital sign, or symptom;

(E) a measurement of a bodily function, vital sign, or symptom; or

(F) an abortion, including medical or nonmedical services, products, diagnostics, counseling, or follow-up services for an abortion.

(35) "Reproductive or sexual health data" means any personal data concerning an effort made by a consumer to seek, or a consumer's receipt of, reproductive or sexual health care.

(36) "Reproductive or sexual health facility" means any health care facility in which at least 70 percent of the health care-related services or products rendered or provided in the facility are reproductive or sexual health care.

(37)(A) "Sale of personal data" means the exchange of a consumer's personal data by the controller to a third party for monetary or other valuable consideration.

(B) "Sale of personal data" does not include:

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

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

(iii) the disclosure or transfer of personal data to an affiliate of the controller;

(iv) the disclosure of personal data where the consumer directs the controller to disclose the personal data or intentionally uses the controller to interact with a third party;

(v) the disclosure of personal data that the consumer:

(I) intentionally made available to the general public via a channel of mass media; and

(II) did not restrict to a specific audience; or

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

(38) "Sensitive data" means personal data that includes:

(A) data revealing racial or ethnic origin, religious beliefs, mental or physical health condition or diagnosis, sex life, sexual orientation, or citizenship or immigration status;

(B) consumer health data;

(C) the processing of genetic or biometric data for the purpose of uniquely identifying an individual;

(D) personal data collected from a known child;

(E) data concerning an individual's status as a victim of crime; and

(F) an individual's precise geolocation data.

(39)(A) "Targeted advertising" means displaying advertisements to a consumer where the advertisement is selected based on personal data obtained or inferred from that consumer's activities over time and across nonaffiliated websites or online applications to predict the consumer's preferences or interests.

(B) "Targeted advertising" does not include:

(i) an advertisement based on activities within the controller's own commonly branded website or online application;

(ii) an advertisement based on the context of a consumer's current search query, visit to a website, or use of an online application;

(iii) an advertisement directed to a consumer in response to the consumer's request for information or feedback; or

(iv) processing personal data solely to measure or report advertising frequency, performance, or reach.

(40) "Third party" means a person, public authority, agency, or body, other than the consumer, controller, or processor or an affiliate of the processor or the controller.

(41) "Trade secret" has the same meaning as in section 4601 of this title.

§ 2416. APPLICABILITY

(a) Except as provided in subsection (b) of this section, this chapter applies to a person that conducts business in this State or a person that produces products or services that are targeted to residents of this State and that during the preceding calendar year:

(1) controlled or processed the personal data of not fewer than 100,000 consumers, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or

(2) controlled or processed the personal data of not fewer than 25,000 consumers and derived more than 25 percent of the person's gross revenue from the sale of personal data.

(b) Section 2426 of this title and the provisions of this chapter concerning consumer health data and consumer health data controllers apply to a person that conducts business in this State or a person that produces products or services that are targeted to residents of this State.

§ 2417. EXEMPTIONS

(a) Except as provided in subsection (c) of this section, this chapter shall not apply to any:

(1) body, authority, board, bureau, commission, district or agency of this State or of any political subdivision of this State;

(2) person who has entered into a contract with an entity described in subdivision (1) of this subsection to process consumer health data on behalf of the entity;

(3) nonprofit organization;

(4) institution of higher education;

(5) national securities association that is registered under 15 U.S.C. 78o-3 of the Securities Exchange Act of 1934, as may be amended;

(6) financial institution or data subject to Title V of the Gramm-Leach-Bliley Act, Pub. L. No. 106-102, and regulations adopted to implement that act;

(7) covered entity or business associate, as defined in 45 C.F.R. § 160.103;

(8) tribal nation government organization; or

(9) air carrier, as:

(A) defined in 49 U.S.C. § 40102, as may be amended; and

(B) regulated under the Federal Aviation Act of 1958, 49 U.S.C. § 40101 et seq. and the Airline Deregulation Act of 1978, 49 U.S.C. § 41713, as may be amended.

(b) The following information, data, and activities are exempt from this chapter:

(1) protected health information under HIPAA;

(2) patient identifying information that is collected and processed in accordance with 42 C.F.R. Part 2 (confidentiality of substance use disorder patient records);

(3) identifiable private information:

(A) for purposes of the Federal Policy for the Protection of Human Subjects, codified as 45 C.F.R. Part 46 (HHS protection of human subjects) and in various other federal regulations; and

(B) that is otherwise information collected as part of human subjects research pursuant to the good clinical practice guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use;

(4) information that identifies a consumer in connection with the protection of human subjects under 21 C.F.R. Parts 6, 50, and 56, or personal data used or shared in research, as defined in 45 C.F.R. § 164.501, that is conducted in accordance with the standards set forth in this subdivision and in subdivision (3) of this subsection, or other research conducted in accordance with applicable law;

(5) information or documents created for the purposes of the Healthcare Quality Improvement Act of 1986, 42 U.S.C. §§ 11101–11152, and regulations adopted to implement that act;

(6) patient safety work product that is created for purposes of improving patient safety under 42 C.F.R. Part 3 (patient safety organizations and patient safety work product);

(7) information derived from any of the health care-related information listed in this subsection that is de-identified in accordance with the requirements for de-identification pursuant to HIPAA;

(8) information originating from and intermingled to be indistinguishable with, or information treated in the same manner as, information exempt under this subsection that is maintained by a covered entity or business associate, program, or qualified service organization, as specified in 42 U.S.C. § 290dd-2, as may be amended;

(9) information used for public health activities and purposes as authorized by HIPAA, community health activities, and population health activities;

(10) the collection, maintenance, disclosure, sale, communication, or use of any personal information bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency, furnisher, or user that provides information for use in a consumer report, and by a user of a consumer report, but only to the extent that such activity is regulated by and authorized under the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., as may be amended;

(11) personal data collected, processed, sold, or disclosed under and in compliance with:

(A) the Driver's Privacy Protection Act of 1994, 18 U.S.C. § 2721–2725; and

(B) the Farm Credit Act, Pub. L. No. 92-181, as may be amended;

(12) personal data regulated by the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, as may be amended;

(13) data processed or maintained:

(A) in the course of an individual applying to, employed by, or acting as an agent or independent contractor of a controller, processor, consumer health data controller, or third party, to the extent that the data is collected and used within the context of that role;

(B) as the emergency contact information of a consumer pursuant to this chapter, used for emergency contact purposes, or

(C) that is necessary to retain to administer benefits for another individual relating to the individual who is the subject of the information pursuant to subdivision (1) of this subsection (b) and used for the purposes of administering such benefits; and

(14) personal data collected, processed, sold, or disclosed in relation to price, route, or service, as such terms are used in the Federal Aviation Act of 1958, 49 U.S.C. § 40101 et seq., as may be amended, and the Airline Deregulation Act of 1978, 49 U.S.C.§ 41713, as may be amended.

(c) Controllers, processors, and consumer health data controllers that comply with the verifiable parental consent requirements of COPPA shall be deemed compliant with any obligation to obtain parental consent pursuant to this chapter.

§ 2418. CONSUMER RIGHTS; COMPLIANCE BY CONTROLLERS; APPEALS

(a) A consumer shall have the right to:

(1) confirm whether or not a controller is processing the consumer's personal data and access the personal data, unless the confirmation or access would require the controller to reveal a trade secret;

(2) correct inaccuracies in the consumer's personal data, taking into account the nature of the personal data and the purposes of the processing of the consumer's personal data;

(3) delete personal data provided by, or obtained about, the consumer;

(4) obtain a copy of the consumer's personal data processed by the controller, in a portable and, to the extent technically feasible, readily usable format that allows the consumer to transmit the data to another controller without hindrance, where the processing is carried out by automated means, provided the controller shall not be required to reveal any trade secret; and

(5) opt out of the processing of the personal data for purposes of:

(A) targeted advertising;

(B) the sale of personal data, except as provided in subsection 2420(b) of this title; or

(C) profiling in furtherance of solely automated decisions that produce legal or similarly significant effects concerning the consumer.

(b)(1) A consumer may exercise rights under this section by a secure and reliable means established by the controller and described to the consumer in the controller's privacy notice.

(2) A consumer may designate an authorized agent in accordance with section 2419 of this title to exercise the rights of the consumer to opt out of the processing of the consumer's personal data for purposes of subdivision (a)(5) of this section on behalf of the consumer.

(3) In the case of processing personal data of a known child, the parent or legal guardian may exercise the consumer rights on the child's behalf.

(4) In the case of processing personal data concerning a consumer subject to a guardianship, conservatorship, or other protective arrangement, the guardian or the conservator of the consumer may exercise the rights on the consumer's behalf.

(c) Except as otherwise provided in this chapter, a controller shall comply with a request by a consumer to exercise the consumer rights authorized pursuant to this chapter as follows:

(1)(A) A controller shall respond to the consumer without undue delay, but not later than 45 days after receipt of the request.

(B) The controller may extend the response period by 45 additional days when reasonably necessary, considering the complexity and number of the consumer's requests, provided the controller informs the consumer of the extension within the initial 45-day response period and of the reason for the extension.

(2) If a controller declines to take action regarding the consumer's request, the controller shall inform the consumer without undue delay, but not later than 45 days after receipt of the request, of the justification for declining to take action and instructions for how to appeal the decision.

(3)(A) Information provided in response to a consumer request shall be provided by a controller, free of charge, once per consumer during any 12-month period.

(B) If requests from a consumer are manifestly unfounded, excessive, or repetitive, the controller may charge the consumer a reasonable fee to cover the administrative costs of complying with the request or decline to act on the request.

(C) The controller bears the burden of demonstrating the manifestly unfounded, excessive, or repetitive nature of the request.

(4)(A) If a controller is unable to authenticate a request to exercise any of the rights afforded under subdivisions (a)(1)–(4) of this section using commercially reasonable efforts, the controller shall not be required to comply with a request to initiate an action pursuant to this section and shall provide notice to the consumer that the controller is unable to authenticate the request to exercise the right or rights until the consumer provides additional information reasonably necessary to authenticate the consumer and the consumer's request to exercise the right or rights.

(B) A controller shall not be required to authenticate an opt-out request, but a controller may deny an opt-out request if the controller has a good faith, reasonable, and documented belief that the request is fraudulent.

(C) If a controller denies an opt-out request because the controller believes the request is fraudulent, the controller shall send a notice to the person who made the request disclosing that the controller believes the request is fraudulent, why the controller believes the request is fraudulent, and that the controller shall not comply with the request.

(5) A controller that has obtained personal data about a consumer from a source other than the consumer shall be deemed in compliance with a consumer's request to delete the data pursuant to subdivision (a)(3) of this section by:

(A) retaining a record of the deletion request and the minimum data necessary for the purpose of ensuring the consumer's personal data remains deleted from the controller's records and not using the retained data for any other purpose pursuant to the provisions of this chapter; or

(B) opting the consumer out of the processing of the personal data for any purpose except for those exempted pursuant to the provisions of this chapter.

(d)(1) A controller shall establish a process for a consumer to appeal the controller's refusal to take action on a request within a reasonable period of time after the consumer's receipt of the decision.

(2) The appeal process shall be conspicuously available and similar to the process for submitting requests to initiate action pursuant to this section.

(3) Not later than 60 days after receipt of an appeal, a controller shall inform the consumer in writing of any action taken or not taken in response to the appeal, including a written explanation of the reasons for the decisions.

(4) If the appeal is denied, the controller shall also provide the consumer with an online mechanism, if available, or other method through which the consumer may contact the Attorney General to submit a complaint.

§ 2419. AUTHORIZED AGENTS AND CONSUMER OPT-OUT

(a) A consumer may designate another person to serve as the consumer's authorized agent, and act on the consumer's behalf, to opt out of the processing of the consumer's personal data for one or more of the purposes specified in subdivision 2418(a)(5) of this title.

(b) The consumer may designate an authorized agent by way of, among other things, a technology, including an internet link or a browser setting, browser extension, or global device setting, indicating the consumer's intent to opt out of the processing.

(c) A controller shall comply with an opt-out request received from an authorized agent if the controller is able to verify, with commercially reasonable effort, the identity of the consumer and the authorized agent's authority to act on the consumer's behalf.

§ 2420. CONTROLLERS' DUTIES; SALE OF PERSONAL DATA TO THIRD PARTIES; NOTICE AND DISCLOSURE TO CONSUMERS; CONSUMER OPT-OUT

(a) A controller:

(1) shall limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data is processed, as disclosed to the consumer;

(2) except as otherwise provided in this chapter, shall not process personal data for purposes that are neither reasonably necessary to, nor

compatible with, the disclosed purposes for which the personal data is processed, as disclosed to the consumer, unless the controller obtains the consumer's consent;

(3) shall establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality, integrity, and accessibility of personal data appropriate to the volume and nature of the personal data at issue;

(4) shall not process sensitive data concerning a consumer without obtaining the consumer's consent or, in the case of the processing of sensitive data concerning a known child, without processing the data in accordance with COPPA;

(5) shall not process personal data in violation of the laws of this State and federal laws that prohibit unlawful discrimination against consumers;

(6) shall provide an effective mechanism for a consumer to revoke the consumer's consent under this section that is at least as easy as the mechanism by which the consumer provided the consumer's consent and, upon revocation of the consent, cease to process the data as soon as practicable, but not later than 15 days after the receipt of the request;

(7) shall not process the personal data of a consumer for purposes of targeted advertising, or sell the consumer's personal data without the consumer's consent, under circumstances where a controller has actual knowledge, and willfully disregards, that the consumer is at least 13 years of age but younger than 16 years of age; and

(8) shall not discriminate against a consumer for exercising any of the consumer rights contained in this chapter, including denying goods or services, charging different prices or rates for goods or services, or providing a different level of quality of goods or services to the consumer.

(b) Subsection (a) of this section shall not be construed to require a controller to provide a product or service that requires the personal data of a consumer that the controller does not collect or maintain, or prohibit a controller from offering a different price, rate, level, quality, or selection of goods or services to a consumer, including offering goods or services for no fee if the offering is in connection with a consumer's voluntary participation in a bona fide loyalty, rewards, premium features, discounts, or club card program.

(c) A controller shall provide consumers with a reasonably accessible, clear, and meaningful privacy notice that includes:

(1) the categories of personal data processed by the controller;

(2) the purpose for processing personal data;

(3) how consumers may exercise their consumer rights, including how a consumer may appeal a controller's decision with regard to the consumer's request;

(4) the categories of personal data that the controller shares with third parties, if any;

(5) the categories of third parties, if any, with which the controller shares personal data; and

(6) an active email address or other online mechanism that the consumer may use to contact the controller.

(d) If a controller sells personal data to third parties or processes personal data for targeted advertising, the controller shall clearly and conspicuously disclose the processing, as well as the manner in which a consumer may exercise the right to opt out of the processing.

(e)(1) A controller shall establish, and shall describe in a privacy notice, one or more secure and reliable means for consumers to submit a request to exercise their consumer rights pursuant to this chapter.

(2) The means shall take into account the ways in which consumers normally interact with the controller, the need for secure and reliable communication of the requests, and the ability of the controller to verify the identity of the consumer making the request.

(3) A controller shall not require a consumer to create a new account in order to exercise consumer rights but may require a consumer to use an existing account.

(4)(A) The means shall include:

(i) providing a clear and conspicuous link on the controller's website to an web page that enables a consumer, or an agent of the consumer, to opt out of the targeted advertising or sale of the consumer's personal data; and

(ii) not later than January 1, 2026, allowing a consumer to opt out of any processing of the consumer's personal data for the purposes of targeted advertising, or any sale of the personal data, through an opt-out preference signal sent to the controller with the consumer's consent indicating the consumer's intent to opt out of any the processing or sale, by a platform, technology, or other mechanism that shall:

(I) not unfairly disadvantage another controller;

(II) not make use of a default setting, but rather require the consumer to make an affirmative, freely given, and unambiguous choice to opt out of any processing of the consumer's personal data pursuant to this chapter;

(III) be consumer-friendly and easy to use by the average consumer;

(IV) be as consistent as possible with any other similar platform, technology, or mechanism required by any federal or State law or regulation; and

(V) enable the controller to accurately determine whether the consumer is a resident of this State and whether the consumer has made a legitimate request to opt out of any sale of the consumer's personal data or targeted advertising.

(B) If a consumer's decision to opt out of any processing of the consumer's personal data for the purposes of targeted advertising, or any sale of the personal data, through an opt-out preference signal sent in accordance with the provisions of subdivision (A) of this subdivision (e)(4) conflicts with the consumer's existing controller-specific privacy setting or voluntary participation in a controller's bona fide loyalty, rewards, premium features, discounts, or club card program, the controller shall comply with the consumer's opt-out preference signal but may notify the consumer of the conflict and provide to the consumer the choice to confirm the controller-specific privacy setting or participation in the program.

(5) If a controller responds to consumer opt-out requests received pursuant to subdivision (4)(A) of this subsection by informing the consumer of a charge for the use of any product or service, the controller shall present the terms of any financial incentive offered pursuant to subsection (b) of this section for the retention, use, sale, or sharing of the consumer's personal data.

§ 2421. PROCESSORS' DUTIES; CONTRACTS BETWEEN CONTROLLERS AND PROCESSORS

(a) A processor shall adhere to the instructions of a controller and shall assist the controller in meeting the controller's obligations under this chapter, including:

(1) taking into account the nature of processing and the information available to the processor, by appropriate technical and organizational measures, to the extent reasonably practicable, to fulfill the controller's obligation to respond to consumer rights requests;

(2) taking into account the nature of processing and the information available to the processor, by assisting the controller in meeting the

controller's obligations in relation to the security of processing the personal data and in relation to the notification of a data broker security breach or security breach, as defined in section 2430 of this title, of the system of the processor, in order to meet the controller's obligations; and

(3) providing necessary information to enable the controller to conduct and document data protection assessments.

(b)(1) A contract between a controller and a processor shall govern the processor's data processing procedures with respect to processing performed on behalf of the controller.

(2) The contract shall be binding and clearly set forth instructions for processing data, the nature and purpose of processing, the type of data subject to processing, the duration of processing, and the rights and obligations of both parties.

(3) The contract shall require that the processor:

(A) ensure that each person processing personal data is subject to a duty of confidentiality with respect to the data;

(B) at the controller's direction, delete or return all personal data to the controller as requested at the end of the provision of services, unless retention of the personal data is required by law;

(C) upon the reasonable request of the controller, make available to the controller all information in its possession necessary to demonstrate the processor's compliance with the obligations in this chapter;

(D) after providing the controller an opportunity to object, engage any subcontractor pursuant to a written contract that requires the subcontractor to meet the obligations of the processor with respect to the personal data; and

(E) make available to the controller upon the reasonable request of the controller, all information in the processor's possession necessary to demonstrate the processor's compliance with this chapter.

(4) A processor shall provide a report of an assessment to the controller upon request.

(c) This section shall not be construed to relieve a controller or processor from the liabilities imposed on the controller or processor by virtue of the controller's or processor's role in the processing relationship, as described in this chapter.

(d)(1) Determining whether a person is acting as a controller or processor with respect to a specific processing of data is a fact-based determination that depends upon the context in which personal data is to be processed.

(2) A person who is not limited in the person's processing of personal data pursuant to a controller's instructions, or who fails to adhere to the instructions, is a controller and not a processor with respect to a specific processing of data.

(3) A processor that continues to adhere to a controller's instructions with respect to a specific processing of personal data remains a processor.

(4) If a processor begins, alone or jointly with others, determining the purposes and means of the processing of personal data, the processor is a controller with respect to the processing and may be subject to an enforcement action under section 2425 of this title.

§ 2422. CONTROLLERS' DATA PROTECTION ASSESSMENTS; DISCLOSURE TO ATTORNEY GENERAL

(a) A controller shall conduct and document a data protection assessment for each of the controller's processing activities that presents a heightened risk of harm to a consumer, which for the purposes of this section includes:

(1) the processing of personal data for the purposes of targeted advertising;

(2) the sale of personal data;

(3) the processing of personal data for the purposes of profiling, where the profiling presents a reasonably foreseeable risk of:

(A) unfair or deceptive treatment of, or unlawful disparate impact on, consumers;

(B) financial, physical, or reputational injury to consumers;

(C) a physical or other intrusion upon the solitude or seclusion, or the private affairs or concerns, of consumers, where the intrusion would be offensive to a reasonable person; or

(D) other substantial injury to consumers; and

(4) the processing of sensitive data.

(b)(1) Data protection assessments conducted pursuant to subsection (a) of this section shall identify and weigh the benefits that may flow, directly and indirectly, from the processing to the controller, the consumer, other stakeholders, and the public against the potential risks to the rights of the

consumer associated with the processing, as mitigated by safeguards that can be employed by the controller to reduce the risks.

(2) The controller shall factor into any data protection assessment the use of de-identified data and the reasonable expectations of consumers, as well as the context of the processing and the relationship between the controller and the consumer whose personal data will be processed.

(c)(1) The Attorney General may require that a controller disclose any data protection assessment that is relevant to an investigation conducted by the Attorney General, and the controller shall make the data protection assessment available to the Attorney General.

(2) The Attorney General may evaluate the data protection assessment for compliance with the responsibilities set forth in this chapter.

(3) Data protection assessments shall be confidential and shall be exempt from disclosure and copying under the Public Records Act.

(4) To the extent any information contained in a data protection assessment disclosed to the Attorney General includes information subject to attorney-client privilege or work product protection, the disclosure shall not constitute a waiver of the privilege or protection.

(d) A single data protection assessment may address a comparable set of processing operations that include similar activities.

(e) If a controller conducts a data protection assessment for the purpose of complying with another applicable law or regulation, the data protection assessment shall be deemed to satisfy the requirements established in this section if the data protection assessment is reasonably similar in scope and effect to the data protection assessment that would otherwise be conducted pursuant to this section.

(f) Data protection assessment requirements shall apply to processing activities created or generated after July 1, 2025 and are not retroactive.

§ 2423. DE-IDENTIFIED AND PSEUDONYMOUS DATA; CONTROLLERS' DUTIES; EXCEPTIONS; APPLICABILITY OF CONSUMERS' RIGHTS; DISCLOSURE AND OVERSIGHT

(a) A controller in possession of de-identified data shall:

(1) take reasonable measures to ensure that the data cannot be associated with an individual;

(2) publicly commit to maintaining and using de-identified data without attempting to re-identify the data; and

(3) contractually obligate any recipients of the de-identified data to comply with the provisions of this chapter.

(b) This chapter shall not be construed to:

(1) require a controller or processor to re-identify de-identified data or pseudonymous data; or

(2) maintain data in identifiable form, or collect, obtain, retain, or access any data or technology, in order to be capable of associating an authenticated consumer request with personal data.

(c) This chapter shall not be construed to require a controller or processor to comply with an authenticated consumer rights request if the controller:

(1) is not reasonably capable of associating the request with the personal data or it would be unreasonably burdensome for the controller to associate the request with the personal data;

(2) does not use the personal data to recognize or respond to the specific consumer who is the subject of the personal data, or associate the personal data with other personal data about the same specific consumer; and

(3) does not sell the personal data to any third party or otherwise voluntarily disclose the personal data to any third party other than a processor, except as otherwise permitted in this section.

(d) The rights afforded under subdivisions 2418(a)(1)–(4) of this title shall not apply to pseudonymous data in cases where the controller is able to demonstrate that any information necessary to identify the consumer is kept separately and is subject to effective technical and organizational controls that prevent the controller from accessing the information.

(e) A controller that discloses pseudonymous data or de-identified data shall exercise reasonable oversight to monitor compliance with any contractual commitments to which the pseudonymous data or de-identified data is subject and shall take appropriate steps to address any breaches of those contractual commitments.

§ 2424. CONSTRUCTION OF CONTROLLERS' AND PROCESSORS' DUTIES

(a) This chapter shall not be construed to restrict a controller's, processor's, or consumer health data controller's ability to:

(1) comply with federal, state, or municipal laws, ordinances, or regulations;

(2) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, municipal, or other governmental authorities;

(3) cooperate with law enforcement agencies concerning conduct or activity that the controller, processor, or consumer health data controller reasonably and in good faith believes may violate federal, state, or municipal laws, ordinances, or regulations;

(4) investigate, establish, exercise, prepare for, or defend legal claims;

(5) provide a product or service specifically requested by a consumer;

(6) perform under a contract to which a consumer is a party, including fulfilling the terms of a written warranty;

(7) take steps at the request of a consumer prior to entering into a contract;

(8) take immediate steps to protect an interest that is essential for the life or physical safety of the consumer or another individual, and where the processing cannot be manifestly based on another legal basis;

(9) prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious, or deceptive activities or any illegal activity; preserve the integrity or security of systems; or investigate, report, or prosecute those responsible for the action;

(10) engage in public or peer-reviewed scientific or statistical research in the public interest that adheres to all other applicable ethics and privacy laws and is approved, monitored, and governed by an institutional review board that determines, or similar independent oversight entities that determine:

(A) whether the deletion of the information is likely to provide substantial benefits that do not exclusively accrue to the controller;

(B) the expected benefits of the research outweigh the privacy risks; and

(C) whether the controller or consumer health data controller has implemented reasonable safeguards to mitigate privacy risks associated with research, including any risks associated with re-identification;

(11) assist another controller, processor, consumer health data controller, or third party with any of the obligations under this chapter; or

(12) process personal data for reasons of public interest in the area of public health, community health, or population health, but solely to the extent that the processing is:

(A) subject to suitable and specific measures to safeguard the rights of the consumer whose personal data is being processed; and

(B) under the responsibility of a professional subject to confidentiality obligations under federal, state, or local law.

(b) The obligations imposed on controllers, processors, or consumer health data controllers under this chapter shall not restrict a controller's, processor's, or consumer health data controller's ability to collect, use, or retain data for internal use to:

(1) conduct internal research to develop, improve, or repair products, services, or technology;

(2) effectuate a product recall;

(3) identify and repair technical errors that impair existing or intended functionality; or

(4) perform internal operations that are reasonably aligned with the expectations of the consumer or reasonably anticipated based on the consumer's existing relationship with the controller or consumer health data controller, or are otherwise compatible with processing data in furtherance of the provision of a product or service specifically requested by a consumer or the performance of a contract to which the consumer is a party.

(c)(1) The obligations imposed on controllers, processors, or consumer health data controllers under this chapter shall not apply where compliance by the controller, processor, or consumer health data controller with this chapter would violate an evidentiary privilege under the laws of this State.

(2) This chapter shall not be construed to prevent a controller, processor, or consumer health data controller from providing personal data concerning a consumer to a person covered by an evidentiary privilege under the laws of the State as part of a privileged communication.

(d)(1) A controller, processor, or consumer health data controller that discloses personal data to a processor or third-party controller pursuant to this chapter shall not be deemed to have violated this chapter if the processor or third-party controller that receives and processes the personal data violates this chapter, provided, at the time the disclosing controller, processor, or consumer health data controller disclosed the personal data, the disclosing controller, processor, or consumer health data controller did not have actual knowledge that the receiving processor or third-party controller would violate this chapter.

(2) A third-party controller or processor receiving personal data from a controller, processor, or consumer health data controller in compliance with

this chapter is not in violation of this chapter for the transgressions of the controller, processor, or consumer health data controller from which the third-party controller or processor receives the personal data.

(e) This chapter shall not be construed to:

(1) impose any obligation on a controller or processor that adversely affects the rights or freedoms of any person, including the rights of any person:

(A) to freedom of speech or freedom of the press guaranteed in the First Amendment to the United States Constitution; or

(B) under 12 V.S.A. § 1615;

(2) apply to any person's processing of personal data in the course of the person's purely personal or household activities; or

(3) require an independent school as defined in 16 V.S.A. § 11(a)(8) or a private institution of higher education, as defined in 20 U.S.C. § 1001 et seq., to delete personal data or opt out of processing of personal data that would unreasonably interfere with the provision of education services by or the ordinary operation of the school or institution.

(f)(1) Personal data processed by a controller or consumer health data controller pursuant to this section may be processed to the extent that the processing is:

(A) reasonably necessary and proportionate to the purposes listed in this section; and

(B) adequate, relevant, and limited to what is necessary in relation to the specific purposes listed in this section.

(2)(A) Personal data collected, used, or retained pursuant to subsection (b) of this section shall, where applicable, take into account the nature and purpose or purposes of the collection, use, or retention.

(B) The data shall be subject to reasonable administrative, technical, and physical measures to protect the confidentiality, integrity, and accessibility of the personal data and to reduce reasonably foreseeable risks of harm to consumers relating to the collection, use, or retention of personal data.

(g) If a controller or consumer health data controller processes personal data pursuant to an exemption in this section, the controller or consumer health data controller bears the burden of demonstrating that the processing qualifies for the exemption and complies with the requirements in subsection (f) of this section.

(h) Processing personal data for the purposes expressly identified in this section shall not solely make a legal entity a controller or consumer health data controller with respect to the processing.

§ 2425. ENFORCEMENT BY ATTORNEY GENERAL; NOTICE OF VIOLATION; CURE PERIOD; REPORT; PENALTY

(a) The Attorney General shall have exclusive authority to enforce violations of this chapter.

(b)(1) During the period beginning on July 1, 2025 and ending on December 31, 2026, the Attorney General shall, prior to initiating any action for a violation of any provision of this chapter, issue a notice of violation to the controller or consumer health data controller if the Attorney General determines that a cure is possible.

(2) If the controller or consumer health data controller fails to cure the violation within 60 days after receipt of the notice of violation, the Attorney General may bring an action pursuant to this section.

(3) Annually, on or before February 1, the Attorney General shall submit a report to the General Assembly disclosing:

(A) the number of notices of violation the Attorney General has issued;

(B) the nature of each violation;

(C) the number of violations that were cured during the available cure period; and

(D) any other matter the Attorney General deems relevant for the purposes of the report.

(c) Beginning on January 1, 2027, the Attorney General may, in determining whether to grant a controller or processor the opportunity to cure an alleged violation described in subsection (b) of this section, consider:

(1) the number of violations;

(2) the size and complexity of the controller or processor;

(3) the nature and extent of the controller's or processor's processing activities;

(4) the substantial likelihood of injury to the public;

(5) the safety of persons or property;

(6) whether the alleged violation was likely caused by human or technical error; and

(7) the sensitivity of the data.

(d) This chapter shall not be construed as providing the basis for, or be subject to, a private right of action for violations of this chapter or any other law.

(e) Subjection to the exception in subsection (f) of this section, a violation of the requirements of this chapter shall constitute an unfair and deceptive act in commerce in violation of section 2453 of this title and shall be enforced solely by the Attorney General, provided that a consumer private right of action under subsection 2461(b) of this title shall not apply to the violation.

(f) The Attorney General shall provide guidance to controllers and processors for compliance with the terms of the Vermont Data Privacy Act. Any processor or controller that, in the opinion of the Attorney General, materially complies with the guidance provided by the Attorney General shall not constitute an unfair and deceptive act in commerce.

§ 2426. CONSUMER HEALTH DATA PRIVACY

(a) Except as provided in subsections (b) and (c) of this section and subsections 2417(b) and (c) of this title, no person shall:

(1) provide any employee or contractor with access to consumer health data unless the employee or contractor is subject to a contractual or statutory duty of confidentiality;

(2) provide any processor with access to consumer health data unless the person and processor comply with section 2421 of this title;

(3) use a geofence to establish a virtual boundary that is within 1,750 feet of any health care facility, including any mental health facility or reproductive or sexual health facility, for the purpose of identifying, tracking, collecting data from, or sending any notification to a consumer regarding the consumer's consumer health data; or

(4) sell, or offer to sell, consumer health data without first obtaining the consumer's consent.

(b) Notwithstanding section 2416 of this title, subsection (a) of this section, and the provisions of sections 2415–2425 of this title, inclusive, concerning consumer health data and consumer health data controllers, apply to persons that conduct business in this state and persons that produce products or services that are targeted to residents of this state.

(c) Subsection (a) of this section shall not apply to any:

(1) body, authority, board, bureau, commission, district or agency of this State or of any political subdivision of this State;

(2) person who has entered into a contract with an entity described in subdivision (1) of this subsection to process consumer health data on behalf of the entity;

(3) institution of higher education;

(4) national securities association that is registered under 15 U.S.C. 78o-3 of the Securities Exchange Act of 1934, as may be amended;

(5) financial institution or data subject to Title V of the Gramm-Leach-Bliley Act, Pub. L. No. 106-102, and regulations adopted to implement that act;

(6) covered entity or business associate, as defined in 45 C.F.R. § 160.103;

(7) tribal nation government organization; or

(8) air carrier, as:

(A) defined in 49 U.S.C. § 40102, as may be amended; and

(B) regulated under the Federal Aviation Act of 1958, 49 U.S.C. § 40101 et seq. and the Airline Deregulation Act of 1978, 49 U.S.C. § 41713, as may be amended.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

UNFINISHED BUSINESS OF THURSDAY, MARCH 20, 2025

Committee Bill for Second Reading

Favorable

S. 117.

An act relating to rulemaking on safety and health standards and technical corrections on employment practices and unemployment compensation.

By the Committee on Economic Development, Housing and General Affairs. (Senator Chittenden for the Committee.)

Reported favorably by Senator Brennan for the Committee on Appropriations.

(Committee vote: 6-0-1)

Second Reading

Favorable with Recommendation of Amendment

S. 12.

An act relating to sealing criminal history records.

Reported favorably with recommendation of amendment by Senator Hashim for the Committee on Judiciary.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. chapter 230 is amended to read:

CHAPTER 230. EXPUNGEMENT AND SEALING OF CRIMINAL HISTORY RECORDS

§ 7601. DEFINITIONS

As used in this chapter:

(1) "Court" means the Criminal Division of the Superior Court.

(2) "Criminal history record" means all information documenting an individual's contact with the criminal justice system, including data regarding identification, arrest or citation, arraignment, judicial disposition, custody, and supervision.

(3) ~~"Predicate offense" means a criminal offense that can be used to enhance a sentence levied for a later conviction and includes operating a vehicle under the influence of alcohol or other substance in violation of 23 V.S.A. § 1201, domestic assault in violation of section 1042 of this title, and stalking in violation of section 1062 of this title. "Predicate offense" shall not include misdemeanor possession of cannabis, a disorderly conduct offense under section 1026 of this title, or possession of a controlled substance in violation of 18 V.S.A. § 4230(a), 4231(a), 4232(a), 4233(a), 4234(a), 4234a(a), 4234b(a), 4235(b), or 4235a(a)~~ "Criminal justice purposes" means the investigation, apprehension, detention, adjudication, or correction of persons suspected, charged, or convicted of criminal offenses. "Criminal justice purposes" also includes criminal identification activities; the collection, storage, and dissemination of criminal history records; and screening for criminal justice employment.

(4) "Qualifying crime" means:

~~(A) a misdemeanor offense that is not:~~

~~(i) a listed crime as defined in subdivision 5301(7) of this title;~~

~~(ii) an offense involving sexual exploitation of children in violation of chapter 64 of this title;~~

~~(iii) an offense involving violation of a protection order in violation of section 1030 of this title;~~

~~(iv) prostitution as defined in section 2632 of this title, or prohibited conduct under section 2601a of this title; or~~

~~(v) a predicate offense;~~

~~(B) a violation of subsection 3701(a) of this title related to criminal mischief;~~

~~(C) a violation of section 2501 of this title related to grand larceny;~~

~~(D) a violation of section 1201 of this title related to burglary, excluding any burglary into an occupied dwelling, as defined in subdivision 1201(b)(2) of this title;~~

~~(E) a violation of 18 V.S.A. § 4223 related to fraud or deceit;~~

~~(F) a violation of section 1802 of this title related to uttering a forged or counterfeited instrument;~~

~~(G) a violation of 18 V.S.A. § 4230(a) related to possession and cultivation of cannabis;~~

~~(H) a violation of 18 V.S.A. § 4231(a) related to possession of cocaine;~~

~~(I) a violation of 18 V.S.A. § 4232(a) related to possession of LSD;~~

~~(J) a violation of 18 V.S.A. § 4233(a) related to possession of heroin;~~

~~(K) a violation of 18 V.S.A. § 4234(a) related to possession of depressant, stimulant, and narcotic drugs;~~

~~(L) a violation of 18 V.S.A. § 4234a(a) related to possession of methamphetamine;~~

~~(M) a violation of 18 V.S.A. § 4234b(a) related to possession of ephedrine and pseudoephedrine;~~

~~(N) a violation of 18 V.S.A. § 4235(b) related to possession of hallucinogenic drugs;~~

~~(O) a violation of 18 V.S.A. § 4235a(a) related to possession of ecstasy; or~~

~~(P) any offense for which a person has been granted an unconditional pardon from the Governor.~~

(A) all misdemeanor offenses except:

(i) a listed crime as defined in subdivision 5301(7) of this title;

(ii) a violation of chapter 64 of this title relating to sexual exploitation of children;

(iii) a violation of section 1030 of this title relating to a violation of an abuse prevention order, an order against stalking or sexual assault, or a protective order concerning contact with a child;

(iv) a violation of chapter 28 of this title related to abuse, neglect, and exploitation of a vulnerable adult;

(v) a violation of subsection 2605(b) or (c) of this title related to voyeurism;

(vi) a violation of subdivisions 352(1)–(10) of this title related to cruelty to animals;

(vii) a violation of section 5409 of this title related to failure to comply with sex offender registry requirements;

(viii) a violation of section 1455 of this title related to hate motivated crimes;

(ix) a violation of subsection 1304(a) of this title related to cruelty to a child;

(x) a violation of section 1305 of this title related to cruelty by person having custody of another;

(xi) a violation of section 1306 of this title related to mistreatment of persons with impaired cognitive function;

(xii) a violation of section 3151 of this title related to female genital mutilation;

(xiii) a violation of subsection 3258(b) of this title related to sexual exploitation of a minor;

(xiv) a violation of subdivision 4058(b)(1) of this title related to violation of an extreme risk protection order;

(xv) an offense committed in a motor vehicle as defined in 23 V.S.A. § 4 by a person who is the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39; and

(xvi) any offense that would require registration as a sex offender pursuant to chapter 167, subchapter 3 of this title; and

(B) the following felonies:

(i) a violation of section 1201 of this title related to burglary, excluding any burglary into an occupied dwelling, unless the person was 25 years of age or younger at the time of the offense and did not carry a dangerous or deadly weapon during the commission of the offense;

(ii) designated felony property offenses as defined in subdivision (5) of this section;

(iii) offenses relating to possessing, cultivating, selling, dispensing, or transporting regulated drugs, including violations of 18 V.S.A. § 4230(a) and (b), 4231(a) and (b), 4232(a) and (b), 4233(a) and (b), 4233a(a), 4234(a) and (b), 4234a(a) and (b), 4234b(a) and (b), 4235(b) and (c), or 4235a(a) and (b); and

(iv) any offense for which a person has been granted an unconditional pardon from the Governor.

(5) "Designated felony property offense" means:

(A) section 1801 of this title related to forgery and counterfeiting;

(B) section 1802 of this title related to uttering a forged or counterfeited instrument;

(C) section 1804 of this title related to counterfeiting paper money;

(D) section 1816 of this title related to possession or use of credit card skimming devices;

(E) section 2001 of this title related to false personation;

(F) section 2002 of this title related to false pretenses or tokens;

(G) section 2029 of this title related to home improvement fraud;

(H) section 2030 of this title related to identity theft;

(I) section 2501 of this title related to grand larceny;

(J) section 2531 of this title related to embezzlement;

(K) section 2532 of this title related to embezzlement by officers or servants of an incorporated bank;

(L) section 2533 of this title related to embezzlement by a receiver or trustee;

(M) section 2561 of this title related to receiving stolen property;

(N) section 2575 of this title related to retail theft;

(O) section 2582 of this title related to theft of services;

(P) section 2591 of this title related to theft of rented property;

(Q) section 2592 of this title related to failure to return a rented or leased motor vehicle;

(R) section 3016 of this title related to false claims;

(S) section 3701 of this title related to unlawful mischief;

(T) section 3705 of this title related to unlawful trespass;

(U) section 3733 of this title related to mills, dams, or bridges;

(V) section 3761 of this title related to unauthorized removal of human remains;

(W) section 3766 of this title related to grave markers and ornaments;

(X) chapter 87 of this title related to computer crimes; and

(Y) 18 V.S.A. § 4223 related to fraud or deceit in obtaining a regulated drug.

§ 7602. EXPUNGEMENT AND SEALING OF RECORD, POSTCONVICTION; PROCEDURE

~~(a)(1) A person may file a petition with the court requesting expungement or sealing of the criminal history record related to the conviction if:~~

~~(A) the person was convicted of a qualifying crime or qualifying crimes arising out of the same incident or occurrence;~~

~~(B) the person was convicted of an offense for which the underlying conduct is no longer prohibited by law or designated as a criminal offense;~~

~~(C) pursuant to the conditions set forth in subsection (g) of this section, the person was convicted of a violation of 23 V.S.A. § 1201(a) or § 1091 related to operating under the influence of alcohol or other substance, excluding a violation of those sections resulting in serious bodily injury or death to any person other than the operator, or related to operating a school bus with a blood alcohol concentration of 0.02 or more or operating a commercial vehicle with a blood alcohol concentration of 0.04 or more; or~~

~~(D) pursuant to the conditions set forth in subsection (h) of this section, the person was convicted under 1201(c)(3)(A) of a violation of subdivision 1201(a) of this title related to burglary when the person was 25 years of age or younger, and the person did not carry a dangerous or deadly weapon during commission of the offense.~~

~~(2) The State's Attorney or Attorney General shall be the respondent in the matter.~~

~~(3) The court shall grant the petition without hearing if the petitioner and the respondent stipulate to the granting of the petition. The respondent shall file the stipulation with the court, and the court shall issue the petitioner an order of expungement and provide notice of the order in accordance with this section.~~

~~(4) This section shall not apply to an individual licensed as a commercial driver pursuant to 23 V.S.A. chapter 39 seeking to seal or expunge a record of a conviction for a felony offense committed in a motor vehicle as defined in 23 V.S.A. § 4.~~

~~(b)(1) The court shall grant the petition and order that the criminal history record be expunged pursuant to section 7606 of this title if the following conditions are met:~~

~~(A) At least five years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or if the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least five years previously.~~

~~(B) The person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted for the qualifying crime.~~

~~(C) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.~~

~~(D) The court finds that expungement of the criminal history record serves the interests of justice.~~

~~(2) The court shall grant the petition and order that all or part of the criminal history record be sealed pursuant to section 7607 of this title if the conditions of subdivisions (1)(A), (B), and (C) of this subsection are met and the court finds that:~~

~~(A) sealing the criminal history record better serves the interests of justice than expungement; and~~

~~(B) the person committed the qualifying crime after reaching 19 years of age.~~

(c)(1) The court shall grant the petition and order that the criminal history record be expunged pursuant to section 7606 of this title if the following conditions are met:

(A) At least 10 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction.

(B) The person has not been convicted of a felony arising out of a new incident or occurrence in the last seven years.

(C) The person has not been convicted of a misdemeanor during the past five years.

(D) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(E) After considering the particular nature of any subsequent offense, the court finds that expungement of the criminal history record for the qualifying crime serves the interests of justice.

(2) The court shall grant the petition and order that all or part of the criminal history record be sealed pursuant to section 7607 of this title if the conditions of subdivisions (1)(A), (B), (C), and (D) of this subsection are met and the court finds that:

(A) sealing the criminal history record better serves the interests of justice than expungement; and

(B) the person committed the qualifying crime after reaching 19 years of age.

(d) For petitions filed pursuant to subdivision (a)(1)(B) of this section, unless the court finds that expungement would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be expunged in accordance with section 7606 of this title if the following conditions are met:

(1) The petitioner has completed any sentence or supervision for the offense.

(2) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

~~(e) For petitions filed pursuant to subdivision (a)(1)(B) of this section for a conviction for possession of a regulated drug under 18 V.S.A. chapter 84, subchapter 1 in an amount that is no longer prohibited by law or for which criminal sanctions have been removed:~~

~~(1) The petitioner shall bear the burden of establishing that his or her conviction was based on possessing an amount of regulated drug that is no longer prohibited by law or for which criminal sanctions have been removed.~~

~~(2) There shall be a rebuttable presumption that the amount of the regulated drug specified in the affidavit of probable cause associated with the petitioner's conviction was the amount possessed by the petitioner.~~

~~(f) Prior to granting an expungement or sealing under this section for petitions filed pursuant to subdivision 7601(4)(D) of this title, the court shall make a finding that the conduct underlying the conviction under section 1201 of this title did not constitute a burglary into an occupied dwelling, as defined in subdivision 1201(b)(2) of this title. The petitioner shall bear the burden of establishing this fact.~~

~~(g) For petitions filed pursuant to subdivision (a)(1)(C) of this section, only petitions to seal may be considered or granted by the court. This subsection shall not apply to an individual licensed as a commercial driver pursuant to 23 V.S.A. chapter 39. Unless the court finds that sealing would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be sealed in accordance with section 7607 of this title if the following conditions are met:~~

~~(1) At least 10 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or if the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least 10 years previously.~~

~~(2) At the time of the filing of the petition:~~

~~(A) the person has only one conviction of a violation of 23 V.S.A. § 1201, which shall be construed in accordance with 23 V.S.A. § 1211; and~~

~~(B) the person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted of a violation of 23 V.S.A. § 1201(a).~~

~~(3) Any restitution ordered by the court has been paid in full.~~

~~(4) The court finds that sealing of the criminal history record serves the interests of justice.~~

~~(h) For petitions filed pursuant to subdivision (a)(1)(D) of this section, unless the court finds that expungement or sealing would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be expunged or sealed in accordance with section 7606 or 7607 of this title if the following conditions are met:~~

~~(1) At least 15 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least 15 years previously.~~

~~(2) The person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted of a violation of subdivision 1201(c)(3)(A) of this title.~~

~~(3) Any restitution ordered by the court has been paid in full.~~

~~(4) The court finds that expungement or sealing of the criminal history record serves the interests of justice.~~

(a) Petition.

(1) A person may file a petition with the court requesting expungement of a criminal history record related to a conviction if the person was convicted of an offense for which the underlying conduct is no longer prohibited by law or designated as a criminal offense.

(2) A person may file a petition with the court requesting sealing of a criminal history record related to a conviction if the person was convicted of a qualifying crime or qualifying crimes arising out of the same incident or occurrence.

(3) Whichever office prosecuted the offense resulting in the conviction, the State's Attorney or Attorney General, shall be the respondent in the matter unless the prosecuting office authorizes the other to act as the respondent.

(4) The court shall grant the petition without hearing if the petitioner and the respondent stipulate to the granting of the petition. The respondent shall file the stipulation with the court, and the court shall issue the petitioner an order of sealing and provide notice of the order in accordance with this section.

(5) This section shall not apply to an individual who is the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39 seeking to seal a record of a conviction for a misdemeanor or felony offense committed in a motor vehicle as defined in 23 V.S.A. § 4.

(b) Offenses that are no longer prohibited by law. For petitions filed pursuant to subdivision (a)(1) of this section, the court shall grant the petition and order that the criminal history record be expunged if the following conditions are met:

(1) The petitioner has completed any sentence or supervision for the offense.

(2) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(c) Qualifying misdemeanors. For petitions filed to seal a qualifying misdemeanor pursuant to subdivision (a)(2) of this section, the court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least three years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The respondent has failed to show that sealing would be contrary to the interests of justice.

(d) Qualifying felony offenses. For petitions filed to seal a qualifying felony pursuant to subdivision (a)(2) of this section, the court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least seven years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The respondent has failed to show that sealing would be contrary to the interests of justice.

(e) Qualifying DUI misdemeanor. For petitions filed to seal a qualifying DUI misdemeanor pursuant to subdivision (a)(2) of this section, the court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least 10 years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The person is not the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39.

(4) The respondent has failed to show that sealing would be contrary to the interests of justice.

(f) Fish and Wildlife Offenses. Sealing a criminal history record related to a fish and wildlife offense shall not void any fish and wildlife license suspension or revocation imposed pursuant to the accumulation of points related to the sealed offense. Points accumulated by a person shall remain on the person's license and, if applicable, completion of the remedial course shall be required, as set forth in 10 V.S.A. § 4502.

§ 7603. ~~EXPUNGEMENT AND~~ SEALING OF RECORD, NO CONVICTION; PROCEDURE

(a) Unless either party objects in the interests of justice, the court shall issue an order sealing the criminal history record related to the citation or arrest of a person:

(1) within 60 days after the final disposition of the case if:

(A) the court does not make a determination of probable cause at the time of arraignment; ~~or~~

(B) the charge is dismissed before trial with or without prejudice; or

(C) the defendant is acquitted of the charges; or

(2) at any time if the prosecuting attorney and the defendant stipulate that the court may grant the petition to seal the record.

(b) If a party objects to sealing ~~or expunging~~ a record pursuant to this section, the court shall schedule a hearing to determine if sealing ~~or expunging~~ the record serves the interests of justice. The defendant and the prosecuting attorney shall be the only parties in the matter.

(c), (d) [Repealed.]

(e) ~~Unless either party objects in the interests of justice, the court shall issue an order expunging a criminal history record related to the citation or arrest of a person:~~

~~(1) within 60 days after the final disposition of the case if:~~

~~(A) the defendant is acquitted of the charges; or~~

~~(B) the charge is dismissed with prejudice;~~

~~(2) at any time if the prosecuting attorney and the defendant stipulate that the court may grant the petition to expunge the record.~~ [Repealed.]

(f) ~~Unless either party objects in the interests of justice, the court shall issue an order to expunge a record sealed pursuant to subsection (a) or (g) of this section eight years after the date on which the record was sealed.~~ [Repealed.]

(g) A person may file a petition with the court requesting sealing ~~or expungement~~ of a criminal history record related to the citation or arrest of the person at any time. The court shall grant the petition and issue an order sealing ~~or expunging~~ the record if it finds that sealing ~~or expunging~~ the record serves the interests of justice~~,~~ or if the parties stipulate to sealing ~~or expungement~~ of the record.

(h) ~~The court may expunge any records that were sealed pursuant to this section prior to July 1, 2018 unless the State's Attorney's office that prosecuted the case objects. Thirty days prior to expunging a record pursuant to this subsection, the court shall provide to the State's Attorney's office that prosecuted the case written notice of its intent to expunge the record.~~ [Repealed.]

§ 7604. NEW CHARGE

If a person ~~is charged with a criminal offense after he or she has filed a petition for expungement pursuant to this chapter~~ has a criminal charge pending at the time the petition for sealing or expungement is before the court, the court shall not act on the petition until disposition of the new charge.

§ 7605. DENIAL OF PETITION

If a petition for expungement or sealing is denied by the court pursuant to this chapter, no further petition shall be brought for at least two years, unless a shorter duration is authorized by the court.

§ 7606. EFFECT OF EXPUNGEMENT

(a) Order and notice. Upon finding that the requirements for expungement have been met, the court shall issue an order that shall include provisions that

its effect is to annul the record of the arrest, conviction, and sentence and that such person shall be treated in all respects as if the person had never been arrested, convicted, or sentenced for the offense. The court shall provide notice of the expungement to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, the Restitution Unit of the Vermont Center for Crime Victim Services, and any other entity that may have a record related to the order to expunge. The VCIC shall provide notice of the expungement to the Federal Bureau of Investigation's National Crime Information Center.

(b) Effect.

(1) Upon entry of an expungement order, the order shall be legally effective immediately and the person whose record is expunged shall be treated in all respects as if ~~he or she~~ the person had never been arrested, convicted, or sentenced for the offense.

(2) In any application for employment, license, or civil right or privilege or in an appearance as a witness in any proceeding or hearing, a person may be required to answer questions about a previous criminal history record only with respect to arrests or convictions that have not been expunged.

(3) The response to an inquiry from any person regarding an expunged record shall be that "NO CRIMINAL RECORD EXISTS."

(4) Nothing in this section shall affect any right of the person whose record has been expunged to rely on it as a bar to any subsequent proceedings for the same offense.

(c) Process.

(1) The court shall remove the expunged offense from any accessible database that it maintains.

(2) Until all charges on a docket are expunged, the case file shall remain publicly accessible.

(3) When all charges on a docket have been expunged, the case file shall be destroyed pursuant to policies established by the Court Administrator.

(d) Special index.

(1) The court shall keep a special index of cases that have been expunged together with the expungement order. The index shall list only the name of the person convicted of the offense, ~~his or her~~ the person's date of birth, the docket number, and the criminal offense that was the subject of the expungement.

(2) The special index and related documents specified in subdivision (1) of this subsection shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons.

(3) Inspection of the expungement order may be permitted only upon petition by the person who is the subject of the case. The Chief Superior Judge may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records.

(4) ~~[Repealed].~~ [Repealed.]

(5) The Court Administrator shall establish policies for implementing this subsection.

§ 7607. EFFECT OF SEALING

(a) Order and notice. Upon entry of an order to seal, the ~~order shall be legally effective immediately and the person whose record is sealed shall be treated in all respects as if the person had never been arrested, convicted, or sentenced for the offense and that its effect is to annul the record of arrest, conviction, and sentence. The~~ court shall ~~provide notice of the sealing to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, the Restitution Unit of the Vermont Center for Crime Victim Services, and any other entity that may have a record related to the order to seal~~ send a copy of any order sealing a criminal history record to all of the parties and attorneys representing the parties, including to the prosecuting agency that prosecuted the offense, the Vermont Crime Information Center (VCIC), the arresting agency, and any other entity that may have a record subject to the sealing order. VCIC shall provide notice of the sealing order to the Federal Bureau of Investigation's National Crime Information Center. ~~The VCIC shall provide notice of the sealing to the Federal Bureau of Investigation's National Crime Information Center.~~

(b) Effect.

(1) Except as provided in ~~subdivision~~ subsection (c) of this section, upon entry of a sealing order, the order shall be legally effective immediately and the person whose record is sealed shall be treated in all respects as if ~~he or she~~ the person had never been arrested, convicted, or sentenced for the offense.

(2) In any application for employment, license, or civil right or privilege or in an appearance as a witness in any proceeding or hearing, a person may be required to answer questions about a previous criminal history record only with respect to arrests or convictions that have not been sealed.

(3) The response to an inquiry from any member of the public regarding a sealed record shall be that "NO CRIMINAL RECORD EXISTS."

(4) Nothing in this section shall affect any right of the person whose record has been sealed to rely on it as a bar to any subsequent proceeding for the same offense.

(c) Exceptions. A party seeking to use a sealed criminal history record in a court proceeding shall, prior to any use of the record in open court or in a public filing, notify the court of the party's intent to do so. The court shall thereafter determine whether the record may be used prior its disclosure in the proceeding. This shall not apply to the use of a sealed record pursuant to subdivision (2), (3), (4), or (7) of this subsection. Use of a sealed document pursuant to an exception shall not change the effect of sealing under subsection (b) of this section. Notwithstanding any other provision of law or a sealing order:

(1) An entity or person that possesses a sealed record may continue to use it for any litigation or claim arising out of the same incident or occurrence ~~or involving the same defendant~~.

(2)(A) A criminal justice agency as defined in 20 V.S.A. § 2056a and the Attorney General may ~~use the criminal history record sealed in accordance with section 7602 or 7603 of this title without limitation for criminal justice purposes as defined in 20 V.S.A. § 2056a~~ apply to access a sealed criminal history record by filing a petition, supported by a written affidavit, with the court. The court shall grant access to the record upon a finding that reasonable suspicion exists that a sealed record contains information that will aid in criminal justice purposes. The court may grant the petition ex parte or upon hearing at the court's discretion.

(B) A defense attorney may apply to access a sealed criminal history record by filing a petition, supported by a written affidavit, with the court. The court may grant access to the sealed record upon a finding that the sealed record may be of assistance to the attorney in representing the defendant. The court may grant the petition ex parte or upon hearing at the court's discretion.

(3) A law enforcement officer as defined in 20 V.S.A. § 2351a may access a sealed record under exigent circumstances. As used in this subdivision (3), "exigent circumstances" means a compelling need to act swiftly to prevent imminent danger to life or serious damage to property, to prevent the imminent destruction of evidence, or to prevent a suspect from fleeing. For an alleged violation of this subdivision (3), a complaint may be filed with the Vermont Criminal Justice Council. A violation of this

subdivision (3) shall be subject to the penalty provided in section 7611 of this title.

(4) A sealed record of a prior violation of 23 V.S.A. § 1201(a) shall be admissible as a predicate offense for the purpose of imposing an enhanced penalty for a subsequent violation of that section, in accordance with the provisions of 23 V.S.A. § 1210.

(5) A person or a court in possession of an order issued by a court regarding a matter that was subsequently sealed may file or cite to that decision in any subsequent proceeding. The party or court filing or citing to that decision shall ensure that information regarding the identity of the defendant in the sealed record is redacted.

(6) The Vermont Crime Information Center and Criminal Justice Information Services Division of the Federal Bureau of Investigation shall have access to sealed criminal history records without limitation for the purpose of responding to queries to the National Instant Criminal Background Check System regarding firearms transfers and attempted transfers.

(7) The State's Attorney and Attorney General shall disclose information contained in a sealed criminal history record when required to meet discovery obligations.

(8) The person whose criminal history records have been sealed pursuant to this chapter and the person's attorney may access and use the sealed records in perpetuity.

(9) A law enforcement agency may inspect and receive copies of the sealed criminal history records of any applicant who applies to the agency to be a law enforcement officer or a current employee for the purpose of internal investigation.

(10) Persons or entities conducting research shall have access to a sealed criminal history record to carry out research pursuant to 20 V.S.A. § 2056b in perpetuity and shall not be subject to the 10-year limitation.

(11) Information and materials gathered by the Department for Children and Families during a joint investigation with law enforcement, including law enforcement affidavits and related references to such information and materials, are not case records as defined in section 7601(2) of this title, and are considered Department records that shall be maintained and may be utilized as statutorily prescribed by 33 V.S.A. chapter 49 and produced in response to a court order.

(12) Information and materials gathered by Adult Protective Services during a joint investigation with law enforcement, including law enforcement

affidavits and other investigative materials, are not case records as defined in subdivision 7601(2) of this title, and are considered records of the Department of Disabilities, Aging, and Independent Living, which shall be maintained and may be utilized as authorized by 33 V.S.A. chapter 69 and produced in response to a court order.

(d) Process.

(1) The court shall bar viewing of the sealed offense in any accessible database that it maintains.

(2) Until all charges on a docket have been sealed, the case file shall remain publicly accessible.

(3) When all charges on a docket have been sealed, the case file shall become exempt from public access.

(4) When a sealing order is issued by the court, any person or entity, except the court, that possesses criminal history records shall:

(A) bar viewing of the sealed offense in any accessible database that it maintains or remove information pertaining to the sealed records from any publicly accessible database that the person or entity maintains; and

(B) clearly label the criminal history record as "SEALED" to ensure compliance with this section.

(e) Special index.

(1) The court shall keep a special index of cases that have been sealed together with the sealing order. The index shall list only the name of the person convicted of the offense, ~~his or her~~ the person's date of birth, the docket number, and the criminal offense that was the subject of the sealing.

(2) The special index and related documents specified in subdivision (1) of this subsection shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons.

(3) Except as provided in subsection (c) of this section, inspection of the sealing order may be permitted only upon petition by the person who is the subject of the case. The Chief Superior Judge may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records.

~~(4) The Court Administrator shall establish policies for implementing this subsection.~~

(f) Victims Compensation Program. Upon request, the ~~Victim's~~ Victims Compensation Program shall be provided with a copy, redacted of all information identifying the offender, of the affidavit for the sole purpose of verifying the expenses in a victim's compensation application submitted pursuant to section 5353 of this title.

(g) Restitution. The sealing of a criminal record shall not affect the authority of the Restitution Unit to enforce a restitution order in the same manner as a civil judgment pursuant to subdivision 5362(c)(2) of this title.

§ 7608. VICTIMS

(a) At the time a petition is filed pursuant to this chapter, the respondent shall give notice of the petition to any victim of the offense who is known to the respondent. The victim shall have the right to offer the respondent a statement prior to any stipulation or to offer the court a statement. The disposition of the petition shall not be unnecessarily delayed pending receipt of a victim's statement. The respondent's inability to locate a victim after a reasonable effort has been made shall not be a bar to granting a petition.

(b) As used in this section, "reasonable effort" means attempting to contact the victim by first-class mail at the victim's last known address ~~and,~~ by telephone at the victim's last known phone number, and by email at the victim's last known email address.

§ 7609. ~~EXPUNGEMENT OF~~ SEALING CRIMINAL HISTORY RECORDS OF ~~AN INDIVIDUAL~~ A PERSON 18–21 YEARS OF AGE

(a)(1) ~~Procedure~~ Petition. ~~Except as provided in subsection (b) of this section, the record of the criminal proceedings for an individual who was 18–21 years of age at the time the individual committed a qualifying crime shall be expunged within 30 days after the date on which the individual successfully completed the terms and conditions of the sentence for the conviction of the qualifying crime, absent a finding of good cause by the court. The court shall issue an order to expunge all records and files related to the arrest, citation, investigation, charge, adjudication of guilt, criminal proceedings, and probation related to the sentence. A copy of the order shall be sent to each agency, department, or official named in the order. Thereafter, the court, law enforcement officers, agencies, and departments shall reply to any request for information that no record exists with respect to such individual. Notwithstanding this subsection, the record shall not be expunged until restitution and surcharges have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title~~ Notwithstanding any other provision of law, a person who was 18–21 years of age at the time the person committed

a qualifying crime may file a petition with the court requesting sealing of the criminal history record related to the qualifying crime after 30 days have elapsed since the person completed the terms and conditions for the sentence for the qualifying crime. The court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(A) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(B) The respondent has failed to show that sealing would be contrary to the interest of justice.

(2) Effect. Order, notice, and effect of sealing shall comply with the provisions of subsections 7607(a) and (b) of this title.

(b) Exceptions.

(1) A criminal history record that includes both qualifying and nonqualifying offenses shall not be eligible for ~~expungement~~ sealing pursuant to this section.

(2) ~~The Vermont Crime Information Center shall retain a special index of sentences for sex offenses that require registration pursuant to chapter 167, subchapter 3 of this title. This index shall only list the name and date of birth of the subject of the expunged files and records, the offense for which the subject was convicted, and the docket number of the proceeding that was the subject of the expungement. The special index shall be confidential and shall be accessed only by the Director of the Vermont Crime Information Center and an individual designated for the purpose of providing information to the Department of Corrections in the preparation of a presentence investigation in accordance with 28 V.S.A. §§ 204 and 204a.~~ [Repealed.]

(c) ~~Petitions. An individual who was 18–21 years of age at the time the individual committed a qualifying crime may file a petition with the court requesting expungement of the criminal history record related to the qualifying crime after 30 days have elapsed since the individual completed the terms and conditions for the sentence for the qualifying crime. The court shall grant the petition and issue an order sealing or expunging the record if it finds that sealing or expunging the record serves the interests of justice.~~ [Repealed.]

§ 7610. CRIMINAL HISTORY RECORD SEALING SPECIAL FUND

There is established the Criminal History Record Sealing Special Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. Fees collected pursuant to 32 V.S.A. § 1431(e) for the filing of a petition to

seal a criminal history record of a violation of 23 V.S.A. § 1201(a) shall be deposited into and credited to this Fund. This Fund shall be available to the

Office of the Court Administrator, the Department of State's Attorneys and Sheriffs, the Department of Motor Vehicles, and the Vermont Crime Information Center to offset the administrative costs of sealing such records. Balances in the Fund at the end of the fiscal year shall be carried forward and remain in the Fund.

§ 7611. UNAUTHORIZED DISCLOSURE

A State or municipal employee or contractor or any agent of the court, including an attorney and an employee or contractor of the attorney, or a law enforcement officer as defined in 20 V.S.A. § 2351a who knowingly accesses or discloses sealed criminal history record information without authorization shall be assessed a civil penalty of not more than $1,000.00. Each unauthorized disclosure shall constitute a separate civil violation.

Sec. 2. 24 V.S.A. § 2296b is added to read:

§ 2296b. EXPUNGEMENT OF MUNICIPAL VIOLATION RECORDS

(a) Expungement. Two years following the satisfaction of a judgment resulting from an adjudication of a municipal violation, the Judicial Bureau shall make an entry of "expunged" and notify the municipality of such action, provided the person has not been adjudicated for any subsequent municipal violations during that time. The data transfer to the municipality shall include the name, date of birth, ticket number, and offense. Violations of offenses adopted pursuant to chapter 117 of this title shall not be eligible for expungement under this section.

(b) Effect of expungement.

(1) Upon entry of an expungement order, the order shall be legally effective immediately and the individual whose record is expunged shall be treated in all respects as if the individual had never been adjudicated of the violation.

(2) Upon an entry of expunged, the case will be accessible only by the Clerk of the Court for the Judicial Bureau or the Clerk's designee. Adjudications that have been expunged shall not appear in the results of any Judicial Bureau database search by name, date of birth, or any other data identifying the defendant. Except as provided in subsection (c) of this section, any documents or other records related to an expunged adjudication that are maintained outside the Judicial Bureau's case management system shall be destroyed.

(3) Upon receiving an inquiry from any person regarding an expunged record, the Judicial Bureau and the municipality shall respond that "NO RECORD EXISTS."

(c) Exception for research entities. Research entities that maintain adjudication records for purposes of collecting, analyzing, and disseminating criminal justice data shall not be subject to the expungement requirements established in this section. Research entities shall abide by the policies established by the Court Administrator and shall not disclose any identifying information from the records they maintain.

(d) Policies for implementation. The Court Administrator shall establish policies for implementing this section.

(e) Application. This section shall apply to municipal violations that occur on and after July 1, 2025.

Sec. 3. 23 V.S.A. § 2303 is amended to read:

§ 2303. EXPUNGEMENT OF VIOLATION RECORDS

* * *

(e) Application. This section shall apply to motor vehicle violations that occur on and after July 1, 2021.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

(Committee vote: 4-1-0)

Reported favorably by Senator Mattos for the Committee on Finance.

The Committee recommends that the bill ought to pass when amended as recommended by the Committee on Judiciary.

(Committee Vote: 7-0-0)

S. 56.

An act relating to creating an Office of New Americans.

Reported favorably with recommendation of amendment by Senator Vyhovsky for the Committee on Government Operations.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. OFFICE OF NEW AMERICANS STUDY COMMITTEE; REPORT

(a) Creation. There is created the Office of New Americans Study Committee to make recommendations for creating an independent Office of New Americans.

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

(1) the Director of the Vermont Refugee Office, who shall be Chair;

(2) one member, appointed by the Commissioner of Labor;

(3) one member, appointed by the Executive Director of the Office of Racial Equity; and

(4) five members, appointed by the Governor, one who must be a New American with lived experience, who shall include:

(A) one member, nominated by the Association of Africans Living in Vermont;

(B) one member, nominated by the U.S. Committee for Refugees and Immigrants;

(C) one member, nominated by the Vermont Afghan Alliance;

(D) one member, nominated by the Brattleboro Development Credit Corporation; and

(E) one member, nominated by Migrant Justice.

(c) Powers and duties. The Committee shall study and submit a written report to the House Committees on Commerce and Economic Development and on Government Operations and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations concerning recommendations for creating an independent Office of New Americans, including:

(1) a summary of the current demographic, economic, and public health data regarding New Americans in the State and information regarding the government services being utilized and underutilized by New Americans;

(2) a summary or survey of varying and successful approaches to providing government services to New Americans in other states, with particular focus on the topics of the role of education and training institutions, professional licensing, housing, and support for employers and municipalities;

(3) in consultation with community-based organizations composed of or serving New Americans, the Vermont Asylum Assistance Project, State agencies and departments that provide services to New Americans, the

Secretary of State's Office, municipal government leaders, educational institutions, and business leaders, information on:

(A) the existing State and local-level barriers for New Americans for gainfully participating in the State's workforce, economy, and business communities;

(B) additional governmental services needed by New Americans but not yet offered by the State; and

(C) the transfer or consolidation of existing governmental services for New Americans that would be more efficiently provided by a new Office of New Americans;

(4) the proposed structure, duties, funding, and labor needs of an Office of New Americans; and

(5) a definition of the term "New Americans" for the purposes of an Office of New Americans.

(d) The Committee may create subcommittees, with duties and leadership to be assigned by the Chair.

(e) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Agency of Human Services.

(f) Date of Report. On or before September 1, 2026, the Committee shall submit the written report required by subsection (c) of this section.

(g) Meetings.

(1) The Chair shall call the first meeting of the Committee to occur on or before September 1, 2025.

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

(3) The Committee shall cease to exist on the earlier of September 1, 2026 or the date that the Committee submits its written report.

(h) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 10 meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Other members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A.

§ 1010 for not more than 10 meetings. These payments shall be made from monies appropriated to the Agency of Human Services.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

Reported favorably by Senator Westman for the Committee on Appropriations.

The Committee recommends that the bill ought to pass when amended as recommended by the Committee on Government Operations.

(Committee Vote: 7-0-0)

S. 63.

An act relating to modifying the regulatory duties of the Green Mountain Care Board.

Reported favorably with recommendation of amendment by Senator Douglass for the Committee on Health and Welfare.

The Committee recommends that the bill be amended by striking out Sec. 7, 18 V.S.A. § 9456, in its entirety and inserting in lieu thereof a new Sec. 7 to read as follows:

Sec. 7. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

* * *

(d)(1)(A) Annually, the Board shall establish a budget for each general hospital, as defined in section 1902 of this title, on or before September 15, followed by a written decision ~~by~~ on or before October 1.

(B) Annually, the Board shall establish a budget for each psychiatric hospital, as defined in section 1902 of this title but excluding those conducted, maintained, or operated by the State of Vermont, on or before December 15, followed by a written decision on or before December 31.

(C) Each hospital shall operate within the budget established under this section.

* * *

(Committee vote: 5-0-0)

Reported favorably by Senator Gulick for the Committee on Finance.

The Committee recommends that the bill ought to pass when amended as recommended by the Committee on Health and Welfare.

(Committee Vote: 7-0-0)

NEW BUSINESS

Committee Bill for Second Reading

Favorable with Recommendation of Amendment

S. 126.

An act relating to health care payment and delivery system reform.

By the Committee on Health and Welfare. (Senator Lyons for the Committee.)

Reported favorably with recommendation of amendment by Senator Lyons for the Committee on Appropriations.

The Committee recommends that the bill be amended by striking out Secs. 17–19 and their reader assistance headings in their entireties and inserting in lieu thereof a new Sec. 17 and reader assistance heading to read as follows:

* * * Effective Date * * *

Sec. 17. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-0-1)

Second Reading

Favorable with Recommendation of Amendment

S. 36.

An act relating to Medicaid coverage of long-term residential treatment for co-occurring substance use disorder and mental health condition.

Reported favorably with recommendation of amendment by Senator Hart for the Committee on Health and Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 33 V.S.A. § 1901n is added to read:

§ 1901n. HIGH-INTENSITY RESIDENTIAL TREATMENT FOR SUBSTANCE USE DISORDER AND CO-OCCURRING

MENTAL CONDITIONS

(a) The Agency of Human Services shall provide coverage for high-intensity, medically monitored residential treatment episodes to Medicaid beneficiaries with substance use disorder and a co-occurring mental health condition when high-intensity, medically monitored residential treatment episodes are prescribed by a health care professional employed by a residential treatment program who is practicing within the scope of the health professional's license and the residential treatment program is participating in Vermont's Medicaid program.

(b) Coverage provided under this section shall be for the entire length of stay prescribed by a health care professional employed by a residential treatment program, who shall take into account current best practices for each level of care within the substance use continuum of care.

Sec. 2. 33 V.S.A. § 1901o is added to read:

§ 1901o. LOW-INTENSITY RESIDENTIAL TREATMENT FOR SUBSTANCE USE DISORDER AND CO-OCCURRING MENTAL CONDITIONS

(a) The Agency of Human Services shall provide coverage for low-intensity, clinically managed residential treatment episodes to Medicaid beneficiaries with substance use disorder and a co-occurring mental health condition when low-intensity, clinically managed residential treatment episodes are prescribed by a health care professional employed by a residential treatment program who is practicing within the scope of the health care professional's license and the residential treatment program is participating in Vermont's Medicaid program.

(b) Coverage provided under this section shall be for the entire length of stay prescribed by a health care professional employed by a residential treatment program, who shall take into account current best practices for levels of care within the substance use continuum of care.

Sec. 3. REPORT; MEDICAID PAYMENT MODEL FOR RESIDENTIAL SUBSTANCE USE DISORDER TREATMENT SERVICES

The Agency of Human Services shall conduct a review of the Medicaid payment model for residential substance use disorder treatment services with special consideration given to the actual cost of providing residential treatment services, commensurate with length of stay, co-occurring physical and mental health needs, and postresidential treatment service needs. The results of the review shall be submitted to the House Committee on Human Services and the

Senate Committee on Health and Welfare on or before December 1, 2025. The review shall include recommendations and proposed legislation to:

(1) align the Medicaid payment model with the clinical needs of individuals receiving residential substance use disorder treatment services; and

(2) ensure coordinated transitions between residential substance use disorder treatment providers offering varying acuity of care.

Sec. 4. REPEAL

2019 Acts and Resolves No. 6, Secs. 99 and 100 (amendments to 18 V.S.A. §§ 4810(d)–(j) and 4811 that prohibited public inebriates from being incarcerated in a Department of Corrections' facility) are repealed.

Sec. 5. 2019 Acts and Resolves No. 6, Sec. 105 is amended to read:

Sec. 105. EFFECTIVE DATES

* * *

(c) ~~Secs. 99 and 100 (amending 18 V.S.A. §§ 4910 and 4811) shall take effect on July 1, 2025.~~ [Deleted.]

* * *

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

and that after passage the title of the bill be amended to read: "An act relating to the Medicaid payment model for residential substance use disorder treatment services"

(Committee vote: 5-0-0)

Reported favorably by Senator Lyons for the Committee on Appropriations.

The Committee recommends that the bill ought to pass when amended as recommended by the Committee on Health and Welfare.

(Committee vote: 6-0-1)

S. 53.

An act relating to certification of community-based perinatal doulas and Medicaid coverage for doula services.

Reported favorably by Senator Collamore for the Committee on Government Operations.

(Committee vote: 5-0-0)

Reported favorably with recommendation of amendment by Senator Gulick for the Committee on Health and Welfare.

The Committee recommends that the bill be amended as follows:

First: By adding a new section to be Sec. 8 to read as follows:

Sec. 8. OFFICE OF PROFESSIONAL REGULATION; APPROPRIATION

The sum of $25,000.00 is appropriated from the General Fund to the Office of Professional Regulation in fiscal year 2026 to establish the certification program for community-based perinatal doulas as set forth in this act.

Second: By renumbering the existing Sec. 8, effective dates, to be Sec. 9 and, in that renumbered section, in subsection (a), preceding "shall take effect on January 1, 2026," by inserting "and 8 (Office of Professional Regulation; appropriation)"

(Committee vote: 5-0-0)

Reported favorably by Senator Gulick for the Committee on Finance.

The Committee recommends that the bill ought to pass when amended as recommended by the Committee on Health and Welfare.

(Committee vote: 7-0-0)

Reported favorably by Senator Perchlik for the Committee on Appropriations.

The Committee recommends that the bill ought to pass without the amendment as recommended by the Committee on Health and Welfare.

(Committee vote: 6-0-1)

NOTICE CALENDAR

Committee Bill for Second Reading

Favorable

S. 123.

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

By the Committee on Transportation. (Senator Westman for the Committee.)

Reported favorably by Senator Chittenden for the Committee on Finance.

(Committee vote: 4-2-1)

Reported favorably by Senator Westman for the Committee on Appropriations.

(Committee vote: 7-0-0)

Favorable with Recommendation of Amendment

S. 122.

An act relating to economic and workforce development.

By the Committee on Economic Development, Housing and General Affairs. (Senator Clarkson for the Committee.)

Reported favorably by Senator Brock for the Committee on Finance.

(Committee vote: 7-0-0)

Reported favorably with recommendation of amendment by Senator Perchlik for the Committee on Appropriations.

The Committee recommends that the bill be amended as follows:

First: By adding a new section to be Sec. 10a to read as follows:

Sec. 10a. CONTINGENCY ON FUNDING

The duty to implement Secs. 2–5 of this act is contingent upon an appropriation in fiscal year 2026 from the General Fund for the specific purposes described in this act.

Second: In Sec. 6, 9 V.S.A. chapter 111B, in section 4129, by striking out subsection (h) in its entirety.

Third: In Sec. 10, task force to explore development of convention center and performance venue, by striking out subsection (g) in its entirety.

(Committee vote: 6-0-1)

S. 125.

An act relating to workers' compensation and collective bargaining rights.

By the Committee on Economic Development, Housing and General Affairs. (Senator Ram Hinsdale for the Committee.)

Reported favorably with recommendation of amendment by Senator Watson for the Committee on Appropriations.

The Committee recommends that the bill be amended by striking out Sec. 6, Vermont Labor Relations Board; appropriation, in its entirety and by renumbering the remaining section to be numerically correct.

(Committee vote: 7-0-0)

Second Reading

Favorable with Recommendation of Amendment

S. 18.

An act relating to licensure of freestanding birth centers.

Reported favorably with recommendation of amendment by Senator Gulick for the Committee on Health and Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. chapter 53 is added to read:

CHAPTER 53. BIRTH CENTER LICENSING

§ 2351. DEFINITIONS

As used in this chapter:

(1) "Birth center" means a facility the primary purposes of which are to provide midwifery care, low-risk deliveries, and newborn care immediately after delivery, for a stay of generally less than 24 hours. The term does not include a facility that is a hospital, is part of a hospital, or is owned by a hospital; a facility that is an ambulatory surgical center; or the residence of the individual giving birth. A birth center may be located on the grounds of a hospital.

(2) "Certified nurse midwife" means a professional licensed in accordance with 26 V.S.A. chapter 28, subchapter 2.

(3) "Change of ownership" means a change in the majority or controlling interest in an established birth center to another person.

(4) "Corrective action plan" means a written strategy for correcting an issue of partial compliance, deficiency, or violation of this chapter or rules adopted pursuant to this chapter.

(5) "Licensed maternity care provider" means a licensed provider whose professional scope of practice, as established under Vermont law, includes preconception, prenatal, labor, birth, and postpartum care and early care of a newborn and who may be the primary attendant during the perinatal period.

(6) "Licensed midwife" means a professional licensed in accordance with 26 V.S.A. chapter 85.

(7) "Licensed provider" means an individual licensed or certified in Vermont to provide specific health care-related services within a scope of practice defined by licensing statutes and rules, and may include certified nurse midwives, licensed midwives, advanced practice registered nurses, physician assistants, naturopathic physicians with a childbirth endorsement in accordance with 26 V.S.A. §§ 4122(b) and 4125(b), doctors of nursing practice, and physicians.

§ 2352. LICENSE; PROHIBITIONS

(a) No person shall establish, maintain, or operate a birth center in this State without first obtaining a license for the birth center in accordance with this chapter.

(b) A birth center may be independently owned and operated by a licensed maternity care provider.

(c) No person shall represent itself as a "birth center" or use the term "birth center" in its title or in its advertising, publications, or other form of communication unless the person has been licensed as a birth center in accordance with the provisions of this chapter.

(d) A license is not transferable or assignable and shall be issued only for the premises and persons named in the application.

§ 2353. APPLICATION; FEE

(a) An application for licensure of a birth center shall be made to the Department of Health in the manner specified by the Department and shall include all information required by the Department.

(b)(1) Each application for an initial license, renewal of a license, or a change of ownership shall be accompanied by a fee of $250.00.

(2) Fees collected under this section shall be credited to the Hospital Licensing Fees Special Fund and shall be available to the Department of Health to offset the costs of licensing birth centers.

§ 2354. LICENSE REQUIREMENTS

Upon receipt of an application for a license and the licensing fee, the Department of Health shall issue a license if it determines, after an inspection conducted by the Department or its designee, that the applicant is able to operate a birth center in accordance with rules adopted by the Department.

§ 2355. REVOCATION OF LICENSE; HEARING

The Department of Health, after notice and opportunity for hearing to the applicant or licensee, is authorized to condition, deny, suspend, or revoke a license in any case in which it finds that there has been a substantial failure to comply with the requirements established under this chapter. Such notice shall be served by registered mail or by personal service, shall set forth the reasons for the proposed action, and shall set a date not less than 60 days from the date of the mailing or service on which the applicant or licensee shall be given opportunity for a hearing. After the hearing, or upon default of the applicant or licensee, the Department shall file its findings of fact and conclusions of law. A copy of the findings and decision shall be sent by registered mail or served personally upon the applicant or licensee. The procedure governing hearings authorized by this section shall be set forth in the rules adopted pursuant to section 2359 of this chapter and shall not be subject to the contested case provisions of 3 V.S.A. chapter 25, subchapter 2.

§ 2356. APPEAL

Any applicant or licensee, or the State acting through the Attorney General, aggrieved by the decision of the Department of Health after a hearing may appeal the decision in accordance with section 128 of this title. Pursuant to section 129 of this title, an appeal pursuant to this section shall not stay the effectiveness of an order entered in accordance with section 2355 of this chapter, but any party is permitted to seek a stay order in the Superior Court in which the appeal is being heard.

§ 2357. INSPECTIONS

(a) The Department of Health or its designee shall make or cause to be made such inspections and investigations as the Department or its designee deems necessary.

(b) A birth center, including its building and grounds and, in accordance with applicable law, its records, shall be subject to inspection by the Department and its designee at all times.

(c) If a birth center is found to be out of compliance with any requirement of this chapter or rules adopted pursuant to this chapter, the Department may condition, deny, suspend, revoke, or refuse to renew the birth center's license or may ask the birth center to develop and implement a corrective action plan.

(d) If the Department finds a violation as the result of an inspection or investigation, the Department shall post a report on the Department's website summarizing the violation and any corrective action required.

§ 2358. RECORDS

(a) Information received by the Department of Health through filed reports, inspections, or as otherwise authorized by law shall:

(1) not be disclosed publicly in a manner that identifies or may lead to the identification of one or more individuals or birth centers;

(2) be exempt from public inspection and copying under the Public Records Act; and

(3) be kept confidential except as it relates to a proceeding regarding licensure of a birth center.

(b) The provisions of subsection (a) of this section shall not apply to the summary reports of violations required to be posted on the Department's website pursuant to section 2357 of this chapter.

§ 2359. RULES

The Department of Health shall adopt rules in accordance with 3 V.S.A. chapter 25 as needed to carry out the purposes of this chapter. The rules shall be based on the national birth center standards published by the American Association of Birth Centers and shall, at a minimum, include provisions regarding:

(1) requirements for operating a birth center, including requirements for safety, sanitation, and health;

(2) obtaining, storing, and dispensing pharmaceuticals consistent with State and federal laws;

(3) requirements for notice to the Department of Health when there is a change in ownership of a birth center and any additional licensing requirements related to a change in ownership;

(4) the scope of services that may be provided at a birth center, including risk factors that preclude a patient from receiving labor and delivery services at a birth center;

(5) appropriate staffing for a birth center, including the types of licensed providers who may practice at a birth center;

(6) birth center complaint processes;

(7) birth center facility, equipment, and supply requirements, including requirements for the maintenance of safety, sanitation, and health;

(8) record retention and confidentiality;

(9) quality assurance and improvement;

(10) processes for the development, submission, approval, and implementation of corrective action plans; and

(11) a requirement for written practice guidelines and policies that include procedures for transferring a patient to a hospital if circumstances warrant.

§ 2360. NO EFFECT ON SCOPE OF SERVICES

(a) Nothing in this chapter or in rules adopted pursuant to this chapter shall be construed to expand or limit the scope of the services that a licensed midwife, certified nurse midwife, or other provider may offer at a birth center or perform in a space that is shared with or adjacent to a birth center.

(b) A birth center may serve as a location for additional services offered in shared or adjacent spaces, including outpatient gynecologic care, primary care, and education and support services, provided that any licensed provider providing services in those spaces shall only provide those services that are within the licensed provider's authorized scope of practice.

Sec. 2. 8 V.S.A. § 4099d is amended to read:

§ 4099d. MIDWIFERY COVERAGE; HOME BIRTHS

(a) A health insurance plan or health benefit plan providing maternity benefits shall also provide coverage:

(1) for services rendered by a midwife licensed pursuant to 26 V.S.A. chapter 85 or an advanced practice registered nurse licensed pursuant to 26 V.S.A. chapter 28 who is certified as a nurse midwife for services within the licensed midwife's or certified nurse midwife's scope of practice and provided in a hospital, birth center, or other health care facility or at home; and

(2) for prenatal, maternity, postpartum, and newborn services provided at a birth center licensed pursuant to 18 V.S.A. chapter 53, including birth center facility fees.

* * *

Sec. 3. 18 V.S.A. § 9435(a) is amended to read:

(a) Excluded from this subchapter are offices of physicians, dentists, or other practitioners of the healing arts, meaning the physical places that are occupied by such providers on a regular basis in which such providers perform the range of diagnostic and treatment services usually performed by such providers on an outpatient basis unless they are subject to review under subdivision 9434(a)(4) of this title. The exclusion provisions of this

subsection shall also apply to birth centers licensed pursuant to chapter 53 of this title.

Sec. 4. AGENCY OF HUMAN SERVICES; MEDICAID; REQUEST FOR FEDERAL APPROVAL

The Agency of Human Services shall seek approval from the Centers for Medicare and Medicaid Services to allow Vermont Medicaid to cover prenatal, maternity, postpartum, and newborn services provided at a licensed birth center and to allow Vermont Medicaid to reimburse separately for birth center services, including birth center facility fees, and for professional services.

Sec. 5. EFFECTIVE DATES

(a) Sec. 1 (birth center licensing) shall take effect on January 1, 2027 or the effective date of the birth center rules adopted by the Department of Health, whichever comes first.

(b) Sec. 2 (8 V.S.A. § 4099d) shall take effect on January 1, 2027.

(c) Sec. 3 (18 V.S.A. § 9435a) shall take effect on July 1, 2025.

(d) Sec. 4 (Agency of Human Services; Medicaid; request for federal approval) shall take effect on passage and the Agency of Human Services shall submit its request for approval of Medicaid coverage of birth center services to the Centers for Medicare and Medicaid Services on or before July 1, 2025, and the Medicaid coverage shall begin on the later of the date of approval or the effective date of the birth center rules adopted by the Department of Health.

(e) This section shall take effect on passage.

(Committee vote: 5-0-0)

Reported favorably by Senator Gulick for the Committee on Finance.

(Committee vote: 7-0-0)

Reported favorably by Senator Westman for the Committee on Appropriations.

(Committee vote: 7-0-0)

S. 65.

An act relating to energy efficiency utility jurisdiction.

Reported favorably with recommendation of amendment by Senator Watson for the Committee on Natural Resources and Energy.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Efficiency Utilities * * *

Sec. 1. 30 V.S.A. § 209 is amended to read:

§ 209. JURISDICTION; GENERAL SCOPE

* * *

(d) Energy efficiency and greenhouse gas emissions reduction.

(1) Programs and measures. The Department of Public Service, any entity appointed by the Commission under subdivision (2) of this subsection, all gas and electric utility companies, and the Commission upon its own motion are encouraged to propose, develop, solicit, and monitor energy efficiency and conservation programs and measures, including electrification and appropriate combined heat and power systems that result in the conservation and efficient use of energy ~~and~~. Any programs and measures supporting efficient use of biological and fossil-based fuels shall meet the applicable air quality standards of the Agency of Natural Resources. Such programs and measures, and their implementation, may be approved by the Commission if it determines they will be beneficial ~~to~~ towards the reduction of greenhouse gas emissions and beneficial to consumers or the ratepayers of the companies after ~~such~~ notice and hearings as the Commission may require by order or by rule. The Department of Public Service shall investigate the feasibility of enhancing and expanding the efficiency programs of gas utilities and shall make any appropriate proposals to the Commission.

(2) Appointment of independent efficiency entities.

(A) Electricity and natural gas. In place of utility-specific programs developed pursuant to this section and section 218c of this title, the Commission shall, after notice and opportunity for hearing, provide for the development, implementation, and monitoring of gas and electric energy efficiency ~~and~~, conservation, and electrification programs and measures, including programs and measures delivered in multiple service territories, by one or more entities appointed by the Commission for these purposes. The Commission may include appropriate combined heat and power systems that result in the conservation and efficient use of energy and meet the applicable air quality standards of the Agency of Natural Resources. Except with regard to a transmission company, the Commission may specify that the appointment of an energy efficiency utility to deliver services within an electric utility's service territory satisfies that electric utility's corresponding obligations, in whole or in part, under section 218c of this title and under any prior orders of the Commission.

(B) Thermal energy and process-fuel customers. The Commission shall provide for the coordinated development, implementation, and monitoring of cost-effective efficiency and conservation programs to thermal energy and process-fuel customers ~~on a whole buildings basis~~ by one or more entities appointed by the Commission for this purpose.

(i) In this section, "thermal energy" means the use of fuels to control the temperature of space within buildings and to heat water. In this section, "process fuel" means fuel used in commercial and industrial production operations.

(ii) Periodically on a schedule directed by the Commission, the appointed entity or entities shall propose to the Commission a plan to implement this subdivision (d)(2)(B). The proposed plan shall comply with subsections (e)–(g) of this section and shall be subject to the Commission's approval. The Commission shall not conduct the review of the proposed plan as a contested case under 3 V.S.A. chapter 25 but shall provide notice and an opportunity for written and oral comments to the public and affected parties and State agencies.

(C) The appointed entity may be used to support the attainment of building energy codes established pursuant to sections 51 and 53 of this title. The Commission shall review and approve a methodology for the appointed entities to support the attainment of code in the next Demand Resources Plan Proceeding. The Commission is authorized to approve a methodology for the appointed entity and the State to quantify energy savings achieved through code attainment, which shall be counted toward the appointed entity's quantitative savings targets.

(D) The annual revenue required to be raised by the electric efficiency charge authorized under this subsection (d) shall be equivalent to the inflation-adjusted Commission-approved electric efficiency budget in 2026.

(3) Energy efficiency charge; regulated fuels. In addition to its existing authority, the Commission may establish by order or rule a volumetric charge to customers for the support of energy efficiency programs that meet the requirements of section 218c of this title, with priority consideration given to the greenhouse gas emissions reductions and due consideration to the State's energy policy under section 202a of this title and to its energy and economic policy interests under section 218e of this title to maintain and enhance the State's economic vitality. The charge shall be known as the energy efficiency charge, shall be shown separately on each customer's bill, and shall be paid to a fund administrator appointed by the Commission and deposited into the ~~Electric~~ Efficiency Fund. When such a charge is shown, notice as to how to

obtain information about energy efficiency programs approved under this section shall be provided in a manner directed by the Commission. This notice shall include, at a minimum, a toll-free telephone number, and to the extent feasible shall be on the customer's bill and near the energy efficiency charge.

(4) Supplemental funding. Programs funded under this subsection shall also be funded without further appropriation or offsets by each of the following:

(A) Net revenues above costs associated with payments from the New England Independent System Operator (ISO-NE) for capacity savings resulting from the activities of the energy efficiency utility designated under subdivision (2)(A) of this subsection (d) that are not transferred to the State PACE Reserve Fund under 24 V.S.A. § 3270(c). These revenues shall be deposited into the Efficiency Fund established by this section. In delivering services with respect to heating systems using the revenues subject to this subdivision (A), the entity shall give priority to incentives for the installation of high efficiency biomass heating systems and shall have a goal of offering an incentive that is equal to 25 percent of the installed cost of the system. Provision of an incentive under this subdivision (A) for a biomass heating system shall not be contingent on the making of other energy efficiency improvements at the property on which the system will be installed.

(B) Net revenues above costs from the sale of carbon credits under the cap and trade program established under section 255 of this title, which shall be deposited into the Efficiency Fund established by this section.

(C) Any other monies that are appropriated to or deposited in the Efficiency Fund for the delivery of thermal energy and process fuel energy efficiency services.

(D) Notwithstanding subsection (e) of this section, a retail electricity provider that is also an entity appointed under subdivision (2)(A) of this subsection (d), may use monies subject to subsection (e) of this section and any of the Supplemental Funding outlined in this subdivision (4) to deliver thermal and transportation measures or programs that reduce fossil fuel use regardless of the preexisting fuel source of the customer with special emphasis on measures or programs that take a new or innovative approach to reducing fossil fuel use, including support for staffing necessary to implement innovative building sector policies and modifying or supplementing existing vehicle incentive programs and electric vehicle supply equipment grant programs to incentivize high-consumption fuel users, especially individuals using more than 1,000 gallons of gasoline or diesel annually and those with low and moderate income, to transition to the use of battery electric vehicles.

The amounts available shall include amounts annually budgeted for thermal energy and process fuel funds or from Supplemental Funding, and any carry-forward thermal energy and process fuel funds or Supplemental Funding from prior periods, on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy or transportation sector.

~~(A)~~(5) Regulated use of the Efficiency Fund. Balances in the ~~Electric~~ Efficiency Fund shall be ratepayer funds~~, shall~~ and be used to support the activities authorized in this subdivision~~, and~~ for the reduction of total energy use across all fuel sources without a requirement for proportional allocation of costs or savings for specific fuel types. Balances in the Efficiency Fund shall be carried forward and remain in the Fund at the end of each fiscal year. These monies shall not be available to meet the general obligations of the State. Interest earned shall remain in the Fund. The Commission will annually provide the General Assembly with a report detailing the revenues collected and the expenditures made for energy efficiency programs under this section. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection ~~(d)~~.

~~(B)~~(A) ~~The charge established by the Commission pursuant to this subdivision (3) shall be in an amount determined by the Commission by rule or order that is consistent with the principles of least-cost integrated planning as defined in section 218c of this title~~. The Commission shall establish an appropriate budget for the appointed entity using the Efficiency Fund. The Commission shall consider all revenue sources established under subsections (d)(3) and (d)(4) of this section and limitations on electric revenues established under subsection (d)(2)(D) when establishing the budget. In reviewing the appointed entity's proposed plan pursuant to (d)(2)(B)(ii), the Commission shall review and approve a budget that is consistent with principles of least-cost integrated planning as defined in section 218c of this title and demonstrates cost-effectiveness using the Commission's approved societal cost-benefit test. As circumstances and programs evolve, the ~~amount of the charge shall be reviewed~~ Commission shall review the plan for unrealized energy efficiency potential and ~~shall be adjusted~~ authorize adjustments as necessary in order to realize all reasonably available, cost-effective energy efficiency savings. In ~~setting the amount of the charge and its allocation authorizing~~ a budget for an appointed entity using the Efficiency Fund, the Commission shall ~~determine an appropriate balance among the following objectives; provided, however, that particular emphasis shall be accorded to the first four of these objectives:~~ prioritize the reduction of greenhouse gases and seek to balance the other following objectives:

(i) reducing Vermont's total energy demand, consumption, and expenditures;

(ii) reducing the size of future power purchases; ~~reducing the generation of greenhouse gases~~

(iii) equitable distribution of benefits using geographic and economic indicators;

(iv) limiting the need to upgrade the State's transmission and distribution infrastructure;

(v) minimizing the costs of electricity;

(vi) reducing Vermont's total energy demand, consumption, and expenditures;

(vii) providing efficiency and conservation as a part of a comprehensive resource supply strategy that includes implementation of electrification;

(viii) providing the opportunity for all Vermonters to participate in efficiency and conservation programs; and

(ix) targeting efficiency and conservation efforts to locations, markets, or customers where they may provide the greatest value.

~~(C)~~(B) The Commission, by rule or order, shall establish a process by which a customer who pays an average annual energy efficiency charge under this subdivision ~~(3)~~(5) of at least $5,000.00 may apply to the Commission to self-administer energy efficiency through an energy savings account or customer credit program that shall contain up to 75 percent and 90 percent, respectively of the customer's energy efficiency charge payments as determined by the Commission. The remaining portion of the charge shall be used for administrative, measurement, verification, and evaluation costs and for systemwide energy benefits. Customer energy efficiency funds may be approved for use by the Commission for one or more of the following: electric energy efficiency projects and ~~non-electric~~ nonelectric efficiency projects, which may include thermal and process fuel efficiency, flexible load management, combined heat and power systems, demand management, energy productivity, and energy storage. These funds shall not be used for the purchase or installation of new equipment capable of combusting fossil fuels. The Commission in its rules or order shall establish criteria for each program and approval of these applications, establish application and enrollment periods, establish participant requirements, and establish the methodology for evaluation, measurement, and verification for programs. The total amount of customer energy efficiency funds that can be placed into energy savings

accounts or the customer credit program annually is $2,000,000.00 and $1,000,000.00 respectively.

~~(D) The Commission may authorize the use of funds raised through an energy efficiency charge on electric ratepayers to reduce the use of fossil fuels for space heating by supporting electric technologies that may increase electric consumption, such as air source or geothermal heat pumps if, after investigation, it finds that deployment of the technology:~~

~~(i) will be beneficial to electric ratepayers as a whole;~~

~~(ii) will result in cost-effective energy savings to the end-user and to the State as a whole;~~

~~(iii) will result in a net reduction in State energy consumption and greenhouse gas emissions on a life-cycle basis and will not have a detrimental impact on the environment through other means such as release of refrigerants or disposal. In making a finding under this subdivision, the Commission shall consider the use of the technology at all times of year and any likely new electricity demand created by such use;~~

~~(iv) will be part of a comprehensive energy efficiency and conservation program that meets the requirements of subsections (d)-(g) of this section and that makes support for the technology contingent on the energy performance of the building in which the technology is to be installed. The building's energy performance shall achieve or shall be improved to achieve an energy performance level that is approved by the Commission and that is consistent with meeting or exceeding the goals of 10 V.S.A. § 581 (building efficiency);~~

~~(v) among the product models of the technology that are suitable for use in Vermont, will employ the product models that are the most efficient available;~~

~~(vi) will be promoted in conjunction with demand management strategies offered by the customer's distribution utility to address any increase in peak electric consumption that may be caused by the deployment;~~

~~(vii) will be coordinated between the energy efficiency and distribution utilities, consistent with subdivision (f)(5) of this section; and~~

~~(viii) will be supported by an appropriate allocation of funds among the funding sources described in this subsection (d) and subsection (e) of this section. In the case of measures used to increase the energy performance of a building in which the technology is to be installed, the Commission shall assume installation of the technology in the building and then determine the allocation according to the proportion of the benefits~~

~~provided to the regulated fuel and unregulated fuel sectors. In this subdivision (viii), "regulated fuel" and "unregulated fuel" shall have the same meaning as under subsection (e) of this section.~~

~~(4)~~(6) Contract or order of appointment. Appointment of an entity under subdivision (2) of this subsection may be by contract or by an order of appointment. An appointment, whether by order of appointment or by contract, may only be issued after notice and opportunity for hearing. An order of appointment shall be for a limited duration not to exceed 12 years, although an entity may be reappointed by order or contract. An order of appointment may include any conditions and requirements that the Commission deems appropriate to promote the public good. For good cause, after notice and opportunity for hearing, the Commission may amend or revoke an order of appointment.

~~(5)~~(7) Appointed entity; supervision. Any entity appointed by order of appointment under subdivisions (2) and ~~(4)~~(6) of this subsection that is not an electric or gas utility already regulated under this title shall not be considered to be a company as defined under section 201 of this title but shall be subject to the provisions of sections 18–21, 30–32, 205–208~~,~~; subsection 209(a)~~,~~; sections 219~~,~~ and 221~~,~~; and subsection 231(b) of this title, to the same extent as a company as defined under section 201 of this title. The Commission and the Department of Public Service shall have jurisdiction under those sections over the entity, its directors, receivers, trustees, lessees, or other persons or companies owning or operating the entity and of all plants, equipment, and property of that entity used in or about the business carried on by it in this State as covered and included in this section. This jurisdiction shall be exercised by the Commission and the Department so far as may be necessary to enable them to perform the duties and exercise the powers conferred upon them by law. The Commission and the Department each may, when they deem the public good requires, examine the plants, equipment, and property of any entity appointed by order of appointment under subdivisions (2) and ~~(4)~~(6) of this subsection.

(8) Provision of equity and justice in services; requirements. Any appointed entity shall ensure an equitable and just provision of services.

(A) Not less than 25 percent of the annual budget shall be targeted for residential services for customers with low to moderate income. Services shall include the provision of weatherization services and other efficiency measures for the purpose of reducing a household's total energy costs and total energy burden.

(B) Not less than 12.5 percent of the annual budget shall be targeted for small businesses and not-for-profit organizations.

(C) The cost of providing services under this subdivision (8) shall be excluded from the calculation of cost-effectiveness for the appointed entity's portfolio of services.

(D) On or before September 1, 2026, the appointed entity shall propose and the Commission shall evaluate the appropriateness of a statewide low-income energy efficiency rate for regulated fuels. The Commission may consider the technical feasibility of implementation before approving such a rate. For a distribution utility that is also an appointed entity, and has a Commission-approved discounted low-income rate, that appointed entity may elect to apply its Commission-approved discounted low-income rate criteria to the energy efficiency charge in lieu of adopting a statewide low-income energy efficiency rate.

(e) Thermal energy and process fuel efficiency funding.

(1) ~~Each of the following shall be used to deliver thermal energy and process fuel energy efficiency services in accordance with this section for unregulated fuels to Vermont consumers of such fuels. In addition, the~~ The Commission may authorize an entity appointed to deliver such services under subdivision (d)(2)(B) of this section to use monies subject to this subsection for the engineering, design, and construction of facilities for the conversion of thermal energy customers using fossil fuels to district heat if the majority of the district's energy is from biomass sources, the district's distribution system is highly energy efficient, and such conversion is cost effective.

~~(A) Net revenues above costs associated with payments from the New England Independent System Operator (ISO-NE) for capacity savings resulting from the activities of the energy efficiency utility designated under subdivision (2)(A) of this subsection (e) that are not transferred to the State PACE Reserve Fund under 24 V.S.A. § 3270(c). These revenues shall be deposited into the Electric Efficiency Fund established by this section. In delivering services with respect to heating systems using the revenues subject to this subdivision (A), the entity shall give priority to incentives for the installation of high efficiency biomass heating systems and shall have a goal of offering an incentive that is equal to 25 percent of the installed cost of such a system. Provision of an incentive under this subdivision (A) for a biomass heating system shall not be contingent on the making of other energy efficiency improvements at the property on which the system will be installed.~~

~~(B) Net revenues above costs from the sale of carbon credits under the cap and trade program established under section 255 of this title, which shall be deposited into the Electric Efficiency Fund established by this section.~~

~~(C) Any other monies that are appropriated to or deposited in the Electric Efficiency Fund for the delivery of thermal energy and process fuel energy efficiency services.~~

(2) ~~If a program combines regulated fuel efficiency services with unregulated fuel efficiency services supported by funds under this section, the Commission shall allocate the costs of the program among the funding sources for the regulated and unregulated fuel sectors in proportion to the benefits provided to each sector.~~

~~(3)~~ In this subsection:

(A) "Biomass" means organic nonfossil material constituting a source of renewable energy within the meaning of section 8002 of this title.

(B) "District heat" means a system through which steam or hot water from a central plant is piped into buildings to be used as a source of thermal energy.

(C) "Efficiency services" includes the establishment of a statewide information clearinghouse under subsection (g) of this section.

(D) "Fossil fuel" means an energy source formed in the earth's crust from decayed organic material. The common fossil fuels are petroleum, coal, and natural gas. A fossil fuel may be a regulated or unregulated fuel.

(E) "Regulated fuels" means electricity and natural gas delivered by a regulated utility.

(F) "Unregulated fuels" means fuels used by thermal energy and process fuel customers other than electricity and natural gas delivered by a regulated utility.

(f) Goals and criteria; all energy efficiency programs. With respect to all energy efficiency programs approved under this section, the Commission shall:

(1) Ensure that all retail consumers, regardless of retail electricity, gas, or heating or process fuel provider, will have an opportunity to participate in and benefit from a comprehensive set of cost-effective energy efficiency and electrification programs and initiatives designed to overcome barriers to participation.

(2) Require that continued or improved efficiencies be made in the production, delivery, and use of energy efficiency services, including the use

of compensation mechanisms for any energy efficiency entity appointed under subdivision (d)(2) of this section that are based upon verified greenhouse gas emission reductions, savings in energy usage and demand, and other performance targets specified by the Commission. The linkage between compensation and verified savings in energy usage and demand (and other performance targets) shall be reviewed and adjusted not less than triennially by the Commission.

* * *

(g) Thermal energy and process fuel efficiency programs; additional criteria. With respect to energy efficiency programs delivered under this section to thermal energy and process fuel customers, the Commission shall:

(1) Ensure that programs are delivered ~~on a whole-buildings basis~~ to help meet the State's ~~building~~ efficiency goals established by 10 V.S.A. § 581 and to reduce greenhouse gas emissions ~~from thermal energy and process fuel use in Vermont~~.

(2) ~~Require the establishment of a statewide information clearinghouse to enable effective access for customers to and effective coordination across programs. The clearinghouse shall serve as a portal for customers to access thermal energy and process fuel efficiency services and for coordination among State, regional, and local entities involved in the planning or delivery of such services, making referrals as appropriate to service providers and to entities having information on associated environmental issues such as the presence of asbestos in existing insulation.~~

~~(3) In consultation with the Agency of Natural Resources, establish annual interim goals starting in 2014 to meet the 2017 and 2020 goals for improving the energy fitness of housing stock stated in 10 V.S.A. § 581(1).~~

~~(4)~~ Ensure the monitoring of the State's progress in meeting the goals of 10 V.S.A. § 581(1). This monitoring shall be performed according to a standard methodology and on a periodic basis that is not less than annual.

* * *

* * * Clean Heat Standard * * *

Sec. 2. REPEAL

30 V.S.A. chapter 94 is repealed.

Sec. 3. 30 V.S.A. § 35 is added to read:

§ 35. HEATING FUEL SELLER REGISTRY

(a) Each entity that sells heating fuel for bulk delivery in Vermont shall register by June 30 of each year with the Department. As informed by the report required under Sec. 6 of this act, the Department shall maintain, and update annually, the list of registered entities on its website. The data collected in this registry may be used for multiple purposes including for calculations related to greenhouse gas emissions in the State; verification of fuel sales data collected by the Department of Taxes; regional and municipal energy planning; and professional development and notification purposes.

(b) The Department shall require registration information to include legal name; doing business as name, if applicable; municipality; state; types of heating fuel sold; and the monthly retail sale of gallons of heating oil, propane, kerosene, and other dyed diesel delivered in the State in the calendar year immediately preceding the calendar year in which the entity is registering with the Department, separated by type, that was purchased by the submitting entity and the name and location of the entity from which it was purchased.

(c) Each year, and not later than 30 days following the annual registration deadline, the Department shall share complete registration information of registered entities with the Agency of Natural Resources for purposes of updating the Vermont Greenhouse Gas Emissions Inventory and Forecast.

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:

* * *

(23) To the ~~Public Utility Commission and the~~ Department of Public Service, provided the disclosure relates to the fuel tax under 33 V.S.A. chapter 25 and is used for the purposes of auditing compliance with the ~~Clean Heat Standard under 30 V.S.A. chapter 94~~ heating fuel seller registry of 30 V.S.A. § 35. The Commissioner shall, at a minimum, provide the names of any new businesses selling heating fuel in any given year and the names of any businesses that are no longer selling heating fuel.

* * *

Sec. 5. 33 V.S.A. § 2504 is added to read:

§ 2504. FUEL TAX REPORT

On or before January 15 annually, the Commissioner of Taxes shall publish a report on the fuel tax collected pursuant to section 2503 of this chapter. The report shall include the aggregated data broken out by type of the volumes and types of heating fuel sold annually in Vermont, and the number of entities that paid. The provisions of 2 V.S.A. § 20(d) shall not apply to this report.

Sec. 6. REPORT; DELIVERY OF FOSSIL FUELS

On or before January 15, 2026, the Department of Public Service, after consultation with the Vermont Fuel Dealers Association, shall report to the Senate Committee on Natural Resources and Energy and the House Committee on Energy and Digital Infrastructure recommendations on the best way to collect data on heating fuel sellers and heating fuel delivery on a town-by-town basis, including the volume and types of fossil heating fuel used. The collection of this data would be to support the enhance energy planning conducted by regional planning commissions and municipalities pursuant to 24 V.S.A. § 4352.

* * * Effective Date * * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2025, except for Secs. 3 (30 V.S.A. § 35) and 4 (32 V.S.A. § 3102) which shall take effect on January 1, 2027.

(Committee vote: 4-1-0)

Reported favorably with recommendation of amendment by Senator Hardy for the Committee on Finance.

The Committee recommends that the bill be amended as recommended by the Committee on Natural Resources and Energy, with the following amendment thereto:

By striking out Sec. 1, 30 V.S.A. § 209, in its entirety and inserting in lieu thereof a new Sec. 1 and Sec. 1a and Sec. 1b to read as follows:

Sec. 1. 30 V.S.A. § 209 is amended to read:

§ 209. JURISDICTION; GENERAL SCOPE

* * *

(d) Energy efficiency and greenhouse gas emissions reduction.

(1) Programs and measures. The Department of Public Service, any entity appointed by the Commission under subdivision (2) of this subsection, all gas and electric utility companies, and the Commission upon its own motion are encouraged to propose, develop, solicit, and monitor energy

efficiency and conservation programs and measures, including electrification and appropriate combined heat and power systems that result in the conservation and efficient use of energy ~~and~~. Any programs and measures supporting efficient use of biological and fossil-based fuels shall meet the applicable air quality standards of the Agency of Natural Resources. Such programs and measures, and their implementation, may be approved by the Commission if it determines they will be beneficial ~~to~~ towards the reduction of greenhouse gas emissions and beneficial to consumers or the ratepayers of the companies after ~~such~~ notice and hearings as the Commission may require by order or by rule. The Department of Public Service shall investigate the feasibility of enhancing and expanding the efficiency programs of gas utilities and shall make any appropriate proposals to the Commission.

(2) Appointment of independent efficiency entities.

(A) Electricity and natural gas. In place of utility-specific programs developed pursuant to this section and section 218c of this title, the Commission shall, after notice and opportunity for hearing, provide for the development, implementation, and monitoring of gas and electric energy efficiency ~~and~~, conservation, and electrification programs and measures, including programs and measures delivered in multiple service territories, by one or more entities appointed by the Commission for these purposes. The Commission may include appropriate combined heat and power systems that result in the conservation and efficient use of energy and meet the applicable air quality standards of the Agency of Natural Resources. Except with regard to a transmission company, the Commission may specify that the appointment of an energy efficiency utility to deliver services within an electric utility's service territory satisfies that electric utility's corresponding obligations, in whole or in part, under section 218c of this title and under any prior orders of the Commission.

(B) Thermal energy and process-fuel customers. The Commission shall provide for the coordinated development, implementation, and monitoring of cost-effective efficiency and conservation programs to thermal energy and process-fuel customers ~~on a whole buildings basis~~ by one or more entities appointed by the Commission for this purpose.

(i) In this section, "thermal energy" means the use of fuels to control the temperature of space within buildings and to heat water. In this section, "process fuel" means fuel used in commercial and industrial production operations.

(ii) Periodically on a schedule directed by the Commission, the appointed entity or entities shall propose to the Commission a plan to

implement this subdivision (d)(2)(B). The proposed plan shall comply with subsections (e)–(g) of this section and shall be subject to the Commission's approval. The Commission shall not conduct the review of the proposed plan as a contested case under 3 V.S.A. chapter 25 but shall provide notice and an opportunity for written and oral comments to the public and affected parties and State agencies.

(C) The appointed entity may be used to support the attainment of building energy codes established pursuant to sections 51 and 53 of this title. The Commission may approve a methodology for the appointed entity to quantify energy savings achieved through code attainment, which shall be counted toward the appointed entity's quantitative savings targets.

(D) The annual revenue required to be raised by the electric efficiency charge authorized under this subsection (d) shall be equivalent to the inflation-adjusted Commission-approved electric efficiency budget in 2026.

(3) Energy efficiency charge; regulated fuels. In addition to its existing authority, the Commission may establish by order or rule a volumetric charge to customers for the support of energy efficiency programs that meet the requirements of section 218c of this title, with priority consideration given to the greenhouse gas emissions reductions and due consideration to the State's energy policy under section 202a of this title and to its energy and economic policy interests under section 218e of this title to maintain and enhance the State's economic vitality. The charge shall be known as the energy efficiency charge, shall be shown separately on each customer's bill, and shall be paid to a fund administrator appointed by the Commission and deposited into the ~~Electric~~ Efficiency Fund. When such a charge is shown, notice as to how to obtain information about energy efficiency programs approved under this section shall be provided in a manner directed by the Commission. This notice shall include, at a minimum, a toll-free telephone number, and to the extent feasible shall be on the customer's bill and near the energy efficiency charge.

(4) Supplemental funding. Programs funded under this subsection shall be solely funded by each of the following:

(A) Net revenues above costs associated with payments from the New England Independent System Operator (ISO-NE) for capacity savings resulting from the activities of the energy efficiency utility designated under subdivision (2)(A) of this subsection (d) that are not transferred to the State PACE Reserve Fund under 24 V.S.A. § 3270(c). These revenues shall be deposited into the Efficiency Fund established by this section. In delivering services with respect to heating systems using the revenues subject to this subdivision (A), the entity shall give priority to incentives for the installation

of high efficiency biomass heating systems and shall have a goal of offering an incentive that is equal to 25 percent of the installed cost of the system. Provision of an incentive under this subdivision (A) for a biomass heating system shall not be contingent on the making of other energy efficiency improvements at the property on which the system will be installed.

(B) Net revenues above costs from the sale of carbon credits under the cap and trade program established under section 255 of this title, which shall be deposited into the Efficiency Fund established by this section.

(C) Any other monies that are appropriated to or deposited in the Efficiency Fund for the delivery of thermal energy and process fuel energy efficiency services.

(D) Notwithstanding subsection (e) of this section, a retail electricity provider that is also an entity appointed under subdivision (2)(A) of this subsection (d) may use monies subject to subsection (e) of this section and any of the Supplemental Funding outlined in this subdivision (4) to deliver thermal and transportation measures or programs that reduce fossil fuel use regardless of the preexisting fuel source of the customer with special emphasis on measures or programs that take a new or innovative approach to reducing fossil fuel use, including support for staffing necessary to implement innovative building sector policies and modifying or supplementing existing vehicle incentive programs and electric vehicle supply equipment grant programs to incentivize high-consumption fuel users, especially individuals using more than 1,000 gallons of gasoline or diesel annually and those with low and moderate income, to transition to the use of battery electric vehicles. The amounts available shall include amounts annually budgeted for thermal energy and process fuel funds or from Supplemental Funding, and any carry-forward thermal energy and process fuel funds or Supplemental Funding from prior periods, on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy or transportation sector.

~~(A)~~(5) Regulated use of the Efficiency Fund. Balances in the ~~Electric~~ Efficiency Fund shall be ratepayer funds~~, shall~~ and be used to support the activities authorized in this subdivision~~, and~~ for the reduction of total energy use across all fuel sources without a requirement for proportional allocation of costs or savings for specific fuel types. Balances in the Efficiency Fund shall be carried forward and remain in the Fund at the end of each fiscal year. These monies shall not be available to meet the general obligations of the State. Interest earned shall remain in the Fund. The Commission will annually provide the General Assembly with a report detailing the revenues collected and the expenditures made for energy efficiency programs under this section. The provisions of 2 V.S.A. § 20(d)

(expiration of required reports) shall not apply to the report to be made under this subsection ~~(d)~~.

~~(B)~~(A) ~~The charge established by the Commission pursuant to this subdivision (3) shall be in an amount determined by the Commission by rule or order that is consistent with the principles of least-cost integrated planning as defined in section 218c of this title~~ The Commission shall establish an appropriate budget for the appointed entity using the Efficiency Fund. The Commission shall consider all revenue sources established under subdivisions (3) and (4) of this subsection (d) when establishing the budget. In reviewing the appointed entity's proposed plan pursuant to subdivision (2)(B)(ii) of this subsection (d), the Commission shall review and approve a budget that is consistent with principles of least-cost integrated planning as defined in section 218c of this title and demonstrates cost-effectiveness using the Commission's approved societal cost-benefit test. As circumstances and programs evolve, the ~~amount of the charge shall be reviewed~~ Commission shall review the plan for unrealized energy efficiency potential and ~~shall be adjusted~~ authorize adjustments as necessary in order to realize all reasonably available, cost-effective energy efficiency savings. In ~~setting the amount of the charge and its allocation~~ a budget for an appointed entity using the Efficiency Fund, the Commission shall ~~determine an appropriate balance among the following objectives; provided, however, that particular emphasis shall be accorded to the first four of these objectives:~~ seek to balance the other following objectives:

(i) reducing Vermont's total energy demand, consumption, and expenditures;

(ii) reducing the size of future power purchases;

(iii) reducing the generation of greenhouse gases;

(iv) equitable distribution of benefits using geographic and economic indicators;

(v) limiting the need to upgrade the State's transmission and distribution infrastructure;

(vi) minimizing the costs of electricity;

(vii) reducing Vermont's total energy demand, consumption, and expenditures;

(viii) providing efficiency and conservation as a part of a comprehensive resource supply strategy that includes implementation of electrification, and supplying energy efficiency resources into the ISO-NE forward capacity market or any future energy markets where energy efficiency

can support a reduction in cost for all ratepayers and generate revenues for Vermont ratepayers through participation;

(ix) providing the opportunity for all Vermonters to participate in efficiency and conservation programs; and

(x) targeting efficiency and conservation efforts to locations, markets, or customers where they may provide the greatest value.

~~(C)~~(B) The Commission, by rule or order, shall establish a process by which a customer who pays an average annual energy efficiency charge under this subdivision ~~(3)~~(5) of at least $5,000.00 may apply to the Commission to self-administer energy efficiency through an energy savings account or customer credit program that shall contain up to 75 percent and 90 percent, respectively of the customer's energy efficiency charge payments as determined by the Commission. The remaining portion of the charge shall be used for administrative, measurement, verification, and evaluation costs and for systemwide energy benefits. Customer energy efficiency funds may be approved for use by the Commission for one or more of the following: electric energy efficiency projects and ~~non-electric~~ nonelectric efficiency projects, which may include thermal and process fuel efficiency, flexible load management, combined heat and power systems, demand management, energy productivity, and energy storage. These funds shall not be used for the purchase or installation of new equipment capable of combusting fossil fuels. The Commission in its rules or order shall establish criteria for each program and approval of these applications, establish application and enrollment periods, establish participant requirements, and establish the methodology for evaluation, measurement, and verification for programs. The total amount of customer energy efficiency funds that can be placed into energy savings accounts or the customer credit program annually is $2,000,000.00 and $1,000,000.00 respectively.

~~(D) The Commission may authorize the use of funds raised through an energy efficiency charge on electric ratepayers to reduce the use of fossil fuels for space heating by supporting electric technologies that may increase electric consumption, such as air source or geothermal heat pumps if, after investigation, it finds that deployment of the technology:~~

~~(i) will be beneficial to electric ratepayers as a whole;~~

~~(ii) will result in cost-effective energy savings to the end-user and to the State as a whole;~~

~~(iii) will result in a net reduction in State energy consumption and greenhouse gas emissions on a life-cycle basis and will not have a detrimental~~

~~impact on the environment through other means such as release of refrigerants or disposal. In making a finding under this subdivision, the Commission shall consider the use of the technology at all times of year and any likely new electricity demand created by such use;~~

~~(iv) will be part of a comprehensive energy efficiency and conservation program that meets the requirements of subsections (d)-(g) of this section and that makes support for the technology contingent on the energy performance of the building in which the technology is to be installed. The building's energy performance shall achieve or shall be improved to achieve an energy performance level that is approved by the Commission and that is consistent with meeting or exceeding the goals of 10 V.S.A. § 581 (building efficiency);~~

~~(v) among the product models of the technology that are suitable for use in Vermont, will employ the product models that are the most efficient available;~~

~~(vi) will be promoted in conjunction with demand management strategies offered by the customer's distribution utility to address any increase in peak electric consumption that may be caused by the deployment;~~

~~(vii) will be coordinated between the energy efficiency and distribution utilities, consistent with subdivision (f)(5) of this section; and~~

~~(viii) will be supported by an appropriate allocation of funds among the funding sources described in this subsection (d) and subsection (e) of this section. In the case of measures used to increase the energy performance of a building in which the technology is to be installed, the Commission shall assume installation of the technology in the building and then determine the allocation according to the proportion of the benefits provided to the regulated fuel and unregulated fuel sectors. In this subdivision (viii), "regulated fuel" and "unregulated fuel" shall have the same meaning as under subsection (e) of this section.~~

~~(4)~~(6) Contract or order of appointment. Appointment of an entity under subdivision (2) of this subsection may be by contract or by an order of appointment. An appointment, whether by order of appointment or by contract, may only be issued after notice and opportunity for hearing. An order of appointment shall be for a limited duration not to exceed 12 years, although an entity may be reappointed by order or contract. An order of appointment may include any conditions and requirements that the Commission deems appropriate to promote the public good. For good cause, after notice and opportunity for hearing, the Commission may amend or revoke an order of appointment.

~~(5)~~(7) Appointed entity; supervision. Any entity appointed by order of appointment under subdivisions (2) and ~~(4)~~(6) of this subsection that is not an electric or gas utility already regulated under this title shall not be considered to be a company as defined under section 201 of this title but shall be subject to the provisions of sections 18–21, 30–32, 205–208~~,~~; subsection 209(a)~~,~~; sections 219~~,~~ and 221~~,~~; and subsection 231(b) of this title, to the same extent as a company as defined under section 201 of this title. The Commission and the Department of Public Service shall have jurisdiction under those sections over the entity, its directors, receivers, trustees, lessees, or other persons or companies owning or operating the entity and of all plants, equipment, and property of that entity used in or about the business carried on by it in this State as covered and included in this section. This jurisdiction shall be exercised by the Commission and the Department so far as may be necessary to enable them to perform the duties and exercise the powers conferred upon them by law. The Commission and the Department each may, when they deem the public good requires, examine the plants, equipment, and property of any entity appointed by order of appointment under subdivisions (2) and ~~(4)~~(6) of this subsection.

(8) Provision of services for customers with low and moderate income; requirements. Any appointed entity shall ensure provision of services as follows:

(A) Not less than 25 percent of the annual budget shall be targeted for residential services for customers with low to moderate income. Services shall include the provision of weatherization services and other efficiency measures for the purpose of reducing a household's total energy costs and total energy burden.

(B) Not less than 12.5 percent of the annual budget shall be targeted for small businesses and not-for-profit organizations.

(C) The cost of providing services under this subdivision (8) shall be excluded from the calculation of cost-effectiveness for the appointed entity's portfolio of services.

(D) As used in this subdivision (8), "customer with low income" means a customer with a household income of up to 80 percent of the area median income as published annually by the U.S. Department of Housing and Urban Development and "customer with moderate income" means a customer with a household income between 80 percent and 120 percent of the median income as published annually by the U.S. Department of Housing and Urban Development.

(e) Thermal energy and process fuel efficiency funding.

(1) ~~Each of the following shall be used to deliver thermal energy and process fuel energy efficiency services in accordance with this section for unregulated fuels to Vermont consumers of such fuels. In addition, the~~ The Commission may authorize an entity appointed to deliver such services under subdivision (d)(2)(B) of this section to use monies subject to this subsection for the engineering, design, and construction of facilities for the conversion of thermal energy customers using fossil fuels to district heat if the majority of the district's energy is from biomass sources, the district's distribution system is highly energy efficient, and such conversion is cost effective.

~~(A) Net revenues above costs associated with payments from the New England Independent System Operator (ISO-NE) for capacity savings resulting from the activities of the energy efficiency utility designated under subdivision (2)(A) of this subsection (e) that are not transferred to the State PACE Reserve Fund under 24 V.S.A. § 3270(c). These revenues shall be deposited into the Electric Efficiency Fund established by this section. In delivering services with respect to heating systems using the revenues subject to this subdivision (A), the entity shall give priority to incentives for the installation of high efficiency biomass heating systems and shall have a goal of offering an incentive that is equal to 25 percent of the installed cost of such a system. Provision of an incentive under this subdivision (A) for a biomass heating system shall not be contingent on the making of other energy efficiency improvements at the property on which the system will be installed.~~

~~(B) Net revenues above costs from the sale of carbon credits under the cap and trade program established under section 255 of this title, which shall be deposited into the Electric Efficiency Fund established by this section.~~

~~(C) Any other monies that are appropriated to or deposited in the Electric Efficiency Fund for the delivery of thermal energy and process fuel energy efficiency services.~~

(2) ~~If a program combines regulated fuel efficiency services with unregulated fuel efficiency services supported by funds under this section, the Commission shall allocate the costs of the program among the funding sources for the regulated and unregulated fuel sectors in proportion to the benefits provided to each sector.~~

~~(3)~~ In this subsection:

(A) "Biomass" means organic nonfossil material constituting a source of renewable energy within the meaning of section 8002 of this title.

(B) "District heat" means a system through which steam or hot water from a central plant is piped into buildings to be used as a source of thermal energy.

(C) "Efficiency services" includes the establishment of a statewide information clearinghouse under subsection (g) of this section.

(D) "Fossil fuel" means an energy source formed in the earth's crust from decayed organic material. The common fossil fuels are petroleum, coal, and natural gas. A fossil fuel may be a regulated or unregulated fuel.

(E) "Regulated fuels" means electricity and natural gas delivered by a regulated utility.

(F) "Unregulated fuels" means fuels used by thermal energy and process fuel customers other than electricity and natural gas delivered by a regulated utility.

(f) Goals and criteria; all energy efficiency programs. With respect to all energy efficiency programs approved under this section, the Commission shall:

(1) Ensure that all retail consumers, regardless of retail electricity, gas, or heating or process fuel provider, will have an opportunity to participate in and benefit from a comprehensive set of cost-effective energy efficiency and electrification programs and initiatives designed to overcome barriers to participation.

(2) Require that continued or improved efficiencies be made in the production, delivery, and use of energy efficiency services, including the use of compensation mechanisms for any energy efficiency entity appointed under subdivision (d)(2) of this section that are based upon verified greenhouse gas emission reductions, savings in energy usage and demand, and other performance targets specified by the Commission. The linkage between compensation and verified savings in energy usage and demand (and other performance targets) shall be reviewed and adjusted not less than triennially by the Commission.

* * *

(g) Thermal energy and process fuel efficiency programs; additional criteria. With respect to energy efficiency programs delivered under this section to thermal energy and process fuel customers, the Commission shall:

(1) Ensure that programs are delivered ~~on a whole-buildings basis~~ to help meet the State's ~~building~~ efficiency goals established by 10 V.S.A. § 581 and to reduce greenhouse gas emissions ~~from thermal energy and process fuel use in Vermont~~.

(2) ~~Require the establishment of a statewide information clearinghouse to enable effective access for customers to and effective coordination across programs. The clearinghouse shall serve as a portal for customers to access thermal energy and process fuel efficiency services and for coordination among State, regional, and local entities involved in the planning or delivery of such services, making referrals as appropriate to service providers and to entities having information on associated environmental issues such as the presence of asbestos in existing insulation.~~

~~(3) In consultation with the Agency of Natural Resources, establish annual interim goals starting in 2014 to meet the 2017 and 2020 goals for improving the energy fitness of housing stock stated in 10 V.S.A. § 581(1).~~

~~(4)~~ Ensure the monitoring of the State's progress in meeting the goals of 10 V.S.A. § 581(1). This monitoring shall be performed according to a standard methodology and on a periodic basis that is not less than annual.

* * *

Sec. 1a. LOW-INCOME EFFICIENCY RATE

On or before September 1, 2026, the appointed entity shall propose, and the Commission shall evaluate the appropriateness of, a statewide low-income energy efficiency rate for regulated fuels. The Commission may consider the technical feasibility of implementation before approving such a rate. However, if a rate is approved, a distribution utility that is also an appointed entity, and has a Commission-approved discounted low-income rate, that appointed entity may elect to apply its Commission-approved discounted low-income rate criteria to the energy efficiency charge in lieu of adopting a statewide low-income energy efficiency rate.

Sec. 1b. ENERGY EFFICIENCY MODERNIZATION STUDY

On or before April 30, 2026, the Public Utility Commission as part of its report due under 2020 Acts and Resolves No. 151, shall make recommendations, based on the results of the pilot program under that act, on how to best achieve least cost integrated planning and greenhouse gas emissions reductions from both the thermal and electric sectors.

(Committee vote: 5-2-0)

CONCURRENT RESOLUTIONS FOR ACTION

Concurrent Resolutions For Action Under Joint Rule 16

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless

a Senator requests floor consideration before the end of the session. Requests for floor consideration should be communicated to the Secretary's Office.

H.C.R. 53-62 (For text of Resolutions, see Addendum to Senate Calendar of March 20, 2025)

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore,* for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission, underlined below, shall be fully and separately acted upon.

Andrew Collier of Westford - Commissioner of the Department of Motor Vehicles - By Senator Brennan for the Committee on Transportation (February 19, 2025)

Anson Tebbetts of Cabot - Secretary of Agriculture - By Senator Collamore for the Committee on Agriculture (March 13, 2025)

William Shouldice, IV of Stowe - Commissioner of the Department of Tax - By Senator Cummings for the Committee on Finance (March 19, 2025)

David Snedeker of St. Johnsbury - Member of the State Infrastructure Bank Board - By Senator. Beck for the Committee on Finance (March 19, 2025)

Ted Foster of Vergennes - Member of the Vermont Economic Development Authority - By Senator Hardy for the Committee on Finance (March 19, 2025)

Adam Greshin of Warren - Commissioner of Finance - By Senator Clarkson for the Committee on Government Operations (March 20, 2025)

Kyle Harris of Roxbury - Member of the Cannabis Control Board - By Senator Vyhovsky for the Committee on Government Operations (March 21, 2025)

Sarah Clark of Waterbury Center - Secretary of the Agency of Administration, for a term from and including November 17, 2024 to and including February 28, 2025, - By Senator Collamore for the Committee on Government Operations (March 21, 2025)

Sarah Clark of Waterbury Center - Secretary of the Agency of Administration, for a term from and including March 1, 2025 to and including February 28, 2027 - By Senator Collamore for the Committee on Government Operations (March 21, 2025)

FOR INFORMATION ONLY

CROSSOVER DATES

The Joint Rules Committee established the following crossover deadlines:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 14, 2025**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by **Friday, March 14, 2025**.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 21, 2025**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

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)